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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

April 10, 1997

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Security National Bank of Quanah  
Charter Number 12308**

**211 Main Street  
Quanah, Texas 79252**

**Office of the Comptroller of the Currency  
Southwestern District  
500 N. Akard, 1600 Lincoln Plaza  
Dallas, Texas 75201-3394**

**NOTE: 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.**

## GENERAL INFORMATION

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Security National Bank of Quannah** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of April 10, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

Security National Bank (SNB) has a satisfactory loan-to-deposit ratio and a substantial majority of lending is within the bank's assessment area. Lending patterns reflect a reasonable penetration among individuals of different income levels and businesses of different sizes.

The following table indicates the performance level of *Security National Bank* with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	SECURITY NATIONAL BANK OF QUANAH PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes		X	
Geographic Distribution of Loans	Not meaningful		
Response to Complaints	No complaints were received since the prior examination		

## **DESCRIPTION OF INSTITUTION**

SNB has its only office in the city of Quanah, Hardeman County, Texas. SNB is a subsidiary of Greenbelt Bancshares, Inc. Total assets are 11 million. The financial condition of the bank is sound; there are no legal impediments or other factors that inhibit the bank from meeting the credit needs of its assessment area. The prior CRA examination was July 31, 1994, and resulted in a "Satisfactory record of meeting community credit needs." The bank encounters a moderate level of competition from other financial institutions in the assessment area. Net loans represent 55% of total assets. Agricultural loans represent 40% of the loan portfolio.

## **DESCRIPTION OF *Hardeman County***

The assessment area has been designated as Hardeman County. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income geographies. According to the 1990 census data, the total population of Hardeman County is 5,283 with 65% of the population in the city of Quanah. The county has two income tracts, both of which are middle-income. The 1990 United States Census median family income for the county is \$24,586.

The economy of Hardeman County revolves around the agriculture and oil and gas industries. Major employers include Georgia-Pacific, DeLongs, Archer Daniels Midland, the school district, and a state prison in each of two neighboring cities.

The credit needs of Hardeman County include small farm and ranch loans, small business loans, and consumer loans. There are two other financial institutions located in the assessment area.

One community contact was made during this examination. Information obtained during the meeting did not identify any unmet credit needs.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :**

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

SNB has a satisfactory loan-to-deposit ratio. The loan-to-deposit ratio has remained relatively stable and has averaged 55% since the last CRA assessment, versus 44% for similarly situated institutions.

### **Lending in the Assessment Area**

A substantial majority of SNB's lending activity occurred within its assessment area. A sample of loans originated or renewed during 1996 reflected that 88% were made to persons residing within SNB's assessment area.

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

A sample of loans originated during 1996 reflects a good distribution of loans to all income levels, including loans to low- and moderate-income borrowers. The sample of farm loans reviewed covers a reasonable range of gross annual revenues.

### **Geographic Distribution of Loans**

A geographic distribution analysis of lending patterns throughout the assessment area was not performed. The assessment area encompasses a large geographical area which includes a very diverse population representing all income categories. Therefore, a geographical lending analysis would not be meaningful.

### **Response to Complaints**

No consumer complaints have been received since the last examination. No violations of the substantive provisions of anti-discrimination laws and regulations were identified.