

# **PUBLIC DISCLOSURE**

September 22, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Morris Bank  
Certificate Number: 17910

301 Bellevue Avenue  
Dublin, Georgia 31021

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

10 10<sup>th</sup> Street NE, Suite 900  
Atlanta, Georgia 30309-3849

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

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

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

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the credit needs of the assessment areas.
- The institution made a majority of its loans within the assessment areas.
- The geographic distribution of small business and home mortgage loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among businesses of different sizes and borrowers of different income levels (including low- and moderate-income).
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

**The Community Development Test is rated Satisfactory.**

- The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment areas 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 areas.

## DESCRIPTION OF INSTITUTION

### **Background**

Morris Bank is a state-chartered commercial bank headquartered in Dublin, Georgia. The bank remains wholly owned by Morris State Bancshares, Inc., a one-bank holding company also located in Dublin. The bank has no subsidiary or affiliate relationships other than the bank holding company. The bank received a Satisfactory rating at its previous FDIC CRA performance evaluation, dated June 29, 2022, based on Interagency Intermediate Small Institution Examination Procedures.

### **Operations**

Morris Bank operates nine full-service banking offices, including its main office in Dublin, throughout Georgia. The bank continues to operate three offices in Bulloch County, one in Jones County, two in Laurens County, and three in Houston County. The bank has not opened or closed any locations since the previous evaluation. Refer to the *Description of the Assessment Areas* for additional branch details.

Morris Bank's business focus continues to be commercial lending followed by residential real estate lending, and offers a variety of traditional loan products within its assessment areas. Commercial and consumer loan products include real estate and construction loans, lines of credit, and various secured and unsecured installment loans. As an additional avenue for home loan credit, the bank offers long-term fixed-rate mortgage loans through the secondary market. Since the previous evaluation, Morris Bank originated and sold 578 mortgage loans totaling \$152.0 million in secondary market lending.

Morris Bank offers a range of deposit products including checking, savings, certificates of deposits, and individual retirement accounts. Each branch location has reasonable hours of operation with drive-thru banking services and automated teller machines (ATMs). The institution has a digital banking platform that allows online and mobile transactions and operates a 24-hour telephone banking service that provides continuous accessibility to its customers. In addition, the bank offers debit/ATM cards, credit cards, Interest on Lawyers' Trust Accounts, and safe deposit boxes.

### **Ability and Capacity**

According to the June 30, 2025, Consolidated Reports of Condition and Income (Call Report), Morris Bank had total assets of \$1.6 billion, total loans of \$1.2 billion, and total deposits of \$1.3 billion. The loan portfolio is illustrated in the following table.

<b>Loan Portfolio Distribution as of 06/30/2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	177,656	15.4
Secured by Farmland	42,097	3.6
Secured by 1-4 Family Residential Properties	222,647	19.3
Secured by Multifamily (5 or more) Residential Properties	73,578	6.4
Secured by Nonfarm Nonresidential Properties	546,002	47.2
<b>Total Real Estate Loans</b>	<b>1,061,980</b>	<b>91.9</b>
Commercial and Industrial Loans	77,968	6.7
Agricultural Production and Other Loans to Farmers	1,779	0.2
Consumer Loans	9,842	0.9
Obligations of State and Political Subdivisions in the U.S.	5,996	0.5
Other Loans	477	0.0
Less: Unearned Income	(2,331)	-0.2
<b>Total Loans</b>	<b>1,155,711</b>	<b>100.0</b>
<i>Source: Call Report</i>		

There are no financial or legal impediments, other than legal lending limits, which would restrict the bank's ability to meet the credit needs of the assessment areas.

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Morris Bank delineated three assessment areas in compliance with the CRA regulatory requirements. The Georgia Nonmetropolitan Statistical Area (Georgia Non-MSA) Assessment Area includes Bullock, Laurens, and Wilkinson counties in their entirety. The Warner Robins Assessment Area includes Houston County in its entirety, one of two counties in the Warner Robins, Georgia MSA. The Macon-Bibb Assessment Area includes Jones County in its entirety, one of five counties in the Macon-Bibb County, Georgia MSA.

Assessment area delineations are based on available census data. Specifically, the 2015 American Community Survey (ACS) Census data was used at the previous evaluation to delineate the bank's assessment area. In 2022, the Federal Financial Interagency Examination Council (FFIEC) released updates to the MSA and Metropolitan Divisions, states, counties, census tracts, and income-level indicators based on information collected during the 2020 United States (U.S.) Census. As a result of the 2020 U.S. Census, the number of census tracts increased, and income classifications changed, which slightly impacted the bank's assessment areas. A detailed description of each assessment area, including demographic and economic data, is contained within the comments for the assessment areas. The three assessment areas do not arbitrarily exclude any low- or moderate-income geographies that the bank would reasonably be expected to serve. Refer to *the Description of Institution's Operations* in each assessment area section of this performance evaluation for additional information.

## SCOPE OF EVALUATION

### General Information

In evaluating Morris Bank’s CRA performance, examiners used the Interagency Intermediate Small Institution Examination Procedures, which consists of two tests: the *Lending Test* and *Community Development Test* as defined in the *Appendices*. An institution may not receive an overall “Satisfactory” rating unless both tests receive at least a “Satisfactory” rating. The evaluation covers the period from the previous evaluation dated June 29, 2022, to the current evaluation dated September 22, 2025. Refer to the *Appendices* for Intermediate Small Bank Performance Criteria for additional details.

Examiners performed full-scope reviews of the Georgia Non-MSA and the Warner Robins Assessment Areas and a limited-scope review of the Macon-Bibb Assessment Area based upon a review of lending, deposit, and branching activity. Refer to the *Lending Test* in that assessment area for further details. In addition, examiners gave primary weight in assigning the overall rating and conclusions to the bank’s performance in the Georgia Non-MSA Assessment Area due to the significant level of bank operations in the assessment area, followed by the Warner Robins Assessment Area. The Macon-Bibb Assessment Area was given least weight due to a limited branch presence and loan and deposit activity in this assessment area. The following table details the bank’s loans, deposits, and branches by assessment area analyzed in this evaluation.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Georgia Non-MSA	57,789	55.1	789,592	64.2	5	55.6
Warner Robins	31,678	30.2	235,876	19.2	3	33.3
Macon-Bibb	15,450	14.7	204,135	16.6	1	11.1
<b>Total</b>	<b>104,917</b>	<b>100.0</b>	<b>1,229,603</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>

*Source: Bank Data; FDIC Summary of Deposits (06/30/2024).*

### Activities Reviewed

Examiners reviewed the bank’s home mortgage and small business loans to assess lending performance. These loans represent the bank’s major product lines based on business strategy and the number and dollar volume of loans originated during the evaluation period. Consumer loans and agricultural loans do not constitute a substantial portion of the bank’s loan portfolio or represent a major product line. As a result, examiners did not analyze consumer and farm loans during this evaluation. The bank’s records indicate the lending focus and product mix remained consistent throughout the evaluation period.

Morris Bank is subject to the Home Mortgage Disclosure Act (HMDA) and, as such, is required to collect and report certain data concerning applications for home purchase, home refinance, and home improvement loans. Therefore, this evaluation considered all home mortgage loans reported on the bank’s 2022, 2023, and 2024 HMDA Loan Application Registers (LARs). During this

period, the bank originated 742 HMDA loans totaling \$182.1 million. For calendar years 2022, 2023, and 2024, the bank originated 351, 237, and 154 loans totaling \$85.9, \$69.3, and \$26.9 million, respectively. In addition to the lending of other HMDA reporters (aggregate lending data) within the assessment areas, examiners used 2020 U.S. Census demographic data for comparison purposes. Examiners only presented 2024 HMDA data in the tables within the conclusion sections (*Geographic Distribution* and *Borrower Profile* performance criteria), as it is the most recent year for which aggregate data is available. Further, there were no significant trends identified between 2022 through 2024 years of home mortgage lending that materially affected examiner conclusions.

The CRA evaluation also includes an analysis of small business loans originated from January 1, 2024, through December 31, 2024. Examiners reviewed the universe of 591 small business loans totaling \$67.5 million to evaluate *Assessment Area Concentration* and the 407 small business loans totaling \$37.2 million originated inside the assessment areas to evaluate the *Geographic Distribution*. Of the 407 small business loans originated in the assessment areas, examiners selected a sample of 137 loans totaling \$13.2 million to evaluate the *Borrower Profile* criterion. Dunn & Bradstreet (D&B) data for 2024 provided a standard of comparison for the small business loans.

Considering the volume of loans by number, examiners gave more weight to small business loans in the *Lending Test* analysis. For both products, the *Geographic Distribution* and *Borrower Profile* discussions focused only on loans originated inside the bank's assessment areas. Examiners did not review home mortgage loans for the *Borrower Profile* analysis in the Warner Robins Assessment Area, as a majority of the home mortgage loans in this assessment area were to commercial entities in which revenues were not available. While the number and dollar volume of loans are presented, examiners emphasized performance by number of loans, as the number of loans is a better indicator of individuals and businesses served.

For the Community Development Test, examiners reviewed information provided by bank management on community development loans, qualified investments, and community development services from June 29, 2022, through September 22, 2025. Qualified investments included new investments and donations, as well as prior period-qualified investments still held by the bank.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Morris Bank demonstrates reasonable performance under the Lending Test. Performance under all evaluated criteria supports the conclusion.

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

Morris Bank's net loan-to-deposit (NLTD) ratio is reasonable, given its size, financial condition, and the credit needs of the assessment areas. The bank's NLTD ratio averaged 84.9 percent over the prior 13 calendar quarters, from June 30, 2022, to June 30, 2025. Over this period, the bank's NLTD ratio ranged from a low of 80.4 percent on June 30, 2022, to a high of 88.3 percent on September 30, 2024.

Examiners identified two similarly situated institutions based on asset size, banking structure, portfolio composition, and geographic location. Examiners compared the bank’s average NLTD ratio to these institutions to evaluate the bank’s performance for the same period. As detailed in the following table, the bank’s average NLTD ratio over the previous 13 calendar quarters is comparable to Similarly Situated Institution #1 and exceeds Similarly Situated Institution #2.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 06/30/2025 (\$000s)</b>	<b>Average NLTD Ratio (%)</b>
<b>Morris Bank</b>	<b>1,553,887</b>	<b>84.9</b>
Similarly Situated Institution #1	1,409,009	89.0
Similarly Situated Institution #2	1,141,417	68.2
<i>Source: Call Reports 06/30/2022-06/30/2025.</i>		

Morris Bank is involved in other lending activities that help to meet the credit needs within the assessment areas that are not reflected in the bank’s average NLTD ratio. As previously noted, the bank originated and sold 578 mortgage loans totaling \$152.0 million in secondary market lending, as an alternative method of meeting the credit needs within its assessment area.

**Assessment Area Concentration**

Morris Bank originated a majority of small business and home mortgage loans, by number, inside the assessment areas. The majority of the home mortgage loans by dollar volume for all years reviewed were outside the assessment areas. However, considering the majority of home mortgage loans by number are inside the assessment areas and the majority of small business loans by number and dollar volume are inside the assessment areas, overall performance is considered reasonable. The following tables detail lending inside and outside of the bank’s combined assessment areas and individual assessment areas, by loan type, number, and dollar volume.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollars Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage										
2022	214	61.0	137	39.0	351	36,910	43.0	48,839	57.0	85,875
2023	153	64.6	84	35.4	237	19,646	28.4	49,533	71.6	69,345
2024	88	57.1	66	42.9	154	10,876	40.6	15,935	59.4	26,811
<b>Subtotal</b>	<b>455</b>	<b>61.3</b>	<b>287</b>	<b>38.7</b>	<b>742</b>	<b>67,432</b>	<b>37.1</b>	<b>114,307</b>	<b>62.9</b>	<b>181,739</b>
Small Business										
2024	407	68.9	184	31.1	591	37,242	55.2	30,242	44.8	67,484
<i>Source: 2022, 2023, and 2024 HMDA Reported Data and Bank Data. Due to rounding totals may not equal 100.0%.</i>										

<b>Small Business Lending Activity in Assessment Areas</b>				
<b>Assessment Area</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Georgia Non-MSA	237	58.2	19,774	53.1
Warner Robbins	85	20.9	13,348	35.8
Macon-Bibb	85	20.9	4,120	11.1
<b>Total Small Business Loans</b>	<b>407</b>	<b>100.0</b>	<b>37,242</b>	<b>100.0</b>

*Source: Bank Data from 01/01/2024, through 12/31/2024.*

<b>Home Mortgage Lending Activity in Assessment Areas</b>				
<b>Assessment Area</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Georgia Non-MSA	257	56.5	37,834	56.1
Warner Robbins	114	25.0	18,331	27.2
Macon-Bibb	84	18.5	11,267	16.7
<b>Total Mortgage Loans</b>	<b>455</b>	<b>100.0</b>	<b>67,432</b>	<b>100.0</b>

*Source: 2022, 2023, and 2024 Bank HMDA Data. Due to rounding totals may not equal 100.0%.*

### **Geographic Distribution**

Overall, the geographic distribution of small business and home mortgage loans reflects reasonable dispersion throughout the assessment areas. The bank’s home mortgage and small business lending performance was consistent throughout the assessment areas. Refer to the *Geographic Distribution* sections of each assessment area for further details.

### **Borrower Profile**

Overall, the distribution of loans to borrowers reflects, given the demographics of the assessment areas, a reasonable penetration among businesses of different sizes and individuals of different income levels, including low- and moderate-income individuals. The bank’s home mortgage and small business lending performance was consistent throughout the assessment areas, as applicable. Refer to the *Borrower Profile* sections of each assessment area for a detailed analysis of the bank’s performance.

### **Response to Complaints**

The bank has not received any CRA-related complaints since the previous evaluation. Therefore, this criterion did not affect the Lending Test rating.

## **COMMUNITY DEVELOPMENT TEST**

Morris Bank’s community development performance demonstrates an overall adequate responsiveness to community development needs through community development loans, qualified investments, and community development services. The bank’s overall performance was consistent throughout the assessment areas. Examiners considered the institution’s capacity and the need and availability of such opportunities for community development within the institution’s assessment areas.

**Community Development Loans**

During the evaluation period, Morris Bank originated, renewed, or refinanced 23 community development loans totaling \$55.5 million, demonstrating adequate responsiveness to community development lending opportunities within the assessment areas. Included in the total is one community development loan where funds were used to benefit the broader statewide area, including the bank’s assessment areas. Further, since the bank met the community development needs of the assessment areas, favorable consideration was given to six community development loans made outside of the assessment areas.

The bank’s community development performance is comparable to the 21 community development loans totaling \$41.7 million at the previous evaluation. The bank’s community development lending activity represents 5.2 percent of average total loans, which is comparable to the similarly situated institutions’ ratios of 3.3 percent and 11.2 percent. The bank’s community development lending primarily related to revitalization and stabilization efforts, which are one of the primary needs within the assessment areas. The following tables reflect the bank’s community development lending activity by year, assessment area, and purpose.

<b>Community Development Lending by Year</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize and Stabilize</b>		<b>Totals</b>	
2022 (Partial)	-	-	-	-	2	645	-	-	<b>2</b>	<b>645</b>
2023	-	-	-	-	1	1,825	3	9,600	<b>4</b>	<b>11,425</b>
2024	2	1,549	1	300	1	2,010	7	20,476	<b>11</b>	<b>24,335</b>
2025 (Year-To-Date) (YTD)	1	1,000	2	11,532	-	-	3	6,583	<b>6</b>	<b>19,115</b>
<b>Total</b>	<b>3</b>	<b>2,549</b>	<b>3</b>	<b>11,832</b>	<b>4</b>	<b>4,480</b>	<b>13</b>	<b>36,659</b>	<b>23</b>	<b>55,520</b>
<i>Source: Bank Data</i>										

<b>Community Development Lending by Assessment Area</b>										
<b>Assessment Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Georgia Non-MSA	2	1,174	-	-	2	2,442	10	19,042	<b>14</b>	<b>22,658</b>
Macon-Bibb	-	-	1	3,900	-	-	-	-	<b>1</b>	<b>3,900</b>
Warner Robins	1	1,375	-	-	-	-	-	-	<b>1</b>	<b>1,375</b>
Broader Statewide	-	-	1	300	-	-	-	-	<b>1</b>	<b>300</b>
Outside of Assessment Areas	-	-	1	7,632	2	2,038	3	17,617	<b>6</b>	<b>27,287</b>
<b>Total</b>	<b>3</b>	<b>2,549</b>	<b>3</b>	<b>11,832</b>	<b>4</b>	<b>4,480</b>	<b>13</b>	<b>36,659</b>	<b>23</b>	<b>55,520</b>
<i>Source: Bank Data</i>										

The one community development loan benefiting the broader statewide area of Georgia was originated to a non-profit organization in 2024 for \$300,000. Specifically, Morris Bank originated a line of credit to provide working capital to the organization, which provides services to a 15-county area, including the bank's assessment areas. The non-profit organization provides essential services to low-income individuals and families, such as housing, energy, and educational assistance and services.

Further, below are examples of community development loans originated outside the assessment areas.

- In 2022, the bank originated a \$212,500 SBA 504 loan to a small business in a moderate-income geography to acquire a facility and expand operations, thereby promoting economic development.
- In 2024, the bank originated a \$14.8 million construction loan for an apartment complex in a moderate-income census tract, thereby promoting revitalization and stabilization in the area.
- In 2025, the bank originated a \$7.6 million loan to an organization that provides essential community services to low- and moderate-income individuals.

Refer to the *Community Development Test* section of each assessment area for further details of the community development loans.

### **Qualified Investments**

Morris Bank's level of qualified investments and donations demonstrate adequate responsiveness to the community development needs of the assessment areas. During the evaluation period, Morris Bank made or retained 6 qualified investments and 95 donations totaling \$6.0 million, compared to 6 qualified investments and 24 donations totaling \$8.0 million at the previous evaluation. The bank's level of qualified investments and donations was higher, by number, and below, by dollar volume, compared to the previous evaluation. The bank's qualified investments primarily related to affordable housing and community services, which are identified needs within the assessment areas.

Included in the total are two qualified investments and five donations totaling \$2.9 million that benefited the broader statewide area, including the bank's assessment areas. Further, since the bank met the community development needs of the assessment areas, favorable consideration was given to 2 qualified investments and 14 donations made outside of the assessment areas.

Morris Bank's qualified investments and donations represent 0.004 percent of average total assets and 2.5 percent of average total securities. By percent of average total assets, the bank's percentage level is below the similarly situated institutions levels of 0.05 percent and 1.1 percent. By percentage of average total securities, the bank's percentage level is comparable to the similarly situated institutions levels of 0.2 percent and 9.8 percent. The following tables reflect the bank's qualified investments and donations by year, assessment area, and purpose.

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	1,290	-	-	-	-	2	708	4	1,998
2022 (Partial)	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-
2025 (Year-To-Date) (YTD)	2	2,844	-	-	-	-	-	-	2	2,844
<b>Subtotal</b>	<b>4</b>	<b>4,134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>708</b>	<b>6</b>	<b>4,842</b>
Qualified Grants & Donations	4	18	85	1,079	2	2	4	70	95	1,169
<b>Total</b>	<b>8</b>	<b>4,152</b>	<b>85</b>	<b>1,079</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>778</b>	<b>101</b>	<b>6,011</b>
<i>Source: Bank Data</i>										

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Georgia Non-MSA	2	988	49	180	2	2	4	70	57	1,240
Macon-Bibb	-	-	3	12	-	-	-	-	3	12
Warner Robins	4	321	14	112	-	-	-	-	18	433
Broader Statewide	2	2,843	5	26	-	-	-	-	7	2,869
Outside of Assessment Areas	-	-	14	749	-	-	2	708	16	1,457
<b>Total</b>	<b>8</b>	<b>4,152</b>	<b>85</b>	<b>1,079</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>778</b>	<b>101</b>	<b>6,011</b>
<i>Source: Bank Data</i>										

Below are examples of qualified investments and donations benefiting the broader statewide areas of Georgia.

- In 2023 and 2024, the bank made an aggregate donation amount of \$17,000 to an organization that provides essential community services to low- and moderate-income families and to children in foster care.
- In 2025, the bank made a \$1.2 million investment in a mortgage-backed security that provides affordable housing for low- and moderate-income individuals.
- In 2025, the bank made a \$1.7 million investment in a mortgage-backed security that provides affordable housing for low- and moderate-income individuals, including loans through federal programs designed to provide low down payment assistance.

Further, below are examples of qualified investments and donations outside of the assessment areas.

- The bank maintained two prior period bond investments of approximately \$290,000 and \$417,000, respectively, to two different organizations that are both located in a moderate-income geography, and both provide essential infrastructure maintenance and improvements

benefiting surrounding low- and moderate-income geographies, thereby revitalizing and stabilizing the areas.

- In 2023, the bank donated \$150,000 to an organization that provides essential health care services to indigent populations, with a portion of care being uncompensated, thereby serving low- and moderate-income individuals and families.

Refer to the *Community Development Test* section of each assessment area for further details of the qualified investments and donations.

**Community Development Services**

Overall, Morris Bank’s level of community development service activities demonstrates excellent responsiveness to the community development needs of the assessment areas. During the evaluation period, employees acting as representatives of the bank provided 425 instances of community development services totaling 1,438 hours to various organizations. This was a significant increase from the previous evaluation when the bank provided 57 instances of community development services. These activities primarily assisted local organizations that provide community services to low-, moderate-, and distressed middle-income individuals and/or neighborhoods. The bank’s level of community development services exceeded both similarly situated institutions’ levels of 30 and 181 instances. Statewide community development services represent 20.2 percent of all instances of a community development service. The following tables reflect the bank’s community development services by year, assessment area, and purpose.

Community Development Services by Year					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
2022 (Partial)	5	82	24	1	112
2023	-	113	36	27	176
2024	-	39	57	1	97
2025 (YTD)	-	29	11	-	40
<b>Total</b>	<b>5</b>	<b>263</b>	<b>128</b>	<b>29</b>	<b>425</b>

*Source: Bank Data*

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
Georgia Non-MSA	5	86	90	-	181
Warner Robins	-	-	-	29	29
Macon-Bibb	-	91	38	-	129
Broader Statewide	-	86	-	-	86
<b>Total</b>	<b>5</b>	<b>263</b>	<b>128</b>	<b>29</b>	<b>425</b>

*Source: Bank Data*

Examples of community development services benefiting broader statewide areas of Georgia are listed on the next page.

- From 2022 to 2025, a commercial banker served on the Board of a non-profit state agency that provides job training and career advancement services to adults who are unemployed, underemployed, or receive public assistance, which provides community services in the assessment area.
- From 2022 to 2025, five bank employees served on the Board of a non-profit foundation that provides grants to organizations serving the bank’s assessment areas. Only grants with a qualified community development purpose of affordable housing, community services, economic development, or to revitalize or stabilize an area are approved.

*Retail Services*

Of the bank’s nine full-service locations, two are in moderate-income census tracts (with one being the main office) and two are in distressed, middle-income census tracts, demonstrating the availability of banking services to low- and moderate-income individuals and in distressed areas. In addition, the bank offers alternative delivery systems, including mobile, telephone, and internet banking, which are attractive to low- and moderate-income individuals. Further, the bank offers several low-cost checking accounts and features that are attractive to low- and moderate-income individuals, such as an account with no minimum balance requirement and a savings builder feature that rounds up debit card purchases to the nearest dollar, automatically saving the difference. Also, Morris Bank offers government loans (Small Business Administration, United States Department of Agriculture, Veterans Affairs, and Federal Housing Administration loans), and loans through the Federal Home Loan Bank to promote small business and home mortgage financing. These loans have more flexible underwriting terms than conventional commercial and home loans.

Refer to the *Community Development Test* section of each assessment area for further details of the community development services.

**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.

**GEORGIA NON-MSA ASSESSMENT AREA – Full-Scope Review**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN  
GEORGIA NON-MSA ASSESSMENT AREA**

The Georgia Non-MSA Assessment Area consists of Bulloch, Laurens, and Wilkinson Counties in nonmetropolitan Georgia. The following table reflects the changes in census tract income level and the number of census tracts based on the 2015 ACS Census data and 2020 U.S. Census data.

Tract Income Designation	2015 ACS Census Tracts (#)	2020. U. S. Census Tracts (#)
Low-Income	4	2
Moderate-Income	3	9
Middle-Income	13	14
Upper-Income	8	10
No Income Designation	-	2
<b>Total</b>	<b>28</b>	<b>37</b>

*Source: 2015 ACS Data, 2020 U.S. Census Data.*

### **Economic and Demographic Data**

The following table details select demographic information from the 2020 U.S. Census data and 2024 D&B data for the Georgia Non-MSA Assessment Area.

Demographic Information of the Georgia Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	37	5.4	24.3	37.8	27.0	5.4
Population by Geography	139,546	4.5	28.1	34.3	28.8	4.4
Housing Units by Geography	57,581	3.4	28.5	38.0	28.0	2.2
Owner-Occupied Units by Geography	28,550	0.6	21.4	41.6	35.9	0.4
Occupied Rental Units by Geography	19,877	6.9	36.6	28.5	23.3	4.6
Vacant Units by Geography	9,154	4.1	32.9	47.2	13.6	2.2
Businesses by Geography	11,250	3.8	37.0	36.4	21.6	1.1
Farms by Geography	495	0.6	20.0	49.7	29.7	-
Family Distribution by Income Level	30,543	22.7	15.3	18.7	43.3	-
Household Distribution by Income Level	48,427	27.0	13.8	17.1	42.1	-
Georgia Nonmetropolitan Median Family Income	\$55,981	Median Housing Value Median Gross Rent Families Below Poverty Level				\$122,843 \$757 15.7%

*Source: 2020 U.S. Census and 2024 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.*

The following table presents the FFIEC's Median Family Income (MFI) ranges for low-, moderate-, middle-, and upper-income categories in the Georgia Non-MSA Assessment Area. Examiners used the MFI data to analyze the bank's home mortgage lending under the *Borrower Profile* criterion as well as certain community development activities.

<b>MFI Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Georgia Non-MSA Median Family Income</b>				
2022 (\$64,100)	< \$32,050	\$32,050 to < \$51,280	\$51,280 to < \$76,920	≥ \$76,920
2023 (\$69,100)	< \$34,550	\$34,550 to < \$55,280	\$55,280 to < \$82,920	≥ \$82,920
2024 (\$69,300)	< \$34,650	\$34,650 to < \$55,440	\$55,440 to < \$83,160	≥ \$83,160
<i>Source: FFIEC</i>				

Data obtained from the U.S. Bureau of Labor Statistics indicates the unemployment rate decreased in Bulloch County from 2022 to 2023, but increased in Laurens and Wilkinson Counties, and the state. The national rate remained static only increasing in 2024. As illustrated in the following table, the unemployment rates increased in all areas in 2024.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Bulloch County	3.6	3.5	3.7
Laurens County	4.0	4.3	4.3
Wilkinson County	4.1	4.3	4.6
Georgia	3.2	3.3	3.5
National Average	3.6	3.6	4.0
<i>Source: U.S. Bureau of Labor Statistics</i>			

According to the 2024 D&B data, there were 11,250 non-farm businesses operating within the Georgia Non-MSA Assessment Area. Gross annual revenues for these businesses are:

- 89.0 percent have \$1 million or less,
- 2.2 percent have more than \$1 million, and
- 8.9 percent have unknown revenues.

According to North American Industry Classification System (NAICS), non-classifiable establishments represent the largest sector of businesses in the assessment area followed by other services (except public administration); retail trade; professional, scientific, and technical services; and transportation and warehousing. The major employers throughout the assessment area include Georgia Southern University, Briggs & Stratton, Carl Vinson VA Medical Center, Fairview Park Hospital, and Arcilla Mining & Land Company.

### **Competition**

The assessment area is moderately competitive for financial services. According to the FDIC's June 30, 2024, Summary of Deposits Report, 20 financial institutions operate 39 offices in the assessment area. Morris Bank is ranked 2<sup>nd</sup> with 23.4 percent of the market share.

Morris Bank is not required to collect or report small business loan data and has elected not to do so. Therefore, the analysis under the Lending Test does not include comparisons to aggregate data. However, aggregate data reflects the level of demand for small business loans and is included for context. Aggregate data for 2023 is used since it is the most recent available. Aggregate data indicates 63 lenders reported 2,282 loans totaling approximately \$80.8 million. The top five lenders accounted for 60.7 percent of small business market share, by number, indicating a high level of competition in the assessment area.

There is also a high level of competition for home mortgage loans. Aggregate data for 2024 indicates 257 lenders reported 2,340 home mortgage loans. Morris Bank ranked 12<sup>th</sup> in mortgage market share, by number of loans, with 2.3 percent. The top five lenders accounted for 25.9 percent of the mortgage market share by number.

### **Community Contact**

Examiners rely on contacts with community organizations to gain insight regarding the credit needs and economic conditions of a bank's assessment area. Individuals interviewed provide information based upon their knowledge and expertise in the housing, business, or economic sectors. During this evaluation, examiners conducted a community contact with an organization focused on economic growth in the community. The contact stated that although the local economy was doing well overall and local business was growing, unemployment in the area was high. Additionally, the contact indicated there was a need for affordable housing for the growing economy, but due to high housing costs, it is difficult for families to find affordable homes. The contact also mentioned there are a significant level of financial institutions in the area serving business credit needs.

### **Credit and Community Development Needs and Opportunities**

Considering information from demographic and economic data, as well as community contact information, examiners determined that small business loans and affordable housing represent primary credit needs and opportunities within the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less and the large number of businesses with four or fewer employees (75.1 percent) further support these conclusions. Additionally, affordable housing represents a need given the availability of housing and the high median housing value and gross rent in the assessment area. Although unemployment rates are trending higher and middle-income census tracts in the assessment area are distressed due to poverty and unemployment, economic conditions are generally improving.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN GEORGIA NON-MSA ASSESSMENT AREA

### LENDING TEST

Morris Bank demonstrated reasonable performance under the Lending Test within the Georgia Non-MSA Assessment Area. The bank’s reasonable performance under the *Geographic Distribution* and *Borrower Profile* criteria supports this conclusion.

### Geographic Distribution

The geographic distribution of loans reflects overall reasonable dispersion throughout the assessment area. Although home mortgage lending was excellent, it did not change the overall conclusion as small business lending received more weight.

#### *Small Business Loans*

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Small business lending in low-income census tracts was comparable to demographic data. Small business lending in moderate-income census tracts was comparable to demographic data. The following table reflects the distribution of small business loans within the assessment area.

<b>Geographic Distribution of Small Business Loans Georgia Non-MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	3.8	9	3.8	965	4.9
Moderate	37.0	78	32.9	6,689	33.8
Middle	36.4	82	34.6	5,369	27.2
Upper	21.6	68	28.7	6,751	34.1
Not Available	1.1	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>237</b>	<b>100.0</b>	<b>19,774</b>	<b>100.0</b>

*Source: 2024 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 excellent dispersion throughout the assessment area. The bank’s performance in low-income census tracts exceeded aggregate and demographic data. The bank’s performance in moderate-income census tracts significantly exceeded aggregate and demographic data. The following table reflects the distribution of home mortgage loans within the assessment area.

<b>Geographic Distribution of Home Mortgage Loan Georgia Non-MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.6	0.5	3	5.5	139	2.2
Moderate	21.4	18.6	19	34.5	2,057	32.3
Middle	41.6	35.6	21	38.2	1,691	26.5
Upper	35.9	44.7	12	21.8	2,487	39.0
Not Available	0.4	0.5	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>6,374</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data, 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.*

### **Borrower Profile**

The distribution of borrowers reflects overall reasonable penetration among businesses of different sizes and individuals of different income levels.

#### *Small Business Loans*

The distribution of borrowers reflects reasonable penetration to businesses of different sizes. As reflected in the following table, lending to businesses with gross annual revenues of \$1 million or less was below demographic data but considered reasonable as they comprised the majority of loans originated or renewed. The following table reflects the distribution of small business loans among businesses of different sizes.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Georgia Non-MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	89.0	43	78.2	2,177	60.4
>\$1,000,000	2.2	10	18.2	1,384	38.4
Revenue Not Available	8.9	2	3.6	46	1.3
<b>Total</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>3,607</b>	<b>100.0</b>

*Source: 2024 D&B Data, Bank Data.; Due to rounding, totals may not equal 100.0%.*

#### *Home Mortgage Loans*

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. Home mortgage lending to low-income borrowers was below demographic data but significantly exceeded aggregate data. Home mortgage lending to moderate-income borrowers was slightly below demographic data but exceeded aggregate data. The following table reflects the distribution of home mortgage loans to borrowers of different incomes.

Distribution of Home Mortgage Loans by Borrower Income Level Georgia Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.7	2.8	5	9.1	147	2.3
Moderate	15.3	10.2	7	12.7	410	6.4
Middle	18.7	20.3	9	16.4	587	9.2
Upper	43.3	43.9	10	18.2	1,573	24.7
Not Available	-	22.7	24	43.6	3,657	57.4
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>6,374</b>	<b>100.0</b>

Source: 2020 U.S. Census Data; Bank Data, 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

## COMMUNITY DEVELOPMENT TEST

Morris Bank’s community development performance demonstrates adequate responsiveness to the community development needs within the Georgia Non-MSA Assessment Area through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities for community development in the institution’s assessment area.

### Community Development Loans

During the evaluation period, Morris Bank originated, renewed, or refinanced 14 community development loans totaling \$22.7 million in the Georgia Non-MSA Assessment Area, demonstrating adequate responsiveness to the community development needs of the assessment area. The bank’s performance is similar, by number, and higher, by dollar volume, compared to the previous evaluation where there were 13 community development loans totaling \$16.8 million in the assessment area. The following table reflects the bank’s community development loans by year and purpose.

Community Development Lending Georgia Non-MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize and Stabilize		Totals	
2022 (Partial)	-	-	-	-	1	432	-	-	1	432
2023	-	-	-	-	-	-	2	7,000	2	7,000
2024	1	174	-	-	1	2,010	5	5,459	7	7,643
2025 (YTD)	1	1,000	-	-	-	-	3	6,583	4	7,583
<b>Total</b>	<b>2</b>	<b>1,174</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2,442</b>	<b>10</b>	<b>19,042</b>	<b>14</b>	<b>22,658</b>

Source: Bank Data

Below are examples of community development loans benefiting the Georgia Non-MSA Assessment Area.

- In 2023, the bank originated a \$4.0 million loan to a business that operates facilities across low-, moderate-, and a distressed-middle income geography, thereby promoting revitalization and stabilization of the areas.
- In 2024, the bank originated a \$2.0 million operating line of credit to a small business located in a moderate-income geography that is part of the SBA Historically Underutilized Business Zone (HUBZone) program. The program promotes small business growth and employment opportunities, thereby providing economic development.
- In 2025, the bank originated a \$4.7 million line of credit to finance construction and facility improvements of a complex in a moderate-income geography, thereby promoting revitalization and stabilization.

**Qualified Investments**

During the evaluation period, Morris Bank maintained one prior period qualified investment and made 56 qualified donations totaling \$1.2 million in the Georgia Non-MSA Assessment Area, demonstrating adequate responsiveness to the community development needs of the assessment area. The bank’s performance is higher, by number, and similar, by dollar volume, compared to the previous evaluation where the bank maintained one prior period investment and made 13 donations totaling \$1.3 million. The following table reflects the bank’s qualified investment and donations by year and purpose.

<b>Community Development Qualified Investments Georgia Non-MSA Assessment Area</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	1	975	-	-	-	-	-	-	1	975
2022 (Partial)	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-
2025 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>1</b>	<b>975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>975</b>
Qualified Grants & Donations	1	13	49	180	2	2	4	70	56	265
<b>Total</b>	<b>2</b>	<b>988</b>	<b>49</b>	<b>180</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>70</b>	<b>57</b>	<b>1,240</b>
<i>Source: Bank Data</i>										

Some of the qualified investment and donation examples benefiting the Georgia Non-MSA Assessment Area are listed next.

- The bank maintained a prior period multi-family bond of approximately \$975,000 for an apartment complex located in a moderate-income geography that provides affordable housing to low- and moderate-income individuals and families.

- From 2023 to 2025, the bank donated an aggregate of \$60,000 for the expansion and maintenance of a facility in a moderate-income census tract, thereby revitalizing and stabilizing the area.
- From 2023 to 2025, the bank donated an aggregate of \$97,283 to a non-profit organization that provides financial aid and scholarships for students from low-income families.

**Community Development Services**

Morris Bank’s level of community development services demonstrates excellent responsiveness to the community development needs of the assessment areas and represents 42.6 percent of all community development services. During the evaluation period, employees acting as representatives of the bank provided 181 instances of community development services totaling 282 hours to various organizations. These activities primarily assisted local organizations that provide community services to low-, moderate-, and distressed middle-income individuals and/or neighborhoods and support economic development by promoting small business growth and employment opportunities. The following table reflects the bank’s community development services by year and purpose.

<b>Community Development Services Georgia Non-MSA Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
2022 (Partial)	-	11	4	-	<b>15</b>
2023	5	19	21	-	<b>45</b>
2024	-	40	26	-	<b>66</b>
2025 (YTD)	-	16	39	-	<b>55</b>
<b>Total</b>	<b>5</b>	<b>86</b>	<b>90</b>	<b>-</b>	<b>181</b>
<i>Source: Bank Data</i>					

Below are notable examples of community development services in the Georgia Non-MSA Assessment Area.

- From 2022 to 2025, eight bank employees facilitated financial literacy classes at schools throughout the assessment area, focusing on those where the majority of students receive free or reduced lunch, which provided community services targeted to low- and moderate-income families.
- In 2023, a commercial lender served on the Board of a non-profit organization that provides homes for low- and moderate-income families in the assessment area, which supports affordable housing.
- From 2022 to 2025, a bank officer served on the Board of a non-profit business development organization focused on economic development. The mission of the organization is to bring business to the area that creates or maintains jobs for low- and moderate-income individuals.

## WARNER ROBINS ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN WARNER ROBINS ASSESSMENT AREA

The Warner Robins Assessment Area consists of Houston County, one of two counties in the Warner Robins, Georgia MSA. The following table reflects the changes in census tract income level and the number of census tracts based on the 2015 ACS Census data and 2020 U.S. Census data.

Tract Income Designation	2015 ACS Census Tracts (#)	2020 U.S. Census Tracts (#)
Low-Income	2	4
Moderate-Income	5	9
Middle-Income	13	14
Upper-Income	3	11
<b>Total</b>	<b>23</b>	<b>38</b>
<i>Source: 2015 ACS Data, 2020 U.S. Census Data.</i>		

### Economic and Demographic Data

The following table details select demographic information from the 2020 U.S. Census data and 2024 D&B data for the Warner Robins Assessment Area.

Demographic Information of the Warner Robins Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	38	10.5	23.7	36.8	29.0	-
Population by Geography	163,633	7.7	21.4	35.5	35.4	-
Housing Units by Geography	63,867	9.3	23.7	35.6	31.4	-
Owner-Occupied Units by Geography	38,595	5.4	17.8	37.5	39.3	-
Occupied Rental Units by Geography	19,447	14.2	35.8	31.4	18.6	-
Vacant Units by Geography	5,825	19.1	22.5	36.4	22.1	-
Businesses by Geography	11,003	10.9	22.2	36.1	30.8	-
Farms by Geography	165	4.9	10.3	39.4	45.5	-
Family Distribution by Income Level	40,727	21.3	16.1	20.7	41.9	-
Household Distribution by Income Level	58,042	24.5	14.3	18.3	43.0	-
Median Family Income MSA – Warner Robins, GA MSA (47580)	\$77,307	Median Housing Value Median Gross Rent Families Below Poverty Level				\$146,076 \$949 8.7%
<i>Source: 2020 U.S. Census and 2024 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>						

The following table presents the FFIEC’s 2024 MFI ranges for low-, moderate-, middle-, and upper-income categories in the Warner Robins, GA MSA.

<b>MFI Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Warner Robins Median Family Income (47580)</b>				
2022 (\$80,900)	< \$40,450	\$40,450 to < \$64,720	\$64,720 to < \$97,080	≥ \$97,080
2023 (\$88,900)	< \$44,450	\$44,450 to < \$71,120	\$71,120 to < \$106,680	≥ \$106,680
2024 (\$90,900)	< \$45,450	\$45,450 to < \$72,720	\$72,720 to < \$109,080	≥ \$109,080
<i>Source: FFIEC</i>				

Data obtained from the U.S. Bureau of Labor Statistics indicates the unemployment rate in Houston County decreased from 2022 to 2023, while the state rate increased and the national rate remained static. As illustrated in the following table, the unemployment rates increased in all areas in 2024.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	%	%	%
Houston County	3.1	2.9	3.0
Georgia	3.2	3.3	3.5
National Average	3.6	3.6	4.0
<i>Source: U.S. Bureau of Labor Statistics</i>			

According to the 2024 D&B data, there were 11,003 non-farm businesses operating within the Warner Robins Assessment Area. Gross annual revenues for these businesses are:

- 90.4 percent have \$1 million or less,
- 1.2 percent have more than \$1 million, and
- 8.4 percent have unknown revenues.

According to NAICS, non-classifiable establishments represent the largest sector of businesses in the assessment area followed by other services (except public administration); retail trade; professional, scientific, and technical services; and administrative support and waste management and remediation services. The major employers throughout the assessment area include Robins Air Force Base, Perdue Foods, Inc., Houston Healthcare Complex, Frito-Lay Inc., and Northrop Gruman Corp.

**Competition**

The assessment area is moderately competitive for financial services. According to the FDIC’s June 30, 2024, Summary of Deposits Report, 11 financial institutions operate 24 offices in the assessment area. Morris Bank ranked 5<sup>th</sup> with 10.9 percent of the market share.

There is a moderate level of competition for small business loans in this assessment area. Aggregate data indicates 64 lenders reported 2,708 small business loans totaling approximately \$62.8 million. The top five lenders accounted for 70.4 percent of small business market share, by number, indicating a high level of competition in the assessment area.

There is also a high level of competition for home mortgage loans. Aggregate data for 2024 indicates 285 lenders reported 5,706 home mortgage loans. Morris Bank ranked 54<sup>th</sup> in mortgage market share, by number of loans, with 0.3 percent. The top five lenders accounted for 33.0 percent of the mortgage market share by number.

### **Credit and Community Development Needs and Opportunities**

Considering information from demographic and economic data, examiners determined that small business loans and affordable housing represent primary credit needs and opportunities within the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less and the large number of businesses with four or fewer employees (75.0 percent) further support these conclusions. Additionally, affordable housing represents a need given the availability of housing with high median housing value and gross rent in the assessment area. Although unemployment rates are trending higher, economic conditions are generally improving.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN WARNER ROBINS ASSESSMENT AREA**

### **LENDING TEST**

Morris Bank demonstrated reasonable performance under the Lending Test within the Warner Robins Assessment Area. The bank's reasonable performance under *Geographic Distribution* and *Borrower Profile criteria* supports this conclusion.

### **Geographic Distribution**

The geographic distribution of loans reflects an overall reasonable dispersion throughout the assessment area. Although home mortgage lending was excellent, it did not change the overall conclusion as small business lending received more weight.

#### *Small Business Loans*

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Small business lending in low-income census tracts was below demographic data. Small business lending in moderate-income census tracts was comparable to demographic data. Although lending in both low- and moderate-income census tracts was below demographic data, there is heavy competition within the assessment area. Specifically, based on 2023 CRA reported data, the top five lenders in this assessment area account for over 70 percent of the market share. Considering this additional information, performance is reasonable. The following table reflects the distribution of small business loans within the assessment area.

<b>Geographic Distribution of Small Business Loans Warner Robins Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	10.9	3	3.5	157	1.2
Moderate	22.2	15	17.7	1,838	13.8
Middle	36.1	45	52.9	7,832	58.7
Upper	30.8	22	25.9	3,521	26.3
Not Available	-	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>	<b>13,348</b>	<b>100.0</b>

*Source: 2024 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 excellent dispersion throughout the assessment area. The bank's performance in low- and moderate-income census tracts significantly exceeded aggregate and demographic data. The following table reflects the distribution of home mortgage loans within the assessment area.

<b>Geographic Distribution of Home Mortgage Loan Warner Robins Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	5.4	3.4	3	18.8	141	7.6
Moderate	17.8	14.5	4	25.0	563	30.4
Middle	37.5	44.8	9	56.3	1,151	62.0
Upper	39.3	37.3	-	-	-	-
Not Available	-	-	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>1,855</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data, 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%*

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among businesses of different sizes.

### *Small Business Loans*

The distribution of borrowers reflects reasonable penetration to businesses of different sizes. As reflected in the following table, lending to businesses with gross annual revenues of \$1 million or less was below demographic data but considered reasonable as they comprised the majority of loans originated or renewed. The following table reflects the distribution of small business loans among businesses of different sizes.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Warner Robins Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	90.4	28	68.3	3,141	40.4
>\$1,000,000	1.2	13	31.7	4,641	59.6
Revenue Not Available	8.4	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>7,782</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data, Bank Data.; Due to rounding, totals may not equal 100.0%</i>					

## **COMMUNITY DEVELOPMENT TEST**

Morris Bank’s community development performance demonstrates adequate responsiveness to the community development needs within the Warner Robins Assessment Area through qualified investments and community development services. However, the bank exhibits poor responsiveness to originating community development loans within the assessment area. Examiners considered the institution’s capacity and the need and availability of such opportunities for community development in the institution’s assessment area.

### **Community Development Loans**

Morris Bank originated one community development loan totaling \$1.4 million in the Warner Robins Assessment Area for the construction of an apartment complex in a moderate-income geography to provide Section 8 affordable housing for low-income individuals and families. The bank’s performance has declined, by both number and dollar volume, compared to the previous evaluation where there were two community development loans totaling \$2.8 million. This performance demonstrates poor responsiveness to the community development needs of the assessment area.

### **Qualified Investments**

During the evaluation period, Morris Bank maintained one prior period qualified investment and made 17 donations totaling \$433,000 in the Warner Robins Assessment Area, demonstrating adequate responsiveness to the community development needs of the assessment area. The bank’s performance is higher by number, but below by dollar volume, compared to the previous evaluation where the bank made one qualified investment and six donations totaling \$1.1 million. The following table reflects the bank’s qualified investment and donations by year and purpose.

Community Development Qualified Investments Warner Robins Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	316	-	-	-	-	-	-	1	316
2022 (Partial)	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-
2025 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>1</b>	<b>316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>316</b>
Qualified Grants & Donations	3	5	14	112	-	-	-	-	17	117
<b>Total</b>	<b>4</b>	<b>321</b>	<b>14</b>	<b>112</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>433</b>
<i>Source: Bank Data</i>										

Below are the qualified investment and donation examples benefiting the Warner Robins Assessment Area.

- The bank maintained a prior period, \$316,000 investment in a mortgage-backed security that provides affordable housing for low- and moderate-income individuals.
- In 2023, the bank donated \$15,000 to an organization located in a moderate-income geography that provides essential low-cost health care services to low- and moderate-income individuals and families.
- From 2023 to 2025, the bank donated an aggregate of \$68,098 to a non-profit organization that provides financial aid and scholarships for students from low-income families.

### **Community Development Services**

Morris Bank’s level of community development services demonstrates adequate responsiveness to the community development needs of the assessment area and represents 6.8 percent of all community development services. During the evaluation period, employees acting as representatives of the bank provided 29 instances of community development services totaling 124 hours to various organizations. This was an increase from the prior evaluation which noted two instances of community development services benefiting this assessment area. These activities primarily revitalized and stabilized low-, moderate-, and distressed middle-income neighborhoods in the assessment area. The following table reflects the bank’s community development services by year and purpose.

<b>Community Development Services Warner Robins Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
2022 (Partial)	-	-	-	-	-
2023	-	-	-	1	<b>1</b>
2024	-	-	-	27	<b>27</b>
2025 (YTD)	-	-	-	1	<b>1</b>
<b>Total</b>	-	-	-	<b>29</b>	<b>29</b>
<i>Source: Bank Data</i>					

Below is a notable example of community development service in the Warner Robins Assessment Area.

- From 2023 to 2025, two bank employees served on the Board of a cooperative that provides electrical services to rural areas, which contain low-, moderate, and distressed or underserved middle-income census tracts. Services provided revitalize and stabilize the area.

## MACON-BIBB ASSESSMENT AREA – Limited-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN MACON-BIBB ASSESSMENT AREA

The Macon-Bibb Assessment Area consists of Jones County, one of five counties in the Macon-Bibb County, Georgia MSA. The following table reflects the changes in census tract income level and the number of census tracts based on the 2015 ACS Census data and 2020 U.S. Census data.

Tract Income Designation	2015 ACS Census Tracts (#)	2020 U.S. Census Tracts (#)
Low-Income	-	-
Moderate-Income	1	1
Middle-Income	1	4
Upper-Income	3	4
No Income Designation	-	-
<b>Total</b>	<b>5</b>	<b>9</b>

*Source: 2015 ACS Data, 2020 U.S. Census Data*

### Economic and Demographic Data

The following table details select demographic information from the 2020 U.S. Census data and 2024 D&B data for the Macon-Bibb Assessment Area.

Demographic Information of the Macon-Bibb Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	-	11.1	44.4	44.4	-
Population by Geography	28,347	-	7.8	49.1	43.1	-
Housing Units by Geography	11,910	-	9.6	47.7	42.6	-
Owner-Occupied Units by Geography	8,764	-	9.6	44.3	46.1	-
Occupied Rental Units by Geography	2,150	-	8.1	51.4	40.6	-
Vacant Units by Geography	996	-	13.1	70.3	16.7	-
Businesses by Geography	1,763	-	5.5	40.0	54.6	-
Farms by Geography	69	-	13.0	56.5	30.4	-
Family Distribution by Income Level	7,969	18.6	14.5	17.1	49.9	-
Household Distribution by Income Level	10,914	17.5	12.4	14.8	55.3	-
Median Family Income MSA – Macon-Bibb County, GA MSA (31420)		\$62,540	Median Housing Value Median Gross Rent Families Below Poverty Level			\$139,209 \$773 10.0%

*Source: 2020 U.S. Census and 2024 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.*

The following table presents the FFIEC’s 2024 MFI ranges for low-, moderate-, middle-, and upper-income categories in the Macon-Bibb County, GA MSA.

<b>MFI Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Macon-Bibb County, GA Median Family Income (31420)</b>				
2022 (\$70,100)	< \$35,050	\$35,050 to < \$56,080	\$56,080 to < \$84,120	≥ \$84,120
2023 (\$76,600)	< \$38,300	\$38,300 to < \$62,280	\$61,280 to < \$91,920	≥ \$91,920
2024 (\$76,000)	< \$38,000	\$38,000 to < \$60,800	\$60,800 to < \$91,200	≥ \$91,200
<i>Source: FFIEC</i>				

Data obtained from the U.S. Bureau of Labor Statistics indicates the unemployment rate increased from 2022 to 2023 for the county and state but remained static nationally. As illustrated in the following table, the unemployment rates increased in all areas in 2024.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	%	%	%
Jones County	3.1	3.2	3.6
Georgia	3.2	3.3	3.5
National Average	3.6	3.6	4.0
<i>Source: U.S. Bureau of Labor Statistics</i>			

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN MACON-BIBB ASSESSMENT AREA**

### **LENDING TEST**

Morris Bank’s lending performance within the Macon-Bibb Assessment Area is consistent with the lending performance in the Georgia Non-MSA and Warner Robins Assessment Areas, which were reviewed using full-scope examination procedures. Tables demonstrating the bank’s geographic and borrower distribution performance for this assessment area are in the Appendices.

### **COMMUNITY DEVELOPMENT TEST**

Morris Bank’s community development performance within the Macon-Bibb Assessment Area overall was consistent the community development performance in the Georgia Non-MSA and Warner Robins Assessment Areas, which were reviewed using full-scope examination procedures. Refer to the Appendices for further details.

## APPENDICES

### LIMITED SCOPE ASSESSMENT AREA PERFORMANCE TABLES

#### LENDING TEST

##### Geographic Distribution

##### *Small Business Loans*

<b>Geographic Distribution of Small Business Loans Macon-Bibb Assessment Area</b>					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	-	-	-	-	-
Moderate	5.5	12	14.1	443	10.8
Middle	40.0	31	36.5	1,724	41.8
Upper	54.6	42	49.4	1,953	47.4
Not Available	-	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>	<b>4,120</b>	<b>100.0</b>

*Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%*

##### *Home Mortgage Loans*

<b>Geographic Distribution of Home Mortgage Loan Macon-Bibb Assessment Area</b>						
Tract Income Level	% of Owner- Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	-	-	-	-	-	-
Moderate	9.6	5.0	2	11.8	293	11.1
Middle	44.3	39.8	8	47.1	756	28.6
Upper	46.1	55.1	7	41.1	1,598	60.3
Not Available	-	-	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>	<b>2,647</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data, 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%*

## **Borrower Profile**

### *Small Business Loans*

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Macon-Bibb Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	94.0	34	82.9	1,310	70.8
>\$1,000,000	1.0	3	7.3	390	21.1
Revenue Not Available	5.1	4	9.8	150	8.1
<b>Total</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>1,850</b>	<b>100.0</b>

*Source: 2024 D&B Data, Bank Data.; Due to rounding, totals may not equal 100.0%*

### *Home Mortgage Loans*

<b>Distribution of Home Mortgage Loans by Borrower Income Level Macon-Bibb Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	18.6	2.5	1	5.9	49	1.9
Moderate	14.5	11.4	-	-	-	-
Middle	17.1	26.1	3	17.6	259	9.8
Upper	49.9	35.1	6	35.3	1,432	54.1
Not Available	0	24.9	7	41.2	907	34.2
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>	<b>2,647</b>	<b>100.0</b>

*Source: 2020 U.S. Census Data; Bank Data, 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.*

## **COMMUNITY DEVELOPMENT TEST**

<b>Community Development Lending Macon-Bibb Assessment Area</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize and Stabilize</b>		<b>Totals</b>	
2025 (YTD)	-	-	1	3,900	-	-	-	-	<b>1</b>	<b>3,900</b>
<b>Total</b>	-	-	<b>1</b>	<b>3,900</b>	-	-	-	-	<b>1</b>	<b>3,900</b>

*Source: Bank Data*

<b>Community Development Qualified Investments Macon-Bibb Assessment Area</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Qualified Grants & Donations	-	-	3	12	-	-	-	-	3	12
<b>Total</b>	-	-	3	12	-	-	-	-	3	12

Source: Bank Data

<b>Community Development Services Macon-Bibb Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
2022 (Partial)	-	15	7	-	22
2023	-	34	3	-	37
2024	-	32	10	-	42
2025 (YTD)	-	10	18	-	28
<b>Total</b>	-	91	38	-	129

Source: Bank Data

## **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.