



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# LIMITED PURPOSE BANK

## PUBLIC DISCLOSURE

February 7, 2022

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

TCM Bank, National Association  
Charter Number: 23363

3501 East Frontage Road, Suite 200  
Tampa, Florida 33607

Office of the Comptroller of the Currency

Midsized Bank Supervision  
400 7th St. SW, Suite 3E-218  
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**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

**Table of Contents**

Overall CRA Rating.....1

Description of Institution.....2

Scope of the Evaluation.....3

Discriminatory or Other Illegal Credit Practices Review.....3

State Rating:  
    State of Florida.....4

Appendix A: Summary of State Ratings.....A-1

Appendix B: Definitions and Common Abbreviations.....B-1

## Overall CRA Rating

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

The major factors that support this rating include:

- The institution demonstrates an adequate level of community development (CD) services and qualified investment activities.
- The institution demonstrates no use of innovative or complex qualified investments or CD services.
- The institution exhibits adequate responsiveness to credit and CD needs in its assessment area (AA).

## Description of Institution

TCM Bank, National Association (TCM or bank) is a \$310 million financial institution headquartered in Tampa, Florida and is a wholly-owned subsidiary of ICBA Bancard, Inc. (Bancard). Bancard, a for profit business, is a subsidiary of the Independent Community Bankers Association (ICBA), a not for profit trade association that serves member financial institutions throughout the United States. ICBA represents the interests of the community bank industry of over 5,000 members and operates as a tax-exempt entity. Bancard provides payment processing to approximately 1,500 of the over 5,000 ICBA member banks. The member banks are each a direct issuer of credit cards and pay Bancard a percentage of credit card transaction fees for payment processing services.

Since opening on May 18, 1998, the bank operates as a limited purpose bank, with a Competitive Equality Banking Act (CEBA) charter that limits the bank's lending activities to credit card issuing and operations only, and places limits on deposit-taking abilities (no demand deposit accounts and no accounts opened for less than \$100,000, except for savings accounts held as collateral for secured credit cards). TCM has approximately 1,500 secured savings accounts as collateral for secured credit cards. Other depositors are Agent Banks and other financial institutions.

TCM operates under an Agent Model, whereby TCM enters into agreements with other financial institutions to offer Visa and Mastercard credit cards (consumer and commercial accounts) branded with other banks' (Agent) names and logos. Agents refer customers to TCM via an online application portal or via paper applications that are mailed to TCM for underwriting and decisioning. Agents are then compensated according to the terms of their specific agreements.

TCM grows its customer base by adding new Agent banks who begin offering TCM credit cards to their customers and by acquisition of existing credit card portfolios. During the evaluation period, TCM made 39 conversion acquisitions totaling \$28 million and acquired two Agent portfolios totaling \$50.9 million.

In February 2020, TCM moved the office location from 2701 North Rocky Point Drive to 3501 East Frontage Road, a distance of 3.1 miles. Since the previous performance evaluation, there were no major payment processing changes. Due to the COVID-19 pandemic, bank personnel began working remotely in March 2020; however, remote operations did not have a major impact on TCM's operational processes.

**Table 1: Financial Information (000s)**

	<b>Year-end 2019</b>	<b>Year-end 2020</b>	<b>Year-end 2021</b>	<b>Average for Evaluation Period</b>
Tier 1 Capital	51,285	50,280	55,822	52,462
Total Income	55,948	48,506	51,700	52,051
Net Operating Income	5,534	(2,231)	7,326	3,543
Total Assets	327,065	270,507	309,542	302,371
Managed Assets	279,988	238,964	274,556	264,503

Source: Consolidated Report of Condition and Income and bank reported data.

## **Scope of the Examination**

### **Evaluation Period/Products Evaluated**

In evaluating the bank's performance under the CRA, we reviewed CD activities from January 1, 2019 through December 31, 2021. We reviewed the level and nature of qualified investments and CD services. At the prior evaluation dated January 7, 2019, we rated the bank Satisfactory.

For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area.

Although the bank has adequately addressed the needs of its AA, there were no outside of AA qualified investments and CD services performed or considered in evaluating its performance.

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

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of Florida

CRA Rating for Florida: *Satisfactory*

The major factors that support this rating include:

- The Bank demonstrates an adequate level of CD services and qualified investment activity in the state of Florida.
- The Bank demonstrates no use of innovative or complex qualified investments or CD services in the state of Florida.
- The Bank exhibits adequate responsiveness to credit and CD needs in the state of Florida.

### Description of Assessment Area

TCM's AA is comprised of the whole county of Hillsborough which is part of the Tampa-St. Petersburg-Clearwater MSA. The AA consists of both rural and suburban areas and meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. According to the 2010 U.S. Census data, the AA consists of 321 census tracts (CTs) comprising 31 low-income CTs, 69 moderate-income CTs, 95 middle-income CTs, 113 upper-income CTs, and 13 CTs with no designations. The percentage of families below the poverty level is 12.7 percent.

According to the U.S. Bureau of Labor Statistics, as of December 31, 2021, the unemployment rate in the Tampa-St. Petersburg-Clearwater MSA was 5.6 percent, which is higher than the national average of 3.9 percent. The COVID-19 pandemic has hampered the harder-hit leisure/hospitality industry within the MSA due to the large tourism base and the lack of snowbirds from Canada as the AA population generally swells in the winter months. The top employers in the area are BayCare Health System, Publix Super Markets Inc., and Hillsborough County School District.

Housing affordability is a challenge in the Tampa-St. Petersburg-Clearwater MSA. The FFIEC estimated 2021 median family income was \$72,700. The median housing value was \$262,500 in January 2018 and \$377,500 in December 2021, a 43.8 percent increase, according to Realtor.com. The 2021 housing value would require a mortgage payment of \$2,027 based on a 30-year mortgage with a 5 percent interest rate. Based on this data and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$36,350 per year (or less than 50 percent of the 2020 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$909 per month. A moderate-income borrower making \$58,160 per year (or less than 80 percent of the 2020 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,454 per

month. This illustrates that low and moderate-income (LMI) borrowers would be challenged to qualify for a mortgage loan in the AA.

Further challenges include the 12.7 percent of families below poverty level and the high percentage of rental units. Using the 2015 U.S. Census American Community Survey, published household data is unchanged since the previous review. Total housing units of 549,024 represented 486,078 in occupied housing units and 62,946 in vacant housing units. Owner-occupied units totaled 284,285 or 51.8 percent, rental occupied units totaled 201,793 or 36.8 percent, and vacant units totaled 62,946 or 11.4 percent of total housing units.

**Table 2: Florida Assessment Area Description**

	<b>Number</b>	<b>Low</b>	<b>Moderate</b>	<b>Middle</b>	<b>Upper</b>	<b>N/A***</b>
<b>Tracts</b>	321	9.7%	21.5%	29.6%	35.2%	4.0%
<b>Families</b>	309,914	21.9%*	16.8%*	17.7%*	43.6%*	0%*
<b>Businesses</b>	185,091	6.5%**	19.0%**	27.6%**	46.3%**	0.6%**

Source: Demographic Data – 2015 ACS and 2020 Dun & Bradstreet Data.

\* Represents families by income level.

\*\* Represents businesses by income level of census tract.

\*\*\*The NA category consists of geographies that have not been assigned an income classification.

A community contact was conducted to determine the credit and CD needs in the AA. The contact was conducted with an Economic Opportunity Department organization that collaborates with the City of Tampa internal departments and external partners to achieve a Mayoral initiative that includes affordable housing, infrastructure and mobility, sustainability and resiliency, and workforce development. The contact indicated the general credit need is affordable housing and workforce housing. During the evaluation period, TCM made affordable housing investments and performed CD services to an affordable housing organization.

## Conclusions About Performance

### Summary

TCM provided an adequate level of qualified investments and CD services in relation to available opportunities, legal restrictions, financial capacity, nature of operations, and competition from local, national, and regional banks and savings institutions. The bank provided qualified investments that were responsive to the identified affordable housing and community service needs in the AA.

- The bank demonstrated an adequate level of qualified investment activities and CD services. Current period investments and grants totaled \$2.6 million.
- The bank demonstrates no use of innovative or complex qualified investments or community development services.

- The bank exhibits adequate responsiveness to affordable housing and community services needs. The bank made qualified investments and grants and provided CD services to affordable housing and community services organizations.

**Qualified Investments**

Current period investments and grants totaling \$2.6 million consist of one \$2.5 million mortgage backed security (MBS) and seven qualifying grants totaling \$118,000 to seven CRA-qualified organizations. There were no prior period investments or grants. During the evaluation period, the bank did not make use of innovative or complex investments. The investment and grants made to CD-qualified organizations support affordable housing and community services activities in the bank’s AA.

The following table summarizes the bank’s investments and grants inside the AA:

**Table 3: Qualified Investment Activity (000s)**

	<b>Benefits AA**</b>
<b>Originated Investments</b>	\$2,520
<b>Originated Grants</b>	\$118
<b>Prior-Period Investments that Remain Outstanding</b>	0
<b>Total Qualified Investments</b>	\$2,638
<b>Unfunded Commitments*</b>	0

\* “Unfunded Commitments” means legally binding investment commitments that are tracked and recorded by the bank’s financial reporting system.

\*\* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The following table measures the level of total qualified investment activities in terms of average allocated tier 1 capital, average total income, and pass-through receivables over the evaluation period:

**Table 4: Qualified Investment Percentages**

	<b>Benefits AA (%)*</b>
<b>Total Investments/Average Tier 1 Capital</b>	5.03%
<b>Total Investments/Average Total Income</b>	4.25%
<b>Total Investments/Average Pass-Through Receivables</b>	1.00%

\* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Described below are some of the most significant qualified investments:

- A \$250,000 MBS that consists of 11 LMI homes located in the bank’s AA.
- Three grants totaling \$30,000 where the bank sponsored clothing and school supplies drives for an organization that houses at-risk youths.



- Three grants totaling \$30,000 to a local organization in Hillsborough County where funds were used to construct homes for LMI families in the AA.

**CD Services**

TCM exhibited an adequate responsiveness to CD needs. Three Executive level and one Senior level bank employees provided 281 hours of services to four organizations and programs that benefit LMI individuals, youths, families, and communities. Services included affordable housing and community services activities to organizations located within its AA.

Bank employees supported organizations by providing support for community services organizations through serving in various leadership roles including Board and Committee Members positions and as financial literacy instructors. Services to an affordable housing organization include various leadership roles in Board and Committee Member positions and providing technical assistance.

All four bank employees participated in leadership roles including Vice Chairman of the Board, Board Members, Executive Committee Members, and Board Secretary. Two bank employees participated as Financial Literacy Instructors to two organizations and one bank employee provided Information Technology (IT) technical assistance to one organization.

**Table 6: CD Service Activities**

<b>CD Service</b>	<b>Benefits AA *</b>
Affordable Housing	128
Community Services	153
<b>Total Community Development Service Hours</b>	<b>281</b>

\* CD services included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The following are examples of the bank’s CD services:

- An executive bank officer served 132 hours in various Board and committee positions including Board Secretary and Loan Committee Chair and also performed as a Financial Literacy Instructor for a community service organization that provides financial education programs tailored to adult refugees and immigrants. Organization programs include Financial Literacy, Loan Program with Financial Mentoring, and a Micro-Enterprise program that introduces participants to American business practices as well as providing tools to assist the participants in creating and operating their own businesses.
- An executive bank officer served 89 hours in various Board and committee positions including Vice Chair, Cyber Security Committee Chair, and an Executive Committee Member of an affordable housing organization that builds homes as well as provides financing and improving homes in partnerships with individuals and families in need of a

decent affordable place to live. The organization served 349 LMI participants, built 53 new construction homes, and assisted in preservation projects on 95 homes.

- A bank executive officer served six hours as a Connections Board Member and Literacy Instructor to a community service organization that provides financial literacy, entrepreneurship, and workforce readiness for students in Hillsborough County. Students participate in in-class learning that provides a bridge between what the students learned in school and the real world.

**Appendix A: Summary of State Rating**

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<b>RATING:</b> TCM Bank, National Association	
<b>Overall Bank:</b>	<b>Overall Bank Rating</b>
TCM Bank, National Association	Satisfactory
<b>State:</b>	<b>State Rating:</b>
Florida	Satisfactory

## Appendix B: Definitions and Common Abbreviations

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

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

**Assessment Area (AA):** A geographic area that consists generally of one or more MSAs (using the MSA boundaries that were in effect as of January 1 of the calendar year in which the delineation is made) or one or more contiguous political subdivisions, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking ATMs.

**Benefit to Assessment Area:** The OCC considers all qualified investments, community development loans, and community development services that benefit areas within the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

**CEBA:** Competitive Equality Banking Act of 1987, which permitted corporations to form limited-purpose credit card banks, whose operations are restricted to credit card activities, without the corporation becoming subject to the limitations of a "bank holding company" under the Bank Holding Company Act. A CEBA credit card bank engages only in credit card operations, does not accept demand deposits or saving or time deposits of less than \$100,000 (other than secured extensions of credit), maintains only one office and does not engage in the business of making commercial loans.

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

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Limited Purpose Institution:** An institution that offers only a narrow product line (such as credit cards or automobile loans) to a regional or broader market and for which a designation as limited purpose bank is in effect.

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

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

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Net Operating Income:** As listed in the Consolidated Report of Condition and Income: Income before income taxes and extraordinary items and other adjustments.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Pass-Through Receivables:** Outstanding receivables tied to all accounts issued or owned by the bank. Pass-through receivables include receivables attributable and receivables retained on balance sheet as those terms as used in 12 CFR 8.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose CD.

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

**Total Assets:** Total bank assets as listed in the Consolidated Report of Condition and Income.

**Total Income:** From the Consolidated Report of Condition and Income – Total Interest income plus Total Noninterest income.

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