



# INTERMEDIATE SMALL BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

July 27, 2009

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Woodhaven National Bank  
Charter Number: 17816

6750 Bridge Street  
Fort Worth, TX 76112-0000

Office of the Comptroller of the Currency

FORT WORTH Field Office  
9003 Airport Freeway Suite 275  
North Richland Hills, TX. 76180-9127

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, 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.

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

**The Lending Test is rated: Satisfactory.**

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

Woodhaven National Bank (WNB) has a satisfactory record of meeting community credit needs. This conclusion is based on the following:

- A majority of WNB's loans were originated within the assessment area (AA).
- The loan-to-deposit (LTD) ratio is more than reasonable and averaged 89 percent during the evaluation period.
- WNB's distribution of loans to businesses with gross revenues of less than \$1 million is satisfactory. WNB's overall distribution of home mortgage products and consumer loans to low- and moderate-income (LMI) families is reasonable.
- No consumer complaints regarding WNB's CRA performance were received during this evaluation period.
- WNB's community development (CD) performance is satisfactory.

## **Scope of Examination**

WNB qualifies as an Intermediate Small Bank (ISB) under the CRA regulation and is thus subject to a Lending Test and CD Test. The Lending Test evaluates the bank's record of helping to meet the credit needs of its AA through its lending activities. The CD test evaluates a bank's CD lending, qualified investments, and services.

The evaluation under the Lending Test covers loans originated from January 1, 2006 until December 14, 2009. Performance under the lending test was assessed based on a review of WNB's residential real estate loans, commercial loans (including commercial real estate and commercial and industrial loans), and consumer loans. Our sample included 20 of each type of loan and all HMDA-reportable residential real estate loans. CD activities were evaluated over the period from January 1, 2006 until December 14, 2009.

## Description of Institution

WNB is a community bank headquartered in Fort Worth, Texas, which is located in Tarrant County. Tarrant County has a population of approximately 1.7 million people. WNB is a full-service bank offering traditional products and services. In addition to its main office at 6750 Bridge Street, in Fort Worth, WNB operates six full-service branches and one limited-service branch located in the Texas communities of Fort Worth, Colleyville, Mansfield, Arlington, and Rhome.

Six branches have an ATM facility. The main office is located in a low-income census tract (CT) while the Rhome, Fossil Creek, Ridglea, Lakewood, and Mercantile branches are all located in middle-income CTs. The two remaining branches, Mansfield and Northeast, are located in upper-income CTs. There are no legal, financial or other factors impeding the bank's ability to help meet the credit and community development needs in its AA.

The bank is 100 percent owned by the holding company, Myers Bancshares. WNB has no operating subsidiaries. Since the last evaluation period, two new branches have been opened and the LPO has closed.

WNB reported total assets of \$363 million, total loans of \$287 million, and deposits of \$323 million as of March 31, 2009. While meeting various lending needs, the principal lending focus is real estate and commercial construction. A summary of the loan portfolio is reflected in the table below:

<b>Loan Portfolio Composition as of March 31, 2009</b>		
<b>Loan Category</b>	<b>\$(000)</b>	<b>%</b>
Real Estate	227,648	79.30
Commercial & Industrial	47,857	16.67
Consumer & Individual	8,388	2.92
Farm & Agricultural	164	0.06
Other	3,025	1.05
<b>Total</b>	<b>\$287,082</b>	<b>100.00</b>

*Source: March 31, 2009 Report of Condition*

WNB's identified AA is highly competitive. The primary competition consists of other state and national financial institutions, credit unions, and branch facilities of institutions not chartered in the counties served. Much of the competition is highly visible and offers very competitive rates on loans and deposits.

WNB received an overall rating of "Satisfactory" during its previous CRA examination dated September 24, 2006, utilizing Small Bank CRA Procedures.

## Description of Assessment Area

Woodhaven NB has designated Tarrant and Wise Counties as its AA. The AA is part of the Fort Worth / Arlington Metropolitan Statistical Area (MSA). The AA comprises 321 census tracts: twenty-four low-income, eighty-seven moderate-income, one hundred seventeen middle-income, and ninety-three upper-income census tracts. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income geographies. Specific demographic and economic data for this area is listed below:

<b>Demographic and Economic Characteristics of Assessment Area</b>	
<b>Population</b>	
Total Population	1,495,012
Number of Families	385,035
Number of Households	551,199
<b>Geographies</b>	
Number of Census Tracts	321
% Low-Income Census Tracts	7.48%
% Moderate-Income Census Tracts	27.10%
% Middle-Income Census Tracts	36.45%
% Upper-Income Census Tracts	28.97%
<b>Median Family Income (MFI)</b>	
2000 MFI for AA	\$57,589
2009 HUD-Adjusted MFI	\$64,500
<b>Economic Indicators</b>	
Unemployment Rate	2.35%
2000 Median Housing Value	\$100,923
% Households Below Poverty Level	9.61%

*Source: 2000 Census data and HUD updated income data.*

The City of Fort Worth is located in North Central Texas in Tarrant County, approximately 17 miles west of Dallas / Fort Worth International Airport. Fort Worth encompasses 313 square miles and has a 2008 estimated population of 653,320. Wise County is in northwestern Texas, forty miles south of the Oklahoma border. Decatur, the county seat and largest town, is thirty-five miles northwest of Fort Worth, Texas. The county comprises 922 square miles and is divided from north to south between the Eastern Grand Prairie and the Western Cross Timbers regions of Texas.

Based on 2008 demographic data, the AA area has a total population of 1,495,012. There are 585,072 housing units in the AA, of which 58 percent are owner-occupied, 36 percent are renter-occupied and 6 percent are vacant. Approximately 21 percent of the families in the AA are considered low-income. Moderate-income families approximate 17 percent of the population, middle-income families total 20% and upper-income families comprise 42 percent of the population, respectively.

Based on 2008 business demographic data, there are 145,867 businesses in the AA. Of these businesses, 66 percent reported gross annual revenue less than \$1 million and 5 percent reported gross annual revenue equal to or greater than \$1 million. Because reporting is voluntary, 30 percent of the businesses did not report revenues. Approximately 67 percent of businesses have less than ten employees and 23 percent of the businesses did not report employee size. Major industries and employers include aviation, technology, railroad, and defense.

## Conclusions with Respect to Performance Tests

### LENDING TEST

WNB's performance under the Lending Test is **"Satisfactory"**.

WNB's primary business lines are commercial loans (including commercial real estate), small business loans, residential real estate loans, and consumer loans. In our analysis, we included all residential real estate loans originating since 2006 that are reported under the requirements of the Home Mortgage Disclosure Act (HMDA), as well as 20 commercial loans and 20 consumer loans originated during our evaluation period. Though equal weight was given to each type of lending when evaluating lending performance, the bank's primary lending focus is commercial.

#### Loan-to-Deposit Ratio

WNB's net loan-to-deposit (LTD) ratio is more than reasonable and meets the standards for outstanding performance given the bank's size, financial performance, and the AA's credit needs. The net LTD ratio measures the extent to which the bank has returned the deposits it has acquired to the community in the form of loans. The average of this ratio for each quarter-end since the previous CRA examination is used to determine performance in this area. The average LTD ratio for WNB was determined using the last 10 quarters and is 89 percent. This ratio ranged from a quarterly low of 84 percent as of September, 2007 to a quarterly high of 94 percent as of June, 2008.

The average LTD ratio of similarly situated banks within the AA during the evaluation period was 71 percent. WNB's LTD ratio is much higher in comparison as even its lowest quarterly ratio is significantly higher than the peer average. This reflects a willingness to provide credit within its community.

#### Lending in Assessment Area

WNB's lending in its AA reflects satisfactory performance. A majority of the number and dollar amount of the loans were originated inside the bank's AA, after subtracting the home improvement portfolio which has been discontinued. As depicted in the table below, 41 percent of the number and 66 percent of the dollar amount of loans were originated inside WNB's AA. After subtracting the home improvement loans, the ratios would be 80 percent of the number, and 68 percent of the dollar amount.

<b>Table 1 - Lending in AA</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	347	80.9	82	19.1	429	29,977	72.3	11,501	27.7	41,478
Home Improvement	1,198	34.6	2,260	65.4	3,458	59,844	36.0	106,400	64.0	166,244
Home Refinance	115	78.8	31	21.2	146	8,656	73.0	3,204	27.0	11,860
Consumer	14	70	6	30	20	429,459	74.5	146,719	25.5	576,178
Commercial	17	85	3	15	20	1,892,438	66.6	948,520	33.4	2,840,958
Totals	1,691	41.52	2,382	58.48	4,073	2,420,374	66.55	1,216,344	33.45	3,636,718

*Source: Data reported under HMDA, sample of loans.*

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

The distribution of loans reflects a reasonable penetration among individuals of different income levels and businesses of different sizes, and meets the standard for satisfactory performance. To perform our analysis, we reviewed income information for all HMDA-reportable residential mortgage loans, 20 consumer loans, and revenue information for 20 commercial loans, all located within the AA. Each product type was weighted equally in this evaluation. More detail on lending performance of each of the products is discussed below.

#### *Residential Real Estate Loans*

To conduct this analysis, we compared the percentage of bank loans in our sample to the percentage of families that are classified low-, moderate-, middle-, and upper-income. WNB's distribution of home mortgage loan products to low- and moderate-income (LMI) families reflects poor penetration, as the percentage of the number and amount of bank loans made to LMI families is significantly less than the percentage of LMI families in the AA. Performance in this area needs to improve. However, as evidence that WNB is meeting needs of LMI families is that during the evaluation period, the bank originated 640 home mortgage loans with original balances of less than \$100 thousand. The average amount of the loans is \$46,350. Many of these loans were made to existing customer relationships. Also, since WNB does not have a mortgage department, customers that cannot be accommodated are referred to other area banks that provide this service.

<b>Table 2 - Borrower Distribution of Residential Real Estate Loans in AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19.6	1.4	18.4	5.8	21.5	7.2	40.5	28.5
Home Improvement	19.6	1.5	18.4	6.9	21.5	12.6	40.5	79.0
Home Refinance	19.6	3.5	18.4	17.4	21.5	7.0	40.5	49.5

Source: U.S. Census data. HMDA data.

**Commercial Loans**

WNB demonstrated a satisfactory level of lending to businesses of different sizes. For this analysis, we compared the percentage of loans made to small businesses (those with revenues less than or equal to \$1 million) to the percentage of businesses in the AA that are classified as small businesses. Within our sample of commercial loans, 65 percent of the number and 44 percent of the dollar amount of loans were originated to small businesses. This level is adequate, though the demographic comparator is higher than the dollar amount percentage (44 percent) of loans made to small businesses.

<b>Table 2A - Borrower Distribution of Loans to Businesses in AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	65.3	4.1	30.6	100%
% of Bank Loans in AA by #	65	35	0	100%
% of Bank Loans in AA by \$	44	56	0	100%

Source: Loan sample; Dunn and Bradstreet data.

**Consumer Loans**

The distribution of consumer loans by income category is satisfactory. To conduct this analysis, we compared the percentage of bank loans to the percentage of households that are classified low-, moderate-, middle-, and upper-income. Based on 2000 U.S. Census data, 21 percent of the households in the AA are low-income; approximately 10 percent of loans are originated to low-income households. Approximately 25 percent of the bank’s consumer loans in our sample were originated to moderate-income households while 17.5 percent of the households are considered to be moderate-income.

<b>Table 2B - Borrower Distribution of Consumer Loans in AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	21.02	10	17.5	25	19.7	15	41.8	50

Source: Loan sample or data collected by the bank; U.S. Census data.

### Geographic Distribution of Loans

WNB’s geographic distribution of loans reflects reasonable dispersion and meets the standard for satisfactory performance. The AA includes 24 low- and 87 moderate-income CTs. This comprises approximately 35 percent of all CTs located in the AA. WNB’s performance was based solely on its lending performance to these geographies under this criterion.

#### Residential Real Estate Loans

The geographic distribution of home mortgage loan products is satisfactory, and reflects reasonable dispersion. The percentage of the bank’s loans made in LMI tracts is commensurate with the percentage of owner-occupied housing in these CTs. Performance in this area is satisfactory.

<b>Table 3 - Geographic Distribution of Residential Real Estate Loans in AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	3.7	4.3	19.6	41.2	38.4	35.7	38.3	18.8
Home Improvement	3.7	0.5	19.6	4.2	38.4	32.2	38.3	63.1
Home Refinance	3.7	2.6	19.6	34.8	38.4	42.6	38.3	20.0

Source: loan sample or data reported under HMDA; U.S. Census data.

#### Commercial Loans

The geographic distribution of small business loans is satisfactory and reflects reasonable dispersion. Your distribution of small business loans, by number, to LMI CTs reasonably approximates the percentage of small businesses located in those tracts. Performance under this criterion is satisfactory.

Table 3A - Geographic Distribution of Loans to Businesses in AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	3.9	0	25.6	15	36.8	40	33.7	45

Source: loan sample; D & B data.

### Consumer Loans

The geographic distribution of consumer loans is satisfactory and reflects reasonable dispersion. Your lending to consumers in LMI CTs is generally commensurate with the percentage of LMI households located in the AA. Lending under this performance criterion is satisfactory.

Table 3B - Geographic Distribution of Consumer Loans in AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer	5.2	0	24.6	10	40.0	55	30.2	35

Source: loan sample; U.S. Census data.

### Responses to Complaints

There have been no consumer complaints relating to WNB's CRA performance during the evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

WNB's performance under the Community Development Test is “**Satisfactory**”.

WNB demonstrates adequate responsiveness to the needs of its AA through qualified investments and CD services, considering the institution’s capacity and the need and availability of such opportunities in the AA.

### **Number and Amount of Community Development Loans**

WNB originated two (2) CD loans during this evaluation period in the total amount of \$3.3 million. One of the loans financed the rehabilitation of a clothing manufacturing facility on East Lancaster Avenue in Fort Worth, Texas, an area designated as a distressed and under-served low income area. The other loan made to a tortilla factory was to finance the purchase of equipment for the production of tortillas, tortilla chips and salsa dip for a company located in an LMI area. Both entities will benefit LMI individuals in the bank's AA, by promoting economic development and providing employment opportunities.

### **Number and Amount of Qualified Investments**

A single donation to a Small Business Investment Company (SBIC) through VALESCO Commerce Street Capital L.P. in the amount of \$250 thousand accounts for 7 percent of the bank's total qualified investments. The SBIC Program, established in 1958 by the United States Congress, is a privately-owned and operated company that makes long-term investments in American small businesses, licensed by the Small Business Administration (SBA). Over the years, SBICs have provided \$53 billion in funding to more than 105 thousand businesses. Banks and Federal Saving associations owning or investing in SBICs have the ability to own indirectly more than 5 percent of the voting stock of a small business. Banks, Federal Savings Associations and their holding companies receive CRA credit for SBIC investments located or doing substantial business in the region in which the bank's AA is located.

Other qualified investments (9) totaling \$10 thousand, include donations and contributions to CD organizations that provide services and activities that impact LMI individuals and promote economic development.

### **Extent to Which the Bank Provides Community Development Services/Responsiveness to Community Development Needs**

WNB's's CD services reflect adequate responsiveness to the needs and opportunities in the AA. Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the AA. Business hours and services are convenient and are accessible to all segments of the AA.

The branch system is the primary delivery system for retail banking services and is supplemented by 6 ATMs. Branch and ATM distribution is reasonable when the overall distribution of low, middle and upper income geographies in the bank's assessment area is considered. Five of the branches are within middle-income areas, one is within an upper-income area and one is within a low income area. ATMs are similarly positioned at the branch facilities with the exception of one branch. The bank offers other alternative delivery systems including telephone banking, ATM/Debit cards, and Internet banking.

Banking hours provide adequate accessibility throughout the AA. All locations maintain standard banking hours Monday through Friday with extended lobby hours on Friday. WNB opens a teller window at Lakewood Retirement Village every Tuesday morning to perform banking duties for the elderly residents of the center. WNB also provides banking services to a facility that offers training and assistance of adult persons who are mentally / physically disabled, provides group homes, foster care and supportive home living. All motor bank locations offer extended evening and weekend hours. These services enhance the accessibility of the branches.

An adequate range of deposit and loan products and business services are available at all WNB's branch locations. Products and services are responsive to banking needs within the AA and do not vary in a way that inconveniences any portion of the AA, or any group of individuals, particularly LMI individuals.

The volume and responsiveness of the bank's community development services is adequate. Qualified services focus on volunteer activities within the community. In advisory capacities, WNB's officers and employees serve various community development organizations that benefit LMI individuals and families.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.