



## **Public Disclosure**

December 31, 1998

# **Community Reinvestment Act Performance Evaluation**

**Inwood National Bank  
Charter Number: 15292**

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Dallas, Texas 75209**

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Dallas North Field Office  
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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.

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## 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 CRA performance of **Inwood National Bank, Dallas Texas** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **December 31, 1998**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

**Metropolitan Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Census Tract (CT)** - Small, locally defined statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Home Mortgage Disclosure Act (HMDA)** - A statute that requires certain mortgage lenders that do business or have banking offices in a MSA 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 its disposition (e.g., approved, denied, withdrawn).

**Median Family Income (MFI)** - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of census tracts. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Low-Income** - Income levels that are less than 50% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Upper-Income** - Income levels that are 120% or more of the MFI.

**Small Business Loans** - Loans with an original amount of \$1 million or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

**Small Farm Loans** - Loans with an original amount of \$500,000 or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.



## CRA Rating

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

The factors which influenced this rating were:

- < A good responsiveness to area credit needs, especially in making small business loans;
- < A good dispersion of home and small business loans throughout the assessment area;
- < A low penetration of loans to small businesses;
- < An adequate volume of qualified community development investments;
- < An adequate level of retail banking services; and

The following table indicates the performance level of **Inwood National Bank** with respect to the lending, investment, and service tests:

Performance Levels	Inwood National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory			
Low satisfactory	X	X	X
Needs to improve			
Substantial noncompliance			

\* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

## Description of Institution

Inwood National Bank (Inwood) is a Dallas, Texas, based wholly-owned intrastate subsidiary of Inwood Delaware Corporation which is wholly-owned by Inwood Bancshares, Inc., a locally owned corporation. As of December 31, 1998, the bank reported total assets of \$359 million. Inwood is the 10th largest bank in its assessment area. Inwood is adequately capitalized and operates profitably. There are no impediments which limit Inwood's ability to help meet the credit needs of its assessment areas.

The bank's operations are centered primarily in the northeastern portion of the Dallas area. The main office and two branches are located in Dallas, and two branches are in the Dallas area bedroom communities of Richardson and Plano.

The bank faces strong competition in its assessment area from multinational and regional banking companies such as Bank One, Bank of America/Nations Bank, and Comerica. These companies have significant presences in the area. Strong competition also comes from area mid-sized banks such as North Dallas Bank and Trust, and Swiss Avenue Bank, and the area's community banks. Nontraditional sources, including mortgage companies, finance companies, securities firms, and credit unions are also heavily concentrated in the assessment area. The bank's market share position of deposits in Dallas County is shown in the following table.

Market Share Analysis		
Bank	June 30, 1998 Total Deposits	Market Share
<i>Dallas County</i>		
Inwood National Bank	287,536	0.86%
North Dallas Bank and Trust	399,400	1.20%
Swiss Avenue Bank	163,989	0.49%

Inwood offers a full range of financial and credit services throughout its assessment area. These include commercial, real estate, and consumer loan products. As of December 31, 1998, Inwood's first and second lien residential real estate loans constitute approximately \$43.0 million or 16.9% of the loan portfolio, while consumer lending makes up \$19.2 million or 7.6%. Commercial and industrial loans account for approximately \$50.3 million or 19.8%, loans secured by nonfarm nonresidential properties total \$93.4 million or 36.7%, and construction and land development loans totaling \$48.3 million or 19.0%. The distribution by type of the loan portfolio reflects the bank's lending strategy.

Inwood's CRA performance was last evaluated as of July 15, 1996. At that time, the bank's overall level of performance was rated "Satisfactory."

## Description of the Assessment Area

### Dallas Assessment Area

The assessment area of Inwood consists of 274 contiguous census tracts in a three county area of the Dallas MSA in North Texas, hereinafter referred to as the Dallas AA. These CT's comprise portions of Collin, Dallas, and Denton Counties. The population of the Dallas AA as of the 1990 U. S, Census is 1,202,310. Racial/Ethnic Origin demographics show 69% of the population is White, 14% Hispanic, 13% Black, 4% Asian, and nominal percentages of American Indian and other races/ethnic origins.

The economy of the Dallas MSA is supported by a well-diversified business sector with emphasis on manufacturing, high-technology, education, and communications. In addition, corporate relocations to the north Dallas area have fueled much of the growth in that area. As a result, the northern half of the MSA has benefitted more from the economic growth than the southern half.

The December, 1998 unemployment rate for the Dallas MSA is 2.7%, which is well below both the state and national figures of 4.4% and 4.3%, respectively. The trend in the unemployment level for the Dallas MSA is improving as compared to the 3.0% for both the prior month and the prior year. The unemployment levels for the counties of Collin, Dallas, and Denton, were 1.9%, 3.0%, and 1.6%, respectively, and are indicative of a lower unemployed workforce in the north Dallas area.

According to U.S. Bureau of Labor Statistics for December, 1998, the four top sectors which employ the most people in the Dallas MSA are the service, retail trade, government, and manufacturing sectors, with 28%, 18%, 17%, and 12%, respectively, or a combined 75% of the workforce. The Dallas MSA is projected to continue to attract high-tech companies which should, in turn, provide support for rising service sector employment.

The following table presents certain data regarding the Dallas AA.

<b>Dallas Assessment Area</b>	
Population	1,202,310
Households	488,456
Median Housing Value / Median Year Built	\$106,637 / 1970
Median Family Income - 1998 HUD updated amount	\$54,400

Source: 1990 U.S. Census Demographic Data and U.S. Department of Housing and Urban Development (HUD)



The OCC and other regulators have conducted numerous community contacts who have indicated that there is a high level of investment opportunities within the Dallas AA in the areas of small business development, affordable housing, and rehabilitation of existing homes. Opportunities were also discussed with the OCC’s Community Reinvestment Development Specialist for the Southwestern District. The purpose of these contacts was to develop a community profile, identify community credit needs, and determine opportunities for participation by financial institutions in helping to meet local credit needs. These contacts included community development corporations, affordable housing organizations, and small business development groups. Significant needs identified by these groups include small business loans, affordable single-family and multi-family housing, and rehabilitation of homes. Additionally, home buyer assistance programs and improved personal service for small businesses were also noted as needs.

The Dallas AA contains geographies and households as shown below. Five census tracts are not categorized for purposes of this distribution.

Dallas Assessment Area				
	Low- Income	Moderate- Income	Middle- Income	Upper- Income
Census Tracts	34	56	74	105
Households	39,002	101,666	159,132	188,656

Source: 1990 U.S. Census Demographic Data

## Conclusions with Respect to Performance Tests

### LENDING TEST

Inwood was assigned a Component Test Rating of “**Low Satisfactory**”. Results of the analysis of Inwood’s small business lending carried more weight in determining the lending test rating than the review of home loan activity because the bank’s primary business strategy is commercial loans. In addition, consumer loan activity was not analyzed because the bank elected not to collect optional data regarding consumer loans made since the previous performance evaluation.

#### *Lending Activity*

Overall lending levels reflect a good responsiveness to credit needs within Inwood’s assessment area. The bank’s loan to deposit ratio at December 31, 1998 was 76%. This ratio has averaged approximately 75% on a quarterly basis up to September 30, 1998. Inwood ranks first in loan to deposit ratio among peer banks in the assessment area.

	<b>Total Assets September 30, 1998</b>	<b>Average Loan to Deposit Ratio</b>
Inwood National Bank	338,586	75%
Legacy Bank of Texas	547,478	72%
North Dallas Bank and Trust	586,965	44%
Swiss Avenue Bank	210,219	31%

The bank has responded to an identified need as indicated by the number and dollars of small business loans originated in the assessment area. Since becoming subject to data collection requirements on January 1, 1998, the bank originated a total of 258 small business loans totaling approximately \$29 million. Of these amounts, 217 loans originated within the assessment area totaling approximately \$21.8 million. No market data was available when this evaluation was performed; therefore, an analysis of market rank or share was not done.

Inwood originated 142 home loans totaling approximately \$15 million during 1997 and 1998. Home loan activity in 1997 consisted of 70 loans that totaled \$7.3 million; activity in 1998 included 72 loans that totaled \$8.0 million. For all home loan products originated in 1997, Inwood ranked **141st** for originations in the assessment area. Also, Inwood is ranked **68th** in the origination of home loan products in low-income and moderate-income census tracts and **116th** to low-income and moderate-income borrowers. These rankings are indicative of the Inwood's business strategy of not being active in the highly competitive home loan market in the Dallas, Texas area.

Community development loans include a prorata portion of the loans originated by a minority enterprise small business investment corporation (MESBIC) due to Inwood's qualifying investment in that corporation. Inwood's total prorata portion is \$2.4 thousand based on its \$5 thousand equity investment out of MESBIC's total capital of \$29 million and total of \$14 million in qualifying community development loans that were funded in 1998.

### ***Assessment Area Concentration***

#### Small Business Loans

Inwood originated a majority of small business loans, both in number (217 out of 258 or 84%) and dollar amount (\$21.8 million out of \$29.3 million or 74%) in the assessment area, in 1998.

#### Home Loans

A majority of home loans were made within the assessment area. During the reporting period, 71% of both the number and total dollars of home loans made by Inwood were within the assessment area.

<b>Volume of Home Loan Originations in 1997 and 1998 Within the Dallas Assessment Area</b>						
<b>Product</b>	<b>Total Originations</b>		<b>Within the Assessment Area</b>			
	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>%</b>	<b>\$ (000)</b>	<b>%</b>
Home Purchase/Refinance	68	\$11,283	42	62%	\$7,109	63%
Home Improvement	72	\$2,978	57	79%	\$2,740	92%
Multifamily	2	\$1,077	2	100%	\$1,077	100%
<b>Total</b>	<b>142</b>	<b>\$15,338</b>	<b>101</b>	<b>71%</b>	<b>\$10,926</b>	<b>71%</b>

Source: HMDA Loan Application Registers

### ***Geographic Distribution of Loans within the Assessment Area***

#### Small Business Loans

The geographic distribution of small business loans reflects a good dispersion throughout the assessment area. The following chart shows the number of small business loans originated in the assessment area in 1998. The chart also displays the number and percentage of small businesses located in each CT income category. Four loans totaling \$1.2 million were in two census tracts that are not categorized; two of these loans for \$125 thousand were to small businesses.

<b>Distribution of Small Business Originations in 1998 Within the Dallas Assessment Area by Income Level of the Census Tract</b>								
<b>Assessment Area Data</b>	<b>Low-Income</b>		<b>Mod-Income</b>		<b>Middle-Income</b>		<b>Upper-Income</b>	
Census Tracts	34	13%	56	21%	74	28%	105	39%
Census Tracts Penetrated (% of tracts in income group)	3	9%	19	34%	19	26%	20	19%
Number of Businesses	3,377	6%	15,068	27%	16,200	29%	21,404	38%
<b>Loan Product</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>
Small Business Loan #'s	4	2%	110	52%	58	27%	41	19%
Small Business Loan \$'s (000)	446	2%	7,523	27%	8,325	30%	11,816	42%

Source: Business Demographic Data and bank prepared Small Business and Farm Loan Data Collection Register

The previous chart demonstrates that Inwood has penetrated 9% to 34% of all four census tract categories of its assessment area. The penetration of small business loans in low-income CT's is reasonable due to those tracts being highly residential. This reduces the number of businesses in those tracts and hence, the number of small business lending opportunities in those tracts. The penetration in moderate-income CT's is very good due primarily to about half (51) of those loans being made to one leasing company. The distribution of small business lending in moderate-income CT's is very good

(37% vs 27%) even if all loans to the leasing company are counted as one loan. Geographic lending patterns are reasonable given the demographics of the assessment area. Small business lending levels in relation to the number of businesses per CT income category are reasonable. The lending in low-income CT's is slightly lower than the distribution of businesses (2% vs. 6%) and lending in moderate-income CT's is consistent with the distribution of businesses (27% vs. 27%).

Home Loans

The distribution of home loans throughout the assessment area is very good, in view of the bank's business strategy and distribution of CT's. Inwood has penetrated 15% to 35% of all four CT categories of is AA. These dispersion percentages are reasonable in view of the numbers of owner occupied units per CT category. The number of loans per CT category is also reasonable as mortgage lending is not the bank's main strategy. The following chart shows Inwood's residential lending patterns by the income level of the CT's located in the assessment area.

Distribution of Home Loan Originations in 1997 and 1998 Within the Dallas Assessment Area By Income Level of the Census Tracts								
Assessment Area Data	Low-Income		Mod-Income		Middle-Income		Upper-Income	
Census Tracts	34	13%	56	21%	74	28%	105	39%
Census Tracts Penetrated (% of tracts in income group)	5	15%	15	27%	15	20%	38	36%
Owner Occupied Units	9,034	4%	32,111	13%	74,357	31%	125,131	52%
Median Year Built of Housing	1960		1968		1970		1972	
Loan Product	#	%	#	%	#	%	#	%
Home Purchase/Refi	3	6%	9	18%	15	29%	24	47%
Home Improvement	3	5%	19	29%	12	18%	31	48%
Total	6	5%	28	24%	27	23%	55	47%

Source: U.S. Census Demographic Data and HMDA Loan Application Registers

***Distribution by Borrowers' Income within the Assessment Area***

Small Business Loans

Inwood has been responsive to small business credit needs within its assessment area, but less responsive to the credit needs of businesses with revenues less than \$1 million. The following chart shows Inwood's willingness to make loans of varying sizes. The section on the right of the chart represents what portion of the loans of different sizes are made to businesses with annual revenues less than \$1 million.

Distribution of Small Business Loan Originations in 1998 Within the Assessment Area by Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$ (000)	%	#	%*	\$ (000)	%*
less than \$100,000	165	76%	\$4,744	22%	39	24%	\$1,206	25%
\$100,000 to \$250,000	31	14%	\$5,647	26%	7	23%	\$1,231	22%
\$250,000 to \$1,000,000	21	10%	\$11,360	52%	4	19%	\$2,710	24%
Totals	217	100%	\$21,751	100%	50	23%	\$5,147	24%
<b>Distribution of Businesses in the Assessment Area by Annual Revenues of the Business:</b>			< 1 Million	70%	*As a percentage of loans of the size category			
			> 1 Million	11%				
			Unknown	19%				

Source: Business Demographic Data and bank prepared Small Business and Farm Data Collection Register

The bank is extending credit to small businesses at varying dollar ranges, and most often in amounts less than \$100 thousand. The above chart shows that the number and dollars of small business loans to small businesses does not reflect the demographic data. Less than one-fourth of all small business loans are to businesses with revenues less than \$1 million which is significantly less than the distribution of small businesses in the Dallas AA as a percentage of all businesses in the area.

### Home Loans

Inwood originates home loans to individuals and families across all income levels. The number of originations to upper-income families is higher. The following table reflects the distribution of HMDA reportable loans made in 1997 and 1998. For comparison, the chart also presents the distribution of all families living in the assessment area according to their income level.

Distribution of Home Loan Originations in 1997 and 1998 Within the Dallas Assessment Area By Income Level of the Borrower									
Assessment Area Data	Low-Income		Mod-Income		Middle-Income		Upper-Income		
Characteristics of Families	55,982	18%	48,816	16%	60,462	20%	139,219	46%	
<b>Loan Product</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
Home Purchase/Refi	2	5%	4	9%	0	0%	37	86%	
Home Improvement	12	18%	7	11%	7	11%	39	60%	
Total 1998	14	13%	11	10%	7	6%	76	70%	

Source: U.S. Census Demographic Data and HMDA Loan Application Registers

The overall distribution of loans to low-income and moderate-income borrowers is reasonable when considering that Inwood does not actively market long-term, fixed-rate home loans.

## **Community Development Lending**

Community development loans are those loans whose primary purpose meets the definition of community development lending contained in the CRA regulation and that have not or would not have been reported in the review of small business or home loans.

Inwood's level of community development lending is very limited. Community development loans include the bank's prorata portion of loans originated in 1998 by the Minority Enterprise Small Business Investment Corporation (MESBIC). Based on a \$5 thousand investment which originated in February 9, 1993, MESBIC's total capitalization of \$29 million, and the total of \$14 million in qualifying loans funded in 1998, the bank's portion is \$2.4 thousand. Inwood did not report any other loans that qualified as community development loans.

### ***Product Flexibility***

Inwood makes limited use of flexible underwriting guidelines to meet area credit needs.

## **INVESTMENT TEST**

Inwood was assigned a Component Test Rating of "**Low Satisfactory**".

### ***Community Development Investments***

Qualifying investments are investments, deposits, membership shares or grants that have as their primary purpose community development. Community development is specifically defined in the CRA regulation. The following were considered as qualifying community development investments, grants, or donations.

#### **Federal National Mortgage Association (FNMA) mortgage-backed bond** - \$1,143,241 -

(Investment) - This investment is a loan pool, securitized and guaranteed by the FNMA, specifically targeted to low- and moderate-income borrowers. The bonds are composed of 30-year conventional mortgages located in the Dallas and Houston MSAs. Approximately 30% of the loans are located within the bank's AA.

**Southern Dallas Development Fund Corporation (SDDFC)** - \$5,000 - (Investment) - The Southern Dallas Development Fund Corporation is a funding vehicle established by the South Dallas Development Corporation, a community development corporation (CDC), to fund mortgage loans to low-income and moderate-income first-time home buyers. This program provides financing at below market rates which enables more families to afford a home. Due to income limitations, loans are most often extended to low-income and moderate-income families. Mandatory homeowner counseling and

education is required to qualify for participation in the program. SDDFC made 23 loans in 1997 and year to date 1998 totaling \$1,084,047.

The \$5,000 investment in SDDFC was originated by Commercial National Bank. Inwood acquired Commercial National Bank September 30, 1996 and has continued to maintain this investment.

**Donations** - Inwood has made qualifying donations totaling \$28,708 during this evaluation period. Their primary purposes have been community development for low-income and moderate-income persons or geographies in the Dallas AA.

## SERVICE TEST

Inwood was assigned a Component Test Rating of **“Low Satisfactory”**.

### *Retail Banking Services*

The bank’s service-delivery systems are accessible to geographies and individuals of varying income levels within the institutions’s assessment area. The bank offers a standard range of services through its office locations and ATM network. Inwood has five full service locations and each has an ATM, with the Buckner branch also having a drive-up ATM.

Since the previous examination, Inwood opened two branches: the Buckner branch in September 1996, and the Plano branch in June 1997. Inwood also closed one branch located in downtown Dallas in April 1998. The Buckner branch resulted from the purchase of the former Commercial National Bank. The Buckner branch is in a moderate-income CT and the newly added branch in Plano is in an upper-income CT. The branch which closed was located in leased space in a high-rise office building in downtown Dallas, and was in a CT whose income category was not determined by the 1990 U.S. Census. The closing was primarily due to the end of the lease and the bank’s refusal to renew the lease at a higher rate. The customers served by this branch are mainly individuals who worked in offices in and near the building where the branch was located.

Distribution of Branch and ATM Delivery System										Evaluation Period: July 19, 1996 to December 31, 1998			
Branches					ATMs					Population			
# of Bank Branches	Location of Branches by Income of Geographies				# of ATMs	Location of ATMs by Income of geographies				% of population within each geography			
	Low	Mod	Mid	Upp		Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
5	0%	40%	0%	60%	6	0%	50%	0%	50%	9%	20%	31%	40%

Two of the bank's five branches, the main office and the Buckner branch, are located in moderate-income CT's. The bank's three other branches are located in upper-income CT's. The 40% distribution of branches in moderate-income CT's is excellent in view of the fact that 20% of the Dallas AA's population are located in moderate-income CT's. It is noted that the bank has no locations in low-income or middle-income CT's within its Dallas AA. Further analysis of the bank's branch network reflects that approximately 70% of the Dallas AA low-income CT's and 80% of the low-income population are located in areas surrounding the bank's branches. This is considered to be a positive aspect in the bank's ability to provide retail banking services to geographies and individuals of varying income levels.

Hours of operation are commensurate with those offered in the community, with one exception. The Oak Lawn branch has walk-up facilities available instead of a drive-thru. It is open 8 AM to 9 AM, and 3 PM to 6 PM Monday through Friday, and 9 AM to noon on Saturdays. Bank by mail is also available for all customers of Inwood.

Inwood offers deposit products which require various minimum opening deposits and monthly service charges. All products and services offered by Inwood are available at all locations except the Oak Lawn branch does not have a drive-thru facility. Bilingual services are offered at the Main Office and Buckner locations to meet the needs of the communities surrounding each location. It is also noted that a no-cost senior citizen checking account (Pioneer Club Account) is actively marketed only at the Buckner branch. Bank management indicates that this account is uniquely tailored to the needs of the Buckner branch customers.

### ***Community Development Services***

Inwood also offers a low-cost checking account that requires a low minimum balance with a limited number of monthly transactions. This basic checking account will provide low and moderate-income individuals an avenue for meeting some financial needs. Inwood's community development services are adequate and concentrated in one CT where the main office is located. It is locally known as the North Park/Love Field area. The following were considered as qualifying community development services:

**North Park Ministers' Coalition** - Annually, bank officers attend community meetings organized by church leaders in the area west of the main office. The primary purpose of these meetings is to provide credit counseling, home buyer education, general credit information, and assistance in preparing loan applications to people from the community who attend. The community is a moderate-income CT.

**North Park/Love Field Civic League** - The primary purpose of this organization is to improve housing conditions and foster economic growth in this community, a moderate-income CT, and improve its overall quality of life. This is to be accomplished through partnerships with local government and elected officials, development corporations, financial institutions, the City of Dallas Housing Department, law enforcement groups, and local community representatives. The bank has provided budgeting and planning expertise, and organized and provided financial counseling for a major fund



raising effort. The bank has provided this assistance on an ongoing basis since becoming a member in September 1994.

**Greater Dallas Community Relations Commission** - Two mortgage loan officers of the bank made a presentation targeted to first-time home buyers on the home loan application process.

**North Park Missionary Baptist Church** - A bank officer made a credit counseling presentation which emphasized repairing credit.

### **Fair Lending Review**

We performed a fair lending review utilizing procedures outlined within the OCC's Fair Lending Handbook, dated October 1997. The fair lending review focused on a selected group of applications for unsecured consumer loans. A comparative file review was conducted with specific emphasis upon the potential for illegal discrimination on the basis of gender. We compared creditworthiness of approved female applicants to approved male applicants and the rates and terms of these two groups. We found no reason to believe that illegal discrimination occurred. In addition, the bank's internal procedures for prevention and/or detection of possible illegal discrimination were reviewed and analyzed. We recommended that the bank periodically perform its own comparative analysis. No areas of concern were identified.

## **Appendix A: Scope of Examination**

A full scope CRA examination was conducted which included an analysis of Inwood's small business data for 1998 and of HMDA lending activity from 1997 and 1998. Peer data was available only for 1997 HMDA data. No market or peer data is available for the home loans and small business loans originated in 1998 because the 1998 HMDA-LAR and the 1998 Small Business and Small Farm Data Collection Register had not been filed as of the date of this evaluation. Inwood made no reportable small farm loans in 1998. We evaluated the bank's lending, investment, and service performance in the assessment area which is part of the Dallas MSA.