



# **Community Reinvestment Act Public File**



DCB was formed in 2015 and was built on the foundation of a 43-year-old bank (Town North Bank). DCB is located at 14185 Dallas Parkway Dallas, TX 75254. The bank is one location with lobby and drive through services and operational. Two (2) ATMs one drive through and one lobby location. DCB specializes in commercial banking with little consumer products and service offerings. Based on our asset size, DCB is considered an Intermediate Small Bank (ISB).

The Community Reinvestment Act of 1977 (CRA) encourages certain insured depository institutions to help meet the credit needs of the communities in which they are chartered, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institutions. The CRA rules do not require a bank to make loans or investments or to provide services that are inconsistent with safe and sound banking practices, including underwriting standards. Banks are permitted to develop and apply flexible underwriting standards for loans that benefit low- or moderate-income individuals or small businesses only if consistent with safe and sound operations. Unsafe and unsound banking practices leads to bank failures which may impact low- and moderate-income individuals' access to credit.

#### Assessment Area

Under 12 CFR Sections 25.41(c) and 25.41(d) provides that the assessment area for a bank consist generally of one or more MSAs or metropolitan divisions or one or more contiguous political subdivisions, such as counties, cities or towns and include the geographies in which the bank has its main office, its branches and ATMs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans.

The bank may adjust its boundaries of its assessment area to include only the portion of a political subdivision that it can reasonably expect to serve. An adjustment is appropriate in the case of an assessment area that otherwise would be extremely large, unusual configuration or divided by significant geographic barriers.

Our last Community Reinvestment Act Performance Evaluation dated April 10, 2023 in which DCB received a Satisfactory CRA Rating. The Office of the Comptroller of the Currency noted that our assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude low-and moderate-income geographies.

For the 2022 reporting year, DCB's official assessment area consisted of 807 total census tracts. The income categories for these census tracts are 51 low income, 169 moderate income, 217 middle income, 351 upper income tracts and 19 income not available tracts. The assessment area services a total population of 3,432,855 persons including a minority population of 1,710,529 persons.

For the 2023 reporting year, DCB's official assessment area will consist of 1,058 total census tracts. The income categories for these census tracts are 114 low income, 270 moderate income, 286 middle income, 369 upper income tracts and 19 income not available tracts. The assessment area services a total population of 4,584,426 persons including a minority population of 2,555,368 persons.



The 2023 Federal Financial Institutions Examination Council (FFIEC) Census Report reflects that our sole location (14185 Dallas Parkway Dallas, TX 75254) is in a Middle Tract Income Level, 5.94% below the Poverty Line, 50.29% Tract Minority (Tract Population 6,306). DCB's location is within a ½-mile radius of the two moderate-income census tracts and one low-income tract.

DCB remains committed to our community and continues to focus on serving the banking needs of the community. We will continue to play a vital role in providing support to low- and moderate-income neighborhoods in our assessment area.



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# CRA Performance Evaluation



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

April 10, 2023

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Dallas Capital Bank, National Association

**Charter Number 15980**

14185 Dallas Parkway  
Suite 200  
Dallas, TX 75274

Office of the Comptroller of the Currency

225 E. John Carpenter Freeway  
Suite 900  
Irving, TX 75062

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

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

**The lending test is rated: Satisfactory.**

**The community development test is rated: Satisfactory.**

The major factors that support this rating include:

- The Lending Test rating is based on a more than reasonable loan-to-deposit ratio (LTD), a substantial majority of loans originated within the assessment area, a reasonable geographic distribution of small loans to businesses in low- and moderate-income (LMI) areas, and a reasonable distribution of small loans to businesses of different sizes.
- The Community Development (CD) Test rating is based on excellent responsiveness to CD needs in the assessment area (AA) through CD lending and adequate responsiveness to AA needs with CD investments and services.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio is more than reasonable.

Dallas Capital Bank, National Association's (DCB or "the bank") quarterly LTD ratio since the previous evaluation averaged 104.10 percent, with a quarterly high of 127.79 percent and a quarterly low of 85.91 percent. We compared the bank's LTD ratio to six similarly situated institutions within Dallas County with asset sizes ranging from \$505 million to \$1.68 billion. The quarterly average LTD ratio for banks in this peer group was 86.78 percent with a high average ratio of 109.91 percent and a low average ratio of 55.38 percent.

The bank was responsive to community needs during the COVID-19 pandemic and supported local businesses by originating 344 Small Business Administration (SBA) Paycheck Protection Program (PPP) loans totaling \$99 million.

### Lending in Assessment Area

A substantial majority of the bank's loans are inside its assessment area (AA).

The bank originated and purchased 80 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

The percentage is based on our random sample of 20 small commercial loans originated during the evaluation period. The findings from this analysis were factored into the overall analysis of the geographic distribution of lending by income level of geography.



**Table D - Lending Inside and Outside of the Assessment Area**

Loan Category	Number of Loans				Total  #	Dollar Amount of Loans \$(000s)				Total  \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	16	80.0	4	20.0	20	2,458	73.4	889	26.6	3,347
Subtotal	16	80.0	4	20.0	20	2,458	73.4	889	26.6	3,347
Source: Bank Data Due to rounding, totals may not equal 100.0%										

## Description of Institution

DCB is a \$1.1 billion community bank located in Dallas, Texas. The bank is a single-state institution and operates from one location at 14185 Dallas Parkway. DCB is wholly owned by Park Cities Financial Group, a one-bank holding company, which is also headquartered in the same location. DCB is a full-service institution that offers a range of loan and deposit services. The bank has two full-service automated teller machines (ATMs), one located within the lobby and the second located in the drive-through of the building's parking garage. No branches have opened since the previous evaluation. DCB has one AA consisting of the northern third of Dallas County, the western half of Collin County, and all of Denton County. The AA is in the Dallas-Plano-Irving, Texas Metropolitan Division (MD) which is within the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (MSA).

The bank maintains hours comparable to area banks with the lobby open from 9:00 a.m to 4:00 p.m Monday through Friday, and the drive-through lanes open from 7:30 a.m. to 5:00 p.m. DCB is closed on Saturday and Sunday. Customers have access to a network of nationwide ATMs without surcharge fees, as well as a variety of alternative banking services. Alternative banking services include telephone banking, which is available free of charge to all customers in English or Spanish. DCB's automated call service is available to all customers 24 hours a day and provides the ability to retrieve balances and account transaction history, place stop payments, and transfer funds. Additionally, DCB maintains a website that provides free online banking capabilities. The online banking system allows customers to retrieve balances, transfer funds, enroll in electronic statements, e-mail the bank, access account histories, view check images, place alerts and stop payments, and utilize free bill payment and external transfers services. Mobile banking is available free of charge to all customers and includes Zelle.

The following products and services are available to LMI individuals.

- Personal checking accounts with no monthly fee or minimum required balance. The opening deposit must be \$100.00 or more. This account provides free services such as electronic statements, online banking (bill pay, Zelle, internal and external transfers), mobile banking with similar online banking capabilities, telephone banking, mobile deposits, and a MasterCard debit card. In addition, the account comes with free ATM access at bank-owned and non-bank ATM locations nationwide.
- Business checking accounts are available for \$0.00 minimum opening deposit and include 150 free transactions per month. There is a \$15 monthly fee if the daily balance falls below \$1,500. This account provides free services such as online banking (bill pay and transfers), telephone banking, mobile deposit, electronic statements, and a MasterCard debit card. Customers have free access to bank-owned and non-bank ATMs.
- Prepaid (reloadable) cards for small businesses to offer their LMI employees an alternative banking product with no initial load cost.

- Remote Deposit Capture for small businesses to scan checks for electronic deposit from their place of business.
- Free mobile deposit for small businesses instead of remote deposit capture services, which eliminates the traditional hardware and analysis fees.

As of December 31, 2021, DCB reported total assets of \$1.1 billion, total liabilities of \$941.3 million, and tier 1 capital of \$98.4 million. Net loans totaled \$745.1 million, representing 70.8 percent of total assets. The loan portfolio is comprised of the following products:

- Commercial real estate totaling \$237.7 million or 31.91 percent of the loan portfolio
- Mortgage warehouse lines totaling \$236.1 million or 31.69 percent
- Commercial and industrial loans totaling \$94 million or 12.61 percent
- 1-4 family residential properties totaling \$89 million or 11.95 percent
- Construction and development loans totaling \$55.29 million or 7.42 percent
- and other loans totaling \$38 million or 5.12 percent

Commercial loan products represent the largest share of the loan portfolio. The lending strategy continues to be centered in origination of commercial and commercial real estate loans to small and midsize businesses and purchase of residential real estate loans through the mortgage warehouse division. During the evaluation period, commercial loan products made up 84.8 percent of total loans.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA. The bank's CRA performance was previously evaluated as of April 6, 2020, with an overall rating of "Outstanding."

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We evaluated DCB's CRA performance in meeting the credit needs of its AA by using Intermediate Small Bank performance criteria, which includes the lending test and the CD test. The evaluation period includes transactions from January 1, 2020, through December 31, 2021. To evaluate the bank's lending performance, we selected a random sample of loans originated during this time. Conclusions regarding the institution's lending performance are based on a sample of small business loans originated during the evaluation period. The loan type we selected was based on the bank's primary products as detailed above.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same MSA, are combined and evaluated as a single AA. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full-scope AAs.

### Ratings

The bank's overall rating is the state of Texas.

The state rating is based on performance in the Dallas AA. Refer to the "Scope" section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c), in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Texas

**CRA rating for the State of Texas<sup>1</sup>:** Satisfactory

**The Lending Test is rated:** Satisfactory

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

The major factors that support this rating include:

- The geographic distribution of small loans to businesses reflects reasonable distribution throughout LMI geographies in the bank's AA.
- The distribution of loans to businesses of different sizes reflects reasonable distribution given the bank's performance context.
- CD loans reflect excellent responsiveness to the needs of the AA.
- CD investments and services reflect adequate responsiveness to the needs of AA.

### Description of Institution's Operations in Texas

DCB is a single-state, full-service institution offering a range of loan and deposit services, including two ATMs. No branches have been opened since the previous evaluation. DCB has one AA located within the Dallas-Plano-Irving, TX MSA that includes the northern portion of Dallas County, the western half of Collin County, and all of Denton County.

As of December 31, 2021, there were a total of 617 census tracts (CTs) in the bank's AA: 57 low-income, 130 moderate-income, 147 middle-income, 277 upper-income, and six CTs with no income level. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The population serviced by this AA is represented by a total of 3,001,594 persons with 28.8 percent located in a low- or moderate-income CT. The AA contains 410,694 businesses, of which 19.2 percent are located in a low- or moderate-income CT.

The bank's lending strategy continues to focus on the origination of commercial and commercial real estate loans. Commercial loans during the evaluation period represent 84.8 percent of total loans by volume and 82.3 percent of loans by dollar. DCB was an active lender in the SBA's PPP under the CARES Act, providing PPP loans to small businesses throughout the community during the COVID-19 pandemic. During the evaluation period, the bank originated 344 PPP loans totaling \$99 million.

Major employers in the area include AT&T, Capital One Finance, Dr. Pepper Snapple Group, Frito-Lay North America, Fujitsu America, GE Energy, J.C. Penney, Kimberly-Clark, L3 Technologies, Liberty Mutual Insurance, Lockheed Martin, Raytheon, Southwest Airlines, State Farm Insurance, Texas Instruments, Toyota Motor North America, and Torchmark Corporation. As of December 31, 2021, the unemployment rate of the AA was 4.31 percent, which is similar to the 2021 unemployment rates for the state of Texas and the US, which were 4.5 percent and 3.9 percent, respectively. The AA has 1,181,133

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

housing units, of which 52.3 percent are owner-occupied, 40.7 percent are renter-occupied, and 7 percent are vacant.

According to the 2021 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share report, there are 128 banks and thrifts that operate 846 branches in the Dallas, Plano, Irving MD. Large banks dominate the competition with Charles Schwab, Bank of America, and JPMorgan Chase representing 75.4 percent of the market share. DCB ranked 42<sup>nd</sup> overall, holding 0.1 percent of the total market share. This represented \$735.3 million in deposits in the AA as of June 30, 2021.

We determined the needs of the AA through discussions with management, reviews of Public Evaluations for similarly situated institutions within the AA, and interviews with representatives in the community who provide services for LMI families. Continuing needs in the AA include small business loans for commercial expansion and affordable housing. Additionally, there is a need for supporting organizations that provide food pantries, job assistance, and affordable access to health services for LMI individuals. Based on our conversation with a local social service agency, the post-pandemic environment has negatively impacted the mental health of children and senior adults, who based on income status, may have reduced access to mental health services. According to two other community contact interviews conducted during the evaluation period, the primary needs of LMI individuals are job training, financial and money management education, and affordable housing.

## Dallas AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Dallas Plano Irving MD 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	617	9.2	21.1	23.8	44.9	1.0
Population by Geography	3,001,594	8.8	20.0	24.9	46.0	0.3
Housing Units by Geography	1,181,133	9.6	18.8	25.6	45.6	0.4
Owner-Occupied Units by Geography	617,379	2.3	13.6	24.1	59.8	0.2
Occupied Rental Units by Geography	481,194	17.5	24.8	27.7	29.3	0.7
Vacant Units by Geography	82,560	17.6	22.0	24.9	34.8	0.6
Businesses by Geography	410,694	4.8	14.4	24.1	55.7	1.1
Farms by Geography	6,332	3.2	13.9	25.3	56.7	0.9
Family Distribution by Income Level	734,643	19.9	14.8	16.7	48.6	0.0
Household Distribution by Income Level	1,098,573	20.8	15.5	17.0	46.7	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$219,185
			Median Gross Rent			\$1,031
			Families Below Poverty Level			9.2%
Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

## **Scope of Evaluation in Texas**

DCB has one AA which consists of the northern portion of Dallas County, western half of Collin County, and all of Denton County. We conducted a full-scope review of the AA. Refer to the table in appendix A for a list of all AAs under review. Consistent with the institution's primary lending focus, we analyzed small business loans.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS**

### **LENDING TEST**

The bank's performance under the Lending Test in Texas is rated Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's lending performance in the state of Texas is reasonable.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits reasonable geographic distribution of loans in the state.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations of small loans to businesses.

The geographic distribution of small loans to businesses reflects very poor distribution. The bank did not originate any loans in low-income geographies. However, demographic data reflects only 4.8 percent of businesses are located in these geographies, indicating limited lending opportunities. In addition, the bank's single location is not in or adjacent to a low-income tract and there is a significant level of competition from branches of regional and national institutions in the AA, rendering reasonable distribution overall. The geographic distribution of small loans to businesses in moderate-income geographies significantly exceed both the percentage of loans in these geographies and the aggregate lending distribution.

#### ***Lending Gap Analysis***

There were no unexplained conspicuous gaps in lending considering the geographic distribution of loans, branch location, and performance context as previously mentioned.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits reasonable distribution of loans to businesses of different sizes, given the product lines offered by the bank.

### ***Small Loans to Businesses***

Refer to Table R in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of loans to businesses of different sizes in the AA reflects reasonable distribution. The bank's lending to small businesses with revenues less than or equal to \$1 million is lower than the percentage of AA businesses and the aggregate lending for these businesses.

### **Responses to Complaints**

DCB did not receive any CRA related complaints during the 2020 and 2021 evaluation period. We reviewed the bank's complaint management program and policy, which ensure timely and thorough response to any complaints the bank may receive. CRA related complaints and responses are available for review in the public file.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the CD Test in the state of Texas is rated Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full scope review, the bank exhibits adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

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

The CD Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Dallas AA	106	100	22,993	100
Total	106	100	22,993	100

The level of CD lending exhibits excellent responsiveness to the CD needs within the AA. DCB originated 106 CD loans during the evaluation period totaling \$22.9 million, which represents 23.4 percent of tier 1 capital. DCB originated 20 loans in the State of Texas but outside the AA totaling \$16.8 million, or 17.0 percent of tier 1 capital. These loans benefited the broader statewide or regional area that includes the AA.

Examples of qualified loans in the AA include:

- \$1.5 million loan to provide funds to cover payroll costs of a small business in an LMI CT using the PPP under the CARES Act.

- \$110,000 loan to provide funds to cover payroll costs using the PPP CARES Act. The organization provides food pantry services within an LMI CT.

Examples of loans that benefit the broader statewide or regional area include:

- \$3.5 million loan to purchase a multi-family apartment complex located in a moderate-income CT that provides affordable housing to LMI individuals.
- \$2.9 million loan to provide funding for two health care facilities that focus on providing health care services to LMI individuals.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Dallas AA	1	583	27	86	28	100	669	100	0	0
Total	1	583	27	86	28	100	669	100	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The level of CD investments exhibits adequate responsiveness to the CD needs within the AA. DCB made 28 qualified investments and donations during the evaluation period totaling \$669,000. Donations were to local organizations that provide services to LMI individuals, including technical services, financial support, food supplies, and education. Qualified investments include one prior year investment in the Lone Star Markets Fund LP with a balance of \$583,000 as of December 31, 2021. This fund promotes economic development by financing small businesses or small farms and has a reputation for driving economic growth in low-income areas.

Examples of qualified investments in the AA include:

- \$20,000 in college scholarships to eight LMI high school seniors.
- \$16,000 to an organization that provides technical and work-force assistance to LMI individuals and their families.
- \$10,000 to a North Texas food pantry that provides food supplies to LMI families.

## Extent to Which the Bank Provides Community Development Services

The level of CD services reflects an adequate responsiveness to needs in the bank's AA with respect to the number of hours contributed, the number of employees involved, and the number and type of non-profit organizations served. The bank met this need primarily through bank employee financial expertise and volunteer support during the pandemic. CD services completed during this evaluation period include training in financial literacy, assisting food banks, and providing technical assistance to LMI individuals. While service opportunities were hindered due to shutdowns and restrictions enforced during the COVID-19 pandemic, the bank remained responsive to the needs of the AA. Twenty-six employees donated 130.5 hours of their time to eleven organizations within the AA. This includes four employees who served as



board members of four organizations serving LMI individuals. An additional 3.5 hours were donated outside the AA but benefited LMI individuals in the broader regional area.

Examples of qualified services in the AA include:

- 30 hours were provided by multiple employees to an organization that provides educational and work-force assistance to LMI individuals and families.
- 28 hours were provided by multiple employees delivering financial literacy training to LMI students.
- 16 hours were provided by multiple employees to provide food supplies to LMI individuals.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/2020 to 12/31/2021	
<b>Bank Products Reviewed:</b>	Small business loans CD loans, qualified investments, and services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
(none)		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA(s)</b>		
(n/a)		
<b>State</b>		
Texas: Dallas AA	Full scope	AA includes a portion of the Dallas-Plano-Irving MD with all of Denton County, the western portion of Collin County, and the northern portion of Dallas County.

## Appendix B: Summary of MMSA and State Ratings

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RATINGS      Dallas Capital Bank, National Association			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Dallas Capital Bank, National Association	Satisfactory	Satisfactory	Satisfactory
State:			
Texas	Satisfactory	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

**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, which 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).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low-Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent 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 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

**Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2020-21**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Dallas AA	20	2,935	100.0	131,252	4.8	0.0	5.2	14.4	30.0	15.5	24.1	20.0	21.8	55.7	50.0	56.5	1.1	0.0	1.1
<b>Total</b>	<b>20</b>	<b>2,935</b>	<b>100.0</b>	<b>131,252</b>	<b>4.8</b>	<b>0.0</b>	<b>5.2</b>	<b>14.4</b>	<b>30.0</b>	<b>15.5</b>	<b>24.1</b>	<b>20.0</b>	<b>21.8</b>	<b>55.7</b>	<b>50.0</b>	<b>56.5</b>	<b>1.1</b>	<b>0.0</b>	<b>1.1</b>

Source: 2020 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2020-21**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Dallas AA	20	2,935	100.0	131,252	88.5	25.0	43.3	4.1	30.0	7.4	45.0
<b>Total</b>	<b>20</b>	<b>2,935</b>	<b>100.0</b>	<b>131,252</b>	<b>88.5</b>	<b>25.0</b>	<b>43.3</b>	<b>4.1</b>	<b>30.0</b>	<b>7.4</b>	<b>45.0</b>

Source: 2020 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.





## Branch Locations



**Dallas Capital Bank, N.A.**

14185 Dallas Parkway Suite 200 Dallas, TX 75254

Census Tract Number: 0136.28 | County: 113-Dallas County |

MSA: 19124- Dallas-Plano-Irving | State: 48-Texas | Census Demographic Data: Middle

**Dallas Capital Bank, N.A. Branch Office**

**Hours of Operation**

14185 Dallas Parkway Suite 200 Dallas, TX 75254	
<b>Main Phone Number:</b>	(972) 391-6800
<b>Customer Service Number:</b>	(972) 391-6800
<b>Fax Number:</b>	(972) 391-6705
<b>Infoline 24-Hour Account Access</b>	(972) 391-6810
<a href="mailto:cservices@dallascapitalbank.com">cservices@dallascapitalbank.com</a>	
<b>ATMs:</b> Walk-Up full service at this location Drive-Thru full service at this location	
<b>Lobby:</b> Monday-Friday 9:00 AM - 4:00 PM Saturday Closed	
<b>Drive-Thru:</b> Monday-Friday 7:30 AM - 5:00 PM Saturday Closed	

**Branch Offices Opened and Closed During the Calendar Year:**

2021 – None

2022 – None

2023- None



# Bank Products, Services and Schedule of Fees

## Products and Services

In general, the Bank's product lines and services include:

### Deposit Services:

- Consumer Deposit Products:

- Checking Accounts
- Money Market Accounts
- Savings Accounts
- Certificates of Deposit
- IRAs

- Commercial Deposit Products:

- Checking Accounts
- Money Market Accounts
- Savings Accounts
- Certificates of Deposit

### Loan Services:

- Consumer Credit Cards (Bank is an agent)
- Consumer Loans
- Consumer Residential Real Estate Loans
- Commercial Credit Cards (Bank is an agent)

- Commercial Loans
- Commercial Real Estate Loans
- Mortgage Warehouse

### Electronic Services:

- ATMs
- ATM and Debit cards
- ACH debits and credits
- Account to Account Transfers
- Bill Payment
- Internal Transfers
- Online Banking

- Prepaid Cards (reloadable, Bank is an agent)
- Mobile Banking
- Mobile Deposit Capture
- Telephone banking
- CDARS
- Cash Sweep
- Zelle
- Real Time Payments

### Additional Services:

- Treasury Management Services:

- Business online banking
- Business bill pay
- Internal transfers
- Positive Pay (ACH and checks)
- Remote Deposit Capture
- Autobooks

- Business mobile deposit capture
- Business debit cards
- ACH origination
- Lockbox capability
- Business credit line sweep
- Zero balance account

### Other Services:

- Credit card cash advance
- Night Deposit

- Safe Deposit Boxes
- Notary / Medallion STAMP services

### Sale of Monetary Instruments:

- Cashier's checks
- Money Orders

- Gift Cards (non-reloadable, bank is an agent)

### Wire Transfer Services:

- Domestic incoming and outgoing wire transfers
- Foreign incoming and outgoing wire transfers



**BUSINESS ANALYSIS SERVICE CHARGE SCHEDULE  
EFFECTIVE SEPTEMBER, 2019**

**DEPOSITORY SERVICES:**

Account Maintenance	\$20.00
Checks/Debits	\$0.15
Deposits/Credits	\$0.50
Checks Deposited	\$0.15
Electronic Credits	\$0.15
Electronic Debits	\$0.15
Encoding Charge	\$0.00
Return Item - Chargebacks	\$10.00
Stop Payment	\$35.00
NSF Fee	\$35.00
Telephone Transfer Fee	\$5.00
Courier Service	Pass Thru

**BALANCE REPORTING SERVICES:**

Monthly Maintenance OLB	\$50.00
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**FRAUD PREVENTION:**

Positive Pay	
Monthly Maintenance	\$50.00
Exception Item	\$2.00
ACH Positive Pay	\$25.00
ACH Filter/Block	\$10.00
Check Block	\$20.00
Hard Tokens	\$48.00

**REMOTE DEPOSIT:**

Monthly Maintenance	\$35.00
Remote Deposit Scanners	Variable

**WIRE TRANSFERS:**

O/G International	\$45.00
O/G Domestic	\$12.00
I/C Domestic	\$10.00
I/C International	\$10.00
Email Notifications	\$2.00

**ACH SERVICES:**

Monthly Maintenance	\$25.00
Same Day Monthly Maintenance	\$50.00
Transmission	\$10.00
Credits/Debits Originated	\$0.15
Return Items	\$4.00
Returns Report	\$35.00
Notice of Change Credits/Debits	\$1.00
Credits/Debits Received	\$0.15
Addenda Report (EDI)	\$35.00

**IMAGING SERVICES:**

CD Rom with Statement	\$50.00
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**ZERO BALANCE ACCOUNT SERVICES:**

Primary Acct. Monthly Maintenance	\$25.00
Secondary Acct. Monthly Maintenance	\$10.00

**LOCKBOX SERVICES:**

Monthly Maintenance	\$100.00
Items	\$0.50
Reporting	\$25.00
Email Report	\$35.00
Courier Prep	\$25.00
Mail/Postage	\$5.00
Additional Copies	\$0.20

**VAULT:**

Change Order - Over 50 items	\$5.00
Change Order - Coin Roll	\$0.10
Change Order - Currency Strap	\$0.30
Coin Bag Processing	\$5.00

**SWEEPS:**

Account Sweeps	\$10.00
Investment Sweep	\$100.00
Loan Sweep	\$100.00

**SPECIAL SERVICES:**

Reloadable Cards (per item)	\$20.00
Gift Cards	\$5.00
Cashier's Checks - Customers	\$5.00
Cashier's Checks- Non-Customers	\$10.00
Overdrafts	\$35.00
Tax Levy	\$25.00
Temporary Checks (per item)	\$1.00
Collection - Outgoing	\$10.00
Safe Deposit 3x5	\$20.00
Safe Deposit 3x10	\$35.00
Safe Deposit 5x10	\$55.00
Safe Deposit 10x10	\$100.00
Drilling Fee	\$160.00

**FEE SCHEDULE**  
**Common Features and Fee Schedule**



**FEES AND CHARGES.** The following fees and charges may be assessed against your account:

Check printing fees vary by the style of check ordered.

Account Activity Print Out	\$2.00
Account Inquiry Request	\$2.00
Account Reconciliation, Per Hour	\$25.00
Account Research (prior to 1 year), Per Hour	\$40.00
Account Research (within last 12 months), Per Hour	\$25.00
Account Research Copy Fee, Per Item	\$2.00
Cashier's Check - Customer	\$5.00
Cashier's Check - Non Customer	\$10.00
Change Orders - Coin Bag Processing	\$5.00
Change Orders - Currency Straps	\$0.30
Change Orders - Over 50 Items	\$5.00
Change Orders - Rolled Coins	\$0.10
Close Account within 90 Days of Open	\$25.00
Collection Services (Customer Only) - Incoming	\$15.00
Collection Services (Customer Only) - Outgoing	\$10.00
Debit Card Rush Order	\$60.00
Deposited Item Returned Unpaid	\$7.00
Foreign Currency Purchase, Subject to a current exchange rate	
Garnishment	\$25.00
Gift Cards	\$5.00
Money Order - Customer	\$2.00
Money Order - Non Customer	\$5.00
Nonsufficient Funds (NSF) and Overdraft, Per Item \$35.00-----Effective June 1, 2022, transactions that are less than \$35.01 (per item) the fee is waived.	
Overdraft Protection Transfer, Per Transfer	\$5.00
Special Statement Cutoff	\$5.00
Stop Payment Request or Renewal	\$35.00
Tax Levy	\$25.00
Telephone Transfer Request	\$5.00
Temporary Checks	\$1.00
Wire Transfer (Customer Only) - Incoming	\$10.00
Wire Transfer (Customer Only) - International Outgoing	\$45.00
Wire Transfer (Customer Only) - Outgoing	\$18.00

**ATM/Debit Card:**

Debit Card Setup or Replacement Card -----No Charge  
 ATM Cash Withdrawal -----No DCB Charge  
 Off Premise ATM Withdrawal -----Other Banks May Charge a Fee  
 ATM Deposits -----Not available  
 Transfer of Funds -----At DCB's ATM Only  
 Balance Inquiry -----No DCB Charge  
 Balance Inquiry at off Premise ATM -----Other Banks May Charge a Fee

**Safe Deposit Boxes Annual Rate:**

3x5 ----- \$20.00  
 3x10 ----- \$35.00  
 5x10 ----- \$55.00  
 10x10 ----- \$100.00  
 Drilling Fee ----- \$99.00 or higher

**Account Services:**

Automated Phone-Infoline -----No Charge



Bill Pay for Consumers and Business -----No Charge  
Online Banking for Consumers -----No Charge

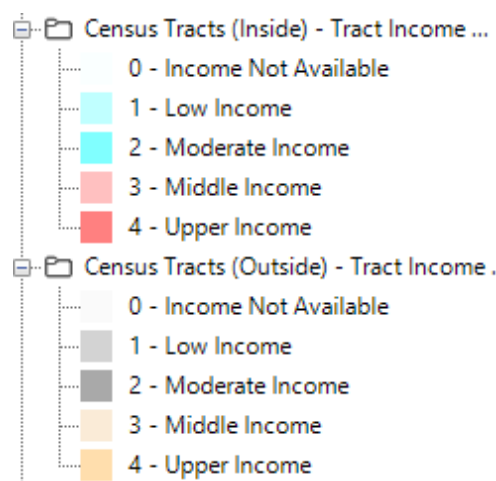
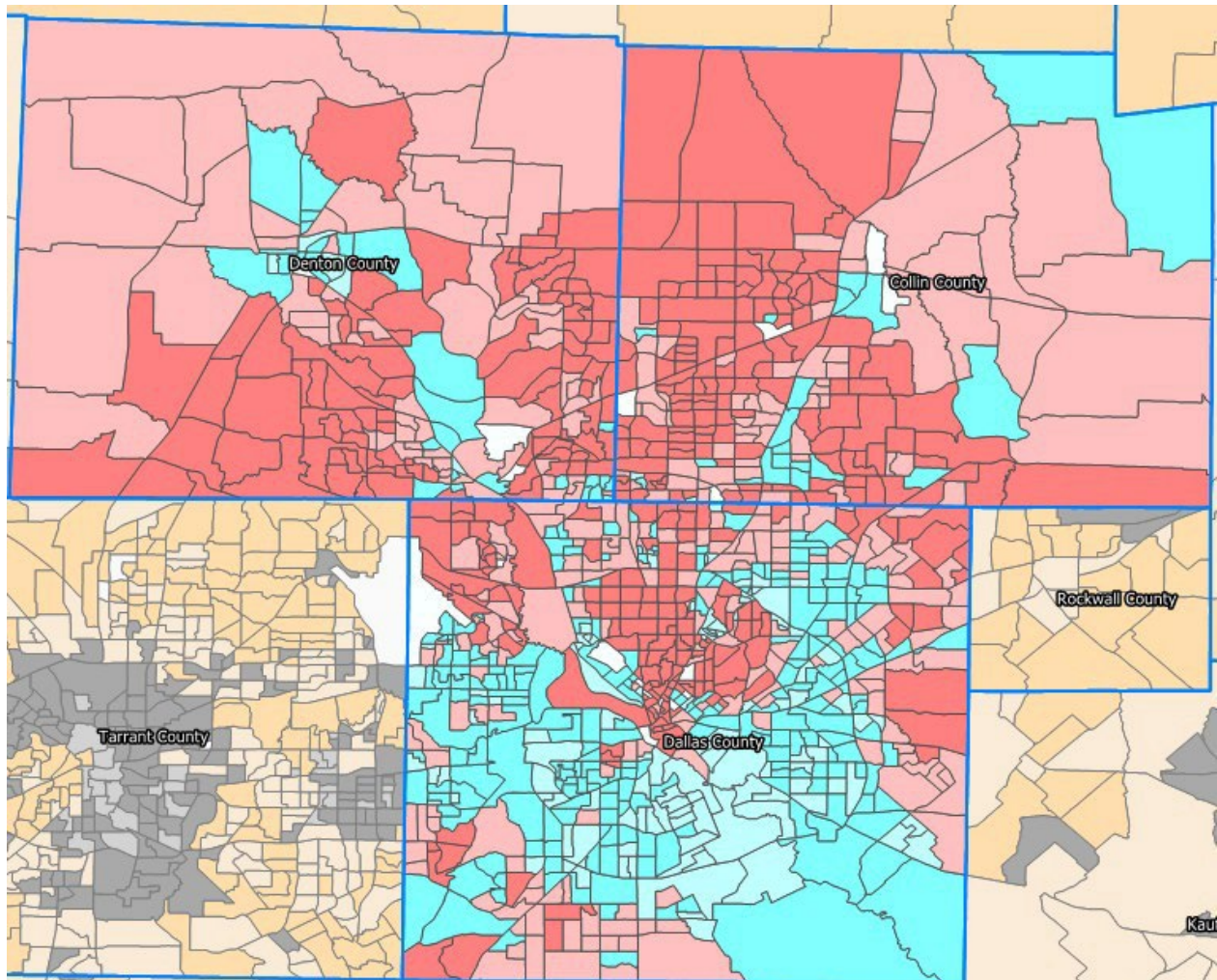




# Assessment Area Maps



## Dallas Capital Bank, NA-Assessment Area





# Loan to Deposit Ratios



## Loan to Deposit Ratios 2023

Date	Loans (In 000's)	Deposits (In 000's)	Ratio
3-31-2023	816,411	800,317	102.01%
6-30-2023	887,141	913,187	97.15%
9-30-2023	857,583	908,501	94.40%
12-31-2023	743,073	828,038	89.74%
Average			95.825%

From Consolidated Reports of Condition & Income (Call reports) & UBPR Reports

## 2022

Date	Loans (In 000's)	Deposits (In 000's)	Ratio
3-31-2022	743,354	793,515	93.68%
6-30-2022	836,766	835,244	100.18%
9-30-2022	778,910	877,871	88.73%
12-31-2022	778,437	824,733	94.39%
Average			94.25%

From Consolidated Reports of Condition & Income (Call reports) & UBPR Reports



# Public Comments

**2024**



January 23, 2024

James McGee- via email [jmcgee@SouthernDallasProgress.com](mailto:jmcgee@SouthernDallasProgress.com)  
President/Chair  
Southern Dallas Progress Community Development Corporation

Dear Mr. McGee:

Please find the Dallas Capital Bank, NA (DCB) response to the January 10, 2024 correspondence from Mr. James McGee of Southern Dallas Progress Community Development Corporation (Southern Dallas Progress) to the Office of the Comptroller of the Currency and DCB (attached). Also, this serves as a continuation to correspondence received on December 23, 2023 and the DCB response ( attached).

DCB is a one location Commercial Bank located at 14185 Dallas Parkway, Suite 200 Dallas, Texas 75254 which is within a Middle-income census tract that as of 2023 census information is 50.29% minority.

DCB received a Satisfactory Rating per our last Community Reinvestment Act Performance Evaluation dated April 10, 2023 performed by the Office of the Comptroller of the Currency (OCC). As part of this evaluation, the OCC did not identify whether DCB engaged in discriminatory or other illegal credit practices.

The CRA does require a bank to delineate an assessment area(s) which DCB has done in accordance with the Act. Banks are currently evaluated based on their lending activities within their assessment area as well as their lending activities outside of their assessment area. DCB does have loans that are in Southern Dallas county. The CRA does encourage banks to invest in their community by providing community development activities through donations, grants, or services to organizations to improve the circumstances for low- and moderate-income individuals and stabilizes and revitalizes the communities in which they are located. Although DCB does not currently partner with the two organizations you have requested us to (Growth by NCRC and Dallas College Bankwork\$ Program), DCB partners with several organizations (Jewish Family Service of Greater Dallas, S.M. Wright Foundation, St. Philip and St. Augustine Catholic Academy, Distinctly HIS Ministries, Dallas Habitat for Humanity etc.) that serve all of Dallas County including South Dallas.

For the 2023 reporting year, DCB's official assessment area consisted of all Dallas County, Collin County and Denton County which consist of 1058 total census tracts. The income categories for these census tracts are 114 low income, 270 moderate income, 286 middle income 369 upper income tracts and 19 income not available income tracts. The assessment area services a total population of 4,584,426 persons including a minority population of 2,555,368 persons (55.74%). Dallas County has 873.1 square miles and a population of 2,600,840. According to the Southern Dallas County Economic Development guide, the 2023 population of Southern Dallas County is 1,038,036 (40% of county population) with Hispanic Origin (any race) of 49.9%, Black Alone 35.2% and White Alone 20.7%.

Your previous correspondence had references to American National Bank of Texas and the last page of this correspondence references Texas Bank and Trust, so it is still unclear if your correspondence has been for American National Bank of Texas, Texas Bank and Trust or DCB.

The correspondence alleges that DCB failed to do the following:

- Open a banking branch at 3701 S Walton Walker Blvd. in Southern Dallas
- Conduct a Community Credit Needs Assessment
- Have a written Community Development Partnership Program
- Failed to adopt Bank On standards
- Offer special purpose credit programs
- Failed to offer Credit Builder Loans



- Failed to invest in BIPOC Small Business Accelerator Fund
- Failed to form a Subsidiary Community Development Corporation

These allegations are false and do not pertain to DCB as DCB is not and has not been required to take any of the actions listed above.

In addition, the correspondence states DCB failed to describe any significant Southern Dallas CRA initiatives undertaken, particularly with respect to credit and deposit products and retail banking services targeted to low and moderate-income geographies, however on several correspondences with you, DCB has offered to meet with you at our office to discuss our CRA related activities including those in South Dallas.

The CRA encourages banks to help meet the credit needs of its community, including low- and moderate-income neighborhoods consistent with safe and sound operations. Rebuilding and revitalizing communities through sound lending and good business judgment should benefit both the community and financial institutions. Additionally, we are located in a highly competitive banking market in North Texas. DCB takes our CRA obligation seriously and we have partnered with several organizations that provide services to low- and moderate-income individuals throughout the DCB assessment area by providing technical assistance from serving on the board of directors, presenting seminars on financial matters, volunteering to work in food pantries, etc. as well as lending throughout the assessment area.

Please let us know if you would like to schedule a meeting at our location to discuss our CRA related activities. To schedule a meeting please contact me at 972-391-6734.

Sincerely,

*Toni Fennell*

Toni Fennell  
Senior Vice President, Director of Compliance  
Dallas Capital Bank  
14185 Dallas Parkway, Suite 200  
Dallas TX 75254

Cc: Sharon Knox  
Office of the Comptroller of the Currency  
Via email: [Sharon.Knox@occ.treas.gov](mailto:Sharon.Knox@occ.treas.gov)  
Cc: U.S. DOJ  
Via email: [antitrust.bank@usdoj.gov](mailto:antitrust.bank@usdoj.gov)

CRA Public File – Dallas Capital Bank, NA – See 12 CFR 25.43(a)(1)



*Improving Lives, One Community at a Time*

January 10, 2024

Dallas Capital Bank, National Association  
14185 Dallas Parkway Suite 200  
Dallas, TX 75240

Office of the Comptroller of the Currency  
Southern District Main Office  
500 N. Akard St. Suite 1600  
Dallas, TX 75201

**RE: DISCRIMINATION COMPLAINT AGAINST DALLAS CAPITAL BANK**

Dear Federal Regulator,

This correspondence serves as a response to the inaccurate letter issued by Dallas Capital Bank on 1/9/2024. As highlighted in my prior letter dated 12/23/2023, spanning a period of 51 years from 1972 to 2023, Dallas Capital Bank consistently excluded the majority of Low to Moderate Income Census Tracts from its assessment area map. Notably, these excluded census tracts predominantly consist of minority residents.

It is concerning to note that in 2023, Dallas Capital Bank fell short in meeting the needs of our community, specifically the low- and moderate-income residents in Southern Dallas. Of particular concern is the bank's failure to provide small business and/or consumer lending services in the majority African American/Hispanic communities in Southern Dallas. This deficiency raises questions about the bank's compliance with the Community Reinvestment Act.

The 1977 Community Reinvestment Act was established to counter the practice of redlining, where banks and the government would limit credit access in communities deemed "risky" based on the race and background of the residents. Enacted by Congress in 1977 (12 U.S.C. 2901) and implemented through Regulations 12 CFR parts 25, 228, 345, and 195, the Community Reinvestment Act (CRA) aims to incentivize depository institutions to actively contribute to meeting the credit needs of the communities in which they operate, with a specific focus on low- and moderate-income (LMI) neighborhoods.



### **Excluded Southern Dallas Zip Codes from 1972 to 2023**

75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

### **Regulatory Violations:**

**Between 1972 and 2023**, Dallas Capital Bank breached the following regulatory requirements:

12 CFR § 345.41(e)(2):

- Violation: Engaged in practices that may reflect illegal discrimination.

12 CFR § 345.41(e)(3):

- Violation: Arbitrarily excluded low- or moderate-income geographies, without considering the bank's size and financial condition.

### **Dallas Capital Bank Dallas County Bank Locations:**

14185 Dallas Pkwy Dallas, TX 75254; Located in a middle-income census tract and in a white majority community. MSA-State-County-Tract: 19124-48-113-0136.28

Dallas Capital Bank declined to open a banking branch at the following available location in Southern Dallas:

3701 S Walton Walker Blvd Dallas, TX 75236; Location in a Moderate-Income census tract and in a majority minority community. MSA-State-County-Tract: 19124-48-113-0165.34

### **Community Credit Needs Assessment - (DCB Failed to provide additional supporting documentation or written correspondence)**

Dallas Capital Bank failed to conduct a Community Credit Needs Assessment for majority-Black and Hispanic census tracts within the DFW MSA, specifically Southern Dallas.

*A Community Credit Needs Assessment is a research-based market study to help a lender identify the needs for financial services in an area.*

*This assessment should include the following information about majority-Black and Hispanic census tracts within Covered Lending Area: (1) an evaluation (to include market research and interviews) of residential mortgage credit needs and current lending opportunities available in the area; (2) recent demographic and socioeconomic data; (3) potential strategies for Dallas Capital Bank to provide residential mortgage lending services in these census tracts; (4) a review of loan products offered by other lenders and their success in the market; (5) an overview of federal, state, and local programs that are available to residents seeking and obtaining residential mortgage loans;*

**Community Development Partnership Program - (DCB Failed to provide supporting documentation or written correspondence)**

Dallas Capital Bank does not have a written description of how proposed partnership(s) will be used to meet the credit needs identified in the Community Credit Needs Assessment.

**Products available for the Underserved/Minority Communities - (DCB Failed to provide supporting documentation or written correspondence)**

Access to affordable credit is a key component of an individual's ability to cultivate a strong financial position and participate fully in the DFW economy. The Equal Credit Opportunity Act of 1974 was passed to protect all consumers, yet the effects of the discrimination endure today.

Dallas Capital Bank failed to offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA.

- [https://household-survey.fdic.gov/place-data?type=msa&area=Dallas\\_Fort\\_Worth\\_Arlington\\_TX](https://household-survey.fdic.gov/place-data?type=msa&area=Dallas_Fort_Worth_Arlington_TX)
  - The underbanked/unbanked information is available on the FDIC website.

Dallas Capital Bank failed to Adopt Bank On standards.

- <https://joinbankon.org/accounts/>
- <https://2wvkof1mfraz2etgea1p8kiy-wpengine.netdna-ssl.com/wp-content/uploads/2020/10/Bank-On-National-Account-Standards-2021-2022.pdf>
- <https://www.aba.com/about-us/press-room/press-releases/aba-urges-americas-banks-to-offer-bank-on-certified-accounts>

Dallas Capital Bank does not have any special-purpose credit programs to address disparities in small business & mortgage lending in underserved high minority communities like Southern Dallas.

- <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/>
- [https://www.hud.gov/sites/dfiles/GC/documents/Special\\_Purpose\\_Credit\\_Program\\_OGC\\_guidance\\_12-6-2021.pdf](https://www.hud.gov/sites/dfiles/GC/documents/Special_Purpose_Credit_Program_OGC_guidance_12-6-2021.pdf)
- [12 CFR § 202.8 - Special purpose credit programs.](#)
  - <https://www.ffiec.gov/PDF/fairlend.pdf>

Dallas Capital Bank fails to offer Credit Builder Loans or Credit Builder Loans to help Rebuild Southern Dallas LMI residents' Credit History.

- <https://www.dallasfed.org/cd/cct/18cctdallas>

**Activities under the CRA since the most recent CRA Performance Evaluation - (DCB Failed to provide additional supporting documentation or written correspondence)**

Dallas Capital Bank failed to describe any significant Southern Dallas CRA initiatives undertaken, particularly with respect to credit and deposit products and retail banking services targeted toward low- and moderate-income geographies, African American/Hispanic geographies, and individuals, identifying

key elements of the products and services, the approximate date introduced, and results achieved to date.

**Dallas Capital Bank failed to provide** any details current community outreach and marketing efforts to residents and businesses throughout Bank's low-income census tracts, moderate-income census tracts, and major minority census tracts, **specifically in Southern Dallas.**

**Equal Credit Opportunity Act (ECOA) and Fair Housing Act (FHA) - (DCB Failed to provide supporting documentation or written correspondence)**

Dallas Capital Bank violates Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA) by discriminating against African Americans and other minority consumers. The Equal Credit Opportunity Act (ECOA) prohibits lenders from discriminating based on race and other characteristics.

In terms of the discrimination, we assert that Dallas Capital Bank does engage in the following:

- All Dallas Capital Bank branches are in white-majority neighborhoods, compared to having none in majority-minority neighborhoods.
- Dallas Capital Bank's marketing initiatives showed a significant lower level of marketing efforts toward minority areas and media/intermediaries that tend to reach minority areas when compared to majority-white areas.
- Does not employ any African American commercial loan officers in the DFW MSA
- Dallas Capital Bank significantly underperformed its "peer lenders" in generating loan applications from majority-Black and Hispanic neighborhoods;
- The geographic distribution of loans is poor, with a small number of loans in low-income areas that are not proportional to the number of households in Southern Dallas

Regulation B, the ECOA's implementing regulation, provides that a creditor shall not make any oral or written statement, in advertising or otherwise, to applicants or prospective applicants that would discourage on a prohibited basis a reasonable person from making or pursuing an application. But the ECOA itself does not set forth such a prohibition.

**Dallas Capital Bank lacks Product Innovation and Flexibility - (DCB Failed to provide supporting documentation or written correspondence)**

Failed to invest in BIPOC Small Business Accelerator – People Fund

[https://peoplefund.org/bipoc-business-accelerator/?gclid=Cj0KCQjwuuKXBhCRARIsAC-gM0iouy3e3lN66yehV5YQ25VcHQY7uV7DoK9WgkXcZ3VzRzsXo2iZWikaAjXUEALw\\_wcB](https://peoplefund.org/bipoc-business-accelerator/?gclid=Cj0KCQjwuuKXBhCRARIsAC-gM0iouy3e3lN66yehV5YQ25VcHQY7uV7DoK9WgkXcZ3VzRzsXo2iZWikaAjXUEALw_wcB)

Failed to form a Subsidiary Community Development Corporation

<https://www.occ.gov/topics/consumers-and-communities/community-affairs/resource-directories/public-welfare-investments/formation-of-subsiary-cdc.html#q3>

Failed to invest in Growth by NCRC

<https://growthbyncrc.com/>

Failed to invest in Dallas College Bankwork\$ Program.

<https://www.dallascollege.edu/cd/ce/training/business-mgmt/pages/bankworks.aspx>

### **Redlining Southern Dallas/ Illegal Discrimination**

From 1972 to 2023 (51 years), Dallas Capital Bank engaged in unlawful redlining by acting to meet the credit needs of majority White Middle to Upper Income neighborhoods in the Dallas-Fort Worth Metropolitan Statistical Area ("DFW MSA" or "MSA") while avoiding the credit needs of Low to Moderate census tracts in Southern Dallas. Also, these census tracts were majority minority.

Dallas Capital Bank's decision to exclude low to moderate-income and majority minority neighborhoods in Southern Dallas from its CRA (Community Reinvestment Act) assessment area has had detrimental effects. This exclusion has resulted in reduced credit availability, limited investments, decreased lending activities, and has created a discouraging environment for prospective applicants in these communities.

Dallas Capital Bank failed to take seriously the OCC and Department of Justice, Combatting Redlining Initiative Announcement October 22, 2021

<https://www.occ.gov/news-issuances/speeches/2021/pub-speech-2021-109.pdf>

As a reminder to Dallas Capital Bank, it's important to note that the Consumer Financial Protection Bureau (CFPB) holds enforcement authority for the Equal Credit Opportunity Act (Regulation B). Additionally, the Department of Justice (DOJ) and the Department of Housing and Urban Development (HUD) share responsibility for enforcing the Fair Housing Act.

It is noteworthy that Dallas Capital Bank has not consulted with the CFPB, HUD, and DOJ regarding the exclusion of low- and moderate-income census tracts in Southern Dallas.

### **Department of Justice (DOJ) Redlining Cases**

All banks fined by the Department of Justice (DOJ) previously received a Satisfactory or Outstanding rating in their Community Reinvestment Act (CRA) Performance Evaluation conducted by their regulator. In these evaluations, the regulator did not identify discriminatory or other illegal credit practices by these financial institutions. However, despite these positive evaluations, the DOJ issued regulatory fines for redlining and discrimination. The Justice Department's Combating Redlining Initiative has secured over \$107 million in relief for communities of color nationwide that have experienced lending discrimination by banks.

<https://www.justice.gov/crt/recent-accomplishments-housing-and-civil-enforcement-section>

**Community Development Lending - (DCB Failed to provide additional supporting documentation or written correspondence)**

Dallas Capital Bank made a significant lower level of Community Development loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

**Small Business/Commercial Lending- (DCB Failed to provide additional supporting documentation or written correspondence)**

Dallas Capital Bank made a significant lower level of Small Business/Commercial loans in low to moderate income census tracts in minority areas (Southern Dallas) when compared to middle to upper income census tracts in majority-white areas (Northern Dallas).

**Lack of Staff and Board Diversity - (DCB Failed to provide supporting documentation or written correspondence to dispute)**

Dallas Capital Bank does not have any African Americans on the Board of Directors.

<https://www.dallascapitalbank.com/about-us/leadership>

Dallas Capital Bank does not have any African Americans on the DFW MSA Leadership Team.

<https://www.dallascapitalbank.com/about-us/leadership>

Dallas Capital Bank does not have any Commercial Loans Officers in the DFW MSA that are African Americans.

<https://www.dallascapitalbank.com/commercial-banking>

Dallas Capital Bank does not participate in the Dodd-Frank Act Section 342(b)(2)(C) Diversity self-assessment.

<https://www.occ.treas.gov/about/who-we-are/organizations/office-of-minority-and-women-inclusion/Section-342-Dodd-Frank.pdf>

Dallas Capital Bank failed to share this diversity opportunity with staff.

<https://www.mba.org/industry-resources/diversity-equity-and-inclusion/path-to-diversity-scholarship-program>

**Dallas Capital Bank is not a member of any of the Minority Trade Organizations below: - (DCB Failed to provide supporting documentation or written correspondence to dispute)**

<https://www.namcdfw.org/>

<https://blackcontractors.org/>

**Dallas Capital Bank is not a member of any of the Minority Chambers below: - (DCB Failed to provide supporting documentation or written correspondence to dispute)**

<https://dallasblackchamber.org/>

<https://arlingtonblackchamber.org/>

### **Conclusion**

From 1972 to 2023, Texas Bank and Trust Bank engaged in a pattern or practice of redlining in violation of the Fair Housing Act ("FHA"), 42 U.S.C. §§ 3601–3619, the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. §§ 1691–1691f, and Regulation B, 12 C.F.R. § 1002.1 et seq., by discriminating based on race, color, and national origin. Specifically, Texas Bank and Trust Bank engaged in redlining by avoiding providing home loans, small business loans, and other financial services in majority-Black/Hispanic and Low to Moderate Income census tracts.

On behalf of the Southern Dallas Community, we asked that the Office of the Comptroller of the Currency take the rare action of downgrading Dallas Capital Bank's CRA rating to "Needs Improve". Sincerely,

*James McGee*

James McGee  
President/Chair  
[JMcGee@SouthernDallasProgress.com](mailto:JMcGee@SouthernDallasProgress.com)  
Southern Dallas Progress Community Development Corporation



January 9, 2024

James McGee- via email [jmcgee@SouthernDallasProgress.com](mailto:jmcgee@SouthernDallasProgress.com)  
President/Chair  
Southern Dallas Progress Community Development Corporation

Dear Mr. McGee:

Please find the Dallas Capital Bank, NA (DCB) response to the December 23, 2023 correspondence from Mr. James McGee of Southern Dallas Progress Community Development Corporation (Southern Dallas Progress) to the Office of the Comptroller of the Currency and DCB (attached). Also, this serves as a continuation to correspondence received on May 13, 2023 and the DCB response sent on June 1, 2023 (both attached).

DCB received a Satisfactory Rating per our last Community Reinvestment Act Performance Evaluation dated April 10, 2023 performed by the Office of the Comptroller of the Currency (OCC). As part of this evaluation, the OCC did not identify that DCB engaged in discriminatory or other illegal credit practices.

The CRA does require a bank to delineate an assessment area(s) which DCB has done in accordance with the Act. Banks are currently evaluated based on their lending activities within their assessment area as well as their lending activities outside of their assessment area. DCB does have loans that are in Southern Dallas county. The CRA does encourage banks to invest in their community by providing community development activities through donations, grants, or services to organizations to improve the circumstances for low- and moderate-income individuals and stabilizes and revitalizes the communities in which they are located. DCB partners with several organizations (Jewish Family Service of Greater Dallas, S.M. Wright Foundation, St. Philip and St. Augustine Catholic Academy, Distinctly HIS Ministries, etc.) that serve all of Dallas County including South Dallas.

For the 2023 reporting year, DCB's official assessment area consisted of all Dallas county, Collin county and Denton county which, consist of 1058 total census tracts. The income categories for these census tracts are 114 low income, 270 moderate income, 286 middle income 369 upper income tracts and 19 income not available income tracts. The assessment area services a total population of 4,584,426 persons including a minority population of 2,555,368 persons (55.74%). Dallas County has 873.1 square miles and a population of 2,600,840. According to the Southern Dallas County Economic Development guide, the 2023 population of Southern Dallas County is 1,038,036 (40% of county population) with Hispanic Origin (any race) of 49.9%, Black Alone 35.2% and White Alone 20.7%.

Your correspondence refers to American National Bank of Texas, so it is not clear if this correspondence is for American National Bank of Texas or DCB.

The correspondence alleges that DCB failed to do the following:

- Open a banking branch at 3701 S Walton Walker Blvd. in Southern Dallas
- Conduct a Community Credit Needs Assessment
- Have a written Community Development Partnership Program
- Failed to adopt Bank On standards
- Failed to offer Credit Builder Loans

These allegations are false and do not pertain to DCB.



In addition, the correspondence states that Southern Dallas Progress worked with the National Community Reinvestment Coalition (NCRC) to analyze the home purchase and small business lending of Dallas Capital Bank by performing analysis on HMDA data from 2017 -2022. This analysis could not have been performed for DCB because DCB was not a HMDA data reporter during that timeframe based on the requirements outlined in Regulation C.

The CRA encourages banks to help meet the credit needs of its community, including low- and moderate-income neighborhoods consistent with safe and sound operations. Rebuilding and revitalizing communities through sound lending and good business judgment should benefit both the community and financial institutions. Additionally, we are located in a highly competitive banking market in North Texas. DCB takes our CRA obligation seriously and we have partnered with several organizations that provide services to low- and moderate-income individuals throughout the DCB assessment area by providing technical assistance from serving on the board of directors, presenting seminars on financial matters, volunteering to work in food pantries, etc. as well as lending throughout the assessment area.

Please let us know if you would like to schedule a meeting with DCB to discuss our CRA related activities. To schedule a meeting please contact me at 972-391-6734.

Sincerely,

*Toni Fennell*

Toni Fennell  
Senior Vice President, Director of Compliance  
Dallas Capital Bank  
14185 Dallas Parkway, Suite 200  
Dallas TX 75254

Cc: Sharon Knox  
Office of the Comptroller of the Currency  
Southern District Main Office  
500 N. Akard St. Suite 1600  
Dallas, TX 75201

CRA Public File – Dallas Capital Bank, NA – See 12 CFR 25.43(a)(1)





*Improving Lives, One Community at a Time*

December 23, 2023

Dallas Capital Bank, National Association  
14185 Dallas Parkway Suite 200  
Dallas, TX 75240

Office of the Comptroller of the Currency  
Southern District Main Office  
500 N. Akard St. Suite 1600  
Dallas, TX 75201

**RE: COMPLAINT AGAINST DALLAS CAPITAL BANK**

Dear Federal Regulator,

The undersigned community organization is submitting this letter to file a complaint against American National Bank of Texas.

The passing of the 1977 Community Reinvestment Act aimed at reversing the practice of redlining when banks and the government would restrict credit in communities deemed “risky” — based on the race and background of that community’s residents.

The Community Reinvestment Act (CRA), enacted by Congress in 1977 (12 U.S.C. 2901) and implemented by Regulations 12 CFR parts 25, 228, 345, and 195, is intended to encourage depository institutions to help meet the **credit needs** of the communities in which they operate, including low- and moderate-income (LMI) neighborhoods.

Dallas Capital Bank is not meeting the credit needs of our community, which specifically includes low- and moderate-income neighbor located in Southern Dallas.

**Southern Dallas Zip Codes (LMI/High Minority Areas)**

75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

**Dallas Capital Bank Dallas County Bank Locations:**

14185 Dallas Pkwy Dallas, TX 75254; Located in a middle-income census tract and in a white majority community. MSA-State-County-Tract: 19124-48-113-0136.28

Dallas Capital Bank failed to open a banking branch at the following available location in Southern Dallas:

3701 S Walton Walker Blvd Dallas, TX 75236; Location in a Moderate-Income census tract and in a majority minority community. MSA-State-County-Tract: 19124-48-113-0165.34

**Community Credit Needs Assessment**

Dallas Capital Bank failed to conduct a Community Credit Needs Assessment for majority-Black and Hispanic census tracts within the DFW MSA, specifically Southern Dallas.

*A Community Credit Needs Assessment is a research-based market study to help a lender identify the needs for financial services in an area.*

*This assessment should include the following information about majority-Black and Hispanic census tracts within Covered Lending Area: (1) an evaluation (to include market research and interviews) of residential mortgage credit needs and current lending opportunities available in the area; (2) recent demographic and socioeconomic data; (3) potential strategies for Dallas Capital Bank to provide residential mortgage lending services in these census tracts; (4) a review of loan products offered by other lenders and their success in the market; (5) an overview of federal, state, and local programs that are available to residents seeking and obtaining residential mortgage loans;*

**Community Development Partnership Program**

Dallas Capital Bank does not have a written description of how proposed partnership(s) will be used to meet the credit needs identified in the Community Credit Needs Assessment.

**Products available for the Underserved/Minority Communities**

Access to affordable credit is a key component of an individual's ability to cultivate a strong financial position and participate fully in the DFW economy. The Equal Credit Opportunity Act of 1974 was passed to protect all consumers, yet the effects of the discrimination endure today.

Dallas Capital Bank failed to offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA.

- [https://household-survey.fdic.gov/place-data?type=msa&area=Dallas Fort Worth Arlington TX](https://household-survey.fdic.gov/place-data?type=msa&area=Dallas_Fort_Worth_Arlington_TX)
  - The underbanked/unbanked information is available on the FDIC website.

Dallas Capital Bank failed to Adopt Bank On standards.

- <https://joinbankon.org/accounts/>
- <https://2wvkof1mfraz2etgea1p8kiy-wpengine.netdna-ssl.com/wp-content/uploads/2020/10/Bank-On-National-Account-Standards-2021-2022.pdf>

- <https://www.aba.com/about-us/press-room/press-releases/aba-urges-americas-banks-to-offer-bank-on-certified-accounts>

**Dallas Capital Bank does not have** any special-purpose credit programs to address disparities in small business & mortgage lending in underserved high minority communities like Southern Dallas.

- <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/>
- [https://www.hud.gov/sites/dfiles/GC/documents/Special\\_Purpose\\_Credit\\_Program\\_OGC\\_guidance\\_12-6-2021.pdf](https://www.hud.gov/sites/dfiles/GC/documents/Special_Purpose_Credit_Program_OGC_guidance_12-6-2021.pdf)
- [12 CFR § 202.8 - Special purpose credit programs.](#)
  - <https://www.ffiec.gov/PDF/fairlend.pdf>

**Dallas Capital Bank fails to** offer Credit Builder Loans or Credit Builder Loans to help Rebuild Southern Dallas LMI residents' Credit History.

- <https://www.dallasfed.org/cd/cct/18cctdallas>

### **Activities under the CRA since the most recent CRA Performance Evaluation**

**Dallas Capital Bank failed to** describe any significant **Southern Dallas CRA initiatives** undertaken, particularly with respect to credit and deposit products and retail banking services targeted toward low- and moderate-income geographies, African American/Hispanic geographies, and individuals, identifying key elements of the products and services, the approximate date introduced, and results achieved to date.

**Dallas Capital Bank failed to provide** any details current community outreach and marketing efforts to residents and businesses throughout Bank's low-income census tracts, moderate-income census tracts, and major minority census tracts, **specifically in Southern Dallas.**

### **Fair Lending Concerns**

I worked with the National Community Reinvestment Coalition (NCRC) to analyze the home purchase and small business lending of Dallas Capital Bank in Dallas. This is what NCRC found.

- According to the Home Mortgage Disclosure Act (HMDA) data from 2017 to 2018, DALLAS CAPITAL BANK made a total of 0 **home loans to Blacks (African Americans).**
  - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
  - No loans were made in Southern Dallas
- According to the Home Mortgage Disclosure Act (HMDA) data from 2018 to 2019, DALLAS CAPITAL BANK made a total of 0 **home loans to Blacks (African Americans).**
  - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
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  - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
  - No loans were made in Southern Dallas
- Small Business Lending
  - SDPCDC compared Dallas Capital Bank small business lending to other non-credit card small business lenders in Dallas and found that Dallas Capital Bank trailed in lending to businesses with less than \$1 million in annual revenue from 2017 to 2022.
  - Extremely low amount of small business loans were made in Southern Dallas

### **Equal Credit Opportunity Act (ECOA) and Fair Housing Act (FHA)**

Dallas Capital Bank violates Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA) by discriminating against African Americans and other minority consumers. The Equal Credit Opportunity Act (ECOA) prohibits lenders from discriminating based on race and other characteristics.

In terms of the discrimination, we assert that Dallas Capital Bank does engage in the following:

- All Dallas Capital Bank branches are in white-majority neighborhoods, compared to having none in majority-minority neighborhoods.
- Dallas Capital Bank's marketing initiatives showed a significant lower level of marketing efforts toward minority areas and media/intermediaries that tend to reach minority areas when compared to majority-white areas.
- Does not employ any African American mortgage or commercial loan officers in the DFW MSA
- Dallas Capital Bank significantly underperformed its "peer lenders" in generating loan applications from majority-Black and Hispanic neighborhoods;
- The geographic distribution of loans from 2017 through 2022 is poor, with a small number of loans in low-income areas that are not proportional to the number of households in Southern Dallas

Regulation B, the ECOA's implementing regulation, provides that a creditor shall not make any oral or written statement, in advertising or otherwise, to applicants or prospective applicants that would discourage on a prohibited basis a reasonable person from making or pursuing an application. But the ECOA itself does not set forth such a prohibition.

### **Dallas Capital Bank lacks Product Innovation and Flexibility**

Failed to invest in BIPOC Small Business Accelerator – People Fund

[https://peoplefund.org/bipoc-business-accelerator/?gclid=Cj0KCQjwuuKXBhCRARIsAC-gM0iouy3e3IN66yehV5YQ25VcHQY7uV7DoK9WgkXcZ3VzRzsXo2iZWlkaAjXUEALw\\_wcB](https://peoplefund.org/bipoc-business-accelerator/?gclid=Cj0KCQjwuuKXBhCRARIsAC-gM0iouy3e3IN66yehV5YQ25VcHQY7uV7DoK9WgkXcZ3VzRzsXo2iZWlkaAjXUEALw_wcB)

Failed to form a Subsidiary Community Development Corporation

<https://www.occ.gov/topics/consumers-and-communities/community-affairs/resource-directories/public-welfare-investments/formation-of-subsiidiary-cdc.html#q3>

Failed to invest in Growth by NCRC

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Failed to invest in Dallas College Bankwork\$ Program.

<https://www.dallascollege.edu/cd/ce/training/business-mgmt/pages/bankworks.aspx>

### **Redlining Southern Dallas/ Illegal Discrimination**

From 1972 to 2023 (51 years), Dallas Capital Bank engaged in unlawful redlining by acting to meet the credit needs of majority White Middle to Upper Income neighborhoods in the Dallas-Fort Worth Metropolitan Statistical Area ("DFW MSA" or "MSA") while avoiding the credit needs of Low to Moderate census tracts in Southern Dallas. Also, these census tracts were majority minority.

### **Community Development Lending**

Dallas Capital Bank made a significant lower level of Community Development loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

### **Small Business/Commercial Lending**

Dallas Capital Bank made a significant lower level of Small Business/Commercial loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

### **Mortgage Lending**

Dallas Capital Bank made a significant lower level of mortgage loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

### **Lack of Staff and Board Diversity**

Dallas Capital Bank does not have any African Americans on the Board of Directors.

<https://www.dallascapitalbank.com/about-us/leadership>

Dallas Capital Bank does not have any African Americans on the DFW MSA Leadership Team.

<https://www.dallascapitalbank.com/about-us/leadership>

Dallas Capital Bank does not have any Commercial Loans Officers in the DFW MSA that are African Americans.

<https://www.dallascapitalbank.com/commercial-banking>

Dallas Capital Bank does not participate in the Dodd-Frank Act Section 342(b)(2)(C) Diversity self-assessment.

<https://www.occ.treas.gov/about/who-we-are/organizations/office-of-minority-and-women-inclusion/Section-342-Dodd-Frank.pdf>

Dallas Capital Bank failed to share this diversity opportunity with staff.

<https://www.mba.org/industry-resources/diversity-equity-and-inclusion/path-to-diversity-scholarship-program>

**Dallas Capital Bank is not a member of any of the Minority Trade Organizations below:**

<https://www.namcdfw.org/>

<https://blackcontractors.org/>

**Dallas Capital Bank is not a member of any of the Minority Chambers below:**

<https://dallasblackchamber.org/>

<https://arlingtonblackchamber.org/>

**Dallas Capital Bank is not a member of any of the Minority Real Estate Trade Organizations below:**

<https://www.varep.net/index.php/dallas-chapter>

<https://narebnorthtexas.org/nareb-north-texas>

<https://wcdallas.com/>

<https://www.narebdallas.org/>

### **Conclusion**

On behalf of the Southern Dallas Community, we asked that the Federal Reserve take the rare action of downgrading Dallas Capital Bank's CRA rating to "Needs Improve".

Sincerely,

*James McGee*

James McGee  
President/Chair

[JMcGee@SouthernDallasProgress.com](mailto:JMcGee@SouthernDallasProgress.com)

Southern Dallas Progress Community Development Corporation

## **Research on Dallas Community Needs**

*Dallas* has a *housing* shortage of approximately 20,000 units.

<https://dallascityhall.com/departments/housing-neighborhood-revitalization/DCH%20Documents/Adopted%20Housing%20Policy.pdf>

North Texas Regional Housing Assessment

<https://dhantx.com/report/north-texas-regional-housing-assessment/>

Dallas' Small Business Ecosystem Assessment

<https://www.dallasecocodev.org/DocumentCenter/View/2789/Dallas-Small-Business-Ecosystem-Report-PDF>

Report on Housing Affordability and Vulnerability in Dallas, Texas

<https://nalcab.org/nalcab-releases-report-on-housing-affordability-and-vulnerability-in-dallas-texas/>

*FINDING G: MINORITY OWNED BUSINESSES ACCESS TO CREDIT/CAPITAL ANALYSIS (CHAPTER 6)*

<https://dallascityhall.com/departments/public-affairs-outreach/DCH%20Documents/availability-disparity-study.pdf>

**2023**





*Improving Lives, One Community at a Time*

June 15, 2023

Dallas Capital Bank, National Association (FDIC Cert # 20727)  
14185 Dallas Parkway Suite 200  
Dallas, TX 75240

Office of the Comptroller of the Currency  
Southern District Main Office  
500 N. Akard St. Suite 1600  
Dallas, TX 75201

**RE: Discrimination and Redlining Compliant**

Dear Regulator,

This letter responds to the misleading letter provided by Dallas Capital Bank (formerly Town North Bank, National Association) dated 6/1/2023. As mentioned in my previous letter dated 5/13/2023, **since 1972, Dallas Capital Bank (Town North Bank, National Association) has excluded several Low to Moderate Income Census Tracts from there assessment area map. Also, the census tracts excluded are majority minority.**

The Community Reinvestment Act (CRA), enacted by Congress in 1977 (12 U.S.C. 2901) and implemented by Regulations 12 CFR parts 25, 228, 345, and 195, is intended to encourage depository institutions to help meet the **credit needs** of the communities in which they operate, including low- and moderate-income (LMI) neighborhoods.

Dallas Capital Bank does arbitrarily exclude low- or moderate-income geographies in Dallas County, the assessment area map reflected illegal discrimination due to the excluded areas being LMI majority-minority census tracts.

Dallas Capital Bank appears to be able to reasonably serve **Collin & Denton County's majority white and middle/upper income areas**, but they are unable to reasonably serve **Southern Dallas' Low- and Moderate-income areas that are major minority.**

**Dallas Capital Bank failed to provide any supporting documentation that stated the OCC gave them permission to exclude Low- and Moderate-Income areas in Southern Dallas.**

Dallas Capital Bank failed to take seriously the OCC and Department of Justice, Combatting Redlining Initiative Announcement October 22, 2021

<https://www.occ.gov/news-issuances/speeches/2021/pub-speech-2021-109.pdf>

Dallas Capital Bank still fails to follow both of the following regulatory requirements:

12 CFR § 345.41(e)(2)

**(2) May not reflect illegal discrimination**

12 CFR § 345.41(e)(3)

**(3) May not arbitrarily exclude low- or moderate-income geographies,** taking into account the bank's size and financial condition; and

**As a reminder to Dallas Capital Bank, the Consumer Financial Protection Bureau (CFPB) is the enforcement authority for Equal Credit Opportunity Act (Regulation B). The Department of Justice (DOJ) and Department of Housing and Urban Development (HUD) are jointly responsible for enforcing the Fair Housing Act.**

**Dallas Capital Bank has not been consulted the CFPB, HUD and DOJ as it relates excluding low- and moderate-income census tracts in Southern Dallas.**

**Dallas Capital Bank fails to keep track of recent Department of Justice Redlining Enforcement Cases**

<https://www.justice.gov/opa/pr/justice-department-secures-over-3-million-redlining-settlement-involving-essa-bank-trust>

### **History of Dallas Capital Bank**

Town North National Bank is an FDIC-insured bank with certificate number 20727 that opened on June 26, 1972.

On June 20, 2002, Town North National Bank's name was changed to Town North Bank, National Association (FDIC Cert # 20727).

On November 15, 2015, Town North National Bank's name was changed to Dallas Capital Bank, National Association (FDIC Cert # 20727).

## Conclusion

The CRA regulation is very clear — a finding that a bank failed to comply with laws on fair and responsible lending trumps otherwise satisfactory or even outstanding CRA performance. The CRA regulations specifically state that a rating will be "adversely affected by evidence of discriminatory or other illegal credit practices," including but not limited to violations of the Equal Credit Opportunity Act, the Fair Housing Act, the Home Ownership and Equity Protection Act, the Federal Trade Commission Act, the Real Estate Settlement Procedures Act, and the Truth in Lending Act.

We would look forward to this case being reviewed and referred to the U.S. Department of Justice (DOJ) and the Consumer Financial Protection Bureau (CFPB).

Sincerely,

*James McGee*

James McGee  
President/Chair  
[JMcGee@SouthernDallasProgress.com](mailto:JMcGee@SouthernDallasProgress.com)  
Southern Dallas Progress Community Development Corporation



June 1, 2023

James McGee- via email [jmcgee@SouthernDallasProgress.com](mailto:jmcgee@SouthernDallasProgress.com)  
President/Chair  
Southern Dallas Progress Community Development Corporation

Dear Mr. McGee:

Please find the Dallas Capital Bank, NA (DCB) response to the May 13, 2023 correspondence from James McGee of Southern Dallas Progress Community Development Corporation (Southern Dallas Progress) to the Office of the Comptroller of the Currency and DCB (attached).

DCB was formed in 2015 and was built on the foundation of a 43-year-old bank (Town North Bank). DCB is located at 14185 Dallas Parkway Dallas, TX 75254. This is our only location that includes two (2) ATMs (drive through and building lobby), banking center for handling of in-person banking needs, operations, and bank management. All bank personnel are officed in this one location. DCB while offering a wide range of commercial and consumer banking products is primarily a commercial bank. Based on our asset size, DCB is considered an Intermediate Small Bank (ISB).

The Community Reinvestment Act of 1977 (CRA) encourages certain insured depository institutions to help meet the credit needs of the communities in which they are chartered, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institutions. The CRA rules do not require a bank to make loans or investments or to provide services that are inconsistent with safe and sound banking practices, including underwriting standards. Banks are permitted to develop and apply flexible underwriting standards for loans that benefit low- or moderate-income individuals or small businesses only if consistent with safe and sound operations. As of May 2023, three banks have failed (First Republic Bank, Signature Bank and Silicon Valley Bank) and these were the first bank failures since October 2020. Banks that do not engage in safe and sound operations place a bank's future in jeopardy which may impact low- and moderate-income individuals' access to credit.

Section 25.41(c) and 25.41(d) provides that the assessment area for a bank consist generally of one or more MSAs or metropolitan divisions or one or more contiguous political subdivisions, such as counties, cities or towns and include the geographies in which the bank has its main office, its branches, and ATMs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans. The bank may adjust the boundaries of its assessment area to include only the portion of a political subdivision that it can reasonably expect to serve. An adjustment is appropriate in the case of an assessment area that otherwise would be extremely large, unusual configuration or divided by significant geographic barriers. DCB takes umbrage with the claim that we arbitrarily exclude high minority and low- to moderate-income areas in Southern Dallas. In fact, we have included census tracts in our assessment area to ensure that we delineated only whole geographies. Due to our only location being in North Dallas County (closer to Collin and Denton counties) and our being considered an Intermediate Small Bank, it is reasonable that we would delineate our assessment area to include census tracts in the northern portion of Dallas County and into Collin County and Denton County as the area we most reasonably expect to serve from our sole location.

DCB received an Outstanding Rating per our last Community Reinvestment Act Performance Evaluation dated April 6, 2020 performed by the Office of the Comptroller of the Currency (OCC). As part of this evaluation the OCC did not identify that DCB engaged in discriminatory or other illegal credit practices.

The CRA does require a bank to delineate an assessment area(s) which DCB has done in accordance with the Act. Banks are currently evaluated based on their lending activities within their assessment area as well as their lending activities outside of their assessment area. DCB does have loans that are in Southern Dallas county. The CRA does encourage banks to invest in their community by providing community development activities



through donations, grants, or services to organizations to improve the circumstances for low- and moderate-income individuals and stabilizes and revitalizes the communities in which they are located. DCB partners with several organizations (Jewish Family Service of Greater Dallas, S.M. Wright Foundation, St. Philip and St. Augustine Catholic Academy, Distinctly HIS Ministries, etc.) that serve all of Dallas County including South Dallas.

For the 2022 reporting year, DCB's official assessment area consisted of 807 total census tracts. The income categories for these census tracts are 51 low income, 169 moderate income, 217 middle income 351 upper income tracts and 19 income not available income tracts. The assessment area services a total population of 3,432,855 persons including a minority population of 1,710,529 persons (49.82%). Dallas County has 873.1 square miles and a population of 2,586,050 as of the 2020 census. According to the Southern Dallas County Economic Development guide, the 2021 population of Southern Dallas County is 1,054,014 (40% of county population) with Hispanic Origin (any race) of 46.8%, Black Alone 37.2% and White Alone 37.5%.

Additionally, the correspondence alleges that DCB is redlining which is a violation of the Fair Housing Act (FHA) and the Equal Credit Opportunity Act (ECOA). Further the correspondence provides case citations from the period 1976 to 2012 as well as recent news release citations pertaining to redlining cases by the Justice Department. None of the cases cited involve banking institutions with a similar business model of commercial banking with only one location.

The CRA encourages banks to help meet the credit needs of its community including low- and moderate-income neighborhoods consistent with safe and sound operations. Rebuilding and revitalizing communities through sound lending and good business judgment should benefit both the community and financial institutions. Additionally, we are located in a highly competitive banking market in North Texas. DCB takes our CRA obligation seriously and we have partnered with several organizations that provide services to low- and moderate-income individuals throughout the Dallas-Ft. Worth metropolitan area by providing technical assistance from serving on the board of directors, presenting seminars on financial matters, volunteering to work in food pantries, etc. as well as lending throughout the metropolitan area. Please let us know if you would like to schedule a meeting with DCB to discuss our CRA related activities. To schedule a meeting please contact me at 972-391-6734.

Sincerely,

*Toni Fennell*

Toni Fennell  
Senior Vice President, Director of Compliance  
Dallas Capital Bank  
14185 Dallas Parkway, Suite 200  
Dallas TX 75254

Cc: Sharon Knox  
Office of the Comptroller of the Currency  
Southern District Main Office  
500 N. Akard St. Suite 1600  
Dallas, TX 75201

CRA Public File – Dallas Capital Bank, NA – See 12 CFR 25.43(a)(1)



*Improving Lives, One Community at a Time*

May 13, 2023

Dallas Capital Bank, National Association  
14185 Dallas Parkway Suite 200  
Dallas, TX 75240

Office of the Comptroller of the Currency  
Southern District Main Office  
500 N. Akard St. Suite 1600  
Dallas, TX 75201

**RE: Discrimination and Redlining Compliant**

Dear Federal Regulator,

The undersigned community organization is submitting this letter to file a redlining and discrimination complaint against Dallas Capital Bank. Since 1972, Dallas Capital Bank has excluded several Low to Moderate Income Census Tracts from their assessment area map. Also, the census tracts excluded are majority minority.

Dallas Capital Bank's exclusion of Southern Dallas' low to moderate income and majority minority neighborhoods from its CRA assessment area reduced credit availability, investments, lending and discouraged prospective applicants.

**REDLINING CONCERNS/ DESCRIPTION OF ASSESSMENT AREA**

Per Recent Performance Evaluation:

DCB has one AA consisting of Dallas County north of U.S. Interstate 30 (338 census tracts), all of Denton County (137 census tracts) and the western half of Collin County (143 census tracts), all of which are located in the Dallas-Plano-Irving, TX Metropolitan Division. There are 64 low-income geographies and 131 moderate-income geographies in the AA. The AA meets the requirements of the CRA regulation, does not arbitrarily exclude low- and moderate- income geographies, and includes only those portions of political subdivisions that DCB can reasonably be expected to serve. § 345.41 Assessment area delineation.

To clarify, the Dallas MD AA consists of 529 contiguous census tracts in Dallas County, which comprises a portion of the Dallas-Plano-Irving MD and has a total population of 2,667,720. According to the 2015 ACS US Census, the assessment area contained 107 low-income, 187 moderate-income, 110 middle-income, 120 upper-income census tracts, and 5 census tracts with no income designation.

CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its performance. Dallas Capital Bank delineated portions of Dallas County within the Dallas MD AA assessment area.

12 CFR 345.41(e) Limitations on the delineation of an assessment area. *Each bank's assessment area(s):*

(1) *Must consist only of whole geographies;*

(2) *May not reflect illegal discrimination;*

(3) *May not arbitrarily exclude low- or moderate-income geographies, taking into account the bank's size and financial condition; and*

(4) *May not extend substantially beyond an MSA boundary or beyond a state boundary unless the assessment area is located in a multistate MSA. If a bank serves a geographic area that extends substantially beyond a state boundary, the bank shall delineate separate assessment areas for the areas in each state. If a bank serves a geographic area that extends substantially beyond an MSA boundary, the bank shall delineate separate assessment areas for the areas inside and outside the MSA.*

[https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-345/subpart-C/section-345.41#p-345.41\(e\)](https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-345/subpart-C/section-345.41#p-345.41(e))

Dallas Capital Bank does arbitrarily exclude high minority and low to moderate-income areas in Southern Dallas.<sup>1</sup> Dallas Capital Bank does Not include Southern Dallas (City of Dallas & Dallas County) in their assessment area.

#### **Southern Dallas Zip Codes (LMI/High Minority Areas)**

75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

The following section discuss demographic in the Southern Dallas area.

- Southern Dallas is home to 43% of all Dallas residents in just 57% of the city's land area.
- Of the 560,000 residents of neighborhoods in southern Dallas, approximately 38% live below poverty - roughly 9% higher than the City's overall poverty rate of 29%.

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<sup>1</sup> "<https://www.justice.gov/crt/case-document/report-and-recommendation-united-states-v-kleinbank-d-minn>  
<https://www.justice.gov/crt/case-document/order-entering-settlement-agreement-and-agreed-order-united-states-v-first>

<https://www.justice.gov/crt/case-document/consent-order-united-states-v-union-savings-bank-and-guardian-savings-bank-sd-oh-0>

- Overall, 56% of Dallas residents living below poverty live in the southern neighborhoods of Dallas.
- *The City of Dallas is a unique place. There is a difference between "South Dallas" and "Southern Dallas".*
- *The Southern Sector of Dallas (Southern Dallas) is commonly defined as those areas south of Interstate 30.*
- *The Southern Dallas is 196.7 total square miles. 45% of the City's residents live in Southern Dallas (91% of the residents are minorities in Southern Dallas).*

### **Redlining Violates the Fair Housing Act and the Equal Credit Opportunity Act**

The federal financial regulators have long recognized that redlining violates the fair lending laws, including in the following policy documents:

- 1994 Interagency Policy Statement on Discrimination in Lending: Redlining refers to the illegal practice of refusing to make residential loans or imposing more onerous terms on any loans made because of the predominant race, national origin, etc., of the residents of the neighborhood in which the property is located. Redlining violates both the Fair Housing Act and the Equal Credit Opportunity Act.
- 2009 Interagency Fair Lending Examination Procedures: Redlining is a form of illegal disparate treatment in which a lender provides unequal access to credit, or unequal terms of credit, because of the race, color, national origin, or other prohibited characteristic(s) of the residents of the area in which the credit seeker resides or will reside or in which the residential property to be mortgaged is located.

Courts have repeatedly recognized that redlining is a violation of the Fair Housing Act and the Equal Credit Opportunity Act. *See, e.g., Ring v. First Interstate Mortgage, Inc.*, 984 F. 2d 924 (8th Cir. 1993); *Hirschfeld v. Metlife Bank, N.A.*, 2012 WL 3240669 (E.D.N.Y. July 31, 2012); *JAT, Inc. v. Nat'l City Bank of Midwest*, 460 F. Supp. 2d 812, 819-20 (E.D. Mich. 2006); *Hargraves v. Capital City Mortg. Corp.*, 140 F. Supp. 2d 7, 21 (D.D.C. 2000); *Milton v. Bancplus Mortgage Corp.*, 1996 WL 197532 (N.D. Ill. Apr. 19, 1996); *Old West End Ass'n v. Buckeye Federal Sav. & Loan*, 675 F. Supp. 1100 (N.D. Ohio 1987); *Harrison v. Otto G. Heinzeroth Mortg. Co.*, 430 F. Supp. 893 (N.D. Ohio 1977); *Laufman v. Oakley Bldg. & Loan Co.*, 408 F. Supp. 489 (S.D. Ohio 1976).

Since the 1990s, the DOJ has litigated multiple court-approved settlements citing redlining as a violation of the Fair Housing Act and the Equal Credit Opportunity Act.

### **Redlining Violates the Fair Housing Act**

The Fair Housing Act, 42 U.S.C. § 3601, et seq., prohibits discrimination in housing and "residential real estate-related transactions" on the basis of race, color, national origin, sex, religion, familial status, or disability. A "residential real estate-related transaction" includes making loans or providing other financial assistance for purchasing, constructing, improving, repairing, or maintaining a dwelling. 42 U.S.C. § 3605(b)(1)(A). In addition, the U.S. Department of Housing and Urban Development ("HUD") has the authority to promulgate regulations to implement the Fair Housing Act, which can be found at 24 C.F.R. Part 100.



Redlining is prohibited under the following provisions of the Fair Housing Act (in relevant part) and its implementing regulation:

- It shall be unlawful for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such a transaction, because of race, color, or national origin.
  - *Fair Housing Act: 42 U.S.C. § 3605(a).*
  - *Regulations: 24 C.F.R. §§ 100.110(b), 100.120(a)-(b).*
- It shall be unlawful to discriminate against any person in the terms, conditions, or privileges of the sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, or national origin.
  - *Fair Housing Act: 42 U.S.C. § 3604(b).*
  - *Regulations: 24 C.F.R. §§ 100.50(b)(2), 100.65.*
- It shall be unlawful to refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, or national origin.
  - *Fair Housing Act: 42 U.S.C. § 3604(a).*
  - *Regulation: 24 C.F.R. § 100.50(b)(3).*
- It shall be unlawful to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, or national origin, or an intention to make any such preference, limitation, or discrimination.
  - *Fair Housing Act: 42 U.S.C. § 3604(c).*
  - *Regulation: 24 C.F.R. § 100.50(b)(4).*

### **Redlining Violates the Equal Credit Opportunity Act**

The Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691, et seq., prohibits a creditor from discriminating in any aspect of a credit transaction on the basis of race, color, national origin, sex, religion, marital status, age, because all or part of the applicant’s income derives from any public assistance program, or because of the applicant’s exercise in good faith of any right under the Consumer Credit Protection Act. ECOA applies to any extension of credit, including mortgage loans and small business loans. 15 U.S.C. § 1691a(d). In addition, the Consumer Financial Protection Bureau (“CFPB”) has the authority to promulgate regulations to implement the ECOA, which is known as “Regulation B” and can be found at 12 C.F.R. Part 1002.

Redlining is prohibited under the following provisions of the ECOA and its implementing regulation:

It shall be unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction, on the basis of race, color, or national origin. Equal Credit Opportunity Act, 15 U.S.C. § 1691(a)(1). Regulation: 12 C.F.R. § 1002.4(a).

- A creditor shall not make any oral or written statement, in advertising or otherwise, to applicants or prospective applicants that would discourage, on the basis of race, color, or national origin, a reasonable person from making or pursuing an application. Regulation: 12 C.F.R. § 1002.4(b). (See also Equal Credit Opportunity Act, 15 U.S.C. § 1691(a)(1)).
- ECOA and Regulation B prohibit discrimination on a “prohibited basis,” which includes on the basis of race, color, and national origin. 12 C.F.R. § 1002.2(z). The commentary to Regulation B clarifies that a creditor may not discriminate against persons associated with the applicant on a prohibited basis, including, for example, “because of the race of other residents in the neighborhood where the property offered as collateral is located.” 12 C.F.R. Part 1002, Supp. I, ¶ 2(z)-1.

### **Regulatory Framework: Bank Supervision and Enforcement**

Each of the federal financial regulators has the authority to examine and supervise the regulated financial institutions within its jurisdiction for compliance with the fair lending laws: the Fair Housing Act and ECOA.

ECOA requires the regulators refer matters to the Justice Department when a creditor is engaged in a pattern or practice of discrimination which violates ECOA.

### **Redlining Cases**

*Justice Department Announces New Initiative to Combat Redlining*

<https://www.justice.gov/opa/pr/justice-department-announces-new-initiative-combat-redlining>

*Justice Department and Office of the Comptroller of the Currency Announce Actions to Resolve Lending Discrimination Claims Against Cadence Bank*

<https://www.justice.gov/opa/pr/justice-department-and-office-comptroller-currency-announce-actions-resolve-lending>

*Justice Department Secures Agreement with Lakeland Bank to Address Discriminatory Redlining*

<https://www.justice.gov/opa/pr/justice-department-secures-agreement-lakeland-bank-address-discriminatory-redlining>

*Justice Department Secures Over \$31 Million from City National Bank to Address Lending Discrimination Allegations*

<https://www.justice.gov/opa/pr/justice-department-secures-over-31-million-city-national-bank-address-lending-discrimination>

*Justice Department Secures \$9 Million from Park National Bank to Address Lending Discrimination Allegations*

<https://www.justice.gov/opa/pr/justice-department-secures-9-million-park-national-bank-address-lending-discrimination>

*Justice Department Announces Actions to Resolve Lending Discrimination Claims Against Evolve Bank and Trust*

<https://www.justice.gov/opa/pr/justice-department-announces-actions-resolve-lending-discrimination-claims-against-evolve>

*CFPB, DOJ Order Trident Mortgage Company to Pay More Than \$22 Million for Deliberate Discrimination Against Minority Families*

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-doj-order-trident-mortgage-company-to-pay-more-than-22-million-for-deliberate-discrimination-against-minority-families/>

*Cadence Bank Announces Settlement of Claims Made by U.S. Department of Justice and the Office of the Comptroller of the Currency*

<https://www.justice.gov/crt/case/united-states-v-cadence-bank>

### **Conclusion**

The CRA regulation is very clear — a finding that a bank failed to comply with laws on fair and responsible lending trumps otherwise satisfactory or even outstanding CRA performance. The CRA regulations specifically state that a rating will be "adversely affected by evidence of discriminatory or other illegal credit practices," including but not limited to violations of the Equal Credit Opportunity Act, the Fair Housing Act, the Home Ownership and Equity Protection Act, the Federal Trade Commission Act, the Real Estate Settlement Procedures Act, and the Truth in Lending Act.

Dallas Capital Bank's board and senior management failed to self-identify redlining risks and taken appropriate corrective action.

We would look forward to this case being reviewed and referred to the U.S. Department of Justice (DOJ) and the Consumer Financial Protection Bureau (CFPB).

Sincerely,

*James McGee*

James McGee  
President/Chair

[JMcGee@SouthernDallasProgress.com](mailto:JMcGee@SouthernDallasProgress.com)

Southern Dallas Progress Community Development Corporation

**2022**



*Improving Lives, One Community at a Time*

July 18, 2022

Doug Hutt- Chairman and CEO  
Dallas Capital Bank, National Association  
14185 Dallas Parkway Suite 200  
Dallas, TX 75240

Office of the Comptroller of the Currency  
Southern District Main Office  
500 N. Akard St. Suite 1600  
Dallas, TX 75201

**RE: Discrimination and Redlining Compliant against Dallas Capital Bank**

Dear OCC,

The undersigned community organization is submitting this letter to file a complaint against Dallas Capital Bank. Since 1972, Dallas Capital Bank has excluded several Low to Moderate Income Census Tracts from there assessment area map. Also, the census tracts excluded are majority minority.

The Community Reinvestment Act (CRA) is a law intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income (LMI) neighborhoods.

Dallas Capital Bank is not meeting the needs the needs of our community, which specifically includes low- and moderate-income neighbor located in Southern Dallas. Dallas Capital Bank *fails* to provide small business and/or consumer lending services in Southern Dallas' majority African American communities.

**Concerns:**

- Dallas Capital Bank does have any African Americans/Hispanics on the DFW MSA Leadership Team or on the Board of Directors.
- Dallas Capital Bank does not have a branch located in a low-income census tract in the DFW MSA.

- Dallas Capital Bank does not have a branch located in a high minority/high poverty<sup>1</sup> census tract in the DFW MSA.
- Dallas Capital Bank does not originate any commercial loans in low-income census tracts in the DFW MSA.
- Dallas Capital Bank does not originate any commercial loans in high minority/ high poverty<sup>2</sup> census tracts in the DFW MSA.
- Dallas Capital Bank does not originate any small business loans to businesses with less than a million dollar in revenue that was in low-income census tracts in the DFW MSA.
- Dallas Capital Bank does not originate small business loans to businesses with less than a million dollar in revenue that was in high minority/ high poverty census tracts in the DFW MSA.
- Dallas Capital Bank does not offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA
- Dallas Capital Bank branches are only located in white-majority neighborhoods, compared to having none in majority-minority neighborhoods<sup>3</sup>

The Dallas–Fort Worth–Arlington metropolitan statistical area's population was 7,573,136 according to the U.S. Census Bureau's 2019 population estimates, making it the most populous metropolitan area in both Texas and the Southern United States, the fourth largest in the U.S., and the tenth largest in the Americas. The Dallas–Fort Worth metroplex has over one million African-American and the second-largest metro population of African-Americans in Texas.

**Dallas Capital Bank engages in unlawful redlining by acting to meet the credit needs of majority-White neighborhoods in the Dallas-Fort Worth Metropolitan Statistical Area ("DFW MSA" or "MSA") while avoiding the credit needs of majority-minority neighborhoods.**

In addition, Dallas Capital Bank engages in lending discrimination by “redlining” predominantly African American and Hispanic neighborhoods in Southern Dallas County. “Redlining” is a term describing an illegal practice in which lenders intentionally avoid providing services to individuals living in predominantly minority neighborhoods because of the race of the residents in those neighborhoods.

*Dallas is a majority minority city (66.1 percent of population) with 41.8 percent of residents identifying as Hispanic and 24.3 percent identifying as Black.*

*Dallas is a city with a population of just under 1,344,000, including 24.3 percent African American residents, 41.8 percent Hispanic/Latinx residents, and 3.4 percent Asian residents; and 30.5 White (Non-Hispanic)*

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<sup>1</sup> High Minority/High Poverty=Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) [https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e\\_0](https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e_0)

<sup>3</sup> DOJ Redlining Cases/ Few or no branches; <https://www.fhcci.org/wp-content/uploads/2013/08/Jonathan-Bont-Redlining.pdf>

With 2,622,634 people, Dallas County is the 2nd most populated county in the state of Texas out of 254 counties. The largest Dallas County racial/ethnic groups are Hispanic (40.2%) followed by White (28.6%) and Black (22.3%).

**Dallas Capital Bank Dallas County Bank Location:**

14185 Dallas Parkway Suite 200 Dallas, TX 75240; Located in an upper income census tract and in a white majority community.

**Redlining/DESCRIPTION OF ASSESSMENT AREA <sup>4</sup>**

Per Performance Evaluation:

DCB has one AA consisting of Dallas County north of U.S. Interstate 30 (338 census tracts), all of Denton County (137 census tracts) and the western half of Collin County (143 census tracts), all of which are located in the Dallas-Plano-Irving, TX Metropolitan Division. There are 64 low-income geographies and 131 moderate-income geographies in the AA. The AA meets the requirements of the CRA regulation, does not arbitrarily exclude low- and moderate- income geographies, and includes only those portions of political subdivisions that DCB can reasonably be expected to serve. § 345.41 Assessment area delineation.

To clarify, the Dallas MD AA consists of 529 contiguous census tracts in Dallas County, which comprises a portion of the Dallas-Plano-Irving MD and has a total population of 2,667,720. According to the 2015 ACS US Census, the assessment area contained 107 low-income, 187 moderate-income, 110 middle-income, 120 upper-income census tracts, and 5 census tracts with no income designation.

CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its performance. Dallas BANK delineated portions of Dallas County within the Dallas MD AA assessment area. The bank should reasonably define its assessment area to meet CRA requirements. § 345.41 Assessment area delineation.

DCB **does** arbitrarily exclude high minority and lower moderate-income areas in Southern Dallas. DCB does not include Southern Dallas (City of Dallas & Dallas County) in their assessment area.

Dallas Capital Bank **does** arbitrarily exclude high minority and low to moderate-income areas in Southern Dallas County from 1972 to 2022. <sup>5</sup> Dallas Capital Bank did Not include Southern Dallas (City of Dallas & Dallas County) in their assessment area from 1972 to 2022.

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<sup>4</sup> “<https://www.justice.gov/crt/case-document/report-and-recommendation-united-states-v-kleinbank-d-minn>  
<https://www.justice.gov/crt/case-document/order-entering-settlement-agreement-and-agreed-order-united-states-v-first>  
<https://www.justice.gov/crt/case-document/consent-order-united-states-v-union-savings-bank-and-guardian-savings-bank-sd-oh-0>

<sup>5</sup> “<https://www.justice.gov/crt/case-document/report-and-recommendation-united-states-v-kleinbank-d-minn>

Dallas Capital Bank violates Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA) by discriminating against African Americans and other minority consumers. The Equal Credit Opportunity Act (ECOA) prohibits lenders from discriminating based on race and other characteristics.

As both the Equal Credit Opportunity Act (ECOA) and the Interagency Fair Lending Examination Procedures remind us, “A creditor shall not discriminate against an applicant regarding any aspect of a credit transaction”; **this includes small business and commercial lending.**

In terms of the discrimination, we assert that Dallas Capital Bank does engage in the following:

- Made no efforts to market to African Americans and/or Hispanics in Southern Dallas
- Does not specifically target any marketing toward Hispanic and/or African Americans in the DFW MSA and specifically Southern Dallas
- Does not employ an African American and/or Hispanics commercial and/or mortgage loan officers in the DFW MSA
- Received few applications from African Americans & Hispanics in the DFW MSA
- Received almost no applications from applicants for properties located in African American and Hispanic Low to Moderate Income neighborhoods in the DFW MSA
- Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA

Regulation B, the ECOA’s implementing regulation, provides that a creditor shall not make any oral or written statement, in advertising or otherwise, to applicants or prospective applicants that would discourage on a prohibited basis a reasonable person from making or pursuing an application. But the ECOA itself does not set forth such a prohibition.

### **Lending Concerns**

I worked with the National Community Reinvestment Coalition (NCRC) to analyze the small business lending of Dallas Capital Bank, National Association in Dallas. This is what NCRC found.<sup>6</sup>

- Small Business Lending
  - In 2018, 2019 & 2020 reported lending activity is less than the aggregate performance data reported for small business lending.
  - 0% of the bank’s total loans were made in Southern Dallas\*.

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<https://www.justice.gov/crt/case-document/order-entering-settlement-agreement-and-agreed-order-united-states-v-first>

<https://www.justice.gov/crt/case-document/consent-order-united-states-v-union-savings-bank-and-guardian-savings-bank-sd-oh-0>

<sup>6</sup> See lending mentioned CRA Report. <https://www.occ.gov/static/cra/craeval/Jul20/15980.pdf>



**The following sections discuss demographic in the Southern Dallas area.**

- Southern Dallas is home to 43% of all Dallas residents in just 57% of the city's land area.
- Of the 560,000 residents of neighborhoods in southern Dallas, approximately 38% live below poverty - roughly 9% higher than the City's overall poverty rate of 29%.
- Overall, 56% of Dallas residents living below poverty live in the southern neighborhoods of Dallas.
- *The City of Dallas is a unique place. There is a difference between "South Dallas" and "Southern Dallas".*
- *The Southern Sector of Dallas (Southern Dallas) is commonly defined as those areas south of Interstate 30.*
- *The Southern Dallas is 196.7 total square miles. 45% of the City's residents live in Southern Dallas (91% of the residents are minorities in Southern Dallas).*

### **Products available for the Underserved/Minority Communities**

Access to affordable credit is a key component of an individual's ability to cultivate a strong financial position and participate fully in the DFW economy. The Equal Credit Opportunity Act of 1974 was passed to protect all consumers, yet the effects of the discrimination endure today.

**Dallas Capital Bank failed to** offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA.

- [https://household-survey.fdic.gov/place-data?type=msa&area=Dallas\\_Fort\\_Worth\\_Arlington\\_TX](https://household-survey.fdic.gov/place-data?type=msa&area=Dallas_Fort_Worth_Arlington_TX)
  - The underbanked/unbanked information is available on the FDIC website.
- <https://www.aba.com/about-us/press-room/press-releases/aba-urges-americas-banks-to-offer-bank-on-certified-accounts>

**Dallas Capital Bank does not have** any special-purpose credit programs to address their disparities in small business lending in underserved high minority communities like Southern Dallas.

- <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/>
- [https://www.hud.gov/sites/dfiles/GC/documents/Special\\_Purpose\\_Credit\\_Program\\_OGC\\_guidance\\_12-6-2021.pdf](https://www.hud.gov/sites/dfiles/GC/documents/Special_Purpose_Credit_Program_OGC_guidance_12-6-2021.pdf)
- [12 CFR § 202.8 - Special purpose credit programs.](#)
  - <https://www.ffiec.gov/PDF/fairlend.pdf>

**Dallas Capital Bank** does not participate in Dallas Project REACH efforts.

- <https://www.occ.gov/news-issuances/news-releases/2022/nr-occ-2022-30.html>

## **Activities under the CRA since 2020 CRA Performance Evaluation**

Dallas Capital Bank failed to describe any significant CRA initiatives undertaken, particularly with respect to credit and deposit products and retail banking services targeted toward low- and moderate-income geographies, African American/Hispanic geographies, and individuals, identifying key elements of the products and services, the approximate date introduced, and results achieved to date.

Dallas Capital Bank failed to provide any details current community outreach and marketing efforts to residents and businesses throughout Bank's low-income census tracts, moderate-income census tracts, and major minority census tracts.

## **Community Development Lending**

Dallas Capital Bank failed to provide the number of loans made in Southern Dallas compared to Northern Dallas.

## **Small Business/Commercial Lending**

Dallas Capital Bank failed to provide the number of loans made in Southern Dallas compared to Northern Dallas.

## **Staff and Board Diversity**

Dallas Capital Bank does not have any African Americans and/or Hispanics on the Board of Directors.

<https://www.dallascapitalbank.com/about-us/leadership>

Dallas Capital Bank does not have any African Americans and/or Hispanics on the DFW MSA Leadership Team.

<https://www.dallascapitalbank.com/about-us/leadership>

Dallas Capital Bank does not have any Commercial Loans Officers in the DFW MSA that are African Americans and/or Hispanics.

## **Redlining Cases**

*Justice Department and Office of the Comptroller of the Currency Announce Actions to Resolve Lending Discrimination Claims Against Cadence Bank*

<https://www.justice.gov/opa/pr/justice-department-and-office-comptroller-currency-announce-actions-resolve-lending>

*CFPB Files First Ever Redlining Complaint Against a Non-Bank Mortgage Lender*

<https://www.consumerfinance.com/2020/07/20/cfpb-files-first-ever-redlining-complaint-against-a-non-bank-mortgage-lender/>

*Regulation B prohibits discouragement of “applicants or prospective applicants”. Specifically, it states: “A creditor shall not make any oral or written statement, in advertising or otherwise, to applicants or prospective applicants that would discourage on a prohibited basis a reasonable person from making or pursuing an application.” The Official Interpretations of Regulation B also explain that this prohibition “covers acts or practices directed at prospective applicants that could discourage a reasonable person, on a prohibited basis, from applying for credit.”*

*In the course of conducting supervisory activity, examiners observed that a lender violated ECOA and Regulation B by engaging in acts or practices directed at prospective applicants that would have discouraged reasonable people in minority neighborhoods in Metropolitan Statistical Areas (MSAs) from applying for credit.*

[https://files.consumerfinance.gov/f/documents/cfpb\\_supervisory-highlights\\_issue-24\\_2021-06.pdf](https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-24_2021-06.pdf)

*DOJ, CFPB, and OCC announce aggressive redlining initiative; take action against national bank for alleged lending discrimination*

<https://buckleyfirm.com/blog/2021-10-26/doj-cfpb-and-occ-announce-aggressive-redlining-initiative-take-action-against-national-bank-alleged-lending-discrimination>

## **Conclusion**

The CRA regulation is very clear — a finding that a bank failed to comply with laws on fair and responsible lending trumps otherwise satisfactory or even outstanding CRA performance. The CRA regulations specifically state that a rating will be "adversely affected by evidence of discriminatory or other illegal credit practices," including but not limited to violations of the Equal Credit Opportunity Act, the Fair Housing Act, the Home Ownership and Equity Protection Act, the Federal Trade Commission Act, the Real Estate Settlement Procedures Act, and the Truth in Lending Act.

Dallas Capital Bank redlined our Southern Dallas Community from 1972 to 2022.

We would look forward to this case being reviewed and referred to the U.S. Department of Justice (DOJ) and the Consumer Financial Protection Bureau (CFPB).

Sincerely,

*James McGee*

James McGee  
President/Chair

[JMcGee@SouthernDallasProgress.com](mailto:JMcGee@SouthernDallasProgress.com)

Southern Dallas Progress Community Development Corporation

## **Research on DFW MSA Community Needs**

*Dallas* has a *housing* shortage of approximately 20,000 units.

<https://dallascityhall.com/departments/housing-neighborhood-revitalization/DCH%20Documents/Adopted%20Housing%20Policy.pdf>

North Texas Regional Housing Assessment

<https://dhantx.com/report/north-texas-regional-housing-assessment/>

Dallas' Small Business Ecosystem Assessment

<https://www.dallasecocodev.org/DocumentCenter/View/2789/Dallas-Small-Business-Ecosystem-Report-PDF>

Report on Housing Affordability and Vulnerability in Dallas, Texas

<https://nalcab.org/nalcab-releases-report-on-housing-affordability-and-vulnerability-in-dallas-texas/>

FINDING G: MINORITY OWNED BUSINESSES ACCESS TO CREDIT/CAPITAL ANALYSIS (CHAPTER 6)

<https://dallascityhall.com/departments/public-affairs-outreach/DCH%20Documents/availability-disparity-study.pdf>

<https://www.fortworthtexas.gov/files/assets/public/diversity-inclusion/documents/business-equity/2020-city-of-fort-worth-disparity-study.pdf>



May 12, 2022

To: Customer Assistance Group (CAG)  
of the Office of the Comptroller of the Currency (OCC)  
RE: Case # 03347598  
Mr. James McGee  
Dallas TX

Dallas Capital Bank, N.A. remains committed to our community and continues to focus on serving the banking needs of the community. We are proud of our Outstanding CRA Rating and will continue to play a vital role in providing support to low- and moderate-income neighborhoods in our assessment area. We look forward to the joint interagency final ruling to modernize the CRA regulation. We are responding to a second complaint (case # 03347598) issued by Mr. James McGee of Southern Dallas Progress.

The Bank recognizes a discrepancy with Mr. McGee's first and second complaint claiming he made requests to receive a copy of the Bank's CRA Public File. To resolve this discrepancy, Mr. McGee has been advised by our regulator that the Bank's CRA Public File is available for inspection at our main office<sup>1</sup> located at 14185 Dallas Parkway, Suite 140, Dallas, Texas 75254 during normal business hours 9:00 a.m. to 4:00 p.m. Monday through Friday.

Upon request at the time of inspection of our Public File we shall provide paper copies. If Mr. McGee is unable to inspect the Public File at our main office, he may submit a written request to Dallas Capital Bank, N.A. Attention: CRA Public File Request at P.O. Box 814810, Dallas, Texas 75381-4810. Please include a reasonable fee of \$20.00 payable to Dallas Capital Bank, N.A. for copies and shipping.

The Bank complies with 12 CFR 25.43(c)(1)(d)<sup>1, 2</sup> and we make our Public File available to the public for inspection at no cost located at our main office. A review of our records does not indicate receipt of a request from Mr. McGee or Southern Dallas Progress for five or more times, as indicated by him. In addition, in the correspondence from the previous Case #03330304, Mr. McGee did not request access to our public file, see attached.

Mr. McGee is not a customer of Dallas Capital Bank, N.A., however he has reached out to us in the past soliciting donations on behalf of Southern Dallas Progress. When the Bank is approached by an organization requesting a donation or an investment as part of the bank's due diligence, we request certain information to be provided to our CRA Committee for consideration. Mr. McGee has not responded to our request.

Sincerely,

Dallas Capital Bank

<sup>1</sup> Dallas Capital Bank, N.A. has one location and is listed as main office.

<sup>2</sup> (c) *Location of public information.* A bank or savings association shall make available to the public for inspection upon request and at no cost the information required in this section as follows: (1) At the main office and, if an interstate bank or savings association, at one branch office in each state, all information in the public file; and (2) At each branch: (i) A copy of the public section of the bank's or savings association's most recent CRA Performance Evaluation and a list of services provided by the branch; and (ii) Within five calendar days of the request, all the information in the public file relating to the assessment area in which the branch is located. (d) *Copies.* Upon request, a bank or savings association shall provide copies, either on paper or in another form acceptable to the person making the request, of the information in its public file. The bank or savings association may charge a reasonable fee not to exceed the cost of copying and mailing (if applicable).



## Office of the Comptroller of the Currency

March 8, 2022

James McGee  
1402 Corinth #147  
Dallas TX 75215

OFFICE OF THE  
MAY 03 2022  
COMPTROLLER OF  
THE CURRENCY

Re: Case # 03330304  
DALLAS CAPITAL BANK, NATIONAL ASSOCIATION

Dear Mr. McGee:

The Customer Assistance Group (CAG) of the Office of the Comptroller of the Currency (OCC) is responding to your letter regarding the above-referenced financial institution. The focus of the OCC's review of consumer complaints against national banks and federal savings associations is to determine whether the financial institution's actions are consistent with applicable banking statutes, regulations, or policies.

In your correspondence, you requested that the bank provide a copy of their CRA file. Your request was forwarded to the bank.

A bank's entire public CRA file must be available at its main office. If your bank operates in more than one state, it must keep a file at one branch office in each of these states. You can ask to inspect this file, at no charge to you, any time the bank is open.

If you do your banking at a branch office, you can ask to see its CRA file, which contains a copy of the public section of the bank's most recent CRA performance evaluation and a list of services provided by your branch. Upon request, your branch must also provide for inspection, within five days, all the information in the public file relating to your branch's assessment area.

You may also ask a bank to provide you with a copy of its public CRA file for you to read at your convenience. The bank is allowed to charge you a reasonable fee, though, to cover the cost of copying and mailing.

The Customer Assistance Group's consumer complaint process is a service that is provided to customers of national banks and federal savings associations. Information provided within this letter is specifically related to an individual consumer complaint and should not be construed as either a legal opinion of the OCC or a supervisory action. If you are not satisfied with the resolution of your complaint, you may wish to obtain legal assistance to preserve your rights.

Customer Assistance Group, P. O. Box 53570, Houston, Texas 77052  
Phone: (800) 613-6743, FAX: (713) 336-4301  
Internet Address: [www.HelpWithMyBank.gov](http://www.HelpWithMyBank.gov)

03330304 McGee

We trust this is responsive to your concerns. If we can assist you in the future, please do not hesitate to contact our office at the telephone number listed below and reference your case number shown above.

Sincerely,

*Customer Assistance Group*

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The Customer Assistance Group's consumer complaint process is a service that is provided to customers of national banks and federal savings associations. Information provided within this letter is specifically related to an individual consumer complaint and should not be construed as either a legal opinion of the OCC or a supervisory action. If you are not satisfied with the resolution of your complaint, you may wish to obtain legal assistance to preserve your rights.

Customer Assistance Group, P. O. Box 53570, Houston, Texas 77052  
Phone: (800) 613-6743, FAX: (713) 336-4301  
Internet Address: [www.HelpWithMyBank.gov](http://www.HelpWithMyBank.gov)



April 26, 2022

To Whom it May Concern,

Dallas Capital Bank has not provided a copy of the CRA Public File to me. I have requested this be provided more than 5 times.

I would like to reopen this compliant and request that the OCC assist me with getting a copy of the CRA public file from this bank.

Sincerely,

A handwritten signature in black ink, appearing to read "James McGee", is written over the word "Sincerely,".

James McGee  
President/Chair

[JMcGee@SouthernDallasProgress.com](mailto:JMcGee@SouthernDallasProgress.com)

Southern Dallas Progress Community Development Corporation





March 31, 2022

To: Customer Assistance Group (CAG)  
of the Office of the Comptroller of the Currency (OCC)  
RE: Case # 03330304  
Mr. James McGee  
Dallas TX

Dallas Capital Bank, N.A. is proud of our Outstanding CRA Rating and will continue to play a vital role in providing support to low- and moderate-income neighborhoods. We look forward to the upcoming joint interagency ruling to modernize the CRA regulation and provide consistency. We are responding to a complaint (case # 03330304) issued by Mr. James McGee of Southern Dallas Progress claiming he made several requests through email to receive a copy of the Bank's CRA Public File.

The Bank complies with 12 CFR 25.43(c)(1) and we make our Public File available to the public for inspection at no cost located at our main office. Furthermore, a review of our records does not indicate a receipt of a request from Mr. McGee or Southern Dallas Progress requesting copies or an in-person inspection, as indicated by him on of February 13, 2021. Mr. McGee is not a customer of Dallas Capital Bank, N.A., however he has reached out to us in the past soliciting donations on behalf of Southern Dallas Progress. When the Bank is approached by an organization requesting a donation or an investment as part of the bank's due diligence, we request certain information to be provided to our CRA Committee for consideration. Mr. McGee has not responded to our request.

On February 14, 2022, the Bank received a written correspondence from the Office of the Comptroller of the Currency (OCC) on behalf of Mr. McGee dated December 19, 2021. The Bank never received the correspondence, we assume, due to an incorrect address. A review of this correspondence was conducted and concluded that the Bank's performance in meeting the credit needs in our assessment area was not the criticism and does not warrant a response<sup>1</sup>. Mr. McGee did not request access to our public file in the correspondence, instead, he requested that the correspondence be placed in our public file. Please find the correspondence attached.

Sincerely,

Dallas Capital Bank

<sup>1</sup>CRA Interagency Questions & Answers: Pursuant to the Federal Register Vol. 8, No. 142 /Monday, July 25, 2016/ Rules and Regulation 48555. 43(a)(1)—2: Is an institution required to respond to public comments? A2. No. All institutions should review comments and complaints carefully to determine whether any response or other action is warranted. A small institution subject to the small institution performance standards is specifically evaluated on its record of taking action, if warranted, in response to written complaints about its performance in helping to meet the credit needs in its assessment area(s). See 12 CFR 11.26(b)(5). For all institutions, responding to comments may help to foster a dialogue with members of the community or to present relevant information to an institution's supervisory Agency. If an institution responds in writing to a letter in the public file, the response must also be placed in that file, unless the response reflects adversely on any person or placing.



## Office of the Comptroller of the Currency

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March 8, 2022

DALLAS CAPITAL BANK, NATIONAL ASSOCIATION  
Attn: OFFICE OF THE PRESIDENT,  
PO BOX 814810  
DALLAS TX 75381-0000

Re: Mr. James Mcgee  
Dallas TX  
Case # 03330304

The consumer referenced above has submitted a complaint to the Customer Assistance Group (CAG) of the Office of the Comptroller of the Currency (OCC) that, involves your bank. Please make note of the case number listed above. You should reference this case number when inquiring about the case by phone or include this number on any correspondence you may provide to this office. For your evaluation of this matter, we are enclosing a copy of the complaint file.

Please evaluate this information and provide a response to your customer with a copy to this office **within 10 days**. Please consider the following when responding:

- Address each concern raised by the consumer and respond to how the bank complied with the regulatory issue(s)
- Fully explain the bank's position identifying dates, amounts, account information, and name of individual related to the case
- Include any attachments, enclosures or supporting documents, which support your position on this matter
- You have the option of responding directly to CAG, or to the consumer with a copy to CAG. Please be advised that the bank response and any other information you provided to CAG, even if it is addressed only to CAG, may be provided to the customer in response to a Privacy Act Request. Any correspondence CAG receives from you that is addressed to the consumer is assumed to have been mailed by the bank to the consumer.

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Customer Assistance Group, P. O. Box 53570, Houston, Texas 77052  
Phone: (800) 613-6743, FAX: (713) 336-4302  
Internet Address: [www.HelpWithMyBank.gov](http://www.HelpWithMyBank.gov)

- The bank response must be on bank letterhead

We encourage you to submit your responses through CAGNet, which is an application on BankNet. If you need assistance with establishing a CAGNet account, please send an email to [CAGNetHouston@occ.treas.gov](mailto:CAGNetHouston@occ.treas.gov).

You may also respond by fax. The fax number for this office is referenced below. If the documents are too bulky to fax, you may mail the documents to the address referenced below.

If you have received this case in error, please destroy any and all documents associated with this case and send a response to CAG advising the case was sent to the wrong bank. In addition, please send a separate email to [CAGNetHouston@occ.treas.gov](mailto:CAGNetHouston@occ.treas.gov) confirming the destruction of any and all documents associated with this case. Please reference the case number in your correspondence.

If you have questions, please contact this office at the telephone number listed below and reference the case number shown above.

Sincerely,

*Customer Assistance Group*

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Customer Assistance Group, P. O. Box 53570, Houston, Texas 77052  
Phone: (800) 613-6743, FAX: (713) 336-4302  
Internet Address: [www.HelpWithMyBank.gov](http://www.HelpWithMyBank.gov)

# CUSTOMER COMPLAINT FORM

Transaction ID: 2201176bd0971e

Please fill in this form completely. Once we receive your form, you will receive a confirmation e-mail. You will receive a separate e-mail containing your assigned case number within 48 hours. Please keep your case number for future contact with our office. **You will have the option to PRINT the form after submission.**

**Have you tried to resolve your complaint with your financial institution?**

**YES**

The OCC recommends that you attempt to resolve your complaint with your financial institution first. Please contact your financial institution to allow them the opportunity to resolve your issue(s).

## Helpful Hints:

- Check to make sure that your financial institution is a national bank or federal savings association (thrift). Search Financial Institutions (a new browser window will open)  
If you don't know the name of your financial institution, check your bank or credit card statement. The institution's name will be indicated on the statement.
- If your complaint involves more than one financial institution, you will need to submit a separate complaint form for each institution involved. You will receive separate case numbers for each institution. Do NOT send additional information unless requested.
- Complaints should NOT be emailed, faxed, or mailed in addition to the online submission. Only ONE form should be submitted unless your complaint involves more than one financial institution. The online form is subject to user time limitations for security purposes. If your session exceeds the limitations, any information you have entered will be lost. To avoid this, gather all necessary information prior to entering the form.

## Please Note:

- We cannot act as a court of law or as a lawyer on your behalf
- We cannot give you legal advice
- We cannot become involved in complaints that are in litigation or have been litigated

## YOUR INFORMATION

The Account Owner/Holder should complete this section.

First Name:

**James**

Middle Name:

Last Name:

**McGee**

Country:

**United States**

Street Address:

**1402 Corinth #147**

City:

**Dallas**

State:

**TX**

Zip:

**75215**

Phone:

**4693715487**

E-mail:

**jmcgee@southerndallasprogress.com**

What is the best way to contact you?

**E-mail**

When is the best time to contact you?

**Morning, Afternoon, Evening**

## REPRESENTATIVE CONTACT INFORMATION

If you want us to communicate with your attorney or other legal representative directly, please provide the information below. **Your submission of this portion of the form authorizes our office to release information to your attorney or other legal representative if requested.**

Relationship:

Attorney ☐ Representative ☐ Not Applicable (Skip Section) ☒

Please indicate the type of authorization you have granted to your Attorney or Representative :

Power of Attorney ☐ Letters Testamentary ☐ Court Appointed Executor or

Administrator ☐ Other ☐

Name of Representative:

First Name:

Middle Name:

Last Name:

Country:

Street Address:

City:

State:

Zip:

Phone:

E-mail:

What is the best way to contact your representative?

When is the best time to contact your representative?



## FINANCIAL INSTITUTION OR COMPANY INFORMATION THAT IS SUBJECT OF THE COMPLAINT

Helpful Hint: If you don't know the name of your financial institution, check your bank or credit card statement. The institution's name will be indicated on the statement.

Name of Financial Institution or Company:

**Dallas Capital Bank**

Street:

**14185 Dallas Pkwy #200**

City:

**Dallas**

State:

**TX**

Phone:

Zip:

**75254**

Type of Account(s): (If you are unsure of the type of account(s), please contact your financial institution for assistance.)

Deposit Account (Checking, Savings) ☐ Credit Card ☐

Loan Product (Consumer, Mortgage, Home Equity) ☐ Asset Management (Trust Accounts) ☐

Consumer Leasing ☐ Non-Deposit Account (Investments) ☐

Insurance ☐ Other ☒

Have you tried to resolve your complaint with your financial institution

**YES**

If Yes, when?

**02/13/2021**

How?

**Other**

Has the financial institution responded to your complaint?

**NO**

If Yes, when?

How?

Contact Name:

Title:

## COMPLAINT INFORMATION

Describe events in the order they occurred, including any names, phone numbers, and a full description of the problem with the amount(s) and date(s) of any transaction(s). Be as brief and complete as possible to make the explanation clear. **Do not include personal or confidential information such as your social security, credit card, or bank accounts numbers.**

**I made several request through email to get a copy of this bank's CRA public file. They have refused to provide or even respond to my request 12 CFR § 25.43 - OCC**

Please be advised that the issues described in this complaint will be shared with the financial

institution or company in question.

## PRIVACY ACT STATEMENT

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The information you provide to the Office of the Comptroller of the Currency (OCC) will permit us to respond to your complaint or inquiry about the national banks or federal savings associations (thrifts) we supervise.

The collection of this information is authorized by 12 USC 1.

Your submission of information to the OCC is entirely voluntary. You are not required to submit any information or to submit a complaint. However, if you do not submit the requested information, the OCC may not be able to process your request or inquiry.

Information about your complaint or inquiry will be used within the OCC and provided to the national bank or federal savings association (thrift) that is the subject of the complaint or inquiry. Additionally, this information may be shared with the following, pursuant to published routine uses:

- (1) other third parties when required or authorized by statute or when necessary in order to obtain additional information relating to the complaint or inquiry;
- (2) other governmental, self-regulatory, or professional organizations
  - (a) having jurisdiction over the subject matter of the complaint or inquiry;
  - (b) having jurisdiction over the entity that is the subject of the complaint or inquiry; or
  - (c) whenever such information is relevant to a known or suspected violation of law or licensing standard for which another organization has jurisdiction;
- (3) the Department of Justice, a court, an adjudicative body, a party in litigation, or a witness when relevant and necessary to a legal or administrative proceeding;
- (4) a Congressional office when the information is relevant to an inquiry initiated on behalf of its provider;
- (5) other governmental or tribal organizations with which an individual has communicated regarding a complaint or inquiry about an OCC-regulated entity;
- (6) OCC contractors or agents when access to such information is necessary; and
- (7) other third parties when required or authorized by statute.

You may find additional information regarding the rights and obligations related to the OCC's collection of the requested information at 81 FR 2945-01, 2957 (PDF).

Date: 1/17/2022 8:52:56 AM

I certify that the information provided on this form is true and correct to the best of my knowledge.

I Certify X I Do Not Certify    

If a valid OMB Control Number does not appear on this form, you are not required to complete this form.



*Improving Lives, One Community at a Time*

December 19, 2021

Doug Hutt- Chairman and CEO  
Dallas Capital Bank, National Association (FDIC Cert # 20727)  
14185 Dallas Parkway Suite 200  
Dallas, TX 75240

FEB 14 2022

RECEIVED

from the OCC  
DO/HR DGE

Office of the Comptroller of the Currency  
Southern District Main Office  
500 N. Akard St. Suite 1600  
Dallas, TX 75201

**RE: Comment on Dallas Capital Bank, National Association Community Reinvestment Act (CRA) Performance**

I am submitting this letter to Dallas Capital Bank Community Reinvestment Act (CRA) public file for consideration on Dallas Capital Bank CRA Performance Evaluation. I have a couple concerns with Dallas Capital Bank's lending in Dallas. Dallas Capital Bank did not respond to several meeting request so I could learn more about the bank's goals and priorities, and to discuss our community development needs and opportunities. We would like Dallas Capital Bank to focus on Southern Dallas as I believe the heightened poverty in my neighborhood has held back my community, and the city of Dallas as a whole, for too long.

#### **Lending Concerns**

I worked with the National Community Reinvestment Coalition (NCRC) to analyze the small business lending of Dallas Capital Bank, National Association in Dallas. This is what NCRC found.<sup>1</sup>

- Small Business Lending
  - In 2018 and 2019 reported lending activity is less than the aggregate performance data reported for small business lending.
  - 0% of the bank's total loans were made in Southern Dallas\*.

<sup>1</sup> See lending mentioned CRA Report. <https://www.occ.gov/static/cra/craeval/jul20/15980.pdf>



Gaps in lending to people of color, borrowers with LMI, and small businesses are usually the result of a lack of products that meet particular credit needs, gaps in marketing, or a lack of partnerships. I believe that working with my organization can improve Dallas Capital Bank, National Association performance.

### **Focus on Southern Dallas**

The need in Southern Dallas is well documented. HUD has designated Southern Dallas as a racially or ethnically concentrated area of poverty (R/ECAP) since at least 1990, meaning that since 1990 the population of Southern Dallas has had a poverty rate of at least 40%. That poverty rate is more than double the 16.6% poverty rate for Dallas County as a whole.<sup>2</sup> The Urban Institute looked at economic trends, data on income segregation, housing affordability, job availability, and racial disparities in 274 large US cities from 1980 to 2013 and found that Dallas was the least economically and racially inclusive.<sup>3</sup> Increased obstacles to economic opportunity in Southern Dallas has a negative impact on Dallas as a whole. Numerous studies show that high levels of inequality stunt economic growth as it prevents economies from performing to their full potential.<sup>4</sup> Economies with less inequality not only maximize their productive potential, but also minimize the significant fiscal and social costs of inequality. Childhood poverty—one outcome of insufficiently inclusive growth—costs the U.S. economy an estimated \$500 billion a year, or four percent of GDP, due to lost productivity, higher crime and incarceration, and larger health expenditures. Cities end up bearing these costs, at the expense of other important investments in growth and opportunity.<sup>5</sup> Heightened inequality also creates resentments and hostilities that damage social and political cohesion, which also negatively affects economic growth.

Researchers are also predicting that Southern Dallas will be particularly hard hit by COVID-19, both medically and economically, given the unfortunate correlation between poverty and unfavorable health outcomes.<sup>6</sup> I am very concerned about the impact COVID-19 will have on my community that was already facing increasing economic hardship, and I believe that without an intentional focus on Southern Dallas these unfortunate economic trends will continue. To make matters worse, Dallas Capital Bank does not include Southern Dallas as part of their CRA assessment area. Dallas Capital Bank is not

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<sup>2</sup> "Percent of Population Below the Poverty Level in Dallas County, TX." 2018 Poverty Rate for Dallas County TX. Federal Reserve Bank of St. Louis Economic Research. Available online at <https://fred.stlouisfed.org/series/S1701ACS048113>.

<sup>3</sup> "Inclusive Recovery in US Cities." Urban Institute. April 2018. Available online at [https://www.urban.org/sites/default/files/publication/97981/inclusive\\_recovery\\_in\\_us\\_cities.pdf](https://www.urban.org/sites/default/files/publication/97981/inclusive_recovery_in_us_cities.pdf).

<sup>4</sup> "Introduction: Inequality of Economic Opportunity." Katharine Bradbury and Robert K. Triest. RSF: The Russell Sage Foundation Journal of the Social Sciences, Vol. 2, No. 2, Opportunity, Mobility, and Increased Inequality (May 2016), pp. 1-43. Available online at [https://www.jstor.org/stable/10.7758/rsf.2016.2.2.01#metadata\\_info\\_tab\\_contents](https://www.jstor.org/stable/10.7758/rsf.2016.2.2.01#metadata_info_tab_contents)

<sup>5</sup> "Opportunity for growth: How reducing barriers to economic inclusion can benefit workers, firms, and local economies." Brookings Institution. Joseph Parilla. September 28, 2017. Available online at <https://www.brookings.edu/research/opportunity-for-growth-how-reducing-barriers-to-economic-inclusion-can-benefit-workers-firms-and-local-economies/>.

<sup>6</sup> "Mapping the Areas at Highest Risk of Severe COVID19 in Dallas, Austin and San Antonio." UTHealth School of Public Health Institute for Health Policy. April 2, 2020. Available online at [https://sph.uth.edu/research/centers/ihp/COVID-19\\_Dallas\\_Austin\\_SA%20Final\\_4-3-20.docx.pdf](https://sph.uth.edu/research/centers/ihp/COVID-19_Dallas_Austin_SA%20Final_4-3-20.docx.pdf).

responsive to the Southern Dallas community needs and is not a leader in addressing inequality in Dallas.

## **DESCRIPTION OF ASSESSMENT AREA <sup>7</sup>**

Per Performance Evaluation:

*DCB has one AA consisting of Dallas County north of U.S. Interstate 30 (338 census tracts), all of Denton County (137 census tracts) and the western half of Collin County (143 census tracts), all of which are located in the Dallas-Plano-Irving, TX Metropolitan Division. There are 64 low-income geographies and 131 moderate-income geographies in the AA. The AA meets the requirements of the CRA regulation, does not arbitrarily exclude low- and moderate- income geographies, and includes only those portions of political subdivisions that DCB can reasonably be expected to serve. § 345.41 Assessment area delineation.*

To clarify, the Dallas MD AA consists of 529 contiguous census tracts in Dallas County, which comprises a portion of the Dallas-Plano-Irving MD and has a total population of 2,667,720. According to the 2015 ACS US Census, the assessment area contained 107 low-income, 187 moderate-income, 110 middle-income, 120 upper-income census tracts, and 5 census tracts with no income designation.

CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its performance. Dallas BANK delineated portions of Dallas County within the Dallas MD AA assessment area. The bank should reasonably define its assessment area to meet CRA requirements. § 345.41 Assessment area delineation.

DCB does arbitrarily exclude high minority and lower moderate-income areas in Southern Dallas. DCB does not include Southern Dallas (City of Dallas & Dallas County) in their assessment area.

**The following sections discuss demographic in the Southern Dallas assessment area.**

- Southern Dallas is home to 43% of all Dallas residents in just 57% of the city's land area.
- Of the 560,000 residents of neighborhoods in southern Dallas, approximately 38% live below poverty - roughly 9% higher than the City's overall poverty rate of 29%.
- Overall, 56% of Dallas residents living below poverty live in the southern neighborhoods of Dallas.

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<sup>7</sup> "<https://www.justice.gov/crt/case-document/report-and-recommendation-united-states-v-kleinbank-d-minn>

<https://www.justice.gov/crt/case-document/order-entering-settlement-agreement-and-agreed-order-united-states-v-first>

<https://www.justice.gov/crt/case-document/consent-order-united-states-v-union-savings-bank-and-guardian-savings-bank-sd-oh-0>

- *The City of Dallas is a unique place. There is a difference between "South Dallas" and "Southern Dallas".*
- *The Southern Sector of Dallas (Southern Dallas) is commonly defined as those areas south of Interstate 30.*
- *The Southern Dallas is 196.7 total square miles. 45% of the City's residents live in Southern Dallas (91% of the residents are minorities in Southern Dallas). \**

*A digitization of the 1937 Homeowners' Loan Corporation 'Residential Security Map' of Dallas, Texas, including the Area Descriptions which were the basis for the neighborhood security ratings.*

#### *Description*

*The plans, laws, and investments made today will shape our communities tomorrow. Indeed, past policies have deep connections to present conditions. Even the most obscure tax codes and legislative acts can lead to tragic outcomes for some communities while paving the way for triumphant opportunities for others. Whether at the Federal, State, or Local level, understanding the laws of the land and the context in which they were created is critical to understanding how disparities have arisen and to improving the health, education, transportation, housing, and economic landscapes of our cities in an equitable and sustainable way.*

*This web map was developed in order to analyze the historic development patterns in the Dallas region, and to illustrate the legacy of discriminatory policies such as 'Redlining' and the way highway planning and construction interrupted or destroyed the community fabric of the city. The purpose of integrating these spatial data together is to facilitate helpful dialogue about how public decision making and private markets can produce more equitable outcomes for the future health and sustainability of the region.*

<https://www.arcgis.com/home/item.html?id=29041b0623ef482981e1bcc50220eff6>

The practice of 'redlining,' outlawed years ago, is still seen as a factor in the lack of progress for some Southern Dallas neighborhoods.

Maps from the 1930s designed some neighborhoods as red zones where investments by banks were considered unsafe.

In Dallas, those neighborhoods tended to be inhabited by people of color and redlining kept them from receiving the investments that other sections of the booming sunbelt city saw over the years.

An [interactive online tool](#) released by the National Community Reinvestment Coalition charts out the effects of some of those injustices, combining notorious "redlining" maps of the 1930s with current data on neighborhood income and demographics. Redlining is a term for the denial of loans, mortgages, and other services based on a neighborhood's demographic makeup — in the U.S., black communities have usually been the ones targeted. The practice gets its name from the red outlines drawn around "high-risk" neighborhoods in maps created in the 1930s by the Homeowners' Loan Corporation, a New Deal agency formed to refinance mortgages during the Great Depression.

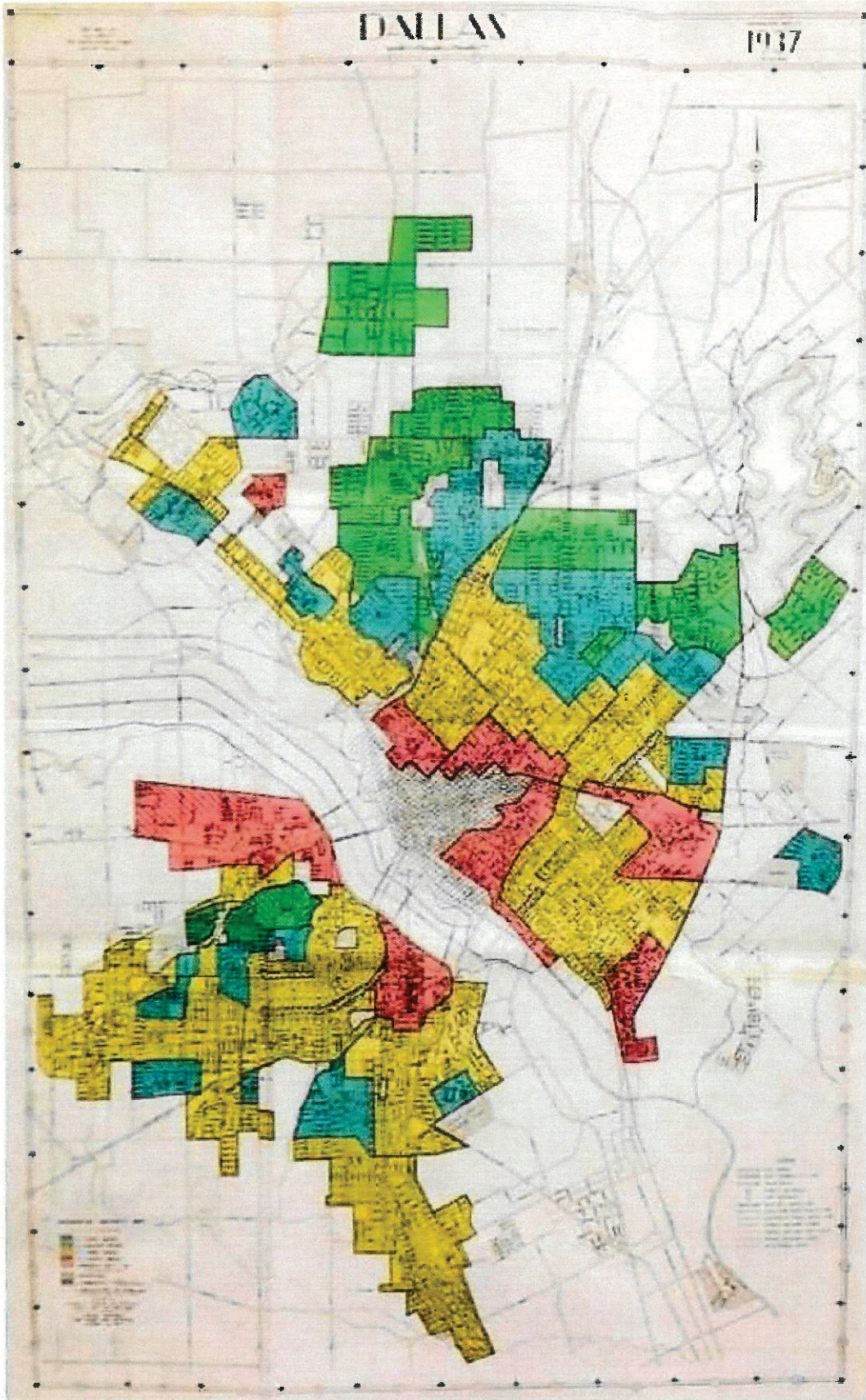
<https://ncrc.org/holc/>

*[Those HOLC maps](#) have become infamous as stark visual representations of the government abandoning black communities, as a federal agency labeled nearly any community with a significant minority population “hazardous” for lenders. Researchers at the University of Richmond digitized the maps last year, [and its site](#) lets you see HOLC’s assessments of each neighborhood, many of them remarkably frank about their racist discrimination. A 1937 HOLC map of Dallas is below. Neighborhoods marked green were considered “best” for government-backed mortgages, blue “still desirable,” yellow “definitely declining,” and red “hazardous.”*



# DALLAS

1937



## **Research on Dallas Community Needs**

*Dallas' Small Business Ecosystem Assessment*

<https://www.dallasecocodev.org/DocumentCenter/View/2789/Dallas-Small-Business-Ecosystem-Report-PDF>

*Dallas Disparity Study-FINDING G: MINORITY OWNED BUSINESSES ACCESS TO CREDIT/CAPITAL ANALYSIS (CHAPTER 6)*

<https://dallascityhall.com/departments/public-affairs-outreach/DCH%20Documents/availability-disparity-study.pdf>

*City of Dallas Economic Development Plan*

<http://www.dallasecocodev.org/544/Strategic-Economic-Development-Plan>

## **Staff and Board Diversity**

Dallas Capital Bank does not have any African Americans/Hispanic on the DFW MSA Leadership Team or Board of Directors.

<https://www.dallascapitalbank.com/about-us/leadership>

Dodd-Frank Act Section 342(b)(2)(C)

Did Dallas Capital Bank participate in this volunteer self-assessment?

<https://www.occ.gov/about/who-we-are/organizations/office-of-minority-and-women-inclusion/diversity-self-assessment.html>

Will Dallas Capital Bank focus on expanding its staff diversity to align more closely to the communities they serve and reach 50% gender, race, or ethnic diversity of its middle to executive management levels?

Will Dallas Capital Bank compare the information annually against local demographics striving to achieve parity with demographics in all markets?

Will Dallas Capital Bank develop or participate in innovative training programs and partnerships to support the hiring of diverse colleagues?

Will Dallas Capital Bank make this information publicly available on their website?



## **21 Southern Dallas Zip Codes**

75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

## **Questions from the Southern Dallas Community Dallas Capital Bank**

- How many of the CRA small business/small farm loans were made in Southern Dallas (City of Dallas)?
- How many of the CRA small business/small farm loans were made in Southern Dallas (City of Dallas) and how many were in low-income census tracts?
- How many Commercial loans were made in Southern Dallas (City of Dallas)?
- How many Commercial loans were made in Southern Dallas (City of Dallas) and how many were in low-income census tracts?
- How many Commercial loans were made in Southern Dallas County and how many were in low-income census tracts?

## **Community Ask:**

- Include Southern Dallas County in your Assessment Area
- Increase small business lending to African Americans
- Increase small business lending to Hispanics
- Increase Small business lending in Low-Income census tracts
- Advanced implementation of Section 1071 of the Dodd-Frank Act
  - [https://files.consumerfinance.gov/f/documents/cfpb\\_1071-sbrefa\\_outline-of-proposals-under-consideration\\_2020-09.pdf](https://files.consumerfinance.gov/f/documents/cfpb_1071-sbrefa_outline-of-proposals-under-consideration_2020-09.pdf)
- Launch Small Business Cohort Focuses on Small Minority Businesses located in/or Serving Low Income Areas of Southern Dallas
  - <https://www.nteetc.com/>
- Perform a credit needs assessment for Southern Dallas & Create a Business Diversity Lending Program
- Require the CDFI's that you invest in to collect demographic information on the individuals they serve
  - <https://www.consumerfinance.gov/compliance/supervisory-guidance/statement-collection-demographic-information-community-development-financial-institutions/>
- Create African American Micro Business Loan Fund with CDFI
  - Example:  
<https://www.chicago.gov/content/dam/city/depts/bacp/Small%20Business%20Center/africanamericanloanprogramtermsheet.pdf>
- Make CRA Qualified Investments to Dallas based CDFIs that focus on Southern Dallas
  - <https://www.advancentx.org/>
  - <https://www.liftfund.com/>
  - <https://bcloftexas.org/contact>

- Make donations to minority lead organizations that focus on Southern Dallas with operating incomes under \$600,000
  - <https://racialequity.org/2018/11/minority-led-nonprofits/>
  - <https://www.philanthropy.com/article/nonprofits-led-by-people-of-color-win-less-grant-money-with-more-strings-study/>
- Establish special purpose credit programs (SPCPs) to address lending disparities in Southern Dallas
  - <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/>
  - Recommendations Available.
- Volunteer and Support Youth Entrepreneurship Programs
  - <https://targetevolution.org/about-us>
  - <https://lemonadeday.org/greater-dallas>
  - <https://www.nfte.com/north-texas/>
  - <https://www.starsunitedglobaloutreach.org/>
- Advertise with local minority newspapers
  - Dallas Weekly (<https://www.dallasweekly.com/>) & North Dallas Gazette (<https://northdallasgazette.com/>)
- Develop a strategic plan with the input of the Community
  - <https://www.occ.treas.gov/topics/consumers-and-communities/cra/national-banks-eval-basis-of-strategic-plan-under-cra.html>
- Create positions for CRA Community Development Commercial and Mortgage Loan Officers

## Conclusion

We appreciate this opportunity to comment on Dallas Capital Bank's CRA performance and would look forward to discussing a plan for Southern Dallas and be a leader in addressing inequality in Dallas. Sincerely,

*James McGee*

James McGee  
 President/Chair  
[JMcGee@SouthernDallasProgress.com](mailto:JMcGee@SouthernDallasProgress.com)  
 Southern Dallas Progress Community Development Corporation



### **CRA Performance Evaluation**

Can Dallas Capital Bank provide an update on the bank's CRA initiatives CRA since the last Performance Evaluation?

The update should include the information detailed below for its current assessment areas.

Please respond to the following items:

a. Describe any significant CRA initiatives undertaken, particularly with respect to credit and deposit products and retail banking services targeted toward low- and moderate-income geographies, African American/Hispanic geographies, and individuals, identifying key elements of the products and services, the approximate date introduced, and results achieved to date.

b. Describe Dallas Capital Bank's current community outreach and marketing efforts to residents and businesses throughout Bank's low-income census tracts, moderate-income census tracts, and major minority census tracts.

### **DFW AA/Community Needs Assessment**

Does Dallas Capital Bank conduct Community Needs Assessments? If not, how do they plan to meet the needs of the Southern Dallas community if they are not aware of the needs?

A Community Needs Assessment is a market study conducted to help a bank identify and understand the need for financial services and community development within its Assessment Area. It is not required by regulation. As explained in Federal Register /Vol. 71, No. 47 / Friday, March 10, 2006 /Notices 12429:

*The Agencies do not intend that intermediate small banks prepare a particular "needs assessment" solely for purposes of its CRA evaluation under the community development test. If intermediate small banks prepare business plans and market analyses that reflect community needs and opportunities, they may rely on such information, as well as other currently available information, when assessing community development needs in their assessment areas.*

One advantage of developing a Community Needs Assessment is that it will paint a picture of the "Performance Context" which is the basis for establishing performance standards applied under the various tests administered in a CRA Performance Evaluation. Even more importantly, as stated in the Federal Register a bank "may rely on such information (emphasis added) . . . when assessing community development needs in their assessment areas."