



Division of
Depositor and
Consumer Protection

National Center for Consumer & Depositor Assistance
1100 Walnut Street, Box #11
Kansas City, Missouri 64106
Toll Free: (877) 275-3342; Option 2

December 12, 2023
Ref. No. 01584034

James McGee
1402 Corinth #147
Dallas, TX 75215

Re: Harmony Bank

Dear James McGee:

Thank you for your correspondence. We have completed our review of your concerns involving Harmony Bank (Bank) regarding its refusal to provide or accept a credit application from you. You believe the Bank's actions are an act of retaliation and discrimination based on your race and the fact that you reside in a low- and moderate-income census tract. The FDIC takes claims of discrimination seriously. We appreciate your patience while we completed our review.

We reviewed your correspondence, the Bank's response, and the applicable federal consumer protection laws enforced by the FDIC. The FDIC is the primary federal banking regulator for this bank.

At the FDIC's request, the Bank provided you with a response dated June 16, 2023. A copy of that response was also sent to the FDIC, along with any supporting documents necessary to complete an independent review into the matter.

We seek to assist you by facilitating communication, by reviewing a bank's compliance with applicable laws and by providing you with information on your rights under federal consumer protection laws.

Regulation B, which implements the Equal Credit Opportunity Act (ECOA), prohibits lenders from discriminating in any credit transaction based on race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to contract); the fact that all or part of the applicant's income derives from a public assistance program; or the fact that the applicant has in good faith exercised any right under the Consumer Credit Protection Act. Regulation B also prohibits a creditor from making 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. Regulation B does not, however, prohibit a lender from establishing its own lending criteria and standards for creditworthiness, as long as it applies the standards equally to all applicants.

In order to determine the Bank's compliance with Regulation B, the FDIC conducted an investigation of your complaint. We examined applicable documentation and also consulted with other areas within the FDIC. Our investigation did not identify evidence that the Bank's actions were based on any factor prohibited by Regulation B.

As a reminder, independent of the FDIC's actions, the ECOA provides you the right to file a civil lawsuit in federal or state court. The timeframe for filing suit under the ECOA is within five years of the date of the alleged violation if the discriminatory act took place on or after July 22, 2009; within two years if the alleged violation took place on or before July 21, 2009; or within one year after the commencement of a civil action or administrative proceeding brought by the U.S. Attorney General. This is merely an advisement of your rights and should not be interpreted as an indicator or likelihood of success under any civil action.

In order to protect potentially sensitive consumer, account, and examination-related information, we do not share specific details of our review. Complaint investigations are generally covered under Part 309 (Disclosure of Information) of the FDIC Rules and Regulations, which prohibits the disclosure of examination-related information outside the FDIC, including bank-provided supporting documents.

Please know reviews of correspondence such as yours are a vital component of the FDIC's bank supervisory process, and we take great care into thoroughly reviewing concerns regarding the products and services offered by FDIC-supervised banks. In addition to individually reviewing complaints for regulatory compliance, this office shares correspondence with FDIC examination staff for review prior to our next regularly scheduled examination of the Bank. This helps the FDIC tailor its examinations to focus on areas of concern, as well as assists us in providing feedback to banks on practices and policies.

If you have any questions about this matter, please don't hesitate to contact the FDIC's Consumer Response Unit at 877-ASK-FDIC (877-275-3342), and press option 2. You can also review the FDIC's Consumer News for additional information and resources about common banking questions and topics at <https://www.fdic.gov/resources/consumers/consumer-news/index.html>.

Thank you for taking the time to share your concerns with the FDIC.

Sincerely,
Consumer Response Unit
National Center for Consumer and Depositor Assistance

cc: Harmony Bank



October 28, 2023

Harmony Bank
4161 McKinney Ave. Suite 101
Dallas, TX 75204

Federal Deposit Insurance Corporation
Dallas Regional Office
1601 Bryan Street, 38th Floor
Dallas, TX 75201

RE: Comment on Harmony Bank's Community Reinvestment Act (CRA) Performance

Dear Federal Regulator,

I am submitting this letter to Harmony Bank's Community Reinvestment Act (CRA) Public file for consideration on Harmony Bank's CRA Performance Evaluation.

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.

Emails sent to SDPCDC from Harmony Bank

Email received on Monday, May 22, 2023, at 9:57 AM

We have received the inquiries that you submitted through our online platform. We will not be sending a business or personal loan application to you. As we have previously communicated, Harmony Bank does not intend to do business with an individual or organization that has made public false and libelous complaints against the bank. In those complaints, you have made numerous allegations about our bank, and as such, we do not understand why you have any interest in doing business with a bank that you clearly have a negative opinion of. There are many banks in the Dallas market – it is probably best for you and the bank for you to work with a bank of which you do not hold a negative opinion.

Email received on Friday, May 5, 2023, at 1:24 PM

Hello Mr. McGee,

The purpose of this communication is to respond to your repeated requests to officers at Texas Brand Bank to "connect you with a commercial lender." Please be advised that Texas Brand Bank will not be providing you a connection or introduction to any of its commercial lenders. Texas Brand Bank will not accept a loan application from you or your community development corporation.

As you know, it is the position of Texas Brand Bank that recent CRA complaint filed by you on behalf of the Southern Dallas Progress Community Development Corporation against the bank was both false and libelously inaccurate. Texas Brand Bank does not intend to enter into any type of business relationship with anyone or any entity that holds such a negative opinion of the bank.

Finally, please note that we will not respond to any further communications from you, whether by phone call, letter or e-mail, now or in the future, in accordance with the preceding paragraph.

Thank you have a good day.

Equal Credit Opportunity Act (Regulation B) & Unfair or Deceptive Acts or Practices (UDAP)

Regulation B, the implementing regulation of ECOA, which was published in 1975 and has been followed by courts around the country for almost five decades, explicitly states that ECOA applies to both applicants and prospective applicants. The section of Regulation B entitled "**Discouragement**" 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." **Texas Brand Bank violates Regulation B's anti-discouragement rule.**

Unfair or Deceptive Acts or Practices (UDAP) is under Section 5 of the Federal Trade Commission Act (FTC Act) as well as Unfair, Deceptive, or Abusive Acts or Practices (UDAAP) pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

The Federal Trade Commission Act ("FTC Act"), enforced by the FTC, has prohibited unfair or deceptive acts or practices in commerce for almost 70 years. Section 5 of the FTC Act prohibits, in part, "unfair . . . acts or practices in or affecting commerce." The CFPB has independent unfairness authority, granted by Title X of the Dodd-Frank Act. That authority is interpreted similarly to Section 5 of the FTC Act, and the FTC and CFPB have agreed to coordinate their rulemaking and enforcement activities to ensure consistency and avoid duplication. Both statutes prohibit "unfair" and "deceptive" practices, and the Dodd-Frank Act separately prohibits "abusive" practices.

It is an "Unfair Practice" that Texas Brand Bank's policy allows for a potential customer to be banned from doing business with the bank due to a community member disputing a merger and/or filing a written complaint.

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.

Sincerely,

James McGee

James McGee
President/Chair
JMcGee@SouthernDallasProgress.com
Southern Dallas Progress Community Development Corporation



October 3, 2023

Harmony Bank
4161 McKinney Ave. Suite 101
Dallas, TX 75204

Federal Deposit Insurance Corporation
Dallas Regional Office
1601 Bryan Street, 38th Floor
Dallas, TX 75201

RE: NOTICE OF APPLICATION TO ESTABLISH A BRANCH

Dear Federal Regulator,

The undersigned community organization is submitting this letter to Protest Harmony Bank's Notice of Application to Establish a Branch. We do not support the application submitted by Harmony Bank to establish a branch office at 5000 Maple Ave Dallas, TX 75235.

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.

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

Emails sent to SDPCDC from Harmony Bank

Email received on Monday, May 22, 2023, at 9:57 AM

*We have received the inquiries that you submitted through our online platform.
We will not be sending a business or personal loan application to you.*

As we have previously communicated, Harmony Bank does not intend to do business with an individual or organization that has made public false and libelous complaints against the bank. In those complaints, you have made numerous allegations about our bank, and as such, we do not understand why you have any interest in doing business with a bank that you clearly have a negative opinion of. There are many banks in the Dallas market – it is probably best for you and the bank for you to work with a bank of which you do not hold a negative opinion.

Email received on Friday, May 5, 2023, at 1:24 PM

Hello Mr. McGee,

The purpose of this communication is to respond to your repeated requests to officers at Texas Brand Bank to “connect you with a commercial lender.” Please be advised that Texas Brand Bank will not be providing you a connection or introduction to any of its commercial lenders. Texas Brand Bank will not accept a loan application from you or your community development corporation.

As you know, it is the position of Texas Brand Bank that recent CRA complaint filed by you on behalf of the Southern Dallas Progress Community Development Corporation against the bank was both false and libelously inaccurate. Texas Brand Bank does not intend to enter into any type of business relationship with anyone or any entity that holds such a negative opinion of the bank.

Finally, please note that we will not respond to any further communications from you, whether by phone call, letter or e-mail, now or in the future, in accordance with the preceding paragraph.

Thank you have a good day.

Texas Brand Bank violated the Equal Credit Opportunity Act (Regulation B) & Unfair or Deceptive Acts or Practices (UDAP)

Regulation B, the implementing regulation of ECOA, which was published in 1975 and has been followed by courts around the country for almost five decades, explicitly states that ECOA applies to both applicants and prospective applicants. The section of Regulation B entitled “Discouragement” 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.” **Texas Brand Bank violates Regulation B’s anti-discouragement rule.**

Unfair or Deceptive Acts or Practices (UDAP) is under Section 5 of the Federal Trade Commission Act (FTC Act) as well as Unfair, Deceptive, or Abusive Acts or Practices (UDAAP) pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

The Federal Trade Commission Act (“FTC Act”), enforced by the FTC, has prohibited unfair or deceptive acts or practices in commerce for almost 70 years. Section 5 of the FTC Act prohibits, in part, “unfair . . . acts or practices in or affecting commerce.” The CFPB has independent unfairness authority, granted by Title X of the Dodd-Frank Act. That authority is interpreted similarly to Section 5 of the FTC Act, and the FTC and CFPB have agreed to coordinate their rulemaking and enforcement activities to ensure

consistency and avoid duplication. Both statutes prohibit "unfair" and "deceptive" practices, and the Dodd-Frank Act separately prohibits "abusive" practices.

It is an "Unfair Practice" that Texas Brand Bank's policy allows for a potential customer to be banned from doing business with the bank due to a community member disputing a merger and/or filing a written complaint. **In short, Texas Brand Bank violates UDAAP.**

Conclusion

On behalf of the Southern Dallas Community, we ask that you deny this application.

Sincerely,

James McGee

James McGee
President/Chair
JMcGee@SouthernDallasProgress.com
Southern Dallas Progress Community Development Corporation



Harmony Bank

Better Happens Together

October 18, 2023

Via Regular Mail

Mr. James McGee
President/Chair
Southern Dallas Progress Community Development Corporation
1402 Corinth Street, #147
Dallas, Texas 75215

Re: October 3, 2023 Correspondence (the "Letter of Non-Support") of James McGee ("Mr. McGee") and the Southern Dallas Progress Community Development Corporation (the "SDPCDC")

Dear Mr. McGee:

The purpose of this letter is to correct the record relating to certain statements made by you and the SDPCDC in the Letter of Non-Support submitted to Harmony Bank (the "Bank") and to the Federal Deposit Insurance Corporation (the "FDIC").

First, we note that the Letter of Non-Support does not raise any new issues or information. Once again, you have claimed with no evidence that the Bank is not meeting the needs of the Southern Dallas community and that the Bank "fails to provide small business and/or consumer lending services in Southern Dallas' majority African American/Hispanic communities."

We have previously provided evidence that this allegation is not accurate. That you continue to publicly make these false allegations is reckless and in bad faith. Specifically, we note that as of December 2022, the Bank had 85 outstanding loans totaling \$30,744,758 in the ten zip codes in the Dallas metroplex with the highest percentage of African American population according to Zip Atlas. Further, we note that you are well aware that the Bank has two locations in Southern Dallas and a third location that is less than one mile away. As we have previously communicated, the Bank's presence in these communities makes access to banking services easier for African Americans who are residents of the Southern Dallas neighborhoods.

We note that your Letter of Non-Support again alleges that the Bank violated the Equal Credit Opportunity Act and the Unfair or Deceptive Acts or Practices provisions of the Federal Trade Commission Act. The Bank previously has responded to these same allegations that were contained in your May 22, 2023 complaint. We reiterate that the Bank did not refuse to provide you with a loan application "due to a community member disputing a merger and/or filing a written complaint."

Mr. James McGee

October 18, 2023

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The mere fact that the protest and the CRA complaint were filed was not the reason for the Bank's refusal to provide you with a loan application.

Our email communications and our response to your allegations have made it clear that our refusal to provide you with a loan application is due to the blatant false and libelous nature of the allegations included in your public complaints. Again, our refusal is based on our concern that your protest and CRA complaint both included damaging and factually inaccurate allegations regarding the Bank. Your CRA complaint, in particular, accuses the Bank and its officers of violating federal laws. The Bank believes that you knew (or at the very least did not bother to verify) that those allegations were untrue at the time they were made. You continued to make similar claims in the protest filed with respect to the Bank's proposed merger. At that point, you were in possession of extensive information regarding the Bank's CRA efforts and, still, you continued to allege claims with no evidence that the Bank was not providing lending services to minority and low-income communities. It is your blatant disregard for facts and the truth that creates concern for the Bank.

You have now made several statements alleging that the Bank has violated Regulation B. Merely quoting the regulation does not establish that there is a violation. The Equal Credit Opportunity Act and Regulation B provide that a creditor may not discourage loan applicants **"on a prohibited basis."** The Bank's decision with respect to connecting you with a lender was not made based on any prohibited basis. Your continued claims that the decision was a result of the fact that you filed a CRA complaint and a merger protest against the Bank does not make that true.

Further, your argument that the Bank has violated UDAP because it is an "unfair practice" for the Bank to ban a potential customer from doing business with the Bank due to the fact that you have disputed a merger or filed a written complaint is without any truth or merit. Again, the Bank's decision to not do business with you is based on the numerous false allegations and total inaccuracies included in your public protest letter and CRA complaint – not the fact that the merger was protested or that a CRA complaint was filed. The Bank simply cannot trust any information that might be provided by you on a loan application. Given your pattern and practice of disregard for the accuracy of statements made in your business communications, the Bank does not believe it would be able to rely upon information that might be included by you in a loan application or any other form of supporting documentation. A demonstrated lack of forthright and trustworthy communication creates a high level of concern for the Bank with respect to any prospective borrower.

Finally, we note that you claim that your goal is to help the low-income and minority communities in Southern Dallas. However, your continued attacks on the only Bank with multiple branches in Southern Dallas have the exact opposite effect. Those attacks are damaging and harmful to the Bank, requiring that the Bank expend significant resources in defending against and responding to your false allegations. This detracts from the resources that would otherwise be available for the Bank to deploy for the benefit of Southern Dallas.





October 6, 2023

Mr. James McGee
President/Chair
Southern Dallas Progress Community Development Corporation
1402 Corinth Street, Suite 147
Dallas, Texas 75215

Subject: Harmony Bank – Application to Establish a Branch Office in Dallas, Texas

Dear Mr. McGee,

This letter serves to acknowledge receipt of your correspondence dated October 3, 2023, concerning an application filed by Harmony Bank, Dallas, Texas, on September 22, 2023, to establish a branch office at 5000 Maple Avenue, Dallas, Texas.

We reviewed your correspondence in accordance with the guidelines of 12 C.F.R. Section 303.2(c) and (1) and do not consider the issues raised therein to constitute a protest for the purposes of this application. This determination is based on the Dallas Region recently completing a review of the allegations included in your correspondence regarding the bank's lending performance in Southern Dallas. Although not considered a protest, your comments will be taken under consideration in our review of the pending application.

Your correspondence also notes concerns about Equal Credit Opportunity Act (Regulation B) and Unfair or Deceptive Acts or Practices (UDAP). Review of these issues is already underway by this office, and we will communicate separately with you on these matters.

We are forwarding your comments to the applicant for their consideration and direct response to you. Any future comments should be sent to the applicant and this office.

If there are any questions regarding this letter, please contact Assistant Regional Director Rafael A. Valle at (615) 391-0098, extension 4812 or RValle@fdic.gov. You may also contact Review Examiner Lauri S. Angle at (972) 761-8337 or LAngle@fdic.gov.

Sincerely,

David E. Wright
Deputy Regional Director

cc:

Harmony Bank



Harmony Bank

Better Happens Together

October 12, 2023

Via FDIC Secure Email

Mr. Rafael A. Valle
Assistant Regional Director
Dallas Regional Office
Federal Deposit Insurance Corporation
600 North Pearl Street, Suite 700
Dallas, Texas 75701

Re: October 3, 2023 Correspondence ("Letter of Non-Support") of James McGee ("Mr. McGee") and the Southern Dallas Progress Community Development Corporation ("SDPCDC") relating to Harmony Bank (the "Bank")

Dear Mr. Valle:

The purpose of this letter (the "October Response Letter") is to correct the record relating to certain statements made by Mr. McGee and the SDPCDC in the Letter of Non-Support submitted to the FDIC. Once again, Mr. McGee claims that the Bank is not meeting the needs of the Southern Dallas community and that the Bank "fails to provide small business and/or consumer lending services in Southern Dallas' majority African American/Hispanic communities."

The Bank considers this to be a libelously false statement. Mr. McGee and the SDPCDC have made this same claim repeatedly. However, in its numerous interactions with Mr. McGee, the Bank has previously shared its lending statistics with Mr. McGee which clearly show that the Bank does, in fact, make loans in those communities. The fact that Mr. McGee continues to make these allegations publicly after receiving statistical evidence that refutes the claims is reckless and abusive behavior.

We have previously provided the FDIC with statistical information of the Bank's lending activities by zip code. In response to Mr. McGee's allegation that the Bank is not providing "small business and/or consumer lending service in South Dallas' majority African American/Hispanic communities, we note that as of December 2022, the Bank had 85 loans

outstanding for a total of \$30,744,758 in the ten zip codes in the Dallas metroplex with the highest percentage of African American population according to Zip Atlas. We have previously provided the FDIC (as an exhibit to our June 16, 2023 response to Mr. McGee's earlier complaint) with a detailed breakdown of the Bank's lending activities by zip code.

These statistics clearly show that the Bank does provide lending services in African American communities. Further, Mr. McGee is well aware that the Bank has multiple locations in Southern Dallas. The fact that the Bank has locations in and near the African American communities provides those communities with easy access to banking services. Despite Mr. McGee's knowledge of the Bank's presence and efforts in these communities, he continues to make false allegations against the Bank with respect to its lending practices.

Mr. McGee's Letter of Non-Support also discusses the Bank's refusal to connect him with a loan officer and claims that such refusal is a violation of the Equal Credit Opportunity Act ("ECOA"). Mr. McGee previously made this allegation in a complaint that he filed with the FDIC's Consumer Response Unit by letter dated May 22, 2023 (the "Complaint"). The Bank believes that its response dated June 16, 2023 to the Complaint makes it clear that the Bank's actions are not a violation of ECOA because the Bank's refusal to provide Mr. McGee with a loan application was not on a prohibited basis. The Bank refers to its June 16, 2023 response and urges the FDIC to review its analysis set forth in such response.

Further, Mr. McGee's Letter of Non-Support inaccurately describes the Bank's refusal to connect Mr. McGee and the SDPCDC with a loan officer as being based on the fact that "a community member disputing a merger and/or filing a written complaint [sic]." That is not the case. The Bank's decision to not provide Mr. McGee with a loan application was based on the blatantly false allegations that Mr. McGee and the SDPCDC included in the public complaints filed against the Bank. Mr. McGee's willingness to publicly allege that the Bank has violated federal law and/or failed to comply with its regulatory requirements when he knows that neither is true (or at the very least, did not bother to verify such allegations before making them publicly) makes it difficult for the Bank to believe that he would be truthful in his completion of a loan application. In short, it is not the fact that Mr. McGee filed a CRA complaint and a merger protest against the Bank that resulted in the Bank's decision to not provide the requested loan application, rather, it was the egregiously inaccurate information alleged in those public comments that led the Bank to its decision.

Mr. McGee has repeatedly made false allegations against the Bank in which he accuses the Bank of violating federal laws. The FDIC has reviewed those allegations both in connection with its review of the Bank's compliance with the Community Reinvestment Act (CRA) and in connection with its review and approval of the Bank's application to merge with Texas Brand Bank. At both times, the FDIC has determined that the Bank is in compliance with applicable CRA requirements.

In fact, the results of the Bank's most recent CRA and compliance examination determined that there were no findings of discriminatory activities at the Bank. The

Mr. Rafael Valle
October 12, 2023
Page 3

“satisfactory” rating received by the Bank is evidence that the FDIC found no validity in any of the allegations made by Mr. McGee in his complaint. Similarly, the FDIC’s approval order authorizing the merger of Harmony Bank, National Association with and into Texas Brand Bank and under the name “Harmony Bank” states specifically that “the FDIC determined that the protester’s concerns related to CRA were satisfactorily resolved.”

Simply put, the Bank’s decision not to do business with Mr. McGee and the SDPCDC is not an act of retaliation. Due to Mr. McGee repeated false public allegations against the Bank, the Bank has serious concerns about Mr. McGee’s truthfulness and his ability to provide complete and accurate information on a loan application. Further, Mr. McGee’s past interactions with the Bank’s officers has been hostile and aggressive. The Bank is concerned about subjecting its staff to this type of behavior. Finally, in connection with its various interactions with Mr. McGee and the SDPCDC, the Bank has been made aware of both (Mr. McGee and the SDPCDC) being banned from participating in a federal program. This information further concerns the Bank about entering into a business relationship with this individual and/or organization.

It is clear from Mr. McGee’s continued attacks on the Bank, with the latest being the Letter of Non-Support, that Mr. McGee holds a negative opinion of the Bank. We do not believe that Mr. McGee wants to establish a business relationship with the Bank. Instead, Mr. McGee is weaponizing the regulatory process and in that behavior is damaging the Bank by forcing the Bank to expend legal fees to defend itself against these continued false allegations. The damage to the Bank is now at the point of becoming exponentially higher because the Bank is trying to expand its operations and may lose the opportunity on a proposed new location as a direct result of Mr. McGee’s misuse of the regulatory process.

We trust that this information is helpful. Please let us know if further information is needed to resolve this matter.

Sincerely,



cc: Ms. Lauri Angle (FDIC; via secure email)
Mr. Jay Riley (Texas Department of Banking; via email)



Improving Lives, One Community at a Time

June 24, 2023

FDIC's Consumer Response Center
1100 Walnut St., Box #11
Kansas City, MO 64106

Texas Brand Bank
4161 McKinney Ave. Suite 101
Dallas, TX 75204

FDIC Reference No: 01584034

Response to Texas Brand Bank

Dear Regulator,

This letter responds to the misleading letter provided by Texas Brand Bank dated 6/16/2023. As mentioned in my letter dated May 22, 2023, Texas Brand Bank violates Equal Credit Opportunity Act (Regulation B) & Unfair or Deceptive Acts or Practices (UDAP).

Regulation B, the implementing regulation of ECOA, which was published in 1975 and has been followed by courts around the country for almost five decades, explicitly states that ECOA applies to both applicants and prospective applicants. The section of Regulation B entitled "Discouragement" 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." **Texas Bank violates Regulation B's anti-discouragement rule.**

Unfair or Deceptive Acts or Practices (UDAP) is under Section 5 of the Federal Trade Commission Act (FTC Act) as well as Unfair, Deceptive, or Abusive Acts or Practices (UDAAP) pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

The Federal Trade Commission Act ("FTC Act"), enforced by the FTC, has prohibited unfair or deceptive acts or practices in commerce for almost 70 years. Section 5 of the FTC Act prohibits, in part, "unfair . . . acts or practices in or affecting commerce." The CFPB has independent unfairness authority, granted by Title X of the Dodd-Frank Act. That authority is interpreted similarly to Section 5 of the FTC Act, and the

FTC and CFPB have agreed to coordinate their rulemaking and enforcement activities to ensure consistency and avoid duplication. Both statutes prohibit "unfair" and "deceptive" practices, and the Dodd-Frank Act separately prohibits "abusive" practices.

It is an "Unfair Practice" that Texas Bank's policy allows for a potential customer to be banned from doing business with the bank due to a community member disputing a merger and/or filing a written complaint. **In short, Texas Bank violates UDAAP.**

As an FDIC supervised institution, Texas Brank discontinue any practice that violates Regulation B & UDAP.

Sincerely,

James McGee

James McGee
President/Chair

JMcGee@SouthernDallasProgress.com

Southern Dallas Progress Community Development Corporation



Harmony Bank

Better Happens Together

June 29, 2023

Via FDIC Connect

Mr. Edward Nygard
Senior Consumer Affairs Specialist
Dallas Regional Office
Federal Deposit Insurance Corporation
600 North Pearl Street, Suite 700
Dallas, Texas 75701

***Re: Supplemental Complaint of James McGee – Alleged Discrimination
Harmony Bank formerly known as Texas Brand Bank (the “Bank”)
Ref. No. 01584034***

Dear Mr. Nygard:

The purpose of this letter (the “Response Letter”) is to respond to the supplemental communication of Mr. McGee dated June 24, 2023 (the “Supplemental Correspondence”). In the Supplemental Correspondence, Mr. James McGee states that he is providing the letter as a response to the Bank’s “misleading letter” dated June 16, 2023. (We note that Mr. McGee continues to refer to the Bank as “Texas Brand Bank,” as “Texas Bank” and even as “Texas Brank.” For purposes of this response, we assume that all such references are to the Bank.)

Much of the Supplemental Correspondence quotes various laws governing financial institutions, including the Equal Credit Opportunity Act (Regulation B) (the “ECOA”). Mr. McGee also references “Unfair and Deceptive Acts or Practices” under the Federal Trade Commission Act and mentions agreement of the FTC and the Consumer Financial Protection Bureau to the coordinate rulemaking and enforcement efforts. The Bank does not dispute this information.

However, the Bank again denies any wrongdoing or violation of the ECOA and denies that its behavior amounts to an unfair practice. The Bank believes that the initial response set forth in its letter dated June 16, 2023 remains accurate and responsive to the largely false allegations made by Mr. McGee. The Bank further believes that the Supplemental Correspondence raises no new concerns that have not already been addressed in our initial response.

We again point out that Mr. McGee mistakenly has taken the position that the Bank has determined to not do business with him based on the fact that he disputed the Bank's proposed merger or filed a written complaint against the Bank. Again, neither is true. The Bank does not desire to do business with Mr. McGee because he has repeatedly attacked the Bank and made public false allegations against the Bank. And, although the Bank's response to Mr. McGee does result in the Bank discouraging Mr. McGee from pursuing a credit application, the response is not based on any prohibited basis.

Further, the Bank has been in existence for over eighteen years, and in all that time, no one other than Mr. McGee has filed a consumer complaint or protest or made an allegation of a violation of any consumer protection law. There are no complaints in the Bank's CRA public file other than those written by Mr. McGee. During the life of the Bank's existence, the Bank has had numerous CRA/compliance examinations, and none of those examinations revealed any regulatory concerns.

Finally, Mr. McGee continues to assert that he is entitled to protection against deceptive and abusive acts by the Bank under the Federal Trade Commission Act ("FTC Act"). However, Mr. McGee's claims do not identify any action by the Bank or the Bank's interactions with him that have been deceptive or abusive nor does any of his correspondence demonstrate that any actions of the Bank have caused him harm – all of which are elements of a violation of the FTC Act. We would like to point out that Mr. McGee has never been a customer of the Bank or engaged in any transaction with the Bank and that the Bank has always been clear and direct in its communications with Mr. McGee. There has been no deception, abuse or misunderstanding which has caused harm to Mr. McGee.

In contrast, Mr. McGee has not acted or behaved in good faith, and his actions continue to cause harm to the Bank. Following his first CRA complaint in late 2020, the Bank responded to Mr. McGee with documentation that disproved many of his claims. Despite having such knowledge, during the past six months, Mr. McGee has utilized laws and regulations that are designed to protect consumers to launch unwarranted claims against the Bank designed to cause damage to the Bank. His claims have been similar to the claims that the Bank previously responded to, providing information to him that showed the inaccuracy of such claims. He has utilized the FDIC's consumer response unit to force the Bank to respond to his harassing communications. His actions have resulted in the use of resources to review and respond to his complaints, which resources could have been utilized for the benefit of the Southern Dallas communities. His continued attacks on the Bank create very real damage to the Bank in the use of executive time and energy and in legal fees. In addition, his continued use of banking laws and regulations result in the use of regulatory resources that could be better utilized on other matters.

Please do not hesitate to let us know if any additional information is necessary to process the investigation.

Sincerely, Amy Thorpe, SVP, CCO

RECEIVED

MAY 26 2023

FDIC
KANSAS CITY REGION



Improving Lives, One Community at a Time

May 22, 2023

Texas Brand Bank
4161 McKinney Ave. Suite 101
Dallas, TX 75204

Compliant Against Texas Brand Bank

Dear Regulator,

My name is James McGee, I am an African American male that resides in a LMI Census Tract in Dallas. Also, I am President of Southern Dallas Progress CDC.

I have received 2 emails from Texas Brand Bank that I believe violates Equal Credit Opportunity Act (Regulation B) & Unfair or Deceptive Acts or Practices (UDAP).

Also, these emails were received after I disputed their bank merger and this an act of retaliation against me personally and our nonprofit that serves the LMI community.

Sincerely,

James McGee

James McGee
President/Chair
JMcGee@SouthernDallasProgress.com
Southern Dallas Progress Community Development Corporation



Harmony Bank

Better Happens Together

June 16, 2023

Via Regular Mail

Mr. James McGee
President/Chair
Southern Dallas Progress Community Development Corporation
1402 Corinth Street, #147
Dallas, Texas 75215

**Re: *Complaint of Alleged Discrimination
Harmony Bank formerly known as Texas Brand Bank (the "Bank")
FDIC Ref. No. 01584034***

Dear Mr. McGee:

The purpose of this letter is to respond to your complaint (the "Complaint") filed with the FDIC against the Bank dated May 22, 2023. In the Complaint, you allege that the Bank discriminated against you in violation of the Equal Credit Opportunity Act and that the Bank's action amounted to an Unfair, Deceptive or Abusive Act or Practice because the Bank refused to provide you with a loan application.

As you know, you have had a tumultuous and antagonistic relationship with the Bank for several years. During that time, you have filed a formal CRA complaint against the Bank, which is in the Bank's public CRA file and have filed a formal protest against a merger transaction in which the Bank was engaged. You also have filed two previous complaints against the Bank with the FDIC's consumer response unit. Throughout all of this interaction, the Bank has provided responses to your complaints and protests that include voluminous documentation that your public allegations are not accurate. Regardless, you continue to submit complaints making duplicative false allegations that ignore the factual information previously provided to you and which the Bank has previously disproved.

You have now requested that the Bank connect you with a loan officer, and the Bank has responded that it does not intend to do business with you.

You have mistakenly taken the position that the Bank's determination to not do business with you is based on your race and/or your residence in an LMI Census Tract. Neither is true. The Bank's decision to not engage in a business relationship with you has nothing to do with your race or where you reside. The Bank does not desire to do business with any individual who has repeatedly attacked the Bank and made public false allegations against the Bank.

As you know from our responses to your prior complaints, the Bank has numerous African American customers and makes many loans in LMI Census Tracts. You also know that the Bank has multiple locations in Southern Dallas, making access to banking services more accessible to the largely African American community living in the Southern Dallas neighborhoods.

As is mentioned above, our decision with respect to your request for a loan application has nothing to do with your race or the location of your residence. In fact, the Bank has no knowledge of where you reside, and accordingly, the decision to not connect you with a lender is not related to whether or not you reside in a LMI Census Tract. Simply put, the Bank will not do business with an individual that has repeatedly made public false and libelous allegations against the Bank. The Bank doubts the ability to develop a successful business relationship under these circumstances.

You also have alleged that the Bank's refusal to do business with you is an act of retaliation. While the Bank's decision to not engage in a business relationship with you is in large part based on your prior actions, this decision is not an act of retaliation. The Bank did not actively retaliate against you following the filing of the protest to the bank merger. In fact, the Bank was happy to move down the road and let you do the same. The Bank did not in any way seek to attack you or your reputation, although you have repeatedly attacked ours. Basing the decision to not engage in business with an individual on the Bank's knowledge of that individual's past behavior is merely smart business and human nature. Using knowledge of a person's past actions in forming a decision does not amount to an act of retaliation.

As is clear from your interactions with the Bank, you hold a negative opinion of the Bank. We cannot conceive why you would want to establish a business relationship with a bank that you have frequently denigrated and falsely accused of violating numerous federal statutes. We have not and will not establish a business relationship with someone who has repeatedly made false and libelous allegations against the Bank.

Cordially,

Cc: FDIC Consumer Response Unit



Division of
Depositor and
Consumer Protection

National Center for Consumer & Depositor Assistance
1100 Walnut Street, Box #11
Kansas City, Missouri 64106
Toll Free: (877) 275-3342; Option 2

May 31, 2023
Ref. No. 01584034

Texas Brand Bank
4161 McKinney Ave, Ste. 101
Dallas, TX 75204

Re: Complaint of James McGee - Alleged Discrimination

Dear Compliance Officer:

The FDIC's Consumer Response Unit received the above referenced correspondence about your bank. Please download the related documents and investigate the issues raised in the complaint.

We ask that you then respond directly to the complainant in writing addressing their complaint or inquiry. Communications with the complainant may advise the FDIC's Consumer Response Unit has been carbon copied, but please refrain from including names or contact information for FDIC personnel. **Your response must address the alleged discrimination which was alleged on the basis of race, redlining, and the fact that the applicant has in good faith exercised any right under the Consumer Credit Protection Act.** Please follow existing Customer Identification Procedures when responding to the complainant, especially concerning sensitive account information. In some cases, it might be necessary for the bank to contact the consumer to obtain additional information about the complainant's identity.

In the event there is additional information related to the complaint that cannot be included in the bank's response to the complainant, a separate response should also be provided to the Consumer Response Unit. **In all instances, please provide our office a copy of the response sent to the complainant.**

Based on our preliminary review of this complaint, we also request the following items as the minimum response to this complaint. Please use the case number shown above when responding.

- Fair Lending Policies and Procedures
- Lending Policies and Standards for this credit product
- Account history for the complainant, if available
- Records of any bank correspondence or interaction with the consumer
- Any other applicable records you deem necessary

Please provide your written response through FDICconnect within 20 calendar days of receipt of this letter. Be advised your response to the FDIC could be released under the Freedom of Information Act or the Privacy Act.

If there are any questions regarding this matter, please contact me at (972) 761-8408. Alternatively, you may contact the Consumer Response Unit at 1-800-378-9581. Your prompt response is appreciated.

Sincerely,

Edward Nygard
Senior Consumer Affairs Specialist

Enclosure



Division of
Depositor and
Consumer Protection

National Center for Consumer & Depositor Assistance
1100 Walnut Street, Box #11
Kansas City, Missouri 64106
Toll Free: (877) 275-3342; Option 2

September 26, 2023
Ref. No. 01584034

James McGee
1402 Corinth, #147
Dallas, TX 75215

Re: Harmony Bank

Dear James McGee:

The FDIC's Consumer Response Unit received your correspondence on May 26, 2023. We also contacted the Bank on your behalf.

We continue to research your concerns regarding alleged discrimination. Our review has exceeded the original estimate of 120 days; however, it is important that we review all documentation and correspondence before determining the applicable regulatory requirements. Once completed, a written response with applicable regulatory guidance will be forwarded to you. Until that time, please contact our office with any additional information or questions. Our contact information is provided below.

We hope to complete this process shortly. Thank you for your patience.

Sincerely,

Consumer Response Unit
National Center for Consumer and Depositor Assistance
Federal Deposit Insurance Corporation
Website: www.fdic.gov
Telephone: (877) ASK-FDIC

SDPC DC
1402 Corinth #149
Dallas, TX 75215

NORTH TEXAS TX 750

22 MAY 2023 PM 5 L



FOREVER

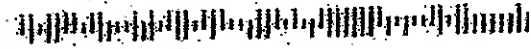
RECEIVED

MAY 26 2023

FDIC
KANSAS CITY REGION

FDIC Compliant
1100 Walnut St. B
KC, MO, 64101

64106-219345



replied 5-5-23

Customer Assistance Form

FDIC 3064-0134 Expiration Date XX XX XXXX

Privacy Act Statement

Collection of this information is authorized by 12 U.S.C. §§ 1818 and 1819 and 15 U.S.C. § 57a(f). The information you provide to the FDIC on this form will be used to investigate and respond to your complaint or inquiry. The information you provide may be disclosed to the institution which is the subject of the complaint or inquiry and to any third party sources, when necessary to investigate or resolve the complaint or inquiry; to the Federal or State supervisory authority that has direct supervision over the financial institution that is the subject of the complaint or inquiry; to appropriate Federal, state or local authorities agencies if a violation or possible violation of a civil or criminal law is apparent; to a congressional office in response to an inquiry made at your request; to a court, magistrate or administrative tribunal in the event of litigation, or in accordance with the other "routine uses of records" listed in the FDIC's Consumer Complaint and Inquiry System of Records, # 30-64-0005. Completing this form is voluntary, but failure to provide all of the information may delay or preclude investigation of your complaint or inquiry.

Last Updated 09.23.2015

Paperwork Reduction Act Statement

Public reporting burden for this collection of information is estimated to average .25 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and review the collection of information.

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Paper Reduction Act Clearance Officer, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429, and the Office of Management and Budget, Paperwork Reduction Project (3064-0134), Washington, D.C. 20503.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection unless it displays a currently valid OMB control number.

Last Updated 09.23.2015

Please complete this form if you have an inquiry or a complaint regarding your financial institution. Once the form has been submitted you will receive the Customer Assistance Confirmation page indicating that your request has been received.

Please note:

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

* Required Fields

Indicate whether you are a: Consumer

Requester Information:

Salutation
 *Last Name McGee
 Middle Name
 *Email jmcgee@southerndallasprogress.com

*First Name James

Home Phone 4693715487 Business Phone 4693715487 Mobile Phone 4693715487
*Mailing Street 1402 Corinth #147 *Mailing State/Province TX
*Mailing City Dallas
*Mailing Zip/Postal Code 75215
*Mailing Country United States
Best Way to Contact Email
Best Time to Contact Morning

Is this request submitted on behalf of you and another individual? No

*Last Name *First Name
Email
Home Phone Business Phone Mobile Phone
*Mailing Street *Mailing State/Province
*Mailing City
*Mailing Zip/Postal Code
*Mailing Country

Additional Contact Information:

Do you want us to communicate with another individual on your behalf, such as a family member, attorney, or other person representing you about this complaint? No

If you list someone you authorize us to communicate with the listed individual and provide information to that individual as well.

*Representative Last Name First Name
Relationship Email
Home Phone Business Phone Mobile Phone
*Mailing Street *Mailing State/Province
*Mailing City
*Mailing Zip/Postal Code
*Mailing Country

Does your request involve a specific financial institution? Yes

*Financial Institution Texas Brand Bank
Mailing Street 4161 Mckinney Ave, Ste 101 *Mailing State/Province TX
*Mailing City DALLAS
*Mailing Zip/Postal Code 75204
*Mailing Country United States
Institution Phone Number
FI: Type of accounts

Have you tried to resolve your complaint with your financial institution or company? No
*When? *Resolve: How
Resolve: Contact

Name
Resolve: Title
Have you filed a complaint or contacted another government agency? No
*Gov Agency:
Agency Name

Complaint Information:

Describe events in the order in which 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). Do not include personal or confidential information such as your social security, credit card, or bank account numbers. If you need to provide **COPIES** of any supporting documentation such as contracts, monthly statements, receipts or any correspondence with the bank (do not send original documents), you may mail this information to:

***Please describe below the nature of your complaint or inquiry.**

I contacted Amy Thorpe and William Lowe several times since February 2023 asking them to connect me with a commercial lender; they have failed to provide that connection. I did advise them that I am interested in applying for a loan

Please be advised that the issues described in this complaint will be shared with the financial institution or company in question for their response.

***Desired Resolution**

What action by the financial institution or company would resolve this matter to your satisfaction?
Amy Thorpe and William Lowe should connect me with a commercial lender

***Checking this box authorizes the FDIC to respond to your inquiry**

Response to complaint

Amy Thorpe <amyt@texasbrandbank.com>

Fri 5/5/2023 1:24 PM

To: James McGee <jmcgee@southerndallasprogress.com>

Cc: WE Lowe <WELowe@texasbrandbank.com>; Pam O'Quinn <POQuinn@fkhpartners.com>

📎 1 attachments (1 KB)

image001.emz;

53021.0002 162902v2

Hello

Mr. McGee,

The purpose of this communication is to respond to your repeated requests to officers at Texas Brand Bank to "connect you with a commercial lender." Please be advised that Texas Brand Bank will not be providing you a connection or introduction to any of its commercial lenders. Texas Brand Bank will not accept a loan application from you or your community development corporation.

As you know, it is the position of Texas Brand Bank that recent CRA complaint filed by you on behalf of the Southern Dallas Progress Community Development Corporation against the bank was both false and libelously inaccurate. Texas Brand Bank does not intend to enter into any type of business relationship with anyone or any entity that holds such a negative opinion of the bank.

Finally, please note that we will not respond to any further communications from you, whether by phone call, letter or e-mail, now or in the future, in accordance with the preceding paragraph.

Thank you have a good day.

Amy Thorpe, CRCM, CAMS

VP/Compliance & BSA Officer

TEXASBRANDBANK


amyt@texasbrandbank.com

1919 South Shiloh Road, Suite 100, LB 30

Garland, TX 75042

(972) 494-9815 – Direct Line

(972) 494-9800 – Main Line

(469) 429-1432 – Fax

IMPORTANT/CONFIDENTIAL: This transmission was sent from Texas Brand Bank and is intended only for the use of the addressee shown. It contains information that may be privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient of this transmission, you are hereby notified that the copying, use, or distribution of any information or materials transmitted herewith is strictly prohibited. If you have received this transmission by mistake, please destroy the original message and immediately call me collect at (972) 494-9800.

online request

Amy Thorpe <amyt@texasbrandbank.com>

Mon 5/22/2023 9:57 AM

To: James McGee <jmcgee@southerndallasprogress.com>

Cc: WE Lowe <WELowe@texasbrandbank.com>; Pam O'Quinn <POQuinn@fkhpartners.com>

Mr. McGee:

We have received the inquiries that you submitted through our online platform.

We will not be sending a business or personal loan application to you.

As we have previously communicated, Harmony Bank does not intend to do business with an individual or organization that has made public false and libelous complaints against the bank. In those complaints, you have made numerous allegations about our bank, and as such, we do not understand why you have any interest in doing business with a bank that you clearly have a negative opinion of.

There are many banks in the Dallas market – it is probably best for you and the bank for you to work with a bank of which you do not hold a negative opinion.

Thank you and have a good day.

Amy Thorpe, CRCM, CAMS

VP/Compliance & BSA Officer



Harmony Bank

Better Happens Together

amyt@texasbrandbank.com

247 W. Davis St.

Dallas, TX 75208

(972) 494-9815 – Direct Line

(972) 494-9800 – Main Line

(469) 429-1432 – Fax

Disclaimer: This e-mail may contain confidential bank information. Unintended recipients cannot use, distribute, or copy the message or attachments. Unintended recipients should notify the bank upon receipt of the e-mail. Personal opinions, conclusions, or other information expressed in the e-mail are neither given nor endorsed by the bank. The bank will never request personal or financial information via unsecured e-mail.

replied 2-15-23

Customer Assistance Form

FDIC 3064-0134 Expiration Date: XX.XX.XXXX

Privacy Act Statement

Collection of this information is authorized by 12 U.S.C. §§ 1818 and 1819 and 15 U.S.C. § 57a(f). The information you provide to the FDIC on this form will be used to investigate and respond to your complaint or inquiry. The information you provide may be disclosed to the institution which is the subject of the complaint or inquiry and to any third party sources, when necessary to investigate or resolve the complaint or inquiry; to the Federal or State supervisory authority that has direct supervision over the financial institution that is the subject of the complaint or inquiry; to appropriate Federal, state or local authorities agencies if a violation or possible violation of a civil or criminal law is apparent; to a congressional office in response to an inquiry made at your request; to a court, magistrate or administrative tribunal in the event of litigation, or in accordance with the other "routine uses of records" listed in the FDIC's Consumer Complaint and Inquiry System of Records, # 30-64-0005. Completing this form is voluntary, but failure to provide all of the information may delay or preclude investigation of your complaint or inquiry.

Last Updated 09.23.2015

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Last Updated 09.23.2015

Please complete this form if you have an inquiry or a complaint regarding your financial institution. Once the form has been submitted you will receive the Customer Assistance Confirmation page indicating that your request has been received.

Please note:

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

* Required Fields

Indicate whether you are a: Consumer

Requester Information:

Salutation
*Last Name McGee
Middle Name
*Email jmcgee@southerndallasprogress.com

*First Name James

Home Phone 4693715487 Business Phone 4693715487 Mobile Phone 4693715487
 *Mailing Street 1402 Corinth #147
 *Mailing City Dallas *Mailing State/Province TX
 *Mailing Zip/Postal Code 75215
 *Mailing Country United States
 Best Way to Contact Email
 Best Time to Contact Morning

Is this request submitted on behalf of you and another individual? No

*Last Name *First Name
 Email
 Home Phone Business Phone Mobile Phone
 *Mailing Street
 *Mailing City *Mailing State/Province
 *Mailing Zip/Postal Code
 *Mailing Country

Additional Contact Information:

Do you want us to communicate with another individual on your behalf, such as a family member, attorney, or other person representing you about this complaint? No

If you list someone you authorize us to communicate with the listed individual and provide information to that individual as well.

*Representative Last Name First Name
 Relationship Email
 Home Phone Business Phone Mobile Phone
 *Mailing Street
 *Mailing City *Mailing State/Province
 *Mailing Zip/Postal Code
 *Mailing Country

Does your request involve a specific financial institution? No

*Financial Institution
 Mailing Street
 *Mailing City *Mailing State/Province
 *Mailing Zip/Postal Code
 *Mailing Country
 Institution Phone Number
 FI: Type of accounts

Have you tried to resolve your complaint with your financial institution or company? No

*When? *Resolve: How
 Resolve: Contact

Name _____ Resolve: Title _____
Have you filed a complaint or contacted another government agency? No
*Gov Agency:
Agency Name

Complaint Information:

Describe events in the order in which 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). Do not include personal or confidential information such as your social security, credit card, or bank account numbers. If you need to provide **COPIES** of any supporting documentation such as contracts, monthly statements, receipts or any correspondence with the bank (do not send original documents), you may mail this information to:

***Please describe below the nature of your complaint or inquiry.**

William Lowe and Amy Thorpe with Texas Brand Bank did not respond to my emails about the Bankwork\$ program. welowe@texasbrandbank.com amyt@texasbrandbank.com

Please be advised that the issues described in this complaint will be shared with the financial institution or company in question for their response.

***Desired Resolution**

What action by the financial institution or company would resolve this matter to your satisfaction?

William Lowe and Amy Thorpe with Texas Brand Bank can respond to my emails about the Bankwork\$ program.

***Checking this box authorizes the FDIC to respond to your inquiry**

Mr. McGee,

We are in receipt of your complaint submitted to the FDIC's Consumer Response Unit.

As you know, you filed a CRA complaint/protest with Texas Brand Bank and the FDIC. That complaint included multiple false allegations about the bank. Texas Brand Bank responded to your complaint through the formal channels established by the FDIC. You then promptly sent multiple informal e-mails to the bank and its compliance staff. Given the false allegations set forth in your complaint, Texas Brand Bank notified you that the bank intended to maintain all communications with you through the FDIC's formal channels relating to the application and the CRA protest.

Texas Brand Bank does not intend to respond to your continued informal email communications, and it is not required to do so.

Sincerely,

Amy Thorpe

Compliance Officer

Cc: FDIC Consumer Response Unit

Amy Thorpe

From: Amy Thorpe
Sent: Wednesday, February 15, 2023 3:16 PM
To: James McGee
Cc: WE Lowe
Subject: RE: Bankwork\$-Texas Brand Bank

Mr. McGee,

We are in receipt of your complaint submitted to the FDIC's Consumer Response Unit.

As you know, you filed a CRA complaint/protest with Texas Brand Bank and the FDIC. That complaint included multiple false allegations about the bank. Texas Brand Bank responded to your complaint through the formal channels established by the FDIC. You then promptly sent multiple informal e-mails to the bank and its compliance staff. Given the false allegations set forth in your complaint, Texas Brand Bank notified you that the bank intended to maintain all communications with you through the FDIC's formal channels relating to the application and the CRA protest. Texas Brand Bank does not intend to respond to your continued informal email communications, and it is not required to do so.

Sincerely,

Amy Thorpe, CRCM, CAMS

VP/Compliance & BSA Officer

TEXASBRANDBANK


amyt@texasbrandbank.com

1919 South Shiloh Road, Suite 100, LB 30

Garland, TX 75042

(972) 494-9815 – Direct Line

(972) 494-9800 – Main Line

(469) 429-1432 – Fax

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From: James McGee <jmcgee@southerndallasprogress.com>

Sent: Thursday, February 2, 2023 7:05 PM

To: WE Lowe <WELOWE@texasbrandbank.com>; Amy Thorpe <amyt@texasbrandbank.com>

Cc: Philip Weaver <philip.weaver@harmony.bank>

Subject: Re: Bankwork\$-Texas Brand Bank

The message below is from an external source. Please do not open unexpected attachments or links from an unknown or suspicious origin. Think before you click!

Hello,

Just a reminder that I am pending a response to the email below.

ank

James McGee

President/Chair

JMcGee@SouthernDallasProgress.com

Southern Dallas Progress Community Development Corporation

Improving Lives, One Community at a Time
1402 Corinth St #147

Dallas, Texas 75215

Phone: 469-371-5487

From: James McGee <jmcgee@southerndallasprogress.com>

Sent: Sunday, January 22, 2023 7:02 AM

To: WE Lowe <WELowe@texasbrandbank.com>; Amy Thorpe <amyt@texasbrandbank.com>

Cc: Philip Weaver <philip.weaver@harmony.bank>

Subject: Bankwork\$-Texas Brand Bank

Hello,

Does your bank support this banking program?

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

If not, is your bank interested in supporting this outstanding workforce development program?

Thanks

James McGee

President/Chair

JMcGee@SouthernDallasProgress.com

Southern Dallas Progress Community Development Corporation

Improving Lives, One Community at a Time

1402 Corinth St #147

Dallas, Texas 75215

Phone: 469-371-5487

Total Control Panel

[Login](#)

To: amyt@texasbrandbank.com

[Remove](#) this sender from my allow list

From:

jmcgee@southerndallasprogress.com

You received this message because the sender is on your allow list.



Division of
Depositor and
Consumer Protection

National Center for Consumer & Depositor Assistance
1100 Walnut Street, Box #11
Kansas City, Missouri 64106
Toll Free: (877) 275-3342; Option 2

April 17, 2023
Ref. No. 01554746

Texas Brand Bank
4161 Mckinney Ave, Ste 101
DALLAS, TX 75204

Re: Complaint of James McGee

Dear Compliance Officer:

The FDIC's Consumer Response Unit (CRU) received the above referenced correspondence about your bank.

Our records indicate this complaint is an appeal to a prior case reviewed by our office and responded to by the bank. The bank's response indicates -

Bank notified you that the bank intended to maintain all communications with you through the FDIC's formal channels relating to the application and the CRA protest. Texas Brand Bank does not intend to respond to your continued informal email communications, and it is not required to do so.

Please download the related documents and investigate the issues raised in the complaint about getting a loan officer to contact him.

Please respond directly to the complainant in writing addressing these concerns and follow existing Customer Identification Procedures when providing your response. In some cases, it might be necessary for the bank to contact the consumer to obtain additional information about the complainant's identity. In the event there is additional information related to the complaint that cannot be included in the bank's response to the complainant, a separate response should also be provided to the CRU. **In all instances, please provide our office a copy of the response sent to the complainant.**

Please provide your written response through FDICconnect within 20 calendar days of receipt of this letter. Be advised your response to the FDIC could be released under the Freedom of Information Act or the Privacy Act.

If there are any questions regarding this matter, please contact me at (703) 254-0916. Your prompt response is appreciated.

Sincerely,

Susan Welsh
Senior Consumer Affairs Specialist (QA)

Enclosure



Improving Lives, One Community at a Time

January 20, 2023

Texas Brand Bank
4161 McKinney Ave. Suite 101
Dallas, TX 75204

Federal Deposit Insurance Corporation
Dallas Regional Office
1601 Bryan Street, 38th Floor
Dallas, TX 75201

RE: NOTICE OF PROPOSED BANK MERGER- Protest Letter

Dear Regulator,

The undersigned community organization is submitting this letter in response to the letter dated January 19, 2023, received from Texas Brand Bank. Texas Brand Bank failed to provide a detailed explanation of how it meets the credit needs of our community, which specifically includes low- and moderate-income neighbor located in Southern Dallas.

As a mentioned in our letter dated November 24,2022; we do not support the application to merge Harmony Bank will merge with Texas Brand Bank.

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 CREDIT NEEDS

On page 5 of this Federal Reserve report, the map colors depict areas of greater Dallas County according to credit score and income. The light and dark orange regions reveal that lower credit scores are largely in the southern reaches of the city where lower median household incomes are found.

<https://www.dallasfed.org/-/media/Documents/cd/cct/18cct.pdf?la=en>

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

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

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>

City of Dallas Economic Development Plan

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

Texas Brand 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 Texas Brand 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 commercial loan officers 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.

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

The Equal Credit Opportunity Act (ECOA) and Fair Housing Act (FHA) 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.

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.

Texas Brand Bank does not 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>
- Texas Brand Bank is not Bank On Certified.
- Texas Brand Bank does not offer second chance checking accounts.

Texas Brand Bank does not have any special-purpose credit programs to meet the credit needs in our underserved high minority communities 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/>
- [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>

Texas Brand Bank is not meeting the small dollar credit needs of our community, which specifically includes low- and moderate-income neighbor located in Southern Dallas. Texas Brand *fails* to provide any type of small dollar loans in the DFW MSA.

Federal Agencies define a Small Dollar Loan Program as a loan program wherein loans are offered to consumers that:

- Are made in amounts not exceeding \$2,500;
- must be repaid in installments;
- have no pre-payment penalty;
- have payments reported to at least one of the three nationwide consumer reporting agencies;
- and
- meet any other affordability requirements as may be established by the CDFI Fund.

Texas Brand Bank does not have a Small Dollar Loan Program to meet the credit needs of the Southern Dallas community.

Lack of Staff and Board Diversity

Texas Brand Bank does not have any African Americans on the Board of Directors.

Texas Brand Bank does not have any African Americans in Leadership.

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

<https://www.texasbrandbank.com/about-us/meet-our-team.html>

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.

On behalf of the Dallas County Community, would ask that you deny this merger application.

Sincerely,

James McGee

James McGee
President/Chair

JMcGee@SouthernDallasProgress.com

Southern Dallas Progress Community Development Corporation

FENIMORE KAY HARRISON

6110 COLLEYVILLE BLVD., SUITE 120
COLLEYVILLE, TEXAS 76034
214-273-6240 | FAX: 512-583-5940

PAM GATES O'QUINN

DIRECT DIAL: 214-273-6244

POQUINN@FKHPARTNERS.COM

January 24, 2023

Ms. Kristie Elmquist
Dallas Regional Office
Federal Deposit Insurance Corporation
600 North Pearl Street, Suite 700
Dallas, Texas 75201

Via FDIC Secure Email

***Re: Supplemental Complaint and Protest Letters dated January 20, 2023
(the "Supplemental Letters") from the Southern Dallas Progress CDC Relating
to Texas Brand Bank, Dallas, Texas (the "Bank")***

Dear Ms. Elmquist:

Please be advised that the Bank has received the Supplemental Letters. The letters are virtually identical although one letter claims to be a protest to the proposed merger with Harmony Bank, National Association and one claims to be a "discrimination compliant" *[sic]* for CRA purposes. The Bank has reviewed the Supplemental Letters thoroughly and does not believe that the Supplemental Letters raise any additional substantive CRA matters and/or violations from those that were alleged in the December 23, 2022 CRA Complaint previously filed by the Southern Dallas Progress CDC. The Bank believes that the initial response set forth in our firm's letter dated January 19, 2023 remains accurate and responsive to the largely false allegations made by the Southern Dallas Progress CDC and that the Supplemental Letters raise no new CRA concerns that have not already been addressed in our initial response. Texas Brand Bank will include the Supplemental Letters and this response in its public CRA file.

Further, please note that during the pendency of the application process, due to the many false and potentially libelous allegations made, the Bank prefers that all communications with the Southern Dallas Progress CDC remain in the formal setting of the FDIC's processing of the protest and the application. If you have any questions or need any additional information, please feel free to contact me at (214) 273-6244.

Yours very truly,



Pam Gates O'Quinn

Ms. Kristie Elmquist
January 24, 2023
Page 2

cc: Mr. Mark Largent (*via Café*)
Mr. Bobby Quesada (*via Café*)
Mr. Filus Smith (*via FDIC secure email*)
Mr. William E. Lowe (*via email*)
Mr. Chet Fenimore (*firm, via email*)



Improving Lives, One Community at a Time

December 23, 2022

Texas Brand Bank (FDIC # 57922)
4161 McKinney Ave. Suite 101
Dallas, TX 75204

Federal Deposit Insurance Corporation
Dallas Regional Office
1601 Bryan Street, 38th Floor
Dallas, TX 75201

RE: Discrimination Compliant

Dear FDIC,

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

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.

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

Southern Dallas Zip Codes (LMI/High Minority Areas)

75116, 75134, 75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

DALLAS CREDIT NEEDS

On page 5 of this Federal Reserve report, the map colors depict areas of greater Dallas County according to credit score and income. The light and dark orange regions reveal that lower credit scores are largely in the southern reaches of the city where lower median household incomes are found.

<https://www.dallasfed.org/-/media/Documents/cd/cct/18cct.pdf?la=en>

Concerns:

- Texas Brand Bank does not have a branch located in a high minority/high poverty¹ census tract in the DFW MSA.
- Texas Brand Bank does not originate any commercial loans in low-income census tracts in the DFW MSA.
- Texas Brand Bank does not originate any commercial loans in high minority/ high poverty² census tracts in the DFW MSA.
- Texas Brand 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.
- Texas Brand 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.
- Texas Brand Bank does not offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA

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.

Texas Brand Bank engages in unlawful discrimination 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, Texas Brand Bank engages in lending discrimination by "redlining" predominantly African American and Hispanic neighborhoods in Southern Dallas. "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.

¹ High Minority/High Poverty=Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e_0

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)

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

Texas Brand 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 Texas Brand 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 loan officers 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.

Fair Lending Concerns

I worked with the National Community Reinvestment Coalition (NCRC) to analyze the small business lending of Texas Brand Bank in the DFW MSA. This is what NCRC found.

- Small Business Lending
 - Received almost no applications from applicants for properties located in African American and Hispanic Low to Moderate Income neighborhoods in the DFW MSA
 - Texas Brand Bank does not originate any commercial loans in low-income census tracts in the DFW MSA.
 - Texas Brand Bank does not originate any commercial loans in high minority/ high poverty³ census tracts in the DFW MSA.
 - Texas Brand 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.
 - Texas Brand 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.
-

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.

Texas Brand Bank does not 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>
 - 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>

Texas Brand Bank does not have any special-purpose credit programs to address their disparities in small business lending in underserved high minority communities 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/>
- <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>

Community Development Lending

Texas Brand Bank failed to provide the number of loans made in Low to Moderate Income census tracts versus Middle to Upper Income census tracts

Small Business/Commercial Lending

Texas Brand Bank failed to provide the number of loans made in Low to Moderate Income census tracts versus Middle to Upper Income census tracts.

Lack of Staff and Board Diversity

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

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

Texas Brand Bank does not have any Mortgage Loans Officers in the DFW MSA that are African Americans and/or Hispanics.

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

The DFW MSA is majority minority.

Texas Brand Bank is not a member of any of the Minority Trade Organizations below:

<https://regionalhca.org/>

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

<https://blackcontractors.org/>

<https://aacatx.com/>

Texas Brand Bank is not a member of any of the Minority Real Estate Trade Organizations below:

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

<http://nahrepdallas.org/>

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

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

<https://wcdallas.com/>

<https://realestatealliance.org/>

<https://www.areaa.org/dfw>

Texas Brand Bank is not a member of any of the Minority Chambers below:

<https://dallasblackchamber.org/>

<https://arlingtonblackchamber.org/>

<https://fwmbcc.org/>

<https://fwhcc.org/>

<https://www.gdhcc.com/>

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

Southern Dallas Progress Community Development Corporation



Division of Risk Management Supervision
Division of Depositor and Consumer Protection

Dallas Regional Office
600 North Pearl Street, Suite 700
Dallas, Texas 75201
(214) 754-0098 FAX (972) 761-2082

January 5, 2023

William E. Lowe
Chief Executive Officer
Texas Brand Bank
4161 McKinney Avenue, Suite 101
Dallas, Texas 75204

Subject: Texas Brand Bank, Dallas, Texas
Application for Consent to Merge with
Harmony Bank, National Association, Kemp, Texas

Dear Mr. Lowe:

This letter is in reference to a Community Reinvestment Act ("CRA") protest filed by Southern Dallas Progress Community Development Corporation. As the CRA protest was received during the open comment period, it will affect the processing of your application to merge with Harmony Bank, National Association, filed on November 21, 2022. We reviewed the enclosed correspondence and consider it to constitute a protest for purposes of this application, in accordance with the provisions of 12 C.F.R. Section 303, due to adverse comments regarding Texas Brand Bank's locations, lending, and marketing efforts in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area. Therefore, your application is being removed from expedited processing. Due to the review associated with the CRA protest, this letter also serves to notify you that our review of the application may extend past our 60-day internal processing timeframe.

You may provide a written response on the protest to this office until January 20, 2023, in accordance with 12 C.F.R. Section 303. If you choose to respond in writing to the protester, please provide this office with a copy. A copy shall also be forwarded to each protester and each supervisory authority that received a copy of the application.

Please notify Assistant Regional Director Rafael A. Valle by telephone at (615) 391-0098, extension 4812 or email at rvalle@fdic.gov, within 3 business days of receiving this letter, regarding whether you intend to respond to the protest. Please contact Assistant Regional Director Valle or Review Examiner Lauri S. Angle at (972) 761-8337 or email at langle@fdic.gov with any questions you may have regarding this matter.

As a reminder, written correspondence should be addressed to Kristie K. Elmquist, Regional Director, FDIC, Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: DALMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

Sincerely,

Kristie K. Elmquist
Regional Director

Enclosure

cc: Southern Dallas Progress Community Development Corporation
Texas Department of Banking
Federal Reserve Bank of Dallas

FENIMORE KAY | HARRISON

6110 COLLEYVILLE BLVD., SUITE 120
COLLEYVILLE, TEXAS 76034
512-583-5900 | FAX: 512-583-5940

PAM GATES O'QUINN

DIRECT DIAL: 214-273-6244

POQUINN@FKHPARTNERS.COM

January 19, 2023

Ms. Kristie Elmquist
Regional Director
Federal Deposit Insurance Corporation
600 North Pearl Street, Suite 700
Dallas, Texas 75201

Via FDIC Secure Email

Re: Interagency Bank Merger Act Application ("Application") to merge Harmony Bank, National Association ("Harmony Bank"), with and into Texas Brand Bank, Dallas, Texas ("Applicant")

Dear Ms. Elmquist:

On behalf of Texas Brand Bank, Dallas, Texas ("Texas Brand Bank" or the "Bank"), we are writing in response to the correspondence (the "CRA Complaint") submitted by Mr. James McGee on behalf of the Southern Dallas Progress Community Development Corporation ("SDP") on December 23, 2022, as a CRA complaint to be included in the Bank's public CRA file. We received your letter dated January 5, 2023 informing us that the FDIC intended to treat the CRA Complaint as a protest to the Application. Although we disagree that the CRA Complaint should be treated as a protest to the Application, as it does not even use the word "protest" or reference the Application, we do appreciate the opportunity to respond.

As a preliminary matter, each of Texas Brand Bank and Harmony Bank (collectively, the "Banks") supports the mission of holding depository institutions accountable for satisfying the lending and other banking needs of the communities in which they operate. However, Texas Brand Bank unequivocally denies SDP's unfounded and unsupported allegations of discrimination and redlining, and Texas Brand Bank asserts that it is, and has been at all times, in full compliance with the Community Reinvestment Act (the "CRA"), the Equal Credit Opportunity Act (the "ECOA") and the Fair Housing Act (the "FHA"). As a community financial institution, compliance and community reinvestment are at the core of Texas Brand Bank's strategic decisions. Community banks succeed when their communities thrive. For that reason, each of Texas Brand Bank and Harmony Bank is committed to compliance with the CRA and with all other applicable laws and regulations, including the ECOA and the FHA.

Ms. Kristie Elmquist
Federal Deposit Insurance Corporation
January 19, 2023
Page 2

Texas Brand Bank and Harmony Bank are confident that the proposed Merger will enhance and strengthen the ability of the combined institution to serve the banking needs of all consumers and businesses within their combined markets. The Banks are committed to providing continued access to credit in a manner that is fair, equitable, ethical and without discrimination or redlining. The Banks welcome this opportunity to respond to the false allegations asserted by SDP, and to demonstrate how the proposed Merger will result in increased access to more banking products and services for parts of the Dallas market (including South Dallas) in which the surviving institution expects to operate.

The remainder of this letter is divided into three parts. Part I provides background regarding the Texas Brand Bank's record of performance under the CRA. Part II addresses more specifically the concerns contained in the CRA Complaint, almost all of which Texas Brand Bank believes are either based upon incomplete information or are simply false. Part III explains how the proposed Merger and additional resources available to the combined institution will expand access to banking products and services for consumers and small businesses in the Dallas market, including for those in South Dallas. In conclusion, Texas Brand Bank vehemently denies the unsubstantiated and false allegations of discrimination and redlining contained in the CRA Complaint. Further, the Banks believe that the Merger and the benefits that it will provide are consistent with the CRA, applicable fair lending and fair housing laws, and also with the mission of SDP. The Banks respectfully request that the FDIC approve the Application and the Merger.

Part I. Background Texas Brand Bank and its CRA Compliance Record and Initiatives

A. Background and History -- Texas Brand Bank.

Texas Brand Bank, which is to be the surviving institution in the Merger, is a community bank with deep roots in the Dallas market. Texas Brand Bank was chartered in 2005 with its first location in Garland, Texas, a suburb of Dallas. Since that time, Texas Brand Bank has relocated its main office to the City of Dallas and has established three additional branches, for a total of five locations in the Dallas metro area. Two of its branches are located in Southern Dallas, and a third is located only one mile North of I-30 in the Deep Ellum neighborhood, which is an underserved banking market itself.

Texas Brand Bank takes pride in building relationships and establishing trust within the communities it serves. Texas Brand Bank's strategic business focus is to serve its customers as a true community bank that offers efficient, effective and superior personal service through relationship-oriented employees who maintain a strong commitment to the Bank's communities. The Bank offers all of its products and services to all customers and does not discriminate based upon income level, race or any other prohibited basis. The Bank's lending services include, among others, consumer loans (motor vehicle loans, secured and unsecured personal loans), small

Ms. Kristie Elmquist
Federal Deposit Insurance Corporation
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business loans, residential and commercial construction loans, SBA loans, single- and multi-family rental housing loans, commercial real estate loans and commercial lines of credit. Its deposit products include various personal and business checking and savings accounts, certificates of deposit and commercial treasury management services as well as online banking.

B. CRA Compliance Record -- Texas Brand Bank.

Texas Brand Bank has in place an active and ongoing CRA program. Its CRA program and numerous inner-city branch offices are designed to inform its customers and prospective customers of its efforts to provide deposit and credit services to all members of the communities it serves, including low-to-moderate income neighborhoods and individuals, on an equal and fair basis. Texas Brand Bank's board of directors, officers and staff believe that to effectively know and serve the needs of the community they must be involved as an integral part of the community. Texas Brand Bank works hand-in-hand with the community to ensure that its products and services are made available to all people, including those of low and moderate-income levels.

As is mentioned above, Texas Brand Bank currently operates five branch locations in its assessment area. Of those locations, one branch is located in a low to moderate income ("LMI"), majority minority census tract and the other four branches are adjacent to LMI, majority minority census tracts – two within one mile of the adjacent LMI census tract, one within one block and one literally across the street from the LMI census tract.¹ Texas Brand Bank Bank's assessment area consists of all of the census tracts in both Dallas and Collin Counties, which is part of the Dallas-Plano-Irving, Texas Metropolitan Statistical Area.

1. Texas Brand Bank Prior CRA Performance Evaluation

In a recent Community Reinvestment Act Performance Evaluation (the "PE") dated January 10, 2022, Texas Brand Bank received a "Satisfactory" rating as its overall CRA rating. In support of that rating, the FDIC reached the following conclusions:

- Texas Brand Bank originated a majority of its lending within its assessment area and displayed a more than reasonable loan-to-deposit ratio.
- The geographic distribution of the Bank's loans reflects reasonable dispersion throughout the Bank's assessment area.

¹ Factual statements about Texas Brand Bank and its activities which are included in this response have been provided to us by Bank management and the Bank's third-party risk and compliance management vendor, Ncontracts.

Ms. Kristie Elmquist
Federal Deposit Insurance Corporation
January 19, 2023
Page 4

- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area.
- The Bank demonstrated a reasonable record regarding its distribution of small business loans among the various revenue levels.

Further, we note that Texas Brand Bank is classified and examined as a small bank for CRA purposes, and as such, is not required to track and report community development activities. However, Texas Brand Bank does actively invest in its communities. Such investment is demonstrated by its participation in several large community development projects which participation is discussed in further detail below.

Finally, and most notably, in its most recent PE, examiners state that there was no evidence that Texas Brand Bank had engaged in any discriminatory or other illegal credit practices. No fair lending or redlining violations were noted.

2. CRA Activities of Texas Brand Bank – Community Development Efforts and Efforts Since Most Recent Performance Evaluation

Texas Brand Bank believes that its CRA performance continues to be strong, including in its assessment area. Texas Brand Bank maintains its focus on continuing and expanding its community outreach and credit initiatives in Dallas. Texas Brand Bank strives to provide an appropriate volume and distribution of loans to consumers and small businesses within its assessment areas, and it continues to prioritize community development lending and services. Since the period covered by its most recent PE, Texas Brand Bank originated 130 loans to businesses that are considered small businesses. This is comparable to the average number of small business loans originated over a three-year timeframe evaluated during the bank's most recent PE. In addition, Texas Brand Bank believes that it continues to exhibit a reasonable distribution of loans to individuals of different income levels and businesses of different sizes. With respect to the 130 small business loans originated in 2022, 43% are located in a LMI area, 78% are located in majority minority census tracts and 81% were originated to borrowers with equal to or less than \$1,000,000 in revenue.

In addition, over the course of the COVID-19 pandemic, despite its relatively small size, Texas Brand Bank originated 1,100 loans in the aggregate amount of over \$108,000,000 to businesses of all income levels, including LMI, through the Paycheck Protection Program ("PPP"). These loans qualify for economic development as defined by the CRA. With respect to the 1,100 PPP loans, many of which were originated to businesses that are located within a LMI area.

Ms. Kristie Elmquist
Federal Deposit Insurance Corporation
January 19, 2023
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Examples of Texas Brand Bank's involvement in community development projects include the following:

- Texas Brand Bank has funded a \$4,200,000 participation in a total loan of \$16,000,000 for the redevelopment of The Shops at Redbird – a project to rejuvenate the Redbird shopping mall to include 1,000,000 square feet of space dedicated to offices, healthcare facilities, a hotel, and entertainment and retail venues. This is arguably the largest redevelopment project in Southern Dallas and is expected to create hundreds of jobs upon completion. The project is located in census tract #0109.04, which is a low income, majority minority tract.
- The Bank also has loaned \$870,000 for the renovation of the Mesquite Rodeo, a world-famous entertainment venue located in census tract #0176.06, a majority minority census tract.
- Texas Brand Bank also has loaned \$1,000,000 to a local developer to develop 73 single family lots in census tract #0108.07, which is also a majority minority census tract.

3. Texas Brand Bank Outreach and Needs Assessments

Texas Brand Bank recognizes that it has an ongoing obligation to ascertain, understand and seek to meet the credit needs of its community. It realizes that not all of the needs of the members of its community will come to its attention during the ordinary course of business, particularly with respect to low and moderate-income customers. That is why Texas Brand Bank feels that it is important for its staff to be involved in the community. By having local branch offices and by being involved in local clubs, churches, fraternal organizations and civic groups, Texas Brand Bank and its bankers are able to improve the understanding of the needs of the market areas being served. This deeper understanding will enable Texas Brand Bank to more adequately respond to the specific credit needs of individuals and organizations in its various communities and neighborhoods and make Texas Brand Bank a better bank.

Some examples of Texas Brand Bank's outreach and needs assessment activities include:

- Texas Brand Bank has partnered with the Advance Community Fund to provide financing of medical centers and affordable housing projects. The Advance Community Fund is committed to revitalizing distressed communities in North Texas. Its projects are typically located in low income and/or majority minority census tracts.
- Texas Brand Bank also has been involved in and had a presence at events sponsored by the Dallas Black Chamber of Commerce. This organization promotes the expansion of business opportunities on behalf of its members, and Texas Brand Bank has had

Ms. Kristie Elmquist
Federal Deposit Insurance Corporation
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representatives at events to communicate how community banks (and Texas Brand Bank in particular) can assist in this process.

- Texas Brand Bank has provided millions of dollars of financing to two African American builders for building new single-family homes in Southern Dallas.

Part II. Response to Allegations in the CRA Complaint.

The CRA Complaint broadly alleges, without supporting evidence, that Texas Brand Bank has engaged in various types of discrimination under the ECOA, the FHA and related regulations. Making these false allegations borders on libel and is a clear affront to the board of directors and management team at the Bank who work hard to keep the Bank in compliance with the many applicable banking laws and regulations. The first allegation set forth in the CRA Complaint states: “Texas Brand Bank is not meeting the needs the needs *[sic]* of our community, which specifically includes low- and moderate-income neighbor *[sic]* located in Southern Dallas. Texas Brand Bank fails to provide small business and/or consumer lending services in Southern Dallas’ majority African American communities.” The CRA Complaint then proceeds to list 23 Southern Dallas Zip Codes that it asserts are LMI and high minority areas. We note that three of Texas Brand Bank’s five locations are each in one of those 23 zip codes. The Bank’s overwhelming presence in these neighborhoods clearly demonstrates its commitment to providing the communities with access to banking services.

Further, since its first branch location in one of those neighborhoods opened in 2018, Texas Brand Bank has made 297 loans totaling \$123,000,000 in 22 of those 23 zip codes – See attached Exhibit A. The only zip code listed in the CRA Complaint in which Texas Brand Bank has not made a loan over that same time period is the 75253 zip code, which is a predominately Caucasian neighborhood. We believe that this factual statistical information is clear evidence that Texas Brand Bank has been addressing the needs of the Southern Dallas communities and is not engaging in discriminatory practices.

Additional criticisms in the CRA Complaint are set forth in bullet point fashion. We repeat those here and address each one below. Note that Texas Brand Bank’s responses are in bold font.

- Texas Brand Bank does not have a branch located in a high minority/high poverty census tract in the DFW MSA².

² We note that the CRA Complaint frequently references the “DFW MSA;” however, for CRA purposes, Dallas and Fort Worth have separate MSA’s. For purposes of our responses, we have focused on the Dallas MSA, which is more closely aligned with the Bank’s assessment area.

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As is noted above, Texas Branch Bank has one branch in a LMI, majority minority census tract and the other four offices are adjacent to LMI, majority minority census tracts. The proximity of all of the Bank's locations to LMI, majority minority census tracts, together with its suite of online banking products, provide access to banking services to potential customers in those census tracts.

- Texas Brand Bank does not originate any commercial loans in low-income census tracts in the DFW MSA.

This statement is false. The statistical information provided by Ncontracts, Texas Brand Bank's risk and compliance management third-party vendor, demonstrates that in fact 19.01% of Texas Brand Bank's commercial loans in the Dallas MSA were made to borrowers in low-income census tracts. In addition, 26.45% of the Bank's commercial loans in the Dallas MSA were made to borrowers in moderate income census tracts, resulting in a total of 45.45% of the Bank's commercial loans in the Dallas MSA (almost half) were made to borrowers in LMI census tracts.

- Texas Brand Bank does not originate any commercial loans in high minority/high poverty census tracts in the DFW MSA.

Once again, the statistical information demonstrates that this is a false statement. In fact, 60.33% of Texas Brand Bank's commercial loans in the Dallas MSA were made to borrowers in majority minority census tracts.

- Texas Brand Bank does not originate any small business loans to businesses with less than a million dollar *[sic]* in revenue that was in a low-income census tracts *[sic]* in the DFW MSA.

Again, this is a false statement. Of the Bank's small business loans in the Dallas MSA, 20.73% were made to borrowers in low income census tracts, and 94% of those loans to borrowers in low income census tracts were made to businesses with revenues of less than or equal to \$1,000,000.

- Texas Brand Bank does not originate small business loans to businesses with less than a million dollar *[sic]* in revenue that was in a high minority/high poverty census tracts *[sic]* in the DFW MSA.

The statistical information also shows this to be a false statement. In fact, 67.07% of the small business loans made by the Bank in the Dallas MSA were made to small

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business borrowers (those with less than \$1,000,000 in revenue) in majority minority census tracts.

- Texas Brand Bank does not offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA.

Although this very vague allegation is somewhat difficult to refute with factual information, Texas Brand Bank challenges this statement with the factual information that within only the last four years it has opened three office locations in the very communities that the CRA Complaint identifies as the neighborhoods of concern. The Bank offers its loan and deposit products to all residents of the DFW area, including those in the neighborhoods surrounding its Southern Dallas branches.

The CRA Complaint continues its allegations by stating that Texas Brand Bank is in violation of the ECOA and the FHA by discriminating against African Americans and other minority customers. The CRA Complaint goes on to state as “evidence” of such violations that Texas Brand Bank:

- 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 [*sic*] commercial loan officers in the DFW MSA.

In response to these allegations, Texas Brand Bank notes that it does not engage in marketing efforts towards any demographic. In fact, Texas Brand Bank does very limited marketing at all. To the extent that it does market, those efforts are directed at all residents in its assessment area. With respect to its marketing towards minority customers, Texas Brand Bank notes that it has in the past participated in events sponsored by the Dallas Black Chamber of Commerce. Further, the Texas Brand Bank website includes a feature that will convert the information on the website into Spanish, which we believe is evidence of the Bank’s efforts to encourage Hispanic customers to utilize the Bank’s products and services.

These allegations relating to Texas Brand Bank’s marketing efforts are generalized and presented without reference to supporting data. As unsubstantiated claims, the Bank believes that such claims are not sufficient to establish even a *prima facie* showing of discrimination under the ECOA or the FHA.

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Further, the third allegation set forth above relating to the Bank's employment of minorities is completely false. Texas Brand Bank is proud of its efforts relating to diversity, equity and inclusion. In this regard, please note the following: (i) Texas Brand Bank's board of directors includes a Hispanic female business owner; (ii) of the Bank's total of 44 officers and employees, 20 (or 45.45%) are female; (iii) similarly, 20 (45.45%) of the total 44 officers and employees are minorities; and (iv) of the Bank's twelve lending officers, five (or 41.6%) are minorities – with three (25%) being Hispanic and two (16.6%) being African American. Although this allegation in the CRA Complaint, if true, might be relevant to a potential claim of discrimination, the factual data relating to the Bank's minority employees clearly shows that any such allegation is not supported and is false.

Finally, the CRA Complaint very generally quotes the ECOA's prohibition on creditors making oral or written statements in advertising that would discourage on a prohibited basis a reasonable person from pursuing a credit application; but the CRA Complaint does not provide any evidence to suggest or document how Texas Brand Bank may have violated the ECOA's prohibition on discriminatory advertising.

A. The CRA Complaint Fails to Establish Even a Prima Facie Showing of Discrimination.

In *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.*³, the U.S. Supreme Court confirmed the evidentiary standard for a *prima facie* showing in support of certain claims of discrimination.⁴ Specifically, the Supreme Court affirmed in *Inclusive Communities* that the party alleging illegal discrimination need only establish a *prima facie* case before the burden will shift to the accused (in this case, Texas Brand Bank) to defend the challenged practice.⁵ Notably, all of the claims by SDP are insufficient to establish even a *prima facie* case for discrimination. As explained more fully below, the CRA Complaint falls well short of the evidentiary standard required under applicable law.

Pursuant to *Inclusive Communities* and otherwise consistent with applicable standards for proving discrimination under the ECOA, a person claiming discrimination must provide evidence as to a specific policy, procedure, action or omission by the accused that forms the basis of, or results in, the illegal disparity.⁶ According to the U.S. Supreme Court, a person who fails to allege

³ 135 S. Ct. 2507 (2015).

⁴ Notably, the Supreme Court in its *Inclusive Communities* decision, was addressing a claim for disparate impact under the Fair Housing Act. While this decision is not binding with respect to all of the claims recited in the CRA Complaint, we believe the decision is instructive because the regulatory agencies have adopted a similar standard for claims under the ECOA. Accordingly, we believe a closer review at the actual requirements of the *Inclusive Communities* decision is appropriate in connection with this response.

⁵ *Supra* note 1, at 2414-2415.

⁶ See, e.g., *Inclusive Communities*, *supra* note 1, at 2523-2524 (noting, in relation to a disparate impact claim, that "[c]ourts must . . . examine with care whether a plaintiff has made out a prima facie case of disparate impact and prompt resolution of these cases is important. A plaintiff

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facts or produce statistical or other specific evidence demonstrating a causal connection cannot make out a prima facie case of discrimination.

The CRA Complaint only generally implies that the Bank may discriminate against the protected classes of African Americans and Hispanics by failing in its marketing efforts and that by such failure, they deny equal access to lending and credit products. However, the CRA Complaint did not include true, complete or correct statistical data or other evidence showing that Texas Brand Bank at any time actually engaged in the above-described discriminatory conduct. The CRA Complaint did not provide any supporting loan or demographic data of the type that is continuously monitored and reviewed by the Bank and by the FDIC in connection with CRA evaluations. The CRA Complaint did not point to any instance where the Bank treated minority loan applicants in a manner that was inconsistent with non-minority loan applicants. The Bank can respond only to SDP's broad allegations of redlining with the certainty that Bank has never denied access to credit based on race, ethnicity or any other prohibited basis. The Bank's affirmative community efforts and lending track record in the Dallas market (as set forth herein), including in minority and low-income areas, together with its branch office locations overcome any conclusory presumption that the Bank may be avoiding, or denying access to banking services in those areas.

Each of the various claims alleged in the CRA Complaint is legally deficient for the reasons noted above. The CRA Complaint does not provide or identify true, complete or factual evidence indicating that any specific policy, procedure, action or omission of the Bank is discriminatory. SDP's unsubstantiated allegations of potential discrimination by the Bank are not enough. Moreover, FDIC examiners who have recently reviewed the lending activity, loan policies and advertising practices of the Bank have found, as concluded in the Bank's historical evaluations, that there is **"no evidence of discrimination."**

B. Potentially Relevant Allegations in the CRA Complaint are Not Evidence of Discrimination, are Unsupported and are False.

The CRA Complaint goes on to claim that there are fair lending concerns relating to Texas Brand Bank's lending activities. SDP does not, however, include a single piece of loan or other data to demonstrate how Texas Brand Bank may have engaged in that practice.

who fails to allege facts at the pleading stage or produce statistical evidence demonstrating a causal connection cannot make out a prima facie case of disparate impact." (emphasis added).

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The specific fair lending concerns noted in the CRA Complaint, many of which are duplicative of the prior allegations discussed above, are set forth in bullet point fashion. We repeat those here and address each one below. Note that Texas Brand Bank's responses are in bold font.

- [Texas Brand Bank] received almost no applications from applicants for properties located in African American and Hispanic Low to Moderate Income neighborhoods in the DFW MSA.

Texas Brand Bank does not track its loan applicants based on race, and as a result, cannot respond to whether or not it receives many applications for properties located in African American and Hispanic LMI neighborhoods. Because the Bank does not track this information, we question how the SDP can have any knowledge on whether or not this allegation is accurate. What we can confirm is that Texas Brand Bank does not decline many loan applications and that the Bank welcomes applications from all potential customers, regardless of race. Finally, the Bank's loan-to deposit ratio is over 90% -- which demonstrates the importance that the Bank places on funding as many loans as possible.

- Texas Brand Bank does not originate any commercial loans in low-income census tracts in the DFW MSA.

This statement is false. The reports generated by NContracts show that during the period from October 2021 through December 2022 (the "Report Period"), 19.01% of the commercial loans made by the Bank were in low income census tracts in the Dallas MSA.

- Texas Brand Bank does not originate any commercial loans in high minority/high poverty census tracts in the DFW MSA.

Again, this is a false allegation. The Bank's NContracts reports show that during the Report Period, 60.33% of Texas Brand Bank's commercial loans were made in majority minority census tracts in the Dallas MSA.

- Texas Brand Bank does not originate any small business loans to businesses with less than a million dollar *[sic]* in revenue that was *[sic]* in low-income census tracts in the DFW MSA.

This also is a false allegation. During the Report Period, 20.73% of the Bank's small business loans were made to businesses in low income census tracts in the Dallas MSA, and 94% of those loans were to businesses with less than \$1,000,000 in revenue.

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- Texas Brand Bank does not originate any small business loans to businesses with less than a million dollar *[sic]* in revenue that was *[sic]* in high minority/high poverty census tracts in the DFW MSA.

The information provided by NContracts again demonstrates that this is an untrue statement. As is noted above, 67.07% of Texas Brand Bank's small business loans in the Dallas MSA during the Report Period were made in majority minority census tracts to businesses with less than \$1,000,000 in revenue.

Texas Brand Bank offers the statistical evidence set forth above to refute the allegations in the CRA Complaint relating to a "Fair Lending Concern." Further, Texas Brand Bank reasserts that it has not engaged in any discriminatory or redlining practices, and notes that the FDIC reached a similar conclusion following its most recent comprehensive review of all of Texas Brand Bank loan, geographic, demographic and similar data, as well as evidence of its outreach efforts in minority communities within the bank's assessment areas as part of its January 10, 2022 CRA examination. The Bank's responses in the bullet points above reinforce the FDIC's findings in its most recent performance evaluation.

In contrast to the allegations in the CRA Complaint, the Bank's CRA efforts, including those in support of the South Dallas community, are measurable and are evidenced by the quantifiable and specifically itemized contributions which are listed in this response. The above-described lending and other initiatives by Texas Brand Bank conclusively disprove SDP's false allegations that Texas Brand Bank does not actively loan to small businesses in LMI communities, that Texas Brand Bank does not originate loans to support LMI communities, and that the Bank somehow engages in discriminatory or redlining activities in an effort to deny consumers and businesses in these areas access to the Bank's credit services. Further, Texas Brand Bank notes that it has been in regular communication with the SDP over the past two years in connection with efforts to request referrals for lending opportunities and to give the SDP the ability to refer potential underbanked borrowers to the Bank. To date, however, SDP has not sent even one prospective borrower to the Bank or identified any underbanked businesses to the Bank.

Finally, the CRA Complaint includes two pages of random statements relating to Texas Brand Bank's CRA and lending efforts. Again, those allegations are set forth below, along with the Bank's responses in bold font.

- Texas Brand Bank does not offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA.

The Bank denies this allegation. In fact, Texas Brand Bank offers its banking products and services to all residents in its assessment area, including those in

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Southern Dallas. The Bank submits that its presence with two branches in the Southern Dallas market along with its online banking service gives residents in Southern Dallas easy access to banking.

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

Texas Brand Bank does not have any disparities in its small business lending – and accordingly, a special purpose credit program is not warranted.

- Community Development Lending

Texas Brand Bank failed to provide the number of loans made in Low to Moderate Income census tracts versus Middle to Upper Income census tracts.

We note that as a “small bank” for CRA purposes, Texas Brand Bank is not rated on its Community Development Lending.

However, the Bank does make loans that would be categorized as Community Development Lending. Examples of those lending initiatives are included in this response letter at the top of page 5 above.

- Small Business/Commercial Lending

Texas Brand Bank failed to provide the number of loans made in Low to Moderate Income census tracts versus Middle to Upper Income census tracts.

The statement is false. The table at the top of page 8 of the Bank’s most recent PE sets out the Geographic Distribution of Small Business Loans – and that PE is part of the Bank’s CRA public file.

- Lack of Staff and Board Diversity

- (a) Texas Brand Bank does not have any African Americans and/or Hispanics on the Board of Directors.

As is mentioned above, this is a false allegation. Texas Brand Bank has a Hispanic female business owner on its board of directors.

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(b) Texas Brand Bank does not have any Commercial Loan Officers in the DFW MSA that are African Americans.

Again, this is a false statement. We have previously disclosed (above) that the Bank has two African American commercial loan officers.

(c) Texas Brand Bank does not have any Mortgage Loans *[sic]* Officers in the DFW MSA that are African Americans and/or Hispanics.

This statement is true – only because Texas Brand Bank does not have any mortgage loan officers at all. The Bank does not engage in mortgage lending, and as a result, does not employ any loan officers that are specifically designated as mortgage loan officers. Further, SDP is well aware that the Bank does not have mortgage lenders.

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

Texas Brand Bank is not required to participate in the Dodd-Frank self-assessment. However, as is mentioned on page 8 above, in response to the allegation that the Bank does not employ minority loan officers, we note that: (i) of the Bank's total of 44 officers and employees, 20 (or 45.45%) are female; (ii) similarly, 20 (45.45%) of the total 44 officers and employees are minorities; and (iii) of the Bank's twelve lending officers, five (or 41.6%) are minorities, with three (25%) being Hispanic and two (16.6%) being African American.

- Finally, the CRA Complaint states that Texas Brand Bank is not a member of any of the listed minority trade organizations, any of the listed minority real estate trade organizations or any of the listed minority chambers.

In response, we note that it is not required for a commercial bank to be members of specific trade organizations. The Bank points out that it is working hard to bring banking products to underserved communities by having branch locations in those communities. Joining various trade organizations would be a stress on the Bank's limited resources. Further, we point out that three of the five chambers of commerce listed in the CRA Complaint are not even in the Bank's assessment area.

Texas Brand Bank is in full compliance with its CRA obligations and believes that it is doing more for the underserved communities in its assessment area than many of its much larger competitors, regardless of whether the Bank has paid to be a member of various trade organizations.

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C. The allegations in the CRA Complaint are Substantially Identical to Comments that have been Reviewed and Considered by the FDIC within the Preceding Year

Being a financial institution that operates in the DFW MSA, Texas Brand Bank has a history of interaction with the SPD. In fact, the SPD filed a CRA complaint (the "2020 CRA Complaint") against the Bank in November 2020⁷. The 2020 CRA Complaint and the Bank's response were included in the Bank's CRA public file that was reviewed by the FDIC CRA examination team in January 2022 for the Bank's most recent CRA examination and performance evaluation. Further, the allegations in the CRA Complaint are substantially similar to the allegations made in the 2020 CRA Complaint.

Further, the CRA Complaint appears to be form letter and is one of many in a "serial" process to challenge regulatory applications under the guise of genuine CRA, ECOA or FHA concerns related to the applicant institution. This process of "serial" protesting with numerous false statements without any supporting data or evidence of its serious allegations is inappropriate and a misuse of valuable regulatory resources.

Part IV. Positive Effect of the Proposed Merger on CRA Performance of the Combined Institution

As explained above, following the completion of the Merger, Texas Brand Bank, as the surviving institution, will continue to offer the level of service for which its CRA ratings are indicative. The surviving institution will continue to make community service and development a strategic priority that is supported by the bank's board of directors and all levels of its management and employees. The surviving institution will continue each Bank's legacy of customer service and strong levels of community reinvestment, including small business lending and community development lending and services, taking into account the increased size and footprint of the surviving bank. Following completion of the Merger, Texas Brand Bank will operate as an "Intermediate Small Bank" for CRA Evaluation purposes and will be evaluated based on its CRA lending and community development activities. Commercial small business lending will continue to drive Texas Brand Bank's CRA lending performance. Following the Merger, Texas Brand Bank anticipates an even greater distribution of lending products to small businesses of different incomes and geographies. The surviving institution also expects to continue to expand Texas Brand Bank's existing and active community outreach programs.

Texas Brand Bank firmly believes that the Merger will only enhance the ability of the surviving institution to serve the credit and other banking needs of the Dallas banking market.

⁷ We note that, interestingly, the 2020 CRA Complaint was submitted shortly following SPD's request for and the Bank's denial of providing a donation by the Bank to SDP.

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Given the limited resources and franchise visibility of each of the separate banks, as well as the highly competitive nature of the Dallas market, Texas Brand Bank believes that the Merger is necessary to achieve economies of scale and resources for expansion of CRA efforts in the Dallas market that neither institution would be able to accomplish on a stand-alone basis. Following consummation of the Merger, management of Texas Brand Bank will continue to monitor the convenience and needs of each community that the Bank serves and will consider such convenience and needs in any business decision to expand product or service offerings. Each of Texas Brand Bank and Harmony Bank currently is involved in supporting the communities that it serves, and management of the surviving bank intends to continue that commitment philosophy at all Bank locations following consummation of the Merger.

As true community institutions, the Banks recognize that their competitive advantage is derived directly from building long-term relationships in the communities, and with the businesses and consumers they serve. This will not change as a result of the proposed Merger. Although Texas Brand Bank is proud of its CRA initiatives in recent years, following the Merger, management will continue to seek opportunities to improve and solidify valued relationships with community stakeholders. While the Bank notes SDP's dissatisfaction, none of the concerns expressed in the CRA Complaint reflects non-compliance by the Bank with the CRA or other applicable laws and regulations. The Bank believes it has satisfied the requirements for approval of the Application, and for all the reasons discussed herein, Texas Brand Bank respectfully urges the FDIC to reject the allegations included in the CRA Complaint and to approve the Merger without unnecessary delay.

If you have any questions regarding this matter, please do not hesitate to contact me directly.

Yours very truly,



Pam Gates O'Quinn

Exhibit as Noted

cc: Mr. Rafael A. Valle, FDIC
Mr. Filus Smith, FDIC
Mr. Mark Largent, Texas Department of Banking
Mr. Bobby Quesada, Texas Department of Banking
Mr. William E. Lowe, Texas Brand Bank
Mr. Chet Fenimore, *firm*

EXHIBIT A

LOANS BY ZIP CODE

**LOANS IN SOUTHERN DALLAS ZIP CODES
AS OF 12/23/2022**

| Note Date | Original Loan Amount | Zip Code | Type |
|-----------|-----------------------|-----------|---------------------------------|
| 03/07/19 | \$150,000.00 | 75116 | Multi-family |
| 03/23/19 | \$225,000.00 | 75116 | Commercial Real Estate |
| 10/16/19 | \$139,500.00 | 75116 | 1-4 Family |
| 11/25/19 | \$130,000.00 | 75116 | 1-4 Family |
| 05/10/21 | \$136,500.00 | 75116 | Commercial |
| 08/18/21 | \$626,328.28 | 75116 | Commercial Real Estate |
| 10/04/21 | \$95,200.00 | 75116 | Commercial |
| 03/03/22 | \$24,000.00 | 75116 | Commercial |
| 04/07/22 | \$7,391,100.00 | 75116 | Commercial Real Estate |
| 09/13/22 | \$24,360.00 | 75116 | Consumer Loan |
| | \$8,941,988.28 | 10 | |
| | | | |
| 02/17/22 | \$116,900.00 | 75134 | 1-4 Family |
| 08/31/22 | \$1,695,599.00 | 75134 | Interim Construction Comm R/E |
| 09/20/22 | \$441,600.00 | 75134 | Interim Construction Comm R/E |
| | \$2,254,099.00 | 3 | |
| | | | |
| 07/19/22 | \$100,000.00 | 75203 | Commercial |
| 08/17/22 | \$100,000.00 | 75203 | Commercial |
| 02/19/19 | \$34,054.00 | 75203 | Multi-family |
| 03/13/19 | \$65,000.00 | 75203 | 1-4 Family |
| 06/10/19 | \$525,000.00 | 75203 | Commercial Real Estate |
| 03/05/20 | \$137,270.00 | 75203 | Interim Construction 1-4 Family |
| 02/23/21 | \$40,000.00 | 75203 | Commercial |
| 02/14/22 | \$250,000.00 | 75203 | Commercial Real Estate |
| | \$1,251,324.00 | 8 | |
| | | | |
| 09/13/18 | \$100,000.00 | 75207 | Commercial |
| 09/08/19 | \$400,000.00 | 75207 | Commercial |
| 02/10/20 | \$160,245.00 | 75207 | Commercial |
| 04/20/20 | \$141,500.00 | 75207 | Commercial |
| 05/02/20 | \$25,400.00 | 75207 | Commercial |
| 05/05/20 | \$101,700.00 | 75207 | Commercial |
| 06/19/20 | \$11,200.00 | 75207 | Commercial |
| 03/15/21 | \$3,900.00 | 75207 | Commercial |
| 04/30/21 | \$1,960,000.00 | 75207 | Commercial Real Estate |
| 09/12/18 | \$1,360,000.00 | 75207 | Commercial Real Estate |
| 05/22/19 | \$1,120,000.00 | 75207 | Commercial Real Estate |
| 06/27/19 | \$840,000.00 | 75207 | Commercial Real Estate |
| 09/18/19 | \$526,428.89 | 75207 | Commercial Real Estate |
| 09/16/20 | -\$456,000.00 | 75207 | Commercial Real Estate |
| 08/15/21 | \$1,775,000.00 | 75207 | Commercial Real Estate |

| | | | |
|----------|------------------------|-----------|---------------------------------|
| 04/12/22 | \$750,000.00 | 75207 | Commercial Real Estate |
| 10/05/22 | \$1,860,000.00 | 75207 | Interim Construction Comm R/E |
| | \$10,679,373.89 | 17 | |
| | | | |
| 05/10/18 | \$10,000.00 | 75208 | Commercial |
| 04/17/20 | \$14,800.00 | 75208 | Commercial |
| 04/20/20 | \$5,900.00 | 75208 | Commercial |
| 05/02/20 | \$1,400.00 | 75208 | Commercial |
| 05/03/20 | \$5,700.00 | 75208 | Commercial |
| 05/04/20 | \$20,800.00 | 75208 | Commercial |
| 05/04/20 | \$213,200.00 | 75208 | Commercial |
| 05/04/20 | \$10,400.00 | 75208 | Commercial |
| 05/04/20 | \$6,700.00 | 75208 | Commercial |
| 01/25/21 | \$8,400.00 | 75208 | Commercial |
| 01/25/21 | \$15,700.00 | 75208 | Commercial |
| 01/28/21 | \$20,800.00 | 75208 | Commercial |
| 02/05/21 | \$213,200.00 | 75208 | Commercial |
| 03/26/21 | \$6,500.00 | 75208 | Commercial |
| 04/30/21 | -\$100,000.09 | 75208 | Commercial Real Estate |
| 03/22/18 | \$830,000.00 | 75208 | Interim Construction 1-4 Family |
| 04/12/18 | \$392,000.00 | 75208 | Interim Construction Comm R/E |
| 05/04/18 | \$3,892,000.00 | 75208 | Multi-family |
| 06/27/18 | \$120,000.00 | 75208 | Interim Construction Comm R/E |
| 07/13/18 | \$915,000.00 | 75208 | Interim Construction 1-4 Family |
| 12/14/18 | \$468,750.00 | 75208 | Commercial Real Estate |
| 02/21/19 | \$498,827.81 | 75208 | Multi-family |
| 03/04/19 | \$532,500.00 | 75208 | Interim Construction 1-4 Family |
| 03/04/19 | \$532,500.00 | 75208 | Interim Construction 1-4 Family |
| 08/05/19 | \$310,112.00 | 75208 | Interim Construction 1-4 Family |
| 09/30/19 | \$811,000.00 | 75208 | Interim Construction 1-4 Family |
| 10/04/19 | \$247,500.00 | 75208 | Commercial Real Estate |
| 10/25/19 | \$214,200.00 | 75208 | 1-4 Family |
| 10/25/19 | \$214,200.00 | 75208 | Interim Construction Comm R/E |
| 10/28/19 | \$315,000.00 | 75208 | 1-4 Family |
| 11/18/19 | \$2,770,276.00 | 75208 | Interim Construction Comm R/E |
| 12/13/19 | \$2,172,500.00 | 75208 | Commercial Real Estate |
| 12/18/19 | \$577,500.00 | 75208 | Commercial Real Estate |
| 12/31/19 | \$752,000.00 | 75208 | Interim Construction 1-4 Family |
| 01/10/20 | \$346,500.00 | 75208 | Commercial Real Estate |
| 01/22/20 | \$255,000.00 | 75208 | 1-4 Family |
| 02/14/20 | \$357,500.00 | 75208 | Commercial Real Estate |
| 07/30/20 | \$430,000.00 | 75208 | Interim Construction 1-4 Family |
| 09/16/20 | \$5,000,000.00 | 75208 | Commercial Real Estate |
| 10/30/20 | \$400,000.00 | 75208 | Interim Construction 1-4 Family |
| 11/06/20 | \$1,175,400.00 | 75208 | Interim Construction 1-4 Family |
| 12/02/20 | \$575,000.00 | 75208 | Interim Construction 1-4 Family |
| 01/06/21 | \$707,438.00 | 75208 | 1-4 Family |
| 01/08/21 | \$500,000.00 | 75208 | Commercial Real Estate |
| 03/22/21 | \$3,390,000.00 | 75208 | Interim Construction Comm R/E |
| 07/14/21 | \$4,482,657.00 | 75208 | Interim Construction 1-4 Family |
| 12/15/21 | \$1,120,000.00 | 75208 | Commercial Real Estate |

| | | | |
|----------|------------------------|-----------|---------------------------------|
| 01/24/22 | \$116,888.00 | 75208 | 1-4 Family |
| 03/09/22 | \$112,500.00 | 75208 | Interim Construction Comm R/E |
| 04/07/22 | \$2,500,000.00 | 75208 | Commercial Real Estate |
| 10/14/22 | \$132,720.00 | 75208 | Commercial |
| | \$38,620,968.72 | 51 | |
| | | | |
| 01/22/19 | \$88,000.00 | 10 | Interim Construction 1-4 Family |
| 08/26/19 | \$36,750.00 | 10 | 1-4 Family |
| 01/03/20 | \$130,710.00 | 10 | Interim Construction 1-4 Family |
| 02/10/22 | \$74,750.00 | 10 | Commercial |
| | \$330,210.00 | 4 | |
| | | | |
| 04/14/20 | \$644,500.00 | 75211 | Commercial |
| 06/22/20 | \$12,400.00 | 75211 | Commercial |
| 06/22/20 | \$8,600.00 | 75211 | Commercial |
| 03/16/21 | \$12,400.00 | 75211 | Commercial |
| 04/16/18 | \$140,250.00 | 75211 | 1-4 Family |
| 06/27/19 | \$78,400.00 | 75211 | 1-4 Family |
| 02/23/21 | \$40,000.00 | 75211 | Commercial |
| 12/16/21 | \$154,200.00 | 75211 | Commercial |
| 07/28/22 | \$68,320.00 | 75211 | Commercial |
| 09/08/22 | \$137,200.00 | 75211 | Commercial |
| | \$1,296,270.00 | 10 | |
| | | | |
| 05/05/20 | \$53,800.00 | 75212 | Commercial |
| 01/25/21 | \$53,800.00 | 75212 | Commercial |
| 01/19/18 | \$96,131.00 | 75212 | Interim Construction 1-4 Family |
| 02/01/18 | \$110,558.00 | 75212 | Interim Construction 1-4 Family |
| 04/30/18 | \$680,000.00 | 75212 | Commercial Real Estate |
| 12/26/18 | \$250,000.00 | 75212 | Commercial Real Estate |
| 01/22/19 | \$150,195.95 | 75212 | Interim Construction 1-4 Family |
| 01/22/19 | \$150,000.00 | 75212 | Interim Construction 1-4 Family |
| 02/19/19 | \$42,175.00 | 75212 | 1-4 Family |
| 06/19/19 | \$331,000.00 | 75212 | Interim Construction 1-4 Family |
| 01/03/20 | \$166,040.00 | 75212 | Interim Construction 1-4 Family |
| 01/03/20 | \$147,800.00 | 75212 | Interim Construction 1-4 Family |
| 01/03/20 | \$147,800.00 | 75212 | Interim Construction 1-4 Family |
| 05/14/20 | \$41,300.00 | 75212 | 1-4 Family |
| 09/25/20 | \$49,000.00 | 75212 | 1-4 Family |
| 02/23/21 | \$40,000.00 | 75212 | Commercial |
| | \$2,509,599.95 | 16 | |
| | | | |
| 04/13/20 | \$485,700.00 | 75215 | Commercial |
| 04/14/20 | \$107,500.00 | 75215 | Commercial |
| 05/02/20 | \$20,800.00 | 75215 | Commercial |
| 05/04/20 | \$40,700.00 | 75215 | Commercial |
| 05/11/20 | \$35,200.00 | 75215 | Commercial |
| 11/17/20 | \$500,000.00 | 75215 | Commercial |
| 01/25/21 | \$445,700.00 | 75215 | Commercial |
| 01/25/21 | \$101,200.00 | 75215 | Commercial |
| 01/27/21 | \$40,700.00 | 75215 | Commercial |

| | | | |
|----------|------------------------|-----------|---------------------------------|
| 02/05/21 | \$84,300.00 | 75215 | Commercial |
| 02/09/21 | \$31,108.00 | 75215 | Commercial |
| 02/12/21 | \$14,900.00 | 75215 | Commercial |
| 10/28/21 | \$500,000.00 | 75215 | Commercial Real Estate |
| 10/28/21 | \$300,000.00 | 75215 | Commercial Real Estate |
| 12/01/21 | \$67,115.00 | 75215 | Commercial |
| 01/04/18 | \$113,056.00 | 75215 | Interim Construction 1-4 Family |
| 01/04/18 | \$95,731.00 | 75215 | Interim Construction 1-4 Family |
| 01/26/18 | \$524,750.00 | 75215 | Interim Construction Comm R/E |
| 07/16/18 | \$552,500.00 | 75215 | Commercial Real Estate |
| 02/14/20 | \$450,000.00 | 75215 | Commercial Real Estate |
| 10/21/20 | \$135,000.00 | 75215 | Interim Construction 1-4 Family |
| 12/11/20 | \$750,000.00 | 75215 | Commercial Real Estate |
| 02/23/21 | \$40,000.00 | 75215 | Commercial |
| 02/23/21 | \$40,000.00 | 75215 | Commercial |
| 03/24/21 | \$636,214.00 | 75215 | Interim Construction 1-4 Family |
| 05/14/21 | \$143,420.00 | 75215 | Interim Construction 1-4 Family |
| 05/28/21 | \$143,420.00 | 75215 | Interim Construction 1-4 Family |
| 07/13/21 | \$75,240.00 | 75215 | Commercial |
| 08/26/21 | \$1,844,035.00 | 75215 | Interim Construction 1-4 Family |
| 09/10/21 | \$67,786.00 | 75215 | Interim Construction 1-4 Family |
| 11/05/21 | \$827,500.00 | 75215 | 1-4 Family |
| 02/23/22 | \$75,000.00 | 75215 | 1-4 Family |
| 06/17/22 | \$76,229.00 | 75215 | 1-4 Family |
| 08/08/22 | \$90,975.00 | 75215 | 1-4 Family |
| 08/15/22 | \$1,423,500.00 | 75215 | Commercial Real Estate |
| | \$10,879,279.00 | 35 | |
| | | | |
| 09/21/18 | \$487,500.00 | 75216 | Commercial Real Estate |
| 12/03/18 | \$300,000.00 | 75216 | Commercial |
| 11/01/19 | \$54,000.00 | 75216 | 1-4 Family |
| 11/22/19 | \$144,550.00 | 75216 | Interim Construction 1-4 Family |
| 01/03/20 | \$121,500.00 | 75216 | Interim Construction 1-4 Family |
| 01/08/20 | \$129,600.00 | 75216 | Interim Construction 1-4 Family |
| 01/15/20 | \$141,750.00 | 75216 | Interim Construction 1-4 Family |
| 03/05/20 | \$136,000.00 | 75216 | Interim Construction 1-4 Family |
| 05/14/21 | \$174,750.00 | 75216 | Interim Construction 1-4 Family |
| 05/14/21 | \$186,400.00 | 75216 | Interim Construction 1-4 Family |
| 05/28/21 | \$174,750.00 | 75216 | Interim Construction 1-4 Family |
| 06/09/21 | \$58,500.00 | 75216 | Commercial |
| 09/27/21 | \$32,500.00 | 75216 | Commercial |
| 06/22/22 | \$91,251.60 | 75216 | Commercial |
| 08/15/22 | \$187,468.64 | 75216 | Interim Construction 1-4 Family |
| 09/28/22 | \$110,500.00 | 75216 | Commercial |
| | \$2,531,020.24 | 16 | |
| | | | |
| 05/23/19 | \$915,000.00 | 75217 | Commercial |
| 05/02/20 | \$1,800.00 | 75217 | Commercial |
| 02/10/21 | \$20,800.00 | 75217 | Commercial |
| 07/25/22 | \$75,000.00 | 75217 | Commercial |
| 04/06/18 | \$96,131.00 | 75217 | Interim Construction 1-4 Family |

| | | | |
|----------|-----------------------|-----------|---------------------------------|
| 01/10/19 | \$48,750.00 | 75217 | 1-4 Family |
| 02/19/19 | \$50,000.00 | 75217 | 1-4 Family |
| 03/12/19 | \$92,000.00 | 75217 | 1-4 Family |
| 08/08/19 | \$76,425.00 | 75217 | 1-4 Family |
| 08/14/19 | \$57,000.00 | 75217 | 1-4 Family |
| 10/17/19 | \$95,250.00 | 75217 | 1-4 Family |
| 02/28/20 | \$50,250.00 | 75217 | 1-4 Family |
| 10/23/20 | \$78,725.00 | 75217 | 1-4 Family |
| 01/28/21 | \$88,900.00 | 75217 | 1-4 Family |
| 02/11/21 | \$237,300.00 | 75217 | 1-4 Family |
| 05/05/21 | \$100,000.00 | 75217 | 1-4 Family |
| 03/11/22 | \$97,507.00 | 75217 | 1-4 Family |
| 04/05/22 | \$340,000.00 | 75217 | Commercial Real Estate |
| 08/19/22 | \$92,400.00 | 75217 | Commercial |
| 09/30/22 | \$105,000.00 | 75217 | 1-4 Family |
| | \$2,718,238.00 | 20 | |
| | | | |
| 04/17/20 | \$149,200.00 | 75223 | Commercial |
| 05/04/20 | \$60,200.00 | 75223 | Commercial |
| 02/11/21 | \$157,100.00 | 75223 | Commercial |
| 08/22/22 | -\$1,000,000.00 | 75223 | Commercial Real Estate |
| 01/04/18 | \$96,131.00 | 75223 | Interim Construction 1-4 Family |
| 01/19/18 | \$96,131.00 | 75223 | Interim Construction 1-4 Family |
| 01/19/18 | \$96,131.00 | 75223 | Interim Construction 1-4 Family |
| 07/29/20 | \$812,250.00 | 75223 | Commercial Real Estate |
| 08/26/21 | \$1,000,000.00 | 75223 | Interim Construction Comm R/E |
| 09/28/21 | \$184,100.00 | 75223 | 1-4 Family |
| 08/22/22 | \$3,800,000.00 | 75223 | Commercial Real Estate |
| | \$5,451,243.00 | 11 | |
| | | | |
| 04/14/20 | \$12,000.00 | 75224 | Commercial |
| 02/09/21 | \$99,225.00 | 75224 | 1-4 Family |
| | \$111,225.00 | 2 | |
| | | | |
| 09/10/19 | \$20,000.00 | 75226 | Commercial |
| 04/08/20 | \$163,600.00 | 75226 | Commercial |
| 04/08/20 | \$18,800.00 | 75226 | Commercial |
| 04/08/20 | \$36,400.00 | 75226 | Commercial |
| 04/08/20 | \$67,700.00 | 75226 | Commercial |
| 04/08/20 | \$636,100.00 | 75226 | Commercial |
| 04/08/20 | \$128,200.00 | 75226 | Commercial |
| 04/10/20 | \$217,300.00 | 75226 | Commercial |
| 04/14/20 | \$30,500.00 | 75226 | Commercial |
| 04/17/20 | \$58,000.00 | 75226 | Commercial |
| 04/17/20 | \$53,400.00 | 75226 | Commercial |
| 05/02/20 | \$100,400.00 | 75226 | Commercial |
| 05/03/20 | \$20,800.00 | 75226 | Commercial |
| 05/03/20 | \$56,000.00 | 75226 | Commercial |
| 05/04/20 | \$146,300.00 | 75226 | Commercial |
| 05/04/20 | \$48,500.00 | 75226 | Commercial |
| 05/04/20 | \$28,100.00 | 75226 | Commercial |

| | | | |
|----------|------------------------|-----------|---------------------------------|
| 06/08/20 | \$100,000.00 | 75226 | Commercial |
| 06/12/20 | \$222,794.00 | 75226 | Commercial |
| 01/25/21 | \$20,800.00 | 75226 | Commercial |
| 01/25/21 | \$90,000.00 | 75226 | Commercial |
| 01/25/21 | \$71,800.00 | 75226 | Commercial |
| 01/25/21 | \$146,000.00 | 75226 | Commercial |
| 01/25/21 | \$108,700.00 | 75226 | Commercial |
| 01/25/21 | \$94,900.00 | 75226 | Commercial |
| 01/26/21 | \$58,000.00 | 75226 | Commercial |
| 01/26/21 | \$127,300.00 | 75226 | Commercial |
| 01/26/21 | \$26,700.00 | 75226 | Commercial |
| 02/04/21 | \$44,100.00 | 75226 | Commercial |
| 02/10/21 | \$100,000.00 | 75226 | Commercial |
| 02/10/21 | \$55,600.00 | 75226 | Commercial |
| 02/17/21 | \$229,100.00 | 75226 | Commercial |
| 02/17/21 | \$304,300.00 | 75226 | Commercial |
| 02/26/21 | \$698,900.00 | 75226 | Commercial |
| 04/21/21 | \$20,800.00 | 75226 | Commercial |
| 06/28/22 | -\$4,252,000.00 | 75226 | Commercial Real Estate |
| 12/15/21 | \$1,934,000.00 | 75226 | Commercial Real Estate |
| 06/08/18 | \$480,000.00 | 75226 | Commercial Real Estate |
| 02/05/19 | \$1,250,000.00 | 75226 | Commercial Real Estate |
| 11/07/19 | \$468,000.00 | 75226 | Commercial Real Estate |
| 11/07/19 | \$2,290,000.00 | 75226 | Commercial Real Estate |
| 06/17/20 | \$2,160,000.00 | 75226 | Commercial Real Estate |
| 02/12/21 | \$600,000.00 | 75226 | Commercial Real Estate |
| 07/13/21 | \$2,100,000.00 | 75226 | Commercial Real Estate |
| 10/27/21 | \$824,000.00 | 75226 | Commercial Real Estate |
| 03/23/22 | \$524,498.08 | 75226 | Multi-family |
| 06/28/22 | \$12,252,000.00 | 75226 | Commercial Real Estate |
| | \$24,980,392.08 | 47 | |
| | | | |
| 04/08/20 | \$230,000.00 | 75227 | Commercial |
| 03/25/21 | \$4,100.00 | 75227 | Commercial |
| 09/23/22 | \$40,000.00 | 75227 | Consumer Loan |
| 01/04/18 | \$96,131.00 | 75227 | Interim Construction 1-4 Family |
| 01/23/18 | \$125,053.00 | 75227 | Interim Construction 1-4 Family |
| 01/23/18 | \$125,053.00 | 75227 | Interim Construction 1-4 Family |
| 01/23/18 | \$125,053.00 | 75227 | Interim Construction 1-4 Family |
| 01/23/18 | \$124,841.00 | 75227 | Interim Construction 1-4 Family |
| 06/14/18 | \$39,900.00 | 75227 | 1-4 Family |
| 07/25/18 | \$125,053.00 | 75227 | Interim Construction 1-4 Family |
| 02/27/19 | \$1,050,000.00 | 75227 | Commercial Real Estate |
| 07/20/19 | \$90,000.00 | 75227 | 1-4 Family |
| 09/28/20 | \$60,200.00 | 75227 | 1-4 Family |
| 10/25/21 | \$87,500.00 | 75227 | Commercial |
| 10/10/22 | \$201,145.00 | 75227 | 1-4 Family |
| | \$2,524,029.00 | 15 | |
| | | | |
| 12/31/18 | \$5,000.00 | 75228 | Consumer Loan |
| 03/27/19 | \$15,000.00 | 75228 | Consumer Loan |

| | | | |
|----------|-------------------------|------------|---------------------------------|
| 04/14/20 | \$6,200.00 | 75228 | Commercial |
| 05/01/20 | \$12,500.00 | 75228 | Commercial |
| 01/06/22 | \$25,000.00 | 75228 | Commercial |
| 07/07/22 | \$25,000.00 | 75228 | Commercial |
| 08/20/18 | \$99,500.00 | 75228 | Interim Construction 1-4 Family |
| 03/07/19 | \$185,000.00 | 75228 | Interim Construction 1-4 Family |
| 03/27/19 | \$211,000.00 | 75228 | Interim Construction 1-4 Family |
| 08/09/19 | \$268,000.00 | 75228 | Interim Construction 1-4 Family |
| 10/29/19 | \$222,300.00 | 75228 | Interim Construction 1-4 Family |
| 06/16/20 | \$107,300.00 | 75228 | 1-4 Family |
| 06/19/20 | \$77,000.00 | 75228 | 1-4 Family |
| 04/09/21 | \$80,500.00 | 75228 | Commercial |
| 11/12/21 | \$112,500.00 | 75228 | 1-4 Family |
| 03/01/22 | \$140,000.00 | 75228 | Commercial |
| 05/20/22 | \$179,200.00 | 75228 | Commercial |
| | \$1,771,000.00 | 17 | |
| | | | |
| 03/23/22 | \$70,000.00 | 75232 | Commercial |
| 04/18/22 | \$35,680.00 | 75232 | Commercial |
| 07/14/22 | \$19,800.00 | 75232 | Commercial |
| 08/11/22 | \$50,000.00 | 75232 | Commercial |
| | \$175,480.00 | 4 | |
| | | | |
| 05/22/20 | \$4,000.00 | 75233 | Commercial |
| 05/13/19 | \$87,850.00 | 75233 | 1-4 Family |
| | \$91,850.00 | 2 | |
| | | | |
| 11/24/21 | \$276,000.00 | 75236 | Commercial |
| 06/30/22 | \$59,500.00 | 75236 | 1-4 Family |
| | \$335,500.00 | 2 | |
| | | | |
| 07/13/20 | \$1,500,000.00 | 75237 | Commercial Real Estate |
| 05/13/21 | \$3,500,000.00 | 75237 | Interim Construction Comm R/E |
| | \$5,000,000.00 | 2 | |
| | | | |
| 01/19/18 | \$96,131.00 | 75241 | Interim Construction 1-4 Family |
| 10/30/20 | \$153,750.00 | 75241 | Interim Construction 1-4 Family |
| | \$249,881.00 | 2 | |
| | | | |
| 04/07/21 | \$4,800.00 | 75249 | Commercial |
| 04/24/18 | \$478,110.00 | 49 | 1-4 Family |
| 03/31/20 | \$81,105.50 | 49 | 1-4 Family |
| | \$564,015.50 | 3 | |
| | | | |
| | \$123,266,986.66 | 297 | |

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Texas Brand Bank
Dallas, Texas

Application for Consent to Merge
and Establish Six Branches

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance ("FDI") Act, Texas Brand Bank, Dallas, Texas, an insured state nonmember bank with total resources of \$312,260,000 and total deposits of \$270,819,000 as of February 28, 2023 has filed an application for the Corporation's consent to merge with Harmony Bank, National Association, Kemp, Kaufman County, Texas, an insured national bank with total resources of \$377,742,000 and total deposits of \$334,765,000 as of February 28, 2023, under the charter of Texas Brand Bank and with the title of Harmony Bank, and to establish the six offices of Harmony Bank as branches of the resultant bank. Notice of the proposed transaction, in a form approved by the Corporation, has been published pursuant to the FDI Act.

Essentially a corporate reorganization, the proposal would provide a means by which FNBK Holdings, Inc., Dallas, Texas, may consolidate some of its operations. The proposed transaction would not affect the structure of commercial banking or the concentration of banking resources within the relevant markets. Services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by the proponents.

A review of available information, including the Community Reinvestment Act (CRA) Statements of the proponents, discloses no inconsistencies with the purposes of the CRA. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the application, the Corporation has taken into consideration the competitive effects of the proposed transaction, the financial and managerial resources and future prospects of the proponent banks and the resultant bank, the convenience and needs of the community to be served, and the risk to the stability of the United States banking or financial system. The FDIC has also taken into consideration the effectiveness of the insured depository institutions involved in the proposed merger transaction in combating money laundering activities.

Having found favorably on these statutory factors and having considered other relevant information, it is the Corporation's judgment that the application should be and hereby is approved, subject to the following conditions:

- Approval is conditioned upon having obtained all necessary and final approvals from the appropriate federal or state authority or other appropriate authority.

- The transaction shall not be consummated before the fifteenth calendar day following the date of this Order or later than six months after the date of this Order, unless such period is extended for good cause by the Corporation.
- Until the proposed transaction becomes effective, the Corporation shall have the right to alter, suspend or withdraw its approval should any interim development be deemed to warrant such action.

By Order of the Regional Director of the Dallas Region, acting pursuant to delegated authority for the Board of Directors of the Corporation.

Dated this 19th day of April.

FEDERAL DEPOSIT INSURANCE CORPORATION

By:

JOHN LOVE

Digitally signed by
JOHN LOVE
Date: 2023.04.19
14:48:45 -05'00'

J. Mark Love
Assistant Regional Director

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Texas Brand Bank
Dallas, Texas

Application for Consent to Merge with Harmony Bank, N.A., Kemp, Texas

STATEMENT

Per Section 345.29 of the Community Reinvestment Act (CRA) regulation, the FDIC takes into account any views expressed by interested parties that are submitted in accordance with Part 303 of the FDIC's Rules and Regulations in considering bank applications. Additionally, the FDIC must consider the statutory factors set forth in Section 6 of the FDI Act (12 U.S.C. 1816). This includes an analysis of the convenience and needs of the community to be served.

In evaluating this proposed transaction, FDIC staff reviewed: (i) the bank's CRA record of performance; (ii) written public comments; (iii) the fair lending and other consumer compliance records of the bank; (iv) information provided by the bank in response to public comments; and (v) confidential supervisory information.

CRA Performance Evaluation Rating

For the purposes of the CRA, the FDIC assigned Texas Brand Bank an overall "Satisfactory" rating at its most recent CRA Performance Evaluation as of January 10, 2022. The Office of the Comptroller of the Currency evaluated Harmony Bank, N.A.'s CRA performance as of November 16, 2020, and assigned a "Satisfactory" rating.

CRA Protest

In the course of reviewing public input on the application, the FDIC received an adverse comment, which was considered a CRA protest. The CRA protest was critical of Texas Brand Bank's branching efforts; outreach and marketing efforts; commercial and small business lending performance in low-income and majority-minority census tracts; and the diversity of bank employees.

Bank's Response

The response indicates Texas Brand Bank operates five branches in Dallas County. The response further indicates the bank does operate at least one branch in a majority-minority tract in the county.

Regarding the bank's commercial and small business lending, the bank stated that analysis completed of loan data disproves the allegations. Data provided within the response demonstrated the bank originated loans in low-income census tracts as well as majority-minority census tracts in the Dallas-Fort Worth area.

The bank response shows the bank does offer solutions for the unbanked and underbanked. Additionally, the response indicates within the last four years the bank opened three branch offices in the neighborhoods the protest identifies as areas of concern. Further, when addressing the diversity among the bank staff, the bank stated they are proud of their efforts regarding diversity, equity, and inclusion. Staff include female and minority representation. Finally, the bank provided additional confidential information to the FDIC used for analysis of the protester's allegations.

Summary Analysis

The FDIC fully considered and assessed the issues and concerns raised in the CRA protest and Texas Brand Bank's response.

The bank's defined Dallas-Fort Worth CRA assessment area consists of all census tracts in Collin and Dallas Counties, and conforms to CRA regulatory requirements. The bank currently operates five branches in Dallas County, with four located in majority-minority census tracts according to 2015 American Community Survey data. Additionally, the FDIC determined the merger with Harmony Bank, N.A., which includes a six-branch network, would not adversely affect the bank's services or lending in the Dallas-Fort Worth CRA assessment area.

The FDIC analyzed Texas Brand Bank's 2020 and 2021 small business lending. FDIC analysis of such data revealed Texas Brand Bank did originate loans in both low-income and majority-minority census tracts within the assessment area.

The FDIC noted diversity within Texas Brand Bank's employees and leadership. The FDIC also considered confidential information regarding the institution as well as Texas Brand Bank's outreach efforts and record of community involvement.

After a careful review of the allegations, the FDIC determined that the protester's concerns related to CRA were satisfactorily resolved. The proposed merger will assist Texas Brand Bank in meeting the convenience and needs of the communities served.



Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection

Dallas Regional Office
600 North Pearl Street, Suite 700, Dallas, Texas 75201

April 28, 2023

James McGee
President/Chair
Southern Dallas Progress Community Development Corporation
1402 Corinth Street, Suite 147
Dallas, Texas 75215

Dear Mr. McGee,

The FDIC completed our review of your correspondence dated December 23, 2022, concerning an application filed by Texas Brand Bank, Dallas, Texas to merge with Harmony Bank, National Association, Kemp, Texas.

The FDIC took into consideration issues you raised in your Community Reinvestment Act (CRA) protest and investigated those issues as well as the bank's overall CRA performance. Based on our review, we approved the application on April 19, 2023, subject to the conditions in the enclosed Order, with additional information included in the attached Statement.

If there are any questions regarding this letter, please contact Assistant Regional Director Rafael S. Valle at (615) 391-0098, extension 4812.

Sincerely,

David E. Wright
Deputy Regional Director

Enclosure

cc:
Texas Brand Bank