

## Poca Valley Bank – Written Comments

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Poca Valley Bank has not received any written comments from the public this year or in either of the prior two calendar years that specifically relate to the Bank's performance in helping meet community credit needs. In this year and the prior two calendar years, the Bank has not made any comments in response to written comments from the public that specifically relate to the Bank's performance in helping meet community credit needs.

April 1, 2024

# **PUBLIC DISCLOSURE**

May 7, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Poca Valley Bank, Inc.  
Certificate Number: 11952

7033 Charleston Rd  
Walton, West Virginia 25286

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

10 10th 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 assessment area credit needs.
- The bank made a majority of home mortgage and small business loans inside the assessment areas.
- The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the assessment area.
- The distribution of loans reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

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

- The institution demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas.

## DESCRIPTION OF INSTITUTION

The Poca Valley Bank, Inc. is a \$549.9 million state-chartered financial institution headquartered in Walton, West Virginia. The bank is a wholly-owned subsidiary of Poca Valley Bankshares, Inc. also headquartered in Walton, West Virginia. The bank is an affiliate with Hays and Company that provides tax preparation and filing, general bookkeeping, and payroll processing. At the March 1, 2021, CRA evaluation performed by the FDIC, the bank received a Satisfactory CRA rating. The evaluation was based on the Intermediate Small Institution Examination Procedures.

The Poca Valley Bank, Inc. operates eight full-service branches within West Virginia in three assessment areas. The bank continues to operate its main office at 7033 Charleston Road in Walton, West Virginia, which is in southern Roane County. The remaining seven full-service branches are located throughout Roane, Kanawha, and Putnam Counties. Since the previous evaluation, the bank opened another full-service branch located in Kanawha County, West Virginia in May 2022. No branches have been closed. The bank was not involved in any mergers or acquisitions during the review period.

The Poca Valley Bank, Inc. offers loan products including commercial, home mortgage, and consumer loans, with the bank's primary focus being commercial and home mortgage lending. The bank participates in a secondary market loan program with various secondary market investors and the West Virginia Housing Development Fund to offer long-term, fixed rate mortgage programs. These secondary market arrangements provide customers access to residential mortgage loans with longer terms, lower rates, and lower down-payment requirements. The bank offers a variety of deposit products, which include checking accounts, savings accounts, certificates of deposit, and individual retirement accounts. Alternative banking services include internet and mobile banking, electronic bill pay, person-to-person payment service, mobile deposits, and automatic teller machines (ATMs).

As of March 31, 2024, the Consolidated Report of Condition and Income (Call Report) reflects total assets of \$568.3 million, total deposits of \$514.0 million, and total loans of \$438.8 million. There have been no significant changes in the loan composition since the previous evaluation. As shown in the following table, significant loan types are residential real-estate and commercial loans. The Call Report data shows that residential real-estate loans comprise 49.1 percent of the portfolio as of March 31, 2024. Commercial loans, including those secured by nonfarm, nonresidential real estate and commercial and industrial loans, comprise 30.3 percent of the portfolio.

<b>Loan Portfolio Distribution as of 03/31/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	19,697	4.5
Secured by Farmland	75	0.0
Secured by 1-4 Family Residential Properties	215,297	49.1
Secured by Multifamily (5 or more) Residential Properties	16,256	3.7
Secured by Nonfarm Nonresidential Properties	62,364	14.2
<b>Total Real Estate Loans</b>	<b>313,689</b>	<b>71.5</b>
Commercial and Industrial Loans	70,597	16.1
Agricultural Loans	459	0.1
Consumer Loans	49,914	11.4
Obligations of States and Political Subdivisions in the U.S.	783	0.1
Other Loans	3,478	0.8
Less: Unearned Income	157	0.0
<b>Total Loans</b>	<b>438,763</b>	<b>100.0</b>
<i>Source: Report of Condition and Income (Call Report)</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet the credit needs of the assessment areas.

## **DESCRIPTION OF ASSESSMENT AREAS**

The Community Reinvestment Act requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Currently, The Poca Valley Bank, Inc. operates in three assessment areas in West Virginia. The three assessment areas are: Charleston Metropolitan Statistical Area (MSA), Huntington MSA, and Non-MSA assessment areas. The Charleston MSA assessment area consists of the entirety of Kanawha and Clay Counties and portions of Jackson and Lincoln Counties, which are part of the Charleston, WV MSA. The Huntington MSA assessment area consists of the entirety of Putnam County, which is part of the Huntington-Ashland, WV-KY-OH Multi-State MSA. The Non-MSA assessment area consists of the entirety of Roane County and a portion of Calhoun County. Refer to the individual assessment areas for additional information.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated March 1, 2021, to the current evaluation dated May 7, 2024. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate The Poca Valley Bank, Inc.’s CRA performance. These procedures include two tests: Lending and Community Development. An institution may not receive an overall “Satisfactory” rating unless both tests receive at least a “Satisfactory” rating.

All three assessment areas will be reviewed using full-scope examination procedures given the level of operations in each assessment area. The Charleston MSA assessment area received most weight

in the overall ratings and conclusions considering 54.0 percent of loans by dollar amount, 56.6 percent of loans by number, 50.7 percent of deposits, and 50.0 percent of branch offices are located within the Charleston MSA assessment area. The remaining two assessment areas received equal weight.

Assessment Area Breakdown of Loans, Deposits, and Branches								
Assessment Area	Loans				Deposits		Branches	
	\$(000s)	%	#	%	\$(000s)	%	#	%
Charleston MSA	84,153	54.0	580	56.6	242,423	50.7	4	50.0
Non-MSA	37,166	23.9	267	17.3	70,541	14.8	2	25.0
Huntington MSA	34,361	22.1	177	26.1	165,153	34.5	2	25.0
<b>Total</b>	<b>155,680</b>	<b>100.0</b>	<b>1,024</b>	<b>100.0</b>	<b>478,117</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>

*Source: 2021, 2022, and 2023 HMDA Data; Bank Data; and FDIC Summary of Deposits (06/30/2023)*

### Activities Reviewed

The CRA regulation requires examiners to review lending performance with respect to home mortgage, small business, and small farm loans, if significant. Examiners determined the major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. The bank's record of originating home mortgage and small business loans led examiners to place more weight on home mortgage loans for the overall conclusions and ratings assigned. In addition, no other loan types, such as small farm loans, represent a major product line and are not included in the review. The following table includes loans originated from January 1, 2023, to December 31, 2023.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	6,455	5.5	64	2.8
Secured by Farmland	0	0.0	0	0.0
Secured by 1-4 Family Residential Properties	55,124	46.7	413	18.1
Multi-Family (5 or more) Residential Properties	556	0.4	1	0.1
Commercial Real Estate Loans	11,383	9.6	31	1.4
Commercial and Industrial Loans	17,520	14.8	85	3.7
Agricultural Loans	199	0.2	5	0.2
Consumer Loans	26,920	22.8	1,679	73.7
Other Loans	0	0.0	0	0.0
<b>Total Loans</b>	<b>118,157</b>	<b>100.0</b>	<b>2,278</b>	<b>100.0</b>

*Source: Bank Data*

This evaluation considered all home mortgage loans reported for 2021, 2022, and 2023 in accordance with the Home Mortgage Disclosure Act (HMDA). For 2021, the bank reported 442 loans totaling \$65.8 million; for 2022, the bank reported 311 loans totaling \$51.1 million; and for 2023, the bank reported 345 loans totaling \$55.1 million. Only 2022 home mortgage lending is presented in the performance evaluation, as this is the most recent year for which aggregate data is

available, and performance is generally consistent among years. Lending performance for 2021 and 2023 was also analyzed but is only discussed if anomalies are noted in the analysis.

In addition, examiners considered the universe of small business loans originated in 2023. The bank originated 112 small business loans totaling \$17.2 million. Since geographic data was readily available, the universe of small business loans was utilized for the Assessment Area Concentration and Geographic Distribution performance criteria. For the Borrower Profile performance criterion, a sample of 41 small business loans totaling \$6.7 million within the assessment areas was used for the analysis of Borrower Profile only.

Federal banking agencies rely on the U.S. Census data that is updated every five years through the American Community Survey (ACS) for comparative demographic data for the home mortgage lending and D&B data for small business lending. Additionally, annual HMDA aggregate data is used for comparative purposes. Home mortgage lending performance was compared to the demographic data provided by the 2015 ACS, as well as the respective HMDA aggregate data for 2021. For 2022, home mortgage lending performance was compared to the demographic data provided by the 2020 U.S. Census data and 2022 HMDA aggregate data. HMDA data for 2023 was compared to 2020 U.S. Census data only as 2023 HMDA aggregate data was not available. For small business lending, the bank's performance was compared to demographic data provided by D&B for 2023. For the Geographic Distribution analysis, the bank's home mortgage and small business lending performance is compared to the level of owner-occupied housing and businesses located in low-, moderate-, middle-, and upper-income tracts, as applicable. For the Borrower Distribution analysis, the bank's performance is compared to the level of low-, moderate-, middle-, and upper-income borrowers for home mortgage lending and the percentage of businesses with gross annual revenues of \$1 million or less for small business lending.

This evaluation includes all community development loans and community development services provided by bank management from March 1, 2021, through May 7, 2024. Qualified investments that were purchased prior to but still outstanding as of the current evaluation date or purchased during the evaluation period were also reviewed.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

The Poca Valley Bank, Inc.'s Lending Test is rated satisfactory. The net loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs, and the majority of loans were originated within the assessment areas. The Geographic Distribution of loans reflects reasonable penetration throughout the assessment areas. The Borrower Profile reflects reasonable distribution of lending among individuals of different income levels and businesses of different sizes.

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

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs. The loan-to-deposit ratio, calculated from Call Report data, averaged 82.0 percent over the past 13 quarters from March 31, 2021, to March 31, 2024. This is



comparable to the average loan-to-deposit ratio of 84.5 percent at the previous evaluation. The ratio ranged from a low of 78.1 percent as of December 31, 2021, to a high of 87.1 percent as of September 30, 2023.

### **Assessment Area Concentration**

The Poca Valley Bank, Inc. originated a majority of small business and home mortgage loans by number and dollar volume within the assessment areas. The following table shows the distribution of loans originated inside and outside the assessment areas.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>					<b>Dollar Amount of Loans \$(000s)</b>				
	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$(000s)</b>
Home Mortgage										
2021	378	85.5	64	14.5	442	53,271	81.0	12,507	19.0	65,778
2022	256	82.3	55	17.7	311	40,145	78.5	10,964	21.5	51,109
2023	295	85.5	50	14.5	345	46,299	84.1	8,784	15.9	55,083
<b>Subtotal</b>	<b>929</b>	<b>84.6</b>	<b>169</b>	<b>15.4</b>	<b>1,098</b>	<b>139,715</b>	<b>81.2</b>	<b>32,255</b>	<b>18.8</b>	<b>171,970</b>
Small Business	94	83.9	18	16.1	112	15,360	89.1	1,888	10.9	17,248
<b>Total</b>	<b>1,023</b>	<b>84.5</b>	<b>187</b>	<b>15.5</b>	<b>1,210</b>	<b>155,075</b>	<b>82.0</b>	<b>34,143</b>	<b>18.0</b>	<b>189,218</b>

*Source: 2021 - 2023 HMDA Data and Bank Records.*

### **Geographic Distribution**

The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the assessment areas. Reasonable performance in home mortgage lending performance in the Charleston MSA assessment area primarily supports this conclusion and received more weight in the overall conclusion and rating assigned. The geographic distribution of lending was consistent throughout the assessment area, as applicable.

### **Borrower Profile**

The distribution of loans reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Reasonable lending performance in home mortgage lending in the Charleston MSA assessment area primarily supports this conclusion and received significant weight in the overall rating assigned. The borrower profile distribution of lending was consistent throughout the assessment areas, as applicable.

### **Response to Complaints**

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

## COMMUNITY DEVELOPMENT TEST

The Community Development Test is rated satisfactory. The bank’s community development performance demonstrated adequate responsiveness to community development needs in the assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the assessment areas.

### Community Development Loans

The Poca Valley Bank, Inc. originated 32 community development loans totaling \$18.4 million during the evaluation period. This level of activity represents 4.9 percent of average total loans and 3.7 percent of average total assets. The level of community development lending is below the community development loans at the prior evaluation when the bank provided 124 loans totaling \$18.2 million, which represented 6.3 percent of average total loans and 4.7 percent of average assets. The decline is attributable to a decrease in the level of Small Business Administration’s (SBA) Paycheck Protection Program (PPP) loans. At the prior evaluation, 119 PPP loans totaling \$16.7 million were included as community development loans compared to 17 loans totaling \$694,747 at the current evaluation. However, at the previous evaluation, when excluding the PPP loans, the bank’s core lending accounted for 0.5 percent of average total loans and 0.4 percent of average total assets. Core lending at the current evaluation, when excluding the PPP loans, accounts for 4.7 percent of average total loans and 3.5 percent of average total assets, which is an increase in core lending when compared to the previous evaluation. Refer to each assessment area for a detailed discussion and examples of community development loans. The following tables detail the community development loans during the evaluation period by assessment area, year, 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>
03/01/2021-12/31/2021	0	0	2	6,483	1	350	18	713	21	7,546
2022	2	1,550	2	4,493	1	733	2	2,818	7	9,594
2023	0	0	1	100	1	605	0	0	2	705
YTD 2024	1	500	0	0	0	0	1	83	2	583
<b>Total</b>	<b>3</b>	<b>2,050</b>	<b>5</b>	<b>11,076</b>	<b>3</b>	<b>1,688</b>	<b>21</b>	<b>3,614</b>	<b>32</b>	<b>18,428</b>

*Source: Bank Records*

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Charleston MSA	1	450	0	0	2	1,083	6	38	9	1,571
Non-MSA	2	1,600	1	100	0	0	11	588	14	2,288
Huntington MSA	0	0	2	4,258	1	605	0	0	3	4,863
<b>Subtotal</b>	<b>3</b>	<b>2,050</b>	<b>3</b>	<b>4,358</b>	<b>3</b>	<b>1,688</b>	<b>17</b>	<b>626</b>	<b>26</b>	<b>8,722</b>
<b>West Virginia State-wide</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>6,718</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>2,988</b>	<b>6</b>	<b>9,706</b>
<b>Total</b>	<b>3</b>	<b>2,050</b>	<b>5</b>	<b>11,076</b>	<b>3</b>	<b>1,688</b>	<b>21</b>	<b>3,614</b>	<b>32</b>	<b>18,428</b>

*Source: Bank Records*

The following details the community development loan originated in a state-wide area, outside of the bank’s assessment areas, during the evaluation period.

- Three SBA PPP loans totaling \$447,749 for the revitalization and/or stabilization of low- and moderate-income census tracts.
- A \$4.0 million loan to equip and furnish a newly constructed school. Majority of the students are on free or reduced lunch.
- A \$2.5 million loan to equip and furnish a newly constructed school that is located in a moderate-income census tract. Majority of the students receive free or reduced lunch.

### **Qualified Investments**

The Poca Valley Bank, Inc. made eight qualified investments totaling \$1.7 million, which equates to 0.3 percent of average total assets and 2.7 percent of average total securities since the previous examination. The level of qualified investments is below the level of qualified investments at the prior evaluation when The Poca Valley Bank, Inc. provided 16 qualified investments totaling \$3.5 million, which represented 0.9 percent of average assets and 10.3 percent of average total securities.

The bank made a qualified investment in low-income housing tax credits, and a prior period municipal bond for the funding of various capital projects throughout a school district in the Non-MSA assessment area, which consists entirely of moderate-income and underserved- and distressed middle-income census tracts with schools having 50 percent or more of the students receiving free or reduced lunches. Additionally, the bank made 4 donations totaling \$6,100 to an organization that supports affordable housing throughout both the Charleston MSA assessment area and the Huntington MSA assessment. These qualified investments are included at the bank-wide level rather than the assessment area level. Please refer to the respective assessment areas for further details.

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	1	820	1	820
03/01/2021-12/31/2021	0	0	0	0	0	0	0	0	0	0
2022	1	858	0	0	0	0	0	0	1	858
2023	0	0	0	0	0	0	0	0	0	0
YTD 2024	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>1</b>	<b>858</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>820</b>	<b>2</b>	<b>1,678</b>
Qualified Grants & Donations	4	6	2	2	0	0	0	0	6	8
<b>Total</b>	<b>5</b>	<b>864</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>820</b>	<b>8</b>	<b>1,686</b>

Source: Bank Records

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Charleston MSA	0	0	2	2	0	0	0	0	2	2
Non-MSA	1	858	0	0	0	0	1	820	2	1,678
Huntington MSA	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>1</b>	<b>858</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>820</b>	<b>4</b>	<b>1,679</b>
Regional Area	4	6	0	0	0	0	0	0	4	6
<b>Total</b>	<b>5</b>	<b>864</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>820</b>	<b>8</b>	<b>1,686</b>

Source: Bank Records

The following are the donations within the regional area.

- Four donations totaling \$6,100 to a non-profit organization that builds and improves homes for low-income families in the Charleston MSA and Huntington MSA assessment areas.

### **Community Development Services**

The bank provided 21 community development services totaling 1,033 hours to community development organizations or schools during the evaluation period. This level of activity is above the community development services at the prior evaluation. Given the time period covered by this evaluation, total community development service hours equate to 40.5 community development service hours per branch per year. Involvement in organizations is primarily through membership on the Board or a committee or as an officer, which results in on-going and regular meetings and activities. Additionally, community development services include providing financial literacy, interview skills training, and career development discussions with schools where most of the students receive free or reduced lunches. Refer to assessment areas for examples of community development services. The below table presents the number and hours of community development services by assessment area, year, and purpose.

Community Development Services										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
03/01/2021-12/31/2021	0	0	2	2	2	130	0	0	4	132
2022	0	0	6	7	3	416	0	0	9	423
2023	0	0	3	8	3	416	0	0	6	424
YTD 2024	0	0	0	0	2	54	0	0	2	54
<b>Total</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>17</b>	<b>10</b>	<b>1,016</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>1,033</b>

*Source: Bank Data*

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Charleston MSA	0	0	2	2	0	0	0	0	2	2
Non-MSA	0	0	4	5	0	0	0	0	4	5
Huntington MSA	0	0	5	10	10	1,016	0	0	15	1,026
<b>Total</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>17</b>	<b>10</b>	<b>1,016</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>1,033</b>

*Source: Bank Data*

The Poca Valley Bank, Inc. operates three of the eight branches or 37.5 percent and five of the ten ATMs or 50.0 percent in low- or moderate-income or underserved and/or distressed middle-income census tracts. These branches and ATMs demonstrate the availability of banking services to low- and moderate-income individuals in low- and moderate-income or underserved and/or distressed areas.

## 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.

## **CHARLESTON MSA ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CHARLESTON MSA ASSESSMENT AREA**

The Poca Valley Bank, Inc. delineated all of Kanawha and Clay Counties and parts of Jackson and Lincoln Counties in the Charleston, WV MSA as the Charleston MSA assessment area. The Charleston, WV MSA also includes Boone County; however, the bank did not include the county as part of the assessment area. The bank operates four branches within this assessment area, which accounts for 50.0 percent of banking locations. The assessment area also accounts for 54.0 percent of bank-wide loans by dollar volume, 56.6 percent of bank-wide lending by number of loans, and 50.7 percent of total deposits.

#### **Economic and Demographic Data**

The assessment area consists of 64 census tracts, including 1 low-income census tract, 11 moderate-income census tracts, 36 middle-income census tracts, 14 upper-income census tracts, and 2 census tracts with income not available based on the 2020 U.S. Census designations. This is an increase from 58 census tracts from the 2015 ACS. Low-income census tracts decreased by 1, moderate-income census tracts decreased by 2, middle-income census tracts increased by 8, upper-income census tracts decreased by 1, and income tracts with income not available increased by 2 from the 2015 ACS. The percentage of the population, housing, and business levels remained relatively unchanged within the geographic categories. The median housing value increased slightly from \$110,868 to \$118,935, and median gross rent increased from \$679 to \$737. The following table presents demographic information from the 2020 Census and 2023 D&B data.

<b>Demographic Information for the Charleston MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	64	1.6	17.2	56.3	21.9	3.1
Population by Geography	202,699	0.6	14.7	57.1	25.3	2.2
Housing Units by Geography	103,444	0.6	15.3	57.5	24.1	2.5
Owner-Occupied Units by Geography	61,999	0.3	13.7	57.7	26.1	2.2
Occupied Rental Units by Geography	24,856	1.2	16.1	58.2	21.6	3.0
Vacant Units by Geography	16,589	1.0	19.9	56.0	20.5	2.7
Businesses by Geography	20,198	0.8	13.1	47.7	37.1	1.3
Farms by Geography	470	0.6	11.3	59.6	25.7	2.8
Family Distribution by Income Level	53,425	22.2	16.3	20.0	41.5	0.0
Household Distribution by Income Level	86,855	24.6	14.6	17.3	43.5	0.0
Median Family Income MSA - Charleston, WV MSA	\$60,682	Median Housing Value				\$118,935
		Median Gross Rent				\$737
		Families Below Poverty Level				13.2%
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data. Due to rounding, totals may not equal 100.0 percent. (* The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. The 2020 ACS data shows that a majority of owner-occupied housing units and nearly a majority of businesses are within the middle-income census tracts, indicating most of the lending opportunities are in these geographies. Nominal levels of owner-occupied housing and businesses are within the sole low-income tract, indicating limited opportunities.

The FFIEC updated Charleston, WV Median Family Income (MFI) levels were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

<b>Median Family Income 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>
2021 (\$59,800)	<\$29,900	\$29,900 to <\$47,840	\$47,840 to <\$71,760	≥\$71,760
2022 (\$65,900)	<\$32,950	\$32,950 to <\$52,720	\$52,720 to <\$79,080	≥\$79,080
2023 (\$71,900)	<\$35,950	\$35,950 to <\$57,520	\$57,520 to <\$86,280	≥\$86,280
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$118,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families with incomes less than \$36,000 annually and moderate-income families with less than \$58,000 annually may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue of the business. The D&B 2023 distribution of businesses based on gross annual revenues is listed below.

- 83.5 percent reported \$1 million or less;
- 4.0 percent reported more than \$1 million; and
- 12.6 percent did not report revenues.

Unemployment data obtained from the Bureau of Labor Statistics indicates the unemployment rates for Clay and Lincoln Counties were above the state and National rates. The unemployment rate for Jackson County was consistent with the state rate and generally above the National rate. The unemployment rate for Kanawha County was consistent with the state and National rates. The table below reflects unemployment rates and trends for counties within the assessment area, comparable states, and the national average.

<b>Unemployment Rates</b>				
<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>March 2024</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Clay County	7.9	5.8	5.8	7.7
Jackson County	5.8	4.2	4.2	4.6
Kanawha County	5.3	3.7	3.6	3.9
Lincoln County	6.7	5.0	4.8	5.1
West Virginia	5.2	3.9	3.9	4.3
National Average	5.4	3.6	3.6	3.8
<i>Source: Bureau of Labor Statistics</i>				

The top industries in the Charleston MSA assessment area are services and finance, insurance, and real estate. Additionally, approximately 90.0 percent of businesses operate with nine or fewer employees, and 87.5 percent operate from a single location. Some of the largest employers according to Workforce West Virginia are listed below.

- Clay County – Clay County Board of Education; Consol Mining Company, LLC; Clay Health Care Center, LLC.
- Jackson County – Constellium Rolled Products Ravenswood, LLC; Jackson County Board of Education; and Wal-Mart Associates, Inc.
- Kanawha County – Vandalia Health, Kanawha County Board of Education, and WVU Medicine
- Lincoln County – Lincoln County Board of Education; Lincoln County Opportunity



Company; and Lincoln Nursing & Rehabilitation Center, Inc.

### **Competition**

The Charleston MSA assessment area is highly competitive for financial services. According to the FDIC Deposit Market Share data as of June 30, 2023, there are 17 FDIC-insured financial institutions operating 66 offices within the Clay, Jackson, Kanawha, and Lincoln Counties. Of these institutions, The Poca Valley Bank, Inc. ranks 8<sup>th</sup> with 3.3 percent of the market share. The primary competitors for deposits include Truist Bank (28.7 percent), United Bank (20.7 percent), and City National Bank of West Virginia (14.1 percent).

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in this assessment area. In 2022 (most recent year available), 170 lenders reported 3,874 residential mortgage loans originated or purchased in the assessment area. Of these lenders, The Poca Valley Bank, Inc. ranked 9<sup>th</sup> with 3.8 percent of the market share. The three most prominent home mortgage lenders include City National Bank of West Virginia (11.2 percent), Rocket Mortgage (7.8 percent), and Gateway First Bank (6.4 percent).

The bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. The aggregate data, however, reflects a high level of demand for small business loans. Aggregate data for 2022 shows 77 lenders reported 3,389 small business loans originated or purchased in the assessment area. The top three lenders include American Express National Bank (19.2 percent); JPMorgan Chase Bank, NA (10.6 percent); and Truist Bank (10.5 percent). Together, the three top lenders accounted for 40.3 percent by number and 23.8 percent of the dollar volume.

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

Considering information from demographic and economic data, examiners determined that small business and home mortgage loans represent primary credit needs for the assessment area. In particular, affordable home mortgage loans for low- and moderate-income families are needed as housing prices have risen sharply, and 38.5 percent of families are low- or moderate-income. In addition, the need for small business loans is supported by a high percentage of businesses with nine or fewer employees, and a significant majority of businesses reporting gross annual revenues of \$1 million or less.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CHARLESTON MSA ASSESSMENT AREA**

### **LENDING TEST**

The Poca Valley Bank, Inc. demonstrated reasonable performance under the Lending Test. The Geographic Distribution of loans reflects reasonable dispersion throughout the assessment area, including low- and moderate-income census tracts. The Borrower Profile reflects reasonable lending penetration among individuals of different income levels and businesses of different sizes.

**Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion is supported by reasonable dispersion of home mortgage loans in low- and moderate-income census tracts.

*Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank did not originate any loans in low-income census tract in 2022. However, lending by aggregate lenders was nominal at 0.2 percent, and the low-income census tract contains only 0.3 percent of the owner-occupied housing units, indicating limited opportunity. In 2021, the bank originated 0.9 percent of home mortgage loans in low-income census tracts, which is consistent with demographic and aggregate data. Lending in low-income census tracts for 2023 was consistent with the bank’s performance in 2021.

Lending in moderate-income census tracts was substantially above demographic and aggregate lending data in 2022. In 2021, the bank originated 11.9 percent of home mortgage loans in moderate-income census tracts, which is consistent with demographic data at 14.4 percent and aggregate data at 12.4 percent. Lending in moderate-income census tracts for 2023 was consistent with the bank’s performance in 2021.

Geographic Distribution of Home Mortgage Loans Charleston MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.3	0.2	0	0.0	0	0.0
Moderate	13.7	11.0	31	21.2	2,852	13.4
Middle	57.7	55.1	78	53.4	12,418	58.5
Upper	26.1	32.0	30	20.6	5,170	24.3
Not Available	2.2	1.7	7	4.8	809	3.8
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>146</b>	<b>100.0</b>	<b>21,249</b>	<b>100.0</b>

*Source: 2020 U.S. Census; 2022 HMDA Data; and 2022 HMDA Aggregate Data.*

*Small Business Loans*

The geographic distribution of small business loans reflects poor dispersion throughout the assessment area. No loans were originated in the low-income census tract. The low-income census tract contains only 0.8 percent of the number of businesses, indicating limited opportunity. Lending in moderate-income tracts was significantly below demographic data.

<b>Geographic Distribution of Small Business Loans Charleston MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.8	0	0.0	0	0.0
Moderate	13.1	2	4.1	200	3.3
Middle	47.7	30	61.2	3,826	62.4
Upper	37.1	17	34.7	2,106	34.3
Not Available	1.3	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>6,132</b>	<b>100.0</b>

*Source: 2023 D&B Data and Bank Data.*

### **Borrower Profile**

The distribution of loans reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. This conclusion is supported by reasonable distribution of home mortgage loans.

#### *Home Mortgage Loans*

The distribution of home mortgage loans reflects reasonable penetration among borrowers of different income levels. Lending to low-income borrowers was substantially below the percent of low-income families; however, is consistent with aggregate data. Lending to moderate-income borrowers was below demographic data and aggregate data. In 2021, the bank originated 19.3 percent of home mortgage loans to moderate-income borrowers, which exceeded demographic data at 17.7 percent and aggregate data at 17.3 percent. Lending in moderate-income census tracts for 2023 was consistent with performance in 2021.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Charleston MSA 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	22.2	7.2	12	8.2	928	4.4
Moderate	16.3	21.1	21	14.4	2,038	9.6
Middle	20.0	22.8	43	29.4	4,899	23.1
Upper	41.5	35.6	56	38.4	9,598	45.1
Not Available	0.0	13.3	14	9.6	3,786	17.8
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>146</b>	<b>100.0</b>	<b>21,249</b>	<b>100.0</b>

*Source: 2020 U.S. Census; 2022 HMDA Data; and 2022 HMDA Aggregate Data.*

### *Small Business Loans*

The distribution of small business loans reflects poor penetration among businesses of different sizes. The percentage by number of small business loans to businesses with gross annual revenues of \$1 million or less is substantially below demographic data.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Charleston 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	83.5	7	35.0	868	34.3
>\$1,000,000	4.0	12	60.0	1,563	61.7
Revenue Not Available	12.6	1	5.0	101	4.0
<b>Totals</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>2,532</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data and Bank Data. Due to rounding, totals may not equal 100.0 percent.</i>					

## **COMMUNITY DEVELOPMENT TEST**

The Poca Valley Bank, Inc. demonstrated poor responsiveness to community development needs in the Charleston MSA assessment area 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 in the assessment area.

### **Community Development Loans**

The Poca Valley Bank, Inc. originated 9 community development loans totaling \$1.6 million in the Charleston MSA assessment area representing 8.5 percent of dollar volume and 28.1 percent by number of bank-wide total community development loans. At the previous evaluation, the bank originated 64 community development loans totaling \$5.5 million in the assessment area. Of the 64 loans, 45 loans totaling \$2.9 million were PPP loans. Therefore, the core lending at the previous evaluation was 19 loans totaling \$2.6 million. For the current evaluation, the bank originated 6 PPP loans totaling \$38,433. Therefore, core lending at the current evaluation equates to 3 loans totaling \$1.5 million, which is below the core lending performance at the previous evaluation. Examples of the community development loans include the following.

- 6 SBA PPP loans totaling \$38,433 for the revitalization and/or stabilization of low- and moderate-income census tracts.
- A \$732,875 loan to a small business, who is partnering with a CDFI, for the purchase and renovation of rundown and dilapidated commercial buildings in moderate-income census tracts. The tenants of the buildings provide low- and moderate-income jobs (originated in 2022)
- A \$450,000 loan for the renovation and rehabilitation of an apartment building that provides affordable housing. Majority of the tenants receive HUD Section 8 assistance (originated in 2022).

## **Qualified Investments**

The Poca Valley Bank, Inc. made two qualified donations totaling approximately \$1,728. This level of activity represents 25.0 percent by number and 0.1 percent of dollar volume of qualified investments. As noted in the bank-wide qualified investments section, the bank made four donations totaling \$6,100 to an organization that supports affordable housing in the Charleston MSA and Huntington MSA assessment areas. Therefore, these qualified investments are included at the bank-wide level rather than the assessment area level. The donation are detailed below.

- \$1,000 to a non-profit organization that provides services primarily to low-income families and families in need.
- \$728 to support a youth program located in a moderate-income census tract.

## **Community Development Services**

The Poca Valley Bank, Inc. provided two community development services totaling two hours in the Charleston MSA assessment area. This level of activity represents 9.5 percent of bank-wide community development services by number and 0.2 percent of bank-wide community development service hours. This level of community development service is below the level at the prior evaluation when the bank provided seven community development services. The community development services are listed below.

- In 2021 and 2023, an employee discussed banking careers and the importance of managing and saving money in a school where more than half the students receive free or reduced lunch.

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

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

The Non-MSA assessment area includes all of Roane County and a portion of Calhoun County. The bank’s main office and one branch are located within this assessment area, which accounts for 25.0 percent of banking locations. Overall, the assessment area accounts for 23.9 percent of bank-wide loans by dollar volume, 17.3 percent of bank-wide loans by number, and 14.8 percent of deposits.

#### **Economic and Demographic Data**

The assessment area consists of six census tracts, including no low-income census tracts, two moderate-income census tracts, four middle-income census tracts, and no upper-income census tracts based on the 2020 U.S. Census designations. This is an increase from five census tracts from the 2015 ACS. Moderate-income census tracts increased by one from the 2015 ACS. The FFIEC designated all middle-income census tracts as distressed and underserved. The percentage of the population, housing, and business levels have increased in the moderate geographic category, while decreasing within the middle geographic category. The median housing value increased from \$86,214 to \$101,548, and median gross rent remains relatively unchanged. The percent of families below the poverty level has increased from 14.3 percent to 18.7 percent. The following table presents demographic information from the 2020 Census and 2023 D&B data.

Demographic Information for the Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	33.3	66.7	0.0	0.0
Population by Geography	17,248	0.0	39.1	60.9	0.0	0.0
Housing Units by Geography	9,576	0.0	43.2	56.8	0.0	0.0
Owner-Occupied Units by Geography	5,535	0.0	38.1	61.9	0.0	0.0
Occupied Rental Units by Geography	1,617	0.0	69.1	30.9	0.0	0.0
Vacant Units by Geography	2,424	0.0	37.6	62.4	0.0	0.0
Businesses by Geography	1,313	0.0	45.9	54.1	0.0	0.0
Farms by Geography	132	0.0	20.5	79.5	0.0	0.0
Family Distribution by Income Level	4,621	27.5	20.7	16.8	35.0	0.0
Household Distribution by Income Level	7,152	27.9	17.9	17.6	36.6	0.0
Median Family Income Non-MSAs - WV		\$55,205	Median Housing Value			\$101,548
			Median Gross Rent			\$462
			Families Below Poverty Level			18.7%

Source: 2020 U.S. Census and 2023 D&B Data  
Due to rounding, totals may not equal 100.0 percent.  
(\*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. The 2020 ACS data shows that a majority of owner-occupied housing units are within middle-income census tracts, indicating most of the lending opportunities are in these geographies. However, a fair level of owner-occupied housing units are in moderate-income census tracts. The percentage of businesses is fairly evenly disbursed between moderate- and middle-income census tracts.

The FFIEC updated West Virginia Non-MSA MFI levels were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$54,600)	<\$27,300	\$27,300 to <\$43,680	\$43,680 to <\$65,520	≥\$65,520
2022 (\$59,300)	<\$29,650	\$29,650 to <\$47,440	\$47,440 to <\$71,160	≥\$71,160
2023 (\$64,200)	<\$32,100	\$32,100 to <\$51,360	\$51,360 to <\$77,040	≥\$77,040

Source: FFIEC

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$101,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing

increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families with incomes less than \$33,000 annually may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue of the business. The D&B 2023 distribution of businesses based on gross annual revenues is listed below.

- 86.0 percent reported \$1 million or less;
- 3.2 percent reported more than \$1 million; and
- 10.8 percent did not report revenues.

Unemployment data obtained from the Bureau of Labor Statistics indicates that the unemployment rates for Roane and Calhoun Counties have been declining over the past several years. However, year-to-date unemployment rates for both counties are elevated compared to the 2023 unemployment rate. The unemployment rates for both counties have been significantly higher than the state unemployment rate and the national average. The table below reflects unemployment rates and trends for counties within the assessment area, West Virginia, and the national average.

Unemployment Rates				
Area	2021	2022	2023	March 2024
	%	%	%	%
Roane County	8.6	6.2	6.0	6.9
Calhoun County	10.5	8.1	7.2	10.1
West Virginia	5.2	3.9	3.9	4.3
National Average	5.4	3.6	3.6	3.8
<i>Source: Bureau of Labor Statistics</i>				

The top industries in the Non-MSA assessment area are services and retail trade. Additionally, approximately 92.9 percent of businesses operate with nine or fewer employees, and 91.1 percent operate from a single location. Some of the largest employers according to Workforce West Virginia are listed below.

- Roane County – Roane General Hospital; Roane County Board of Education; and Wal-Mart Associates, Inc.
- Calhoun County – Minnie Hamilton Health Care Center; Calhoun County Board of Education; and Momentum Pipeline, Inc.

### **Competition**

The Non-MSA assessment area is moderately competitive for financial services. According to the FDIC Deposit Market Share data as of June 30, 2023, there are four FDIC-insured financial institutions operating seven offices within the two counties. Of these institutions, The Poca Valley Bank, Inc. ranks 1<sup>st</sup> with 40.0 percent of the market share. The other three competitors for deposits



include Calhoun County Bank, Inc. (25.5 percent); First Neighborhood Bank (21.1 percent); and Peoples Bank (13.4 percent).

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in this assessment area. In 2022, 54 lenders reported 249 residential mortgage loans originated or purchased in the assessment area. Of these lenders, The Poca Valley Bank, Inc. ranked 1<sup>st</sup> with 31.3 percent of the market share. The three most prominent home mortgage lenders, after The Poca Valley Bank, Inc. include Calhoun County Bank, Inc. (10.0 percent); Victorian Finance, LLC (5.6 percent); and Rocket Mortgage (5.2 percent).

The bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. The aggregate data, however, reflects a high level of demand for small business loans. Aggregate data for 2022 shows 30 lenders reported 200 small business loans originated or purchased in the assessment area. The top three lenders include American Express National Bank (23.0 percent); Synchrony Bank (12.5 percent); and JPMorgan Chase Bank, NA (11.5 percent). Together, the three top lenders accounted for 47.0 percent by number and 13.5 percent of the dollar volume.

### **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the assessment areas to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also demonstrates what credit and community development opportunities are available.

Examiners conducted a community contact interview with an organization that operates within the Non-MSA assessment area. The contact stated the population within the area is getting older, and as a result, the workforce is shrinking. The contact stated the current housing stock is limited, which causes workers to live outside of the counties and migrate in for work. Additionally, the current housing stock is older and averages about 20 to 30 years in age. The contact stated there is a need to more affordable housing, housing for the elderly, and small business loans.

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

Considering information from the community contact and the demographic and economic data, examiners determined that small business and home mortgage loans represent primary credit needs for the assessment area. In particular, affordable home mortgage loans for low- and moderate-income families are needed as housing prices have risen sharply, and 48.2 percent of families are low- or moderate-income. In addition, the need for small business loans is supported by a high percentage of businesses with nine or fewer employees, and a significant majority of businesses reporting gross annual revenues of \$1 million or less.

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

### LENDING TEST

The Poca Valley Bank, Inc. demonstrated reasonable performance under the Lending Test. The Geographic Distribution of loans reflects reasonable dispersion throughout the assessment area, including moderate-income census tracts. The Borrower Profile reflects reasonable lending penetration among individuals of different income levels.

### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion is supported by reasonable dispersion of home mortgage and small business loans in moderate-income census tracts.

#### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. There are no low- or upper-income census tracts. Lending in moderate-income census tracts was below demographic and aggregate data. In 2021, the bank originated 23.0 percent of home mortgage loans in moderate-income census tracts, which was above demographic data at 16.7 percent and below aggregate data at 26.5 percent. In 2023, the bank originated 34.6 percent of home mortgage loans in moderate-income census tracts, which was also just below demographic data at 38.1 percent.

<b>Geographic Distribution of Home Mortgage Loans 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>
Moderate	38.1	39.8	23	29.5	3,526	31.4
Middle	61.9	60.2	55	70.5	7,697	68.6
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>78</b>	<b>100.0</b>	<b>11,223</b>	<b>100.0</b>

*Source: 2020 U.S. Census; 2022 HMDA Data, and 2022 HMDA Aggregate Data.*

#### *Small Business Loans*

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. There were no low- or upper-income census tracts. Lending in moderate-income tracts was consistent with demographic data.

<b>Geographic Distribution of Small Business Loans Non-MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	45.9	4	50.0	1,112	59.1
Middle	54.1	4	50.0	770	40.9
<b>Totals</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>1,882</b>	<b>100.0</b>

*Source: 2023 D&B Data and Bank Data.*

### **Borrower Profile**

The distribution of loans reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income).

#### *Home Mortgage Loans*

The distribution of home mortgage loans reflects reasonable penetration among borrowers of different income levels. Lending to low-income borrowers was substantially below the percent of low-income families; however, performance was consistent with aggregate data. Lending to moderate-income borrowers was above demographic data and aggregate data.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Non-MSA 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	27.5	8.8	6	7.7	328	2.9
Moderate	20.7	17.7	17	21.8	1,530	13.6
Middle	16.8	20.5	15	19.2	1,298	11.6
Upper	35.0	43.8	38	48.7	6,868	61.2
Not Available	0.0	9.2	2	2.6	1,199	10.7
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>78</b>	<b>100.0</b>	<b>11,223</b>	<b>100.0</b>

*Source: 2020 U.S. Census; 2022 HMDA Data; and, 2022 HMDA Aggregate Data.*

#### *Small Business Loans*

The bank originated eight small business loans in 2023 in the assessment area, and only two contained gross annual revenue. The level of loans with gross annual revenue available is limited and does not provide sufficient levels to provide a meaningful analysis or conclusions.

### **COMMUNITY DEVELOPMENT TEST**

The Poca Valley Bank, Inc. demonstrated adequate responsiveness to community development needs in the Non-MSA assessment area 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 in the assessment area.

## **Community Development Loans**

The Poca Valley Bank, Inc. originated 14 community development loans totaling \$2.3 million in the Non-MSA assessment area representing 12.4 percent of dollar volume and 43.8 percent by number of bank-wide total community development loans. At the previous evaluation, the bank originated 32 community development loans totaling \$8.6 million in the assessment area. Of the 32 loans, 29 loans totaling \$8.2 million were PPP loans. Therefore, the core lending at the previous evaluation was 3 loans totaling approximately \$400,000. For the current evaluation, the bank originated 8 PPP loans totaling \$208,565. Therefore, core lending at the current evaluation equates to 6 loans totaling \$2.1 million, which is above the core lending performance at the previous evaluation. Examples of the community development loans include the following.

- 8 SBA PPP loans totaling \$208,565 million for the revitalization and/or stabilization of low- and moderate-income census tracts.
- A \$1.1 million loan to a business for renovation and rehabilitation of apartment buildings that provide affordable housing for low- and moderate-income senior citizens. Majority of the tenants receive rent subsidies as the business participates in the United States Department of Agriculture Section 515 Rural Rental Housing program and low-income housing tax credit program.

## **Qualified Investments**

The Poca Valley Bank Inc. made two qualified investments totaling \$1.7 million in the Non-MSA assessment area. This level of activity represents 25.0 percent by number and 99.6 percent of dollar volume of bank-wide qualified investments. This level of activity is below the level of activity at the previous evaluation when the bank made nine qualified investments totaling \$3.5 million. Examples of the qualified investments include:

- A \$858,000 investment in a low-income housing tax credit program that supports affordable housing.
- A prior period investment totaling \$819,614. The investment is a bond in which the proceeds revitalize and stabilize the local school district by funding various capital projects throughout the moderate-income census tract and underserved and distressed middle-income census tracts. The schools have more than 50 percent of the students receiving free or reduced lunches.

## **Community Development Services**

The Poca Valley Bank, Inc. provided four community development services totaling five hours in the Non-MSA assessment area. This level of activity represents 19.0 percent of bank-wide community development services by number and 0.5 percent of bank-wide community development service hours. This level of community development service is above the level at the prior evaluation when the bank provided one community development service. Examples of the community development services include.

- Several employees participated in and promoted school savings programs and financial

literacy programs at multiple schools. The schools have a majority of students who receive free or reduced lunch and are located in a moderate-income census tract or underserved and distressed middle-income census tracts.

## **HUNTINGTON MSA ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE HUNTINGTON ASSESSMENT AREA**

The Poca Valley Bank, Inc. elected to delineate all of Putnam County, which is a part of the Huntington-Ashland, WV-KY-OH MSA, as the assessment area. The Huntington-Ashland, WV-KY-OH MSA includes seven counties in West Virginia, Ohio, and Kentucky; however, the bank only delineated Putnam County. The bank operates two full-service branches within this assessment area, which accounts for 25.0 percent of banking locations. Overall, the assessment area accounts for 22.1 percent of bank-wide loans by dollar volume, 26.1 percent of bank-wide loans by number, and 34.5 percent of bank-wide deposits.

#### **Economic and Demographic Data**

The assessment area consists of 12 census tracts, including no low- or moderate-income census tracts, 5 middle-income census tracts, and 7 upper-income census tracts based on the 2020 U.S. Census designations. This is an increase from 10 census tracts from the 2015 ACS. Middle-income census tracts increased by 1 and upper-income census tracts increased by 1 from the 2015 ACS. The percentage of the population, housing, and business levels remained relatively unchanged within the geographic categories. The median housing value increased from \$151,092 to 174,120, and median gross rent increased from \$711 to \$793. The following table presents demographic information from the 2020 Census and 2023 D&B data.

Demographic Information for the Huntington MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	0.0	0.0	41.7	58.3	0.0
Population by Geography	57,440	0.0	0.0	40.9	59.1	0.0
Housing Units by Geography	24,262	0.0	0.0	41.9	58.1	0.0
Owner-Occupied Units by Geography	17,867	0.0	0.0	39.8	60.2	0.0
Occupied Rental Units by Geography	3,827	0.0	0.0	46.4	53.6	0.0
Vacant Units by Geography	2,568	0.0	0.0	50.1	49.9	0.0
Businesses by Geography	5,338	0.0	0.0	32.5	67.5	0.0
Farms by Geography	224	0.0	0.0	36.2	63.8	0.0
Family Distribution by Income Level	15,778	14.7	14.0	18.7	52.6	0.0
Household Distribution by Income Level	21,694	16.6	13.5	16.5	53.4	0.0
Median Family Income MSA - 26580 Huntington-Ashland, WV-KY-OH MSA		\$61,976	Median Housing Value			\$174,120
			Median Gross Rent			\$793
			Families Below Poverty Level			8.5%
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. There are no low- or moderate-income census tracts in the assessment area.

The FFIEC updated Huntington-Ashland, WV-KY-OH MSA MFI levels were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$61,000)	<\$30,500	\$30,500 to <\$48,800	\$48,800 to <\$73,200	≥\$73,200
2022 (\$68,000)	<\$34,000	\$34,000 to <\$54,400	\$54,400 to <\$81,600	≥\$81,600
2023 (\$73,700)	<\$36,850	\$36,850 to <\$58,960	\$58,960 to <\$88,440	≥\$88,440
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$174,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-

income families with incomes less than \$37,000 annually and moderate-income families with less than \$59,000 annually may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue of the business. The D&B 2023 distribution of businesses based on gross annual revenues is listed below.

- 86.1 percent reported \$1 million or less;
- 3.5 percent reported more than \$1 million; and
- 10.4 percent did not report revenues.

Unemployment data obtained from the Bureau of Labor Statistics indicates that the unemployment rate for Putnam County has declined since 2021. The unemployment rate for Putnam County has generally been comparable to the state unemployment rate and the national average, with the exception of 2021 where it was lower than both the state unemployment rate and the national average. The table below reflects unemployment rates and trends for the assessment area, West Virginia, and the national average.

Unemployment Rates				
Area	2021	2022	2023	March 2024
	%	%	%	%
Putnam County	4.3	4.3	3.3	3.5
West Virginia	5.2	3.9	3.9	4.3
National Average	5.4	3.6	3.6	3.8

*Source: Bureau of Labor Statistics*

The top industries in the Huntington MSA assessment area are services and finance, insurance, and real estate. Additionally, approximately 92.5 percent of businesses operate with nine or fewer employees, and 90.2 percent operate from a single location. Some of the largest employers in Putnam County according to Workforce West Virginia are Toyota Motor Manufacturing, West Virginia, Inc., Putnam County Board of Education; and Vandalia Health.

### **Competition**

The Huntington MSA assessment area is highly competitive for financial services. According to the FDIC Deposit Market Share data as of June 30, 2023, there are 13 FDIC-insured financial institutions operating 20 offices within the assessment area. Of these institutions, The Poca Valley Bank, Inc. ranks 6<sup>th</sup> with 5.0 percent of the market share. The primary competitors for deposits include Putnam County Bank (37.1 percent), City National Bank of West Virginia (15.6 percent), and Truist Bank (10.0 percent).

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in this assessment area. In 2022, 114 lenders reported 1,534 residential mortgage loans originated or purchased in the assessment area. Of these lenders, The Poca Valley Bank, Inc. ranked 11<sup>th</sup> with 2.1 percent of the market share. The three most prominent home



mortgage lenders include City National Bank of West Virginia (15.1 percent); LoanDepot.com, LLC (7.4 percent); and Putnam County Bank (7.4 percent).

The bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. The aggregate data, however, reflects a high level of demand for small business loans. Aggregate data for 2022 shows 46 lenders reported 909 small business loans originated or purchased in the assessment area. The top three lenders include American Express National Bank (20.7 percent); JPMorgan Chase Bank, NA (11.7 percent); and Truist Bank (10.5 percent). Together, the three top lenders accounted for 42.9 percent by number and 37.5 percent of the dollar volume.

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

Considering information from demographic and economic data, examiners determined that small business and home mortgage loans represent primary credit needs for the assessment area. In particular, affordable home mortgage loans for low- and moderate-income families are needed as housing prices have risen sharply, and 28.7 percent of families are low- or moderate-income. In addition, the need for small business loans is supported by a high percentage of businesses with nine or fewer employees, and a significant majority of businesses reporting gross annual revenues of \$1 million or less.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE HUNTINGTON ASSESSMENT AREA**

### **LENDING TEST**

The Poca Valley Bank, Inc. demonstrated reasonable performance under the Lending Test. The Geographic Distribution was not evaluated as there are no low- or moderate-income census tracts within the assessment area. The Borrower Profile reflects overall reasonable lending penetration among individuals of different income levels and businesses of different sizes.

### **Geographic Distribution**

The Huntington MSA assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

### **Borrower Profile**

The distribution of loans reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. This conclusion is supported by reasonable penetration of home mortgage and small business loans.

*Home Mortgage Loans*

The distribution of home mortgage loans reflects reasonable penetration among borrowers of different income levels. Lending to low-income borrowers was below the percent of low-income families but nearly double aggregate lending. However, in 2021, the bank originated 1.7 percent of home mortgage loans to low-income borrowers, which was below the percent of low-income families but more consistent with aggregate data at 3.1 percent. In 2023, the bank did not originate any loans to low-income borrowers. Lending to moderate-income borrowers was significantly above demographic and aggregate data. In 2021, the bank originated 15.0 percent of home mortgages to moderate-income borrowers, which is consistent with demographic data at 15.5 percent and higher than aggregate data at 11.5 percent.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Huntington MSA 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	14.7	5.0	3	9.4	173	2.3
Moderate	14.0	14.3	8	25.0	1,106	14.4
Middle	18.7	20.5	9	28.1	1,507	19.6
Upper	52.6	48.9	9	28.1	1,634	21.3
Not Available	0.0	11.3	3	9.4	3,254	42.4
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>32</b>	<b>100.0</b>	<b>7,673</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; 2022 HMDA Data; and, 2022 HMDA Aggregate Data.</i>						

*Small Business Loans*

The distribution of small business loans reflects reasonable penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was substantially below demographic data. However, while the bank is not required to report small business loan data and is not compared to aggregate data, the aggregate data does provide information on the level of demand for small business loans. The most recent aggregate data available is 2022, which reflects all institutions reporting small business loans in the assessment area originated 53.7 percent of small business loans to small businesses. The bank’s performance is reflective of the demand for small business loans.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Huntington 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	86.1	9	47.4	762	21.5
>\$1,000,000	3.5	10	52.6	2,781	78.5
Revenue Not Available	10.4	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>3,543</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data and Bank Data.</i>					

## **COMMUNITY DEVELOPMENT TEST**

The Poca Valley Bank, Inc. demonstrated adequate responsiveness to community development needs in the Huntington MSA assessment area 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 in the assessment area.

### **Community Development Loans**

The Poca Valley Bank, Inc. originated 3 community development loans totaling \$4.9 million in the Huntington MSA assessment area representing 26.4 percent of dollar volume and 9.4 percent by number of bank-wide total community development loans. This level of activity is below the level of activity at the previous evaluation. At the previous evaluation, the bank originated 28 community development loans totaling \$4.1 million in the assessment area, all of which were PPP loans. For the current evaluation, the bank did not originate any PPP loans in the assessment area. Therefore, core lending at the current evaluation equates all 3 loans totaling \$4.9 million, which is above the level of core lending at the previous evaluation. Examples of the community development loans include the following.

- A \$493,000 loan for the purchase of laptops for students. Majority of the students in the school district receive free or reduced lunch.
- A \$605,000 loan to a non-profit organization to purchase a commercial manufacturing building. The bank is participating with the West Virginia Economic Development Authority (WVEDA), which will fund an additional portion of the project through WVEDA’s Direct Loan Program. The building will be occupied by a tenant and will create low- and moderate-income jobs.

### **Qualified Investments**

The bank did not make qualified investments that solely benefited the assessment area. This level of activity is below the level of activity at the previous evaluation when the bank provide four donations totaling \$10,000. As noted in the bank-wide qualified investments section, the bank made four donations totaling \$6,100 to organizations that support affordable housing in the Charleston MSA and Huntington MSA assessment areas. Therefore, these qualified investments are included at the bank-wide level rather than the assessment area level.

## **Community Development Services**

The Poca Valley Bank, Inc. provided 15 community development services totaling 1,026 hours in the Huntington MSA assessment area. This level of activity represents 71.4 of bank-wide community development services by number and 99.3 percent of bank-wide community development service hours. This level of community development service is above the level at the prior evaluation when the bank provided 8 community development services. Examples of the community development services include.

- Several employees participated in and promoted school savings programs and financial literacy programs at multiple schools. The schools have a majority of students who receive free or reduced lunch.
- An employee served as a Board member for an organization that promotes economic development.

## APPENDICES

### 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.

## Branches

### **Walton Branch (Main Bank)**

*Established September 24, 1908*

Mailing Address:

PO Box 56

Walton, WV 25286

Located in Census Tract: 9629.01

Physical Address:

7033 Charleston Road

Walton, WV 25286

### **Clendenin Branch**

*Established October 15, 1987*

Mailing Address:

PO Box 848

Clendenin, WV 25045

Located in Census Tract: 0112.00

Physical Address:

545 Spencer Road

Clendenin, WV 25045

### **Elkview Branch**

*Established June 15, 1990*

Mailing Address:

PO Box 69

Elkview, WV 25071

Located in Census Tract: 0111.00

Physical Address:

5087 Elk River Road North

Elkview, WV 25071

### **Sissonville Branch**

*Established July 23, 1997*

Mailing Address:

PO Box 13456

Sissonville, WV 25360

Located in Census Tract: 0108.03

Physical Address;

6420 Sissonville Drive

Sissonville, WV 25320

### **Poca Branch**

*Established September 18, 2000*

Mailing Address:

PO Box 1147

Poca, WV 25159

Located in Census Tract: 0205.00

Physical Address:

142 Main Street

Poca, WV 25159

### **Winfield Branch**

*Established January 12, 2001*

Mailing Address:

PO Box 856

Winfield, WV 25213

Located in Census Tract: 0204.00

Physical Address:

12737 Winfield Road

Winfield, WV 25213

**Spencer Branch**

*Established April 1, 2005*

Mailing Address:

PO Box 432

Spencer, WV 25276

Located in Census Tract: 9630.00

Physical Address:

1 Black Walnut Avenue

Spencer, WV 25276

**Kanawha City Branch**

*Established May 25, 2022*

Mailing Address:

3800 MacCorkle Avenue SE

Charleston, WV 25304

Located in Census Tract: 0015.00

Physical Address:

3800 MacCorkle Avenue SE

Charleston, WV 25304

Poca Valley Bank has not closed any branches during the current year or each of the prior two calendar years.

Poca Valley Bank has opened the following branch during the current year or during the prior two calendar years.

**Kanawha City Branch**

*Established May 25, 2022*

Mailing Address:

3800 MacCorkle Avenue SE  
Charleston, WV 25304

Located in Census Tract: 0015.00

Physical Address:

3800 MacCorkle Avenue SE  
Charleston, WV 25304

## Poca Valley Bank Hours of Operations by Branch

### Walton Branch Hours

Day	Lobby	Drive-Thru
Monday – Friday	8:00 am – 4:00 pm	8:00 am – 4:00 pm
Saturday	8:00 am – 12:00 pm	8:00 am – 12:00 pm

### Clendenin Branch Hours

Day	Lobby	Drive-Thru
Monday – Friday	8:00 am – 4:00 pm	8:00 am – 4:00 pm
Saturday	Closed	Closed

### Elkview Branch Hours

Day	Lobby	Drive-Thru
Monday – Thursday	8:00 am – 4:00 pm	7:00 am – 6:00 pm
Friday	8:00 am – 6:00 pm	7:00 am – 6:00 pm
Saturday	8:00 am – 12:00 pm	8:00 am – 12:00 pm

### Sissonville Branch Hours

Day	Lobby	Drive-Thru
Monday – Thursday	9:00 am – 4:00 pm	8:00 am – 5:00 pm
Friday	9:00 am – 6:00 pm	8:00 am – 6:00 pm
Saturday	9:00 am – 12:00 pm	8:00 am – 12:00 pm

### Poca Branch Hours

Day	Lobby	Drive-Thru
Monday – Friday	9:00 am – 5:00 pm	9:00 am – 5:00 pm
Saturday	Closed	Closed

### Spencer Branch Hours

Day	Lobby	Drive-Thru
Monday – Thursday	8:00 am – 4:00 pm	8:00 am – 5:00 pm
Friday	8:00 am – 6:00 pm	8:00 am – 6:00 pm
Saturday	8:00 am – 12:00 pm	8:00 am – 12:00 pm

### Winfield Branch Hours

Day	Lobby	Drive-Thru
Monday – Thursday	9:00 am – 4:00 pm	8:00 am – 5:00 pm
Friday	9:00 am – 5:00 pm	8:00 am – 5:00 pm
Saturday	9:00 am – 12:00 pm	9:00 am – 12:00 pm

### Kanawha City Branch Hours

Day	Lobby	Drive-Thru
Monday – Thursday	8:00 am – 5:00 pm	7:30 am – 6:00 pm
Friday	8:00 am – 6:00 pm	7:30 am – 6:00 pm
Saturday	8:00 am – 12:00 pm	8:00 am – 12:00 pm

## **Poca Valley Bank Loan Products**

Commercial - ARM

Commercial - Installment

Commercial - Letter of Credit

Commercial - Line of Credit

Commercial - Real Estate

Commercial - Single Pay

Commercial – Credit Card

Consumer – Installment

Consumer - Line of Credit

Consumer - Single Pay

Consumer – Credit Card

Mortgage - ARM

Mortgage - HELOC

Mortgage - Interest Only

Mortgage - Fixed Rate Amortizing



## Poca Valley Bank Deposit Products

Simply Yours Checking

Simply Elite Checking

Simply Student Checking

Simply Senior Checking

Simply ICS Checking (Personal)

Regular Checking (Building Fund)

eSavings

Student Savings

IRA Savings (Traditional or Roth)

Vacation Club

Christmas Club

Certificate of Deposit (Various Terms)

IRAs (Various Terms)

CDARS

Business MMDA

Business Checking

Free 100 Business Checking

Business Checking (ICS)

Commercial Analysis

Commercial Analysis Waive

IOLTA

Business Manager

ICS MMDA (NP)

Business Savings



Walton WV, 25286

# Service Fee Schedule

Effective: Oct.15, 2020

The following fees may be assessed on your account if applicable:

PVB Online Banking	No Charge
PVB Bill Payment Service	No Charge
TeleBank	No Charge
Mobile Banking	No Charge
<b>Funds Transfers</b>	
Mobile	No Charge
In Branch Transfers	No Charge
Telebank Transfers	No Charge
Telephone Transfers	\$5.00
<b>Tax Levy/Garnishment</b>	
	\$100.00
<b>Overdraft Protection Auto Transfer</b>	\$5.00
<b>NSF Returned Items</b>	\$35.00 Each
<b>NSF Paid Items</b>	\$35.00 Each
<b>Returned Deposited/Cashed Checks</b>	\$10.00
<b>Stop Payments</b>	\$40.00
<b>Dormant Account Fee</b>	\$5.00 per month
<small>(Checking dormant after 1yr/Savings dormant after 2yrs)</small>	
<b>Visa check/debit Card</b>	
Monthly fee	No Charge
Poca Valley Bank/Sheetz ATM usage	No Charge
POS transactions	No Charge
Foreign ATM usage	No Charge
Replacement Card	\$10.00
<b>Visa Gift Cards</b>	
Gift Cards	\$3.00
Reloadable Cards	\$5.00

## Copies and Research

Account Activity Printout	\$6.00
Additional printouts (Per Page)	\$0.25
Extra Statement Charge (per statement)	\$6.00
Statement Print Out with images (per statement)	\$6.00
Account Research	\$25.00 Per Hour
Minimum Charge is \$25 (payable in advance)	
Check Images	1.00 per check

## Zipper Bags

No Lock	\$5.00
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## Non Deliverable Mail (monthly fee)

	\$2.00
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<b>Cashier Checks</b>	\$5.00 each
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<b>Counter Checks</b>	\$1.00 each
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<b>Photocopies</b>	\$0.25 Each
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## Notary Services

Customer	No Charge
Non-Customer	\$2.00

## Safe Deposit Boxes

Box Sizes and Pricing Varies at Each location	\$20 - \$105.00
Safe Deposit Boxes - Lost Key	\$25.00
Safe Deposit Boxes Drilling Charges (Minimum Charge)	\$250.00

## Wire Transfers

Customer (incoming)	\$15.00
Customer Domestic (outgoing)	\$30.00
Customer International	\$60.00

## **LOAN TRANSACTION FEES**

### **Non-Residential Consumer Loans**

Loan document fee - \$150

Line of credit annual fee - \$25

Modification fee - \$35

### **Consumer Real Estate Secured Loans**

ARM loan, processing fee - \$600.00

ARM loan (two property), processing fee - \$950.00

ARM loan with building fund, processing fee - \$1,100.00

Construction loan, processing fee - \$1,750.00

Construction loan (two property), processing fee - \$3,250.00

Construction loan extension fee - \$250 1<sup>st</sup> extension; \$500 subsequent extensions

Balloon loan renewal fee - \$100

### **Commercial Loans**

Variable by loan





## **THE POCA VALLEY BANK HOME MORTGAGE DISCLOSURE ACT NOTICE**

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The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials.

These data are available online at the Consumer Financial Protection Bureau's website ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).

HMDA data for many other financial institutions are also available at this Web site.

## 2023 Loan To Deposit Ratios

### Quarter

1st	82.47%
2nd	85.28%
3rd	87.51%
4th	86.18%