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# PUBLIC COMMENTS

2024

- No comments year-to-date that meet CRA criteria.

2023

- No comments that met CRA criteria.

2022

- No comments that met CRA criteria.

Please contact CRA Officer for more information on public comments.

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479-846-4000

# CRA Performance Evaluation

Please see CRA Performance Evaluation completed by the OCC beginning on the next page.



## **PUBLIC DISCLOSURE**

February 6, 2023

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Priority Bank  
**Charter Number 711025**

3401 East Mission Boulevard  
Fayetteville, Arkansas 72703

Office of the Comptroller of the Currency  
Tulsa Office  
8282 S. Memorial Drive, Suite 300  
Tulsa, Oklahoma 74133

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

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

**The lending test is rated: Satisfactory.**

The major factors that support this rating include:

- The loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, market focus, competition, and lending opportunities in the assessment area (AA).
- The bank exhibits a reasonable geographic distribution of loans in moderate-income census tracts (CTs).
- The bank exhibits reasonable distribution of loans to individuals of different income levels.
- The bank did not receive any CRA-related complaints during the evaluation period.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is more than reasonable.

Priority Bank's (bank) quarterly LTD ratio since the previous CRA performance evaluation (PE) averaged 125.92 percent. The bank's LTD ratio had a high average of 140.73 percent in the fourth quarter of 2019 and low average of 102.09 percent in fourth quarter 2021. We compared the bank's LTD ratio to four similarly situated banks (peer group banks) in their market area and a nearby county ranging in total asset sizes of \$98 million to \$262 million. The aggregate average LTD ratio for competing banks was 80.84 percent, with a low average of 50.67 percent and a high average of 96.97 percent.

### Lending in Assessment Areas

A majority of the bank's loans are inside its AAs.

The bank originated 80 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Table D - Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018	439	77.0	131	23.0	570	69,704	74.1	24,416	25.9	94,120
2019-2021	1,559	81.0	365	19.0	1,924	298,064	79.1	78,882	20.9	376,946
<b>Subtotal</b>	<b>1,998</b>	<b>80.1</b>	<b>496</b>	<b>19.9</b>	<b>2,494</b>	<b>367,768</b>	<b>78.1</b>	<b>103,298</b>	<b>21.9</b>	<b>471,066</b>
<b>Total</b>	<b>1,998</b>	<b>80.1</b>	<b>496</b>	<b>19.9</b>	<b>2,494</b>	<b>367,768</b>	<b>78.1</b>	<b>103,298</b>	<b>21.9</b>	<b>471,066</b>
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

Priority Bank is a single-state federally chartered stock thrift headquartered in Fayetteville, Arkansas. The bank is a subsidiary of Priority One Holding Company a single thrift holding company headquartered at the main bank address. As of December 31, 2021, Priority Bank reported total assets of \$96 million, loans of \$76 million (79 percent of total assets), and tier 1 capital of \$20 million. The bank's loan portfolio comprises 78 percent in 1-4 family residential loans, 16 percent in commercial loans, three percent in farm loans, and three percent in other loans. The bank's primary focus remains centered in 1-4 family residential mortgage loans. In January 2022, the U.S. Department of the Treasury's Community Development Financial Institution (CDFI) Fund certified Priority Bank as a CDFI.

Priority Bank has designated two AAs comprising of three complete counties in the state of Arkansas. The adjacent Washington and Benton Counties, which are located in the Fayetteville-Springdale-Rogers, Arkansas metropolitan statistical area (MSA) and Franklin County, which is located in the Fort Smith, Arkansas MSA. The main banking facility, located at 3401 East Mission Boulevard, Fayetteville, Arkansas is in an upper-income CT within Washington County. Priority Bank has two full-service branch locations with Automated Teller Machines in middle-income CTs within Washington County and Franklin County. The bank offers reasonable branch lobby hours Monday through Friday, with extended drive-thru hours at its Prairie Grove branch also located in Washington County. Benton County is north and adjacent to Washington County and included within the bank's AAs. There is strong competition for banking services to meet the credit and deposit needs of the AAs. Priority Bank offers a diverse line of loan and deposit products, including savings and checking accounts and an internet banking product that provides customers with deposit, transfer, and bill payment opportunities when a bank facility is not convenient.

Priority Bank's primary focus is 1-4 family rural residential mortgage lending while also adding commercial banking. Serving the needs of customers in rural communities is a main strategic goal of the bank. The 1-4 family rural residential lending will continue to be both in house and through its secondary mortgage department. Priority Bank has been successful providing rural communities an opportunity to obtain residential mortgage loans. The bank strives to work with its customers to find lending programs that fit their housing needs. Commercial banking will focus on small business lending. The bank will be adding new deposit products to increase its customer base which will provide Priority Bank with the opportunity to increase local deposits, increase 1-4 family residential mortgage lending, and increase small



family-owned business and consumer lending in Ozark, Fayetteville, and Prairie Grove, Arkansas. There were no new branch openings or closings during the evaluation period.

There are no known legal, financial, or other factors impeding the bank's ability to meet the credit needs in its AAs. The bank received an overall rating of "Satisfactory" at the previous CRA evaluation dated September 24, 2018.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We completed a full-scope review of Priority Bank's CRA activities in its AAs under the Small Bank CRA procedures, which includes the Lending Test. The Lending Test evaluates the bank's record of meeting the credit needs of the bank's AAs through its lending activities.

The OCC compared bank loan data for all applicable years to demographic data using the U.S. 2015 Census American Community Survey (ACS), Federal Financial Institutions Examination Council adjusted median family income, and 2018 and 2020 peer mortgage loan data reported under the Home Mortgage Disclosure Act (HMDA). The bank's 2018 loan data was compared to year 2018 peer HMDA data and years 2019-2021 loan data was compared to year 2021 peer data.

Conclusions regarding the lending performance are based on 1-4 family residential real estate loans originated for the period January 1, 2018 through December 31, 2021. In evaluating the income level of geography and income level of borrower criteria under the Lending Test, year 2018 was evaluated separately from years 2019-2021 due to changes in recent updates to HMDA data in year 2021.

### **Data Integrity**

We performed a HMDA Data Integrity review in fourth quarter 2022 prior to the CRA evaluation to assess the reliability of loan data subject to the HMDA reporting requirements. We performed transaction testing of residential real estate loans reported on the HMDA Loan Application Register. We found data for all years to be reliable. As a result, we relied on filed HMDA data for this CRA evaluation to assess Priority Bank's lending performance.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Priority Bank's AAs includes all three CTs in Franklin County and the combined 81 CTs in the adjacent Washington and Benton Counties. The bank serves its AAs through various facilities located in both Franklin and Washington counties. There are no limited scope review areas.

## **Ratings**

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. As previously mentioned, we will evaluate year 2018 and combined years 2019-2021 in the lending test analysis. Due to the low number of low-income CTs, we will place more weight on the bank's performance in moderate-income CTs.

The state rating is based on performance in the bank's AAs. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

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

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

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

## **State Rating**

### **State of Arkansas**

**CRA rating for the State of Arkansas: Satisfactory**

**The Lending Test is rated: Satisfactory**

The major factors that support this rating include:

- The geographic distribution of loans reflects reasonable distribution throughout the AAs.
- The distribution of loans to individuals of different income levels is reasonable.

### **Description of Institution's Operations in Arkansas**

Priority Bank has two AAs, the Washington/Benton County AA and the Franklin County AA in the state of Arkansas, which meets the requirements of the regulation, and does not arbitrarily exclude low- and moderate-income geographies.

The bank's AAs consists of 84 CTs, which includes Franklin County and the adjacent Benton and Washington counties. The AAs consists of two low-income CTs (2 percent), fifteen moderate-income CTs (18 percent), forty-two middle-income CTs (50 percent), and twenty-five upper-income CTs (30 percent). One low-income CT is in Benton County and the other is in Washington County. Four moderate-income CTs are in Benton County and eleven are in Washington County.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Combined</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	84	2.4	17.9	50.0	29.8	0.0
Population by Geography	472,496	2.5	19.5	46.5	31.5	0.0
Housing Units by Geography	193,744	2.9	18.7	46.3	32.0	0.0
Owner-Occupied Units by Geography	106,872	0.6	14.8	48.6	36.0	0.0
Occupied Rental Units by Geography	67,304	6.6	25.8	41.2	26.5	0.0
Vacant Units by Geography	19,568	2.9	16.1	51.9	29.2	0.0
Businesses by Geography	30,640	1.8	16.3	46.1	35.8	0.0
Farms by Geography	1,083	1.2	14.0	53.6	31.1	0.0
Family Distribution by Income Level	119,183	19.6	18.1	20.2	42.1	0.0
Household Distribution by Income Level	174,176	22.4	16.4	18.4	42.8	0.0
Median Family Income MSA - 22220 Fayetteville-Springdale-Rogers, AR MSA	\$60,876	Median Housing Value				\$154,605
Median Family Income MSA - 22900 Fort Smith, AR-OK MSA	\$48,258	Median Gross Rent				\$751
		Families Below Poverty Level				11.2%
<i>Source: 2015 ACS and 2020 D&amp;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.</i>						

Competition to provide banking services and meet the credit and deposits needs in the AAs is strong. According to the December 31, 2021 Federal Deposit Insurance Corporation (FDIC) deposit market share report for the state of Arkansas, the bank has \$32 million in deposits with a deposit share of 0.21 percent making it the 29<sup>th</sup> deposit holder out of 36 banks in the Benton/Washington County AA. In the Franklin County AA, the bank ranks as the 4<sup>th</sup> deposit holder out of 6 banks.

The table above summarize the demographic characteristics of the combined CTs that make up the AAs. The table shows the demographic characteristics of the AAs according to the 2015 ACS and 2020 Dun and Bradstreet data. Comparison of the two census periods indicates little to no change in the level of population, median housing values, or the poverty level. The number of businesses by geographies increased by 21 percent.

### **Community Contact**

The OCC relied on two community contacts within the AAs to gain a better understanding of the general community credit and development needs, as well as local economic conditions. The two community

contacts included organizations representing a housing organization and a state planning and development entity. One of the community contacts stated Northwest Arkansas continues to experience economic growth and economic conditions are similar to nationwide trends. Walmart Inc., headquartered in Benton County, is identified as the largest employer in the area. Benton County is adjacent to Washington County and combined, offer the other largest employers including Simmons Foods, Tyson Foods, the University of Arkansas, and J.B. Hunt Transport. The other community contact stated that while housing construction is expanding in some suburbs, it does not represent affordable housing for low- and moderate-income individuals. One contact stated that financial education such as budgeting and credit counseling programs are needed in the area. Additional needs also include business loans for start-ups and affordable housing for those receiving public assistance income.

The contacts stated that area banks do a good job working with the community and financial services are available to all residents. Community contacts agree that there continue to be ample opportunities for financial institution involvement with the community and that banks are meeting the needs of their communities. The community contacts were not aware of any fair lending complaints, credit administration issues, or discriminatory practices by any of the financial institutions in the AAs.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF ARKANSAS**

### **LENDING TEST**

The bank's performance under the Lending Test in the state of Arkansas is rated Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on a full-scope review, the bank's lending performance in the state of Arkansas is reasonable.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits reasonable geographic distribution of loans in the AAs.

#### ***Home Mortgage Loans***

Refer to table O in the state of Arkansas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

In the low-income CT, the bank's performance is adequate when considering the low or no number of CTs.

### **Washington/Benton County AA**

Overall, the bank's geographic distribution of home mortgage is reasonable.

### **2018**

The bank did not originate any home mortgage loans in low-income geographies in proportion to 0.4 percent of owner-occupied housing units and aggregate distribution. Based on the low volume of owner-occupied units in low-income geographies, the bank's performance is considered reasonable.

The distribution of home mortgage loans to moderate-income geographies in Washington/Benton Counties is excellent. The percentage of loans in moderate-income geographies was near to the percentage of owner-occupied housing units and exceeds the aggregate distribution.

**2019-2021**

The distribution of home mortgage loans to low-income geographies is lower than both the percentage of owner-occupied housing units and aggregate distributions in a market where both percentage of owner-occupied housing units and aggregate distribution is less than one percent which is reasonable performance.

The distribution of home mortgage loans to moderate-income geographies in Washington/Benton Counties is reasonable. The percentage of loans in moderate-income geographies is lower than the percentage of owner-occupied housing units and is somewhat lower than the aggregate distribution.

**Franklin County AA**

There are no low- or moderate-income CTs in Franklin County.

**Distribution of Loans by Income Level of the Borrower**

The bank exhibits reasonable distribution of loans to individuals of different income levels given the product lines offered by the bank.

***Home Mortgage Loans***

Refer to table P in the state of Arkansas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

**Washington/Benton County AA**

Overall, the bank's distribution of loans to individuals of different income levels is reasonable.

**2018**

The distribution of home mortgage loans to low-income borrowers in Washington/Benton Counties is reasonable. The percentage of loans is lower than the percentage of low-income families and exceeds the aggregate distribution.

The distribution of home mortgage loans to moderate-income borrowers in Washington/Benton Counties is excellent. The percentage of loans exceeds both the percentage of moderate-income families and the aggregate distribution.

**2019-2021**

The distribution of home mortgages to low-income borrowers in Washington/Benton Counties is reasonable. The percentage of loans was lower than the percentage of low-income families and exceeds the aggregate distribution.

The distribution of home mortgages to moderate-income borrowers in Washington/Benton Counties is excellent. The percentage of loans exceeds both the percentage of moderate-income families and the aggregate distribution.

## **Franklin County AA**

Overall, the bank's distribution of loans to individuals of different income levels is reasonable.

### **2018**

The distribution of home mortgage loans to low-income borrowers in Franklin County is reasonable. The percentage of loans is lower than the percentage of low-income families and is somewhat lower than the aggregate distribution.

The distribution of home mortgage loans to moderate-income borrowers in Franklin County is excellent. The percentage of loans exceeds both the percentage of moderate-income families and the aggregate distribution.

### **2019-2021**

The distribution of home mortgages to low-income borrowers in Franklin County is reasonable. The percentage of loans was lower than the percentage of low-income families and exceeds the aggregate distribution.

The distribution of home mortgages to moderate-income borrowers in Franklin County is excellent. The percentage of loans exceeds both the percentage of moderate-income families and the aggregate distribution.

## **Responses to Complaints**

Priority Bank did not receive any CRA-related complaints during the evaluation period.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed:</b>	01/01/2018 to 12/31/2021	
<b>Bank Products Reviewed:</b>	Home Mortgage	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
Arkansas		
MSA	Full Scope	Washington, Benton, and Franklin Counties

## Appendix B: Summary of MMSA and State Ratings

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<b>RATINGS – Priority Bank</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating</b>	<b>CD Test Rating</b>	<b>Overall Bank Rating</b>
Priority Bank	Satisfactory	NA	Satisfactory
<b>State:</b>			
Arkansas	Satisfactory	NA	Satisfactory



## Appendix C: Definitions and Common Abbreviations

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

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

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

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

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

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

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

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

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

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

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

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

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

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

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

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

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

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

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

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

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

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

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2018</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Washington/Benton Counties 2018	414	66,895	94.3	19,703	0.4	0.0	0.4	13.0	11.1	10.7	47.2	48.1	43.0	39.5	40.8	45.9	0.0	0.0	0.0
Franklin County 2018	25	2,809	5.7	371	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>439</b>	<b>69,704</b>	<b>100.0</b>	<b>20,074</b>	<b>0.4</b>	<b>0.0</b>	<b>0.4</b>	<b>12.4</b>	<b>10.5</b>	<b>10.5</b>	<b>49.5</b>	<b>51.0</b>	<b>44.1</b>	<b>37.7</b>	<b>38.5</b>	<b>45.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2019-21</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Washington/Benton Counties 2019-2021	1,450	283,727	93.0	34,106	0.7	0.1	0.5	15.4	7.8	10.7	46.2	49.7	41.6	37.7	42.4	47.3	0.0	0.0	0.0		
Franklin County 2019-2021	109	14,337	7.0	543	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Total</b>	<b>1,559</b>	<b>298,064</b>	<b>100.0</b>	<b>34,649</b>	<b>0.6</b>	<b>0.1</b>	<b>0.5</b>	<b>14.8</b>	<b>7.2</b>	<b>10.5</b>	<b>48.6</b>	<b>53.2</b>	<b>42.5</b>	<b>36.0</b>	<b>39.4</b>	<b>46.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2018</b>
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>		
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>
Washington/Benton Counties 2018	414	66,895	94.3	19,703	19.5	6.3	6.2	18.2	25.6	14.9	20.2	34.5	19.3	42.0	33.1	41.8	0.0	0.5	17.9
Franklin County 2018	25	2,809	5.7	371	20.4	4.0	6.2	16.6	24.0	13.7	19.5	20.0	18.6	43.5	52.0	42.6	0.0	0.0	18.9
<b>Total</b>	<b>439</b>	<b>69,704</b>	<b>100.0</b>	<b>20,074</b>	<b>19.6</b>	<b>6.2</b>	<b>6.2</b>	<b>18.1</b>	<b>25.5</b>	<b>14.9</b>	<b>20.2</b>	<b>33.7</b>	<b>19.3</b>	<b>42.1</b>	<b>34.2</b>	<b>41.8</b>	<b>0.0</b>	<b>0.5</b>	<b>17.9</b>
<i>Source: 2015 ACS; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																			

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

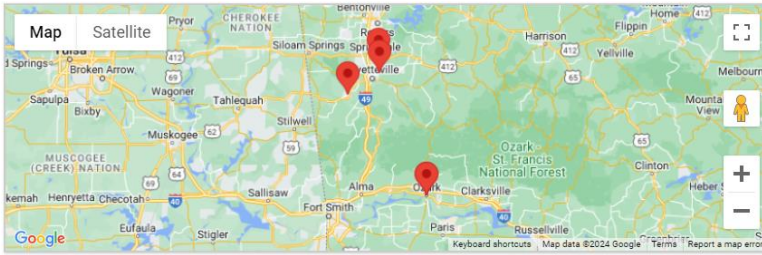


<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2019-2021</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Washington/Benton Counties 2019-2021	1,450	283,727	93.0	34,106	19.5	5.6	5.2	18.2	26.2	13.2	20.2	26.4	17.7	42.0	40.8	41.8	0.0	1.0	22.0		
Franklin County 2019-2021	109	14,337	7.0	543	20.4	6.4	5.0	16.6	20.2	14.7	19.5	27.5	20.3	43.5	45.9	34.3	0.0	0.0	25.8		
<b>Total</b>	<b>1,559</b>	<b>298,064</b>	<b>100.0</b>	<b>34,649</b>	<b>19.6</b>	<b>5.6</b>	<b>5.2</b>	<b>18.1</b>	<b>25.8</b>	<b>13.2</b>	<b>20.2</b>	<b>26.5</b>	<b>17.7</b>	<b>42.1</b>	<b>41.1</b>	<b>41.7</b>	<b>0.0</b>	<b>1.0</b>	<b>22.1</b>		

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

# Listing of Branches



## ▼ Prairie Grove Branch Mortgage Lending 🏠 ATM ✓ Map 📍



703 E Douglas St.  
Prairie Grove, AR 72753  
[See Location Details](#)  
[Get Directions](#)

**Phone** 479-846-4000  
**Fax** 479-846-4010

**Lobby Hours**  
Mon–Fri 8:00am - 5:00pm

**Drive Through Hours**  
Mon–Thurs 8:00am - 5:00pm  
Fri 8:00am - 6:00pm

## ▼ NWA Branch – Fayetteville Mortgage Lending 🏠 Map 📍



3401 E Mission Blvd.  
Fayetteville, AR 72703  
[See Location Details](#)  
[Get Directions](#)

**Phone** 479-587-1122  
**Fax** 479-587-1123

**Lobby Hours**  
Mon–Fri 8:00am - 5:00pm

**Drive Through Hours**  
Mon–Fri 8:00am - 5:00pm

## ▼ Ozark Branch ATM ✓ Map 📍



400 W Commercial St.  
Ozark, AR 72949  
[See Location Details](#)  
[Get Directions](#)


**Phone** 479-667-4136  
**Fax** 479-667-4062

**Lobby Hours**  
Mon–Fri 8:00am - 5:00pm

**Drive Through Hours**  
Mon–Fri 8:00am - 5:00pm

## Listing of Branches cont.

▼ Ozark Mortgage Lending
Map



401 W College St.  
Ozark, AR 72949  
[See Location Details](#)  
[Get Directions](#)

**Phone** 866-226-1464  
**Fax** 479-667-9818

**Lobby Hours**  
Mon-Fri 8:30am - 5:00pm

▼ Fayetteville Mortgage Lending
Map

5374 N. Crossover Rd  
Fayetteville, AR 72764  
[See Location Details](#)  
[Get Directions](#)

**Lobby Hours**  
Mon-Fri 8:00am - 5:00pm

Location	Address	MSA/MD Code	State Code	County Code	Tract Code
Fayetteville Branch	3401 E Mission Blvd, Fayetteville, Arkansas, 72703	22220	05	143	0101.13
Fayetteville MLD	5374 N Crossover Rd, Fayetteville, Arkansas, 72764	22220	05	143	0103.05
Ozark Branch	400 W Commercial St, Ozark, Arkansas, 72949	NA	05	047	9502
Ozark MLD	401 W Commercial St, Ozark, Arkansas, 72949	NA	05	047	9502
Prairie Grove Branch	703 E Douglas St, Prairie Grove, AR 72753	22220	05	143	0110.05

# Listing of Opened and Closed Branches

2024

- No opened or closed branches YTD.

2023

- No opened or closed branches.

2022

- No opened or closed branches.

# Products and Services Offered

## Free Kasasa Cash Checking

- Free checking that pays high interest
  - Unlimited refunds on ATM withdrawal fees, nationwide\*
  - No minimum balance to earn rewards
- 

## Free Kasasa Cash Back Checking

- Free checking that pays you back
  - Unlimited refunds on ATM withdrawal fees, nationwide\*
  - No minimum balance to earn rewards
- 

## Free Kasasa Tunes Checking

- Free checking that pays you to shop online
  - Unlimited refunds on ATM withdrawal fees, nationwide\*
  - No minimum balance to earn rewards
- 

## Demand Deposit Checking

- Simplified checking solution
  - Waive the \$8 monthly service charge with a \$500 minimum balance
  - Unlimited check writing
- 

## NOW Account

- Earn interest on balances of \$2,500 or more
  - Waive the \$8 monthly service charge with a \$1,000 minimum balance
  - Unlimited check writing
- 

## Priority Account

- Tiered interest rewards larger balances with higher rates
- Waive the \$10 monthly service charge with a \$10,000 minimum balance
- Unlimited check writing

# Products and Services Offered

## Free Kasasa Saver

- Free account that builds your savings effortlessly
  - Links to free Kasasa Cash® or Kasasa Cash Back® checking
  - Automatic transfers of Kasasa Cash or Kasasa Cash Back earnings
- 

## Savings Account

- Simplified saving solution
  - Competitive interest on entire balance
  - Waive the \$5 monthly service charge with a \$10 minimum balance
- 

## Youth Savings Account

- Available to young savers up to 18 years old
  - Competitive interest on entire balance
  - No monthly service charge
- 

## Money Market Account

- Competitive, tiered rates
  - Higher balances earn higher rates
  - Enjoy enhanced access to funds, including direct check writing
- 

## Certificates of Deposit (CDs)

- Fixed rates, higher than regular savings
- Receive higher rates by selecting a longer term
- Provides more guarantee than other investments

# Products and Services Offered

## Simple Business Checking

- Ideal for businesses with smaller transaction volumes
  - Maintain minimum balance to avoid low monthly service charge
  - \$100 minimum deposit to open
- 

## Business Savings Account

- Competitive interest on entire balance
  - No monthly service charge
  - No minimum balance requirements
- 

## Business Money Market Account

- Competitive, tiered rates
  - Higher balances earn higher rates
  - Enjoy enhanced access to funds, including direct check writing
- 

## Business Certificates of Deposit (CDs)

- Fixed rates, higher than regular savings
- Receive higher rates by selecting a longer term
- Provides more guarantee than other investments

# Products and Services Offered

## Credit Cards

- Three credit cards to choose from to fit your needs
  - Earn points, cash back, or enjoy low interest
  - Fraud monitoring and zero liability for unauthorized transactions
- 

## Home Mortgage Loans

- Competitively low rates for home purchase, refinance, or construction
  - Several financing programs available
  - Helpful loan advisors with working knowledge of the local real estate market
- 

## Auto Loans

- Competitively low, fixed rates on new or used vehicles
  - Pre-approval available for extra bargaining power at the dealership
  - Refinance your current vehicle to potentially lower your rate
- 

## Personal Loans

- Competitive rates for a wide variety of personal needs
- Repayment terms customized to fit your unique needs
- Attentive, friendly service from start to finish



# Products and Services Offered

## Commercial Real Estate Loans

- Competitive rates for the purchase, refinance, or construction of commercial properties
  - Available for owner-occupied or investment properties
  - Lending professionals with working knowledge of the local real estate market
- 

## Small Business Loans

- Competitive rates for a wide range of business expenses
  - Repayment terms customized to fit your business's unique needs
  - Detailed, attentive service from start to finish
- 

## Business Lines of Credit

- Competitive rates for a variety of long-term or seasonal business needs
  - Funds available right when you need them
  - Only pay interest on the amount you spend
- 

## Agriculture Loans

- Competitive rates for a wide range of agribusiness-related needs
- Lenders experienced in local agricultural standards
- Detailed, attentive service from start to finish

## Assessment Area

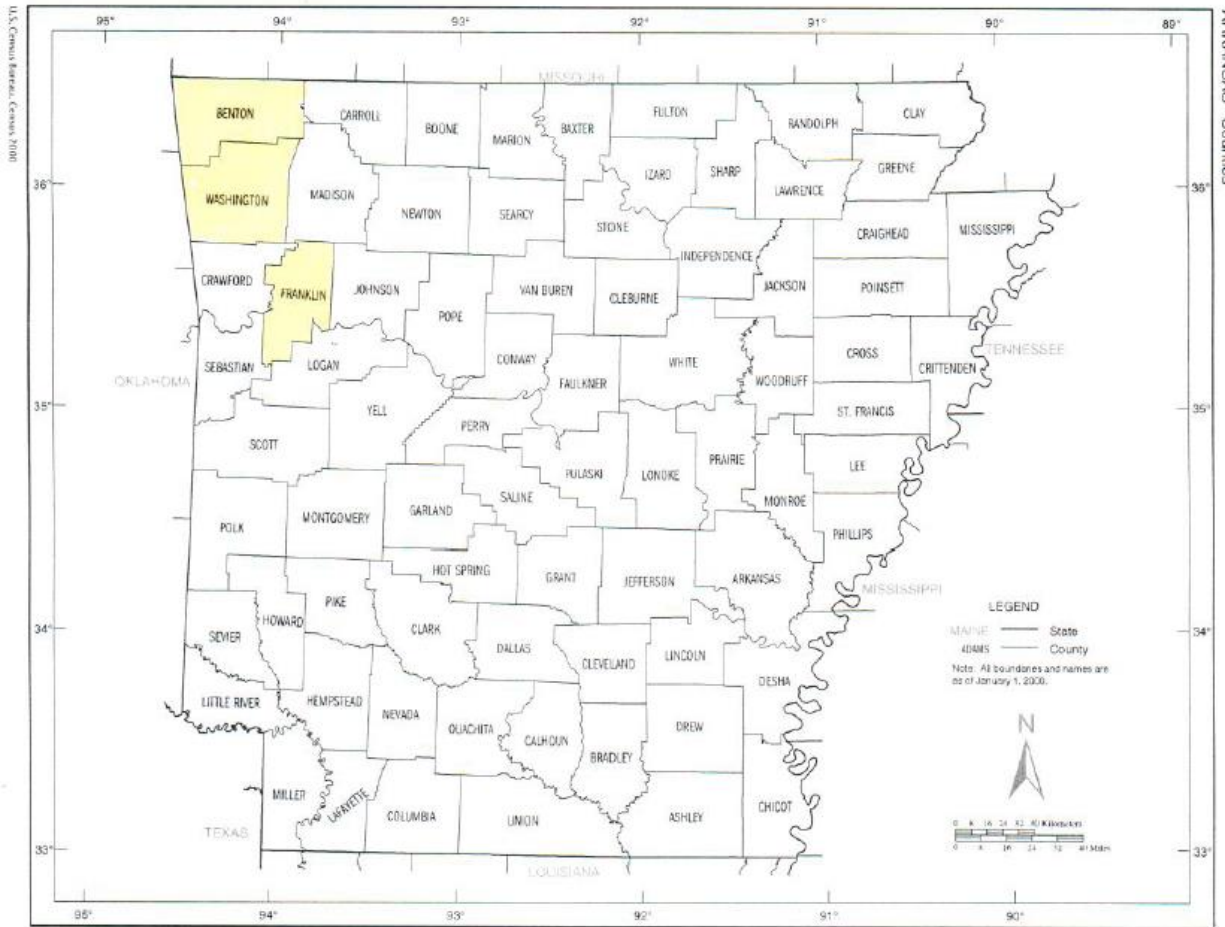
Census Tracts in Benton County					
Tract Code	Tract Income Level	Tract Code	Tract Income Level	Tract Code	Tract Income Level
0201.02	Upper	0206.06	Upper	0212.02	Moderate
0201.03	Middle	0206.07	Upper	0213.04	Upper
0201.04	Middle	0206.08	Upper	0213.05	Middle
0202.01	Middle	0207.01	Upper	0213.06	Upper
0202.03	Middle	0207.03	Upper	0213.08	Upper
0202.05	Moderate	0207.04	Middle	0213.12	Moderate
0202.06	Moderate	0208.01	Upper	0213.13	Middle
0203.01	Moderate	0208.03	Middle	0213.14	Middle
0203.02	Middle	0208.05	Middle	0213.15	Upper
0203.04	Middle	0208.06	Upper	0213.16	Upper
0203.05	Middle	0209.03	Middle	0213.17	Upper
0204.01	Middle	0209.04	Upper	0214.04	Middle
0204.02	Middle	0209.05	Middle	0214.05	Middle
0204.04	Middle	0209.06	Upper	0214.06	Middle
0204.05	Upper	0210.01	Moderate	0214.07	Upper
0205.01	Upper	0210.03	Middle	0214.08	Moderate
0205.03	Middle	0210.04	Middle	0214.09	Middle
0205.04	Moderate	0211.01	Moderate		
0206.04	Upper	0211.02	Middle		

Census Tracts in Franklin County	
Tract Code	Tract Income Level
9501.00	Middle
9502.01	Upper
9502.02	Moderate
9503.01	Middle
9503.02	Middle
9999.99	Middle

## Assessment Area Cont.

Census Tracts in Washington County							
Tract Code	Tract Income Level		Tract Code	Tract Income Level		Tract Code	Tract Income Level
0101.01	Middle		0104.05	Middle		0107.06	Upper
0101.07	Upper		0105.01	Middle		0110.02	Moderate
0101.08	Upper		0105.08	Middle		0110.03	Middle
0101.09	Middle		0105.10	Middle		0110.04	Moderate
0101.10	Middle		0105.11	Middle		0110.05	Middle
0101.11	Middle		0105.12	Moderate		0110.06	Middle
0101.12	Middle		0105.13	Moderate		0111.03	Middle
0101.13	Upper		0105.14	Middle		0111.04	Moderate
0101.14	Moderate		0105.15	Upper		0111.05	Moderate
0101.15	Upper		0105.16	Middle		0111.06	Middle
0102.01	Moderate		0105.17	Middle		0111.07	Middle
0102.02	Moderate		0105.18	Upper		0112.00	Moderate
0103.03	Middle		0105.19	Middle		0113.01	Low
0103.04	Low		0105.20	Middle		0113.02	Unknown
0103.05	Middle		0105.21	Middle			
0103.06	Moderate		0106.01	Moderate			
0103.07	Low		0106.02	Low			
0104.01	Moderate		0107.03	Low			
0104.02	Moderate		0107.04	Low			
0104.04	Low		0107.05	Moderate			

# Assessment Area Cont.



## Loan to Deposit Ratio

Quarter Ending	Ratio
3/31/2022	103.49
6/30/2022	105.19
9/30/2022	104.97
12/31/2022	124.95
3/31/2023	101.03
6/30/2023	99.95
9/30/2023	105.2
12/31/2023	92.72

# HMDA Disclosure

## Home Mortgage Disclosure Act Notice

**The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Website ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).**

*HMDA data for many other financial institutions are also available at this Web site.*

# Complaints

2024

- No complaints year-to-date that meet CRA criteria.

2023

- No complaints that met CRA criteria.

2022

- No complaints that met CRA criteria.

Please contact CRA Officer for more information on complaints.

Heather Walker  
703 E Douglas St  
Prairie Grove AR 72753  
[heather.walker@prioritybank.com](mailto:heather.walker@prioritybank.com)  
479-846-4000