



PUBLIC DISCLOSURE

December 31, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Guaranty Bank & Trust, National Association
Charter Number 25053

100 W. Arkansas
MT. Pleasant, TX 75455

Office of the Comptroller of the Currency

1800 NW Loop 281, Suite 306, Longview, TX 75604-2516

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 Outstanding.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

The major factors that support the bank's rating are as follows:

- Guaranty Bank's loan to deposit ratio is reasonable based on the bank's size, financial condition and assessment areas' credit needs.
- A substantial majority of the bank's loans were originated within its designated assessment areas.
- The distribution of loans to borrowers of different incomes and businesses of different sizes is reasonable throughout all assessment areas.
- The geographic distribution of loans to census tracts of different income levels reflects reasonable dispersion throughout all census tracts in the bank's assessment areas.
- Guaranty Bank demonstrated excellent responsiveness to community development needs.

Scope of Examination

Guaranty Bank and Trust, National Association's (Guaranty Bank) CRA performance was evaluated using the intermediate small bank procedures. Under these procedures, banks are subject to a lending test and a community development test. The lending test evaluates the bank's record of meeting the credit needs of its assessment areas through its lending activities. The community development test evaluates the bank's responsiveness to community development needs in its assessment areas (AAs) through community development lending, qualified investments, and community development services.

Conclusions regarding the bank's lending performance were based on lending activity in the bank's Commerce AA, Northeast Texas AA, and Texarkana AA. A review of the lending activity in the Longview AA and Bryan/College Station AA would not be meaningful, as these branch locations were only recently opened. The bank's primary loan products include 1-4 family mortgages and commercial loans. Our sample included all 1-4 family mortgages originated from January 1, 2012 to December 31, 2013. In addition, we reviewed a sample of sixty commercial loans originated during the same period.

The community development test included a review of investments, donations, and loans that meet the definition of community development. This test also included a

review of delivery systems as well as retail and community development services provided in Guaranty Bank's AAs. The evaluation period for the community development test covered October 19, 2010 through December 31, 2014.

Description of Institution

Guaranty Bank is headquartered in Mount Pleasant, Texas and is one of the largest locally owned community banks in the area. Total assets equaled \$1.34 billion, as of December 31, 2014.

Guaranty Bank is wholly owned by Guaranty Bancshares, Inc., a one-bank holding company. Guaranty Bank is a full service community bank providing financial products and services to consumers and businesses. The bank offers a wide array of loan and deposit products to its customers. Guaranty Bank has twenty locations in fourteen cities throughout east Texas. In addition, the bank has thirty-eight automatic teller machines, fifteen that are stand alone.

The bank's market encompasses a large portion of northeast Texas. Major markets served include eight contiguous counties in northeast Texas, the Texarkana metropolitan statistical area (MSA), and two counties located in the Dallas-Plano-Irving MSA. In addition, branch locations were added in the cities of Longview, Hallsville, and Bryan/College Station during 2013 and 2014. The bank has designated five assessment areas for meeting the goals of the Community Reinvestment Act. These assessment areas include whole geographies and are identified as Bryan/College Station AA, Commerce AA, Longview AA, Northeast Texas AA, and Texarkana AA. Lending activity was not reviewed in the Longview and Bryan/College Station AAs as these locations were opened in 2013 and 2014.

As of December 31, 2014, Guaranty Bank's loan portfolio totaled \$775 million. The chart below reflects the distribution of loans by category as of December 31, 2014.

Loan Category	\$ (000)	%
Residential Real Estate	\$251,427	32.44%
Commercial Real Estate	\$289,745	37.38%
Commercial Loans	\$139,252	17.96%
Consumer Loans	\$44,359	5.72%
Agricultural Loans	\$49,444	6.38%
Other Loans	\$917	0.12%
Total	\$775,144	100.00%

There are no legal, financial or other factors impeding the bank's ability to meet the credit needs in its assessment areas. The bank's CRA performance was previously evaluated as of October 18, 2010 with a performance rating of "Satisfactory."

Description of Assessment Area(s)

Guaranty Bank has designated five assessment areas for evaluation under the Community Reinvestment Act (CRA), which are identified as Bryan/College Station AA, Commerce AA, Longview AA, Northeast Texas AA, and Texarkana AA. Our assessment of the Bank's CRA performance was limited to lending activity for the Commerce AA, Northeast Texas AA, and Texarkana AA. Following is demographic information for these AAs.

Commerce AA

Guaranty Bank designated all of Delta County, Texas and Hunt County, Texas as the Commerce assessment area. Delta and Hunt Counties are included in the Dallas-Plano- Irving MSA. The assessment area has a total population of 91 thousand and includes the cities of Commerce, Cooper, Greenville, as well as numerous other surrounding cities. The assessment area contains twenty-one census tracts. Three are designated as low-income, eight moderate-income, eight middle-income, and two upper-income. Low and moderate-income census tracts account for 52 percent of census tracts in the assessment area. The bank has one branch location in Commerce, Texas. The following table reflects the demographics of the assessment area.

Demographic and Economic Characteristics of Commerce Assessment Area	
<i>Population</i>	
Number of Families	22,596
Number of Households	32,436
<i>Geographies</i>	
Number of Census Tracts/BNA	21
% Low-Income Census Tracts/BNA	14.29%
% Moderate-Income Census Tracts/BNA	38.10%
% Middle-Income Census Tracts/BNA	38.10%
% Upper-Income Census Tracts/BNA	9.52%
<i>Median Family Income (MFI)</i>	
2013 MFI for AA	\$67,501
2013 HUD-Adjusted MFI	\$69,000
<i>Economic Indicators</i>	
Unemployment Rate	5.10%
2013 Median Housing Value	\$90,411
% of Households Below Poverty Level	16.83%

Source: 2010 Census Data

Major employers in this assessment area include L-3 Communications, local school districts, and Wal-Mart. Demographic information reflects a moderately high poverty level with 16.83 percent of households living below the poverty level. Unemployment was reported at 5.10 percent and the local economy is stable. Community development opportunities are centered in local municipalities, school districts, and community service organizations. Finally, competition is strong with several local community

banks, thrifts, credit unions, and large regional banks located within the assessment area.

A local realtor was contacted as part of this assessment. The realtor indicated the most pressing community credit needs were residential mortgages and small personal loans. They also indicated that opportunities for community development programs were limited.

Northeast Texas AA

Guaranty Bank designated the counties of Camp, Cass, Franklin, Hopkins, Lamar, Morris, Red River, and Titus Texas as the northeast Texas assessment area. The assessment area has a total population of 197 thousand and includes the cities of Mount Pleasant, Sulphur Springs, Paris, Pittsburg, as well as numerous other surrounding cities. The assessment area contains forty-nine census tracts with ten designated as moderate-income, thirty-four as middle-income, and five upper-income. Fifteen of the middle-income tracts are designated as distressed/underserved. The bank has nine branches in this AA. The following table reflects the demographics of the assessment area.

Demographic and Economic Characteristics of Northeast Texas Assessment Area	
<i>Population</i>	
Number of Families	52,888
Number of Households	73,451
<i>Geographies</i>	
Number of Census Tracts	49
% Low-Income Census Tracts	0.00%
% Moderate-Income Census Tracts	20.41%
% Middle-Income Census Tracts	69.39%
% Upper-Income Census Tracts	10.20%
<i>Median Family Income (MFI)</i>	
2013 MFI for AA	\$48,160
2013 HUD-Adjusted MFI	\$50,500
<i>Economic Indicators</i>	
Unemployment Rate	4.40%
2013 Median Housing Value	\$82,016
% of Households Below Poverty Level	17.34%

Source: 2010 Census Data

Major employers in this assessment area include Pilgrim's Pride, local school districts, Titus Regional Medical Center, Luminant, Wal-Mart, and Priefert Manufacturing. Demographic information reflects a moderately high poverty level with 17.34 percent of households living below the poverty level. Unemployment was reported at 4.40 percent and the local economy is stable. Community development opportunities are centered in local municipalities, school districts, and community service organizations. Finally,

competition is strong with several local community banks, thrifts, credit unions, and large regional banks located within the assessment area.

We contacted a local government official as part of our community needs assessment. The official did not identify any specific credit needs or community development opportunities.

Texarkana AA

Guaranty Bank designated all of the Texarkana Metropolitan Statistical Area as its Texarkana AA. This area includes all of Bowie County, Texas and Miller County, Arkansas. The assessment area has a total population of 136 thousand and includes the cities of Texarkana, Texas, Texarkana, Arkansas, and New Boston, Texas, as well as numerous other surrounding cities. The assessment area contains thirty census tracts, which are designated as follows: four low-income, three moderate-income, eighteen middle-income, and four upper-income. One census tract did not have a designated income, as sufficient income was not reported. The bank has four branch locations in this assessment area. The following table reflects the demographics of the assessment area.

Demographic and Economic Characteristics of Texarkana Assessment Area	
<i>Population</i>	
Number of Families	34,423
Number of Households	50,150
<i>Geographies</i>	
Number of Census Tracts	30
% Low-Income Census Tracts	13.33%
% Moderate-Income Census Tracts	10.00%
% Middle-Income Census Tracts	60.00%
% Upper-Income Census Tracts	13.33%
<i>Median Family Income (MFI)</i>	
2013 MFI for AA	\$51,710
2013 HUD-Adjusted MFI	\$57,300
<i>Economic Indicators</i>	
Unemployment Rate	4.65%
2013 Median Housing Value	\$91,481
% of Households Below Poverty Level	16.64%

Source: 2010 Census Data

Major employers in the assessment area are Red River Army Depot & tenants, Christus St. Michael Health Care, Cooper Tire & Rubber Company, and Wadley Regional Medical. Demographic information reflects a moderately high poverty level with 16.64 percent of households living below the poverty level. Unemployment was reported at 4.65 percent and the local economy is stable. Community development opportunities are centered in local municipalities, school districts, and community service organizations. Finally, competition is strong with several local community banks, thrifts, credit unions, and large regional banks located within the assessment area.

We contacted a local government official as part of our community needs assessment. The official stated that the most pressing credit needs within the assessment area was 1-4 family mortgages and small business loans. They did not identify any specific community development opportunities.

Conclusions with Respect to Performance Tests

LENDING TEST

Guaranty Bank's performance under the lending test is satisfactory. The bank's loan-to-deposit ratio is reasonable and a substantial majority of the bank's lending activity occurred inside its assessment areas. In addition, the distribution of loans to borrowers of different income and business sizes reflects a reasonable penetration. The bank's geographic distribution of loans represents a reasonable dispersion throughout the AAs. Finally, there were no CRA related complaints filed during this evaluation period.

Loan-to-Deposit Ratio

Guaranty Bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition and assessment area credit needs. Guaranty Bank's loan-to-deposit ratio is comparable to other banks that are similarly situated. The bank's quarterly loan-to-deposit ratio has averaged 67.41 percent since the prior CRA evaluation. The average quarterly loan-to-deposit ratio of similarly situated banks for the same period was 69.14 percent and ranged from 50.76 percent to 84.92 percent.

Institution	Assets (000s) as of 09/30/14	Average LTD Ratio
Texas Bank and Trust Company Longview, Texas	\$1,942,957	84.92%
Austin Bank Texas National Association Jacksonville, Texas	\$1,504,624	83.21%
Guaranty Bank and Trust, National Association Mount Pleasant, Texas	\$1,288,552	67.41%
Citizens National Bank Henderson, Texas	\$1,307,917	57.65%
Southside Bank Tyler, Texas	\$3,362,255	50.76%

Lending in Assessment Area

A substantial majority of the bank's lending activity is located within its assessment area. We reviewed all residential loans and a sample of sixty commercial loans, which originated during 2012 and 2013. Eighty-seven percent of loans by number were originated within the bank's assessment area, while eighty-five percent by dollar amount was originated within the bank's assessment area.

Lending in AAs										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	1,160	86.76	177	13.24	100%	136,630	85.95	22,340	14.05	100%
Home Improvement	96	90.57	10	9.43	100%	4,714	82.88	974	17.12	100%
Refinance Loans	510	87.48	73	12.52	100%	74,257	86.11	11,976	13.89	100%
Commercial	56	93.33	4	6.67	100%	9,627	69.21	4,283	30.79	100%
Totals	1,822	87.34	264	12.66	100%	225,228	85.06	39,573	14.94	100%

Source: Data reported under HMDA and sample of commercial loans.

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

The distribution of loans to borrowers of different incomes and to businesses of different sizes represents a reasonable penetration throughout the bank’s assessment areas. Following is a summary for each assessment area reviewed.

Commerce AA

The distribution of loans to borrowers of different incomes represents a reasonable penetration. The distribution of loans to businesses of different sizes represents an excellent penetration.

The distribution of residential loans to low-income borrowers is near to the assessment area’s demographics, while the distribution of residential loans to moderate-income borrowers exceeds the assessment area’s demographics. Please refer to the following chart for details.

Borrower Distribution of Residential Real Estate Loans in Commerce AA								
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	30.43	30.77	20.27	23.08	19.96	15.38	29.34	30.77
Home Improvement	30.43	20.00	20.27	20.00	19.96	20.00	29.34	40.00
Refinance	30.43	22.22	20.27	22.22	19.96	22.22	29.34	33.34

Source: data reported under HMDA; U.S. Census data.

Note: No income information available for 7.69 percent of home purchase applicants.

The distribution of loans to small businesses exceeds the percentage of small businesses located within this assessment area. Please refer to the following table for details.

Borrower Distribution of Loans to Businesses in Commerce AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	73.84	2.93	23.23	100%
% of Bank Loans in AA by #	80.00	20.00	0.00	100%
% of Bank Loans in AA by \$	80.63	19.37	0.00	100%

Source: Loan sample; Dun and Bradstreet data.

Northeast Texas AA

The distribution of loans to borrowers of different incomes and businesses of different sizes represents a reasonable penetration.

The distribution of residential loans to low-income borrowers is below the assessment area’s demographics, while the distribution of residential loans to moderate-income borrowers is near to the assessment area’s demographics. Please refer to the following chart for details.

Borrower Distribution of Residential Real Estate Loans in Northeast Texas AA								
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	20.95	8.08	18.80	13.95	20.55	20.44	39.70	48.49
Home Improvement	20.95	8.06	18.80	11.29	20.55	30.65	39.70	48.39
Refinance	20.95	2.31	18.80	11.22	20.55	18.48	39.70	58.75

Source: data reported under HMDA; U.S. Census data.

Note: No income information available for 9.04 percent of home purchase, 1.61 percent of home improvement and 9.24 percent of refinance applicants.

The distribution of loans to small businesses exceeds the percentage of small businesses located within this assessment area. Please refer to the following table for details.

Borrower Distribution of Loans to Businesses in Northeast Texas AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	72.61	3.29	24.10	100%
% of Bank Loans in AA by #	75.00	25.00	0.00	100%
% of Bank Loans in AA by \$	40.16	59.84	0.00	100%

Source: Loan sample; Dun and Bradstreet data.

Texarkana AA

The distribution of loans to borrowers of different incomes and businesses of different sizes represents a reasonable penetration.

The distribution of residential loans to low-income borrowers is below the assessment area’s demographics, while the distribution of residential loans to moderate-income borrowers exceeds or is near to the assessment area’s demographics. Please refer to the following chart for details.

Borrower Distribution of Residential Real Estate Loans in Texarkana AA								
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	23.49	6.59	16.34	18.22	20.15	24.42	40.02	43.99
Home Improvement	23.49	3.45	16.34	10.34	20.15	10.34	40.02	68.97
Refinance	23.49	4.04	16.34	6.57	20.15	17.68	40.02	65.66

*Source: data reported under HMDA; U.S. Census data.
No income information available for 6.78 percent of home purchase, 6.90 percent of home improvement and 6.05 percent of refinance applicants.*

The distribution of loans to small businesses is near to the percentage of small businesses located within this assessment area. Please refer to the following table for details.

Borrower Distribution of Loans to Businesses in Texarkana AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	72.94	3.63	23.43	100%
% of Bank Loans in AA by #	70.00	30.00	0.00	100%
% of Bank Loans in AA by \$	58.35	41.65	0.00	100%

Source: Loan sample; Dun and Bradstreet data.

Geographic Distribution of Loans

The geographic distribution of loans to census tracts of different income levels reflects reasonable dispersion throughout all census tracts in the bank’s assessment areas. Following is a summary for each assessment area reviewed.

Commerce AA

The geographic distribution of residential and business loans reflects excellent dispersion throughout the assessment area.

The geographic distribution of residential loans in low and moderate-income tracts exceeds the percentage of owner occupied housing for these areas. Please refer to the following table for details.

Geographic Distribution of Residential Real Estate Loans in Commerce AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% 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	8.47	53.85	33.36	38.46	44.84	7.69	13.33	0.00
Home Improvement	8.47	20.00	33.36	40.00	44.84	40.00	13.33	0.00
Refinance	8.47	22.22	33.36	22.22	44.84	55.56	13.33	0.00

Source: data reported under HMDA; U.S. Census data.

The geographic distribution of business loans exceeds the percentage of businesses located in low-income tracts and is near to the percentage located in moderate-income tracts. Please refer to the following table for details.

Geographic Distribution of Loans to Businesses in Commerce 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	9.66	20.00	32.96	25.00	44.24	55.00	13.14	0.00

Source: loan sample; Dun & Bradstreet data.

Northeast Texas AA

The geographic distribution of residential loans represents excellent dispersion throughout the assessment area. The distribution of business loans reflects reasonable dispersion throughout the assessment area.

The geographic distribution of residential loans in moderate-income tracts exceeds the percentage of owner occupied housing for these areas. There were no low-income tracts in this assessment area. Please refer to the following table for details.

Geographic Distribution of Residential Real Estate Loans in Northeast Texas AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% 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	0.00	0.00	12.79	18.86	74.66	64.18	12.55	16.96
Home Improvement	0.00	0.00	12.79	25.81	74.66	61.29	12.55	12.90
Refinance	0.00	0.00	12.79	15.51	74.66	69.97	12.55	14.52

Source: data reported under HMDA; U.S. Census data.

The geographic distribution of business loans in moderate-income tracts is near to the percentage of businesses for this assessment area. Please refer to the following table for details.

Geographic Distribution of Loans to Businesses in Northeast Texas 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	0.00	0.00	20.41	20.00	68.25	55.00	11.34	25.00

Source: Loan sample; Dun & Bradstreet data.

Texarkana AA

The geographic distribution of residential and business loans represents reasonable dispersion throughout the assessment area.

The geographic distribution of residential loans in low and moderate-income tracts is near to the percentage of owner occupied housing for these areas. Please refer to the following table for details.

Geographic Distribution of Residential Real Estate Loans in Texarkana AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% 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	4.17	2.13	5.90	5.23	66.50	55.62	23.37	37.02
Home Improvement	4.17	3.45	5.90	3.45	66.50	51.72	23.37	41.38
Refinance	4.17	1.52	5.90	0.51	66.50	50.51	23.37	47.46

Source: data reported under HMDA; U.S. Census data.

Note: 0.06 percent of the tracts are NA

The geographic distribution of business loans is near to the percentage of businesses located in low-income tracts and exceeds the percentage located in moderate-income tracts. Please refer to the following table for details.

Geographic Distribution of Loans to Businesses in Texarkana 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	10.42	5.00	9.28	15.00	54.25	60.00	25.94	20.00

Source: Indicate source, i.e., loan sample; Dun & Bradstreet data.

Note: 0.11 percent of the tracts NA

Responses to Complaints

The bank did not receive any complaints or public comments regarding CRA performance during this evaluation period.

COMMUNITY DEVELOPMENT TEST

Guaranty Bank's performance under the CD test is excellent.

Responsiveness to Community Development Needs

The bank has demonstrated excellent responsiveness to community development needs through loan activity and CD services. In addition, qualified investments and donations represent adequate responsiveness to the assessment areas' community development needs. Following is a discussion of the bank's activities for each criteria.

Number and Amount of Community Development Loans

The bank demonstrated excellent responsiveness to CD needs throughout all designated assessment areas. The bank originated fifty-nine community development loans totaling \$62 million during the evaluation period. Loan proceeds were used to revitalize and stabilize communities located in low, moderate, and distressed middle-income geographies. Revitalization was accomplished through the funding of projects for local municipalities, small businesses, school districts and fire departments. In addition, loan proceeds also funded the purchase of affordable housing for low- to moderate-income tenants.

The bank provided loans totaling \$847 thousand, \$32.8 million, and \$28.5 million, respectively, in the Commerce, Northeast Texas, and Texarkana assessment areas.

Number and Amount of Qualified Investments

The bank demonstrated adequate responsiveness to CD needs through donations and investments. During the evaluation period, the bank made 143 community development donations and investment purchases totaling \$4.5 million that were located within the bank's assessment area. Donations and investments were primarily to local municipalities, hospitals, business organizations, community services groups, and school districts.

In addition, the bank purchased \$3.6 million in small business investment company funds and purchased another \$13.8 million in community development investments that were outside the bank's assessment area, but within the state of Texas.

Extent to Which the Bank Provides Community Development Services

Guaranty Bank demonstrated excellent responsiveness to the assessment area's CD needs through bank provided services. Bank officers and employees provide financial and managerial expertise to numerous service organizations and community development groups in the assessment areas. This is accomplished by serving in officer and director positions. Organizations included CASA, Habitat for Humanity, local housing authorities, and local business incubators. In addition, employees also provided financial expertise to downtown revitalization projects, as well as taught various seminars, including how to qualify for a residential mortgage and the FDIC's Smart Money program.

The bank also participates in the Federal Home Loan Bank's SNAP & HELP programs, which provides funds for home rehabilitation and assists first time homebuyers with down payment requirements.

Finally, bank employees serve in leadership positions on several industrial development foundations as well as civic organizations serving low- and moderate-income families throughout all assessment areas.

Guaranty Bank's business hours are equitable and do not hinder any specific group or class of individuals. Five of the bank's branches are located in low- to moderate-income census tracts with remaining branches located in middle- or upper-income census tracts. Guaranty also employs bilingual Spanish speaking employees to assist the local Hispanic community.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal Savings Association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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