

# **PUBLIC DISCLOSURE**

June 10, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First American Bank and Trust  
Certificate Number: 8149

2785 Highway 20  
Vacherie, Louisiana 70090

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

600 North Pearl Street, Suite 700  
Dallas, Texas 75201

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending related activities are in the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

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

The institution's community development (CD) performance demonstrates excellent responsiveness to CD needs in its assessment areas through CD loans, qualified investments (QIs), and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's assessment areas.

## DESCRIPTION OF INSTITUTION

First American Bank and Trust (FABT), headquartered in Vacherie, Louisiana, began operations in 1910. One American Corp. of Vacherie, Louisiana, a one-bank holding company, wholly owns the bank. No other affiliates or subsidiaries exist relevant to this CRA evaluation, as the institution did not ask for consideration of any activities from such. FABT received a “Satisfactory” rating at its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated March 15, 2021, based on the Federal Financial Institutions Examination Council (FFIEC) Intermediate Small Institution CRA Examination Procedures.

FABT functions as a retail bank with a primary business focus, unchanged from the prior evaluation, on residential and commercial loans. It operates from 25 full-service offices, all located in the State of Louisiana. The bank did not open or close any locations since the prior evaluation. The bank did not participate in any merger or acquisition activity since the prior evaluation.

The bank offers a variety of loan products, including commercial, residential, and consumer loans. It also provides a variety of deposit services, including checking, savings, money market deposit accounts, individual retirement accounts, and certificates of deposit. Service hours remain consistent with area and industry norms and include extended lobby and drive-thru hours on Fridays. Alternative delivery systems include online banking, mobile banking, telephone banking, and 24 automated teller machines (ATMs).

As of the March 31, 2024, Report of Condition and Income, the bank reported total assets of \$1.4 billion, net loans of \$818.2 million, and total deposits of \$1.2 billion. Since the last CRA evaluation, total assets increased by 6.8 percent. Additionally, net loans decreased by 6.4 percent, while total deposits increased 7.6 percent. The following table shows a distribution supportive of the institution’s primary business focus, with residential loans (secured by 1-4 family and multi-family residential properties) representing the largest portion of the loan portfolio followed by commercial loans (secured by nonfarm nonresidential properties and commercial and industrial).

<b>Loan Portfolio Distribution as of March 31, 2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	84,777	10.2
Secured by Farmland	1,124	0.1
Secured by 1-4 Family Residential Properties	466,138	55.9
Secured by Multifamily (5 or more) Residential Properties	44,543	5.4
Secured by Nonfarm Nonresidential Properties	186,758	22.4
<b>Total Real Estate Loans</b>	<b>783,340</b>	<b>94.0</b>
Commercial and Industrial Loans	35,438	4.3
Agricultural Production and Other Loans to Farmers	316	<0.1
Consumer Loans	13,752	1.7
Other Loans	378	<0.1
<b>Total Loans</b>	<b>833,224</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution's ability to meet the credit needs of its assessment area.

## DESCRIPTION OF ASSESSMENT AREAS

FABT designated four assessment areas, all in the State of Louisiana: 1) New Orleans Metropolitan Statistical Area Assessment Area (New Orleans MSA AA), 2) Hammond MSA AA, 3) Houma MSA AA, and 4) Baton Rouge MSA AA. All areas conform to technical CRA regulatory requirements. According to the 2020 U.S. Census data, the bank's overall assessment area consists of 358 census tracts with the following income designations: 16 low-, 73 moderate-, 148 middle-, and 113 upper-income, as well as 8 tracts with no income designation.

The bank did not add any new or eliminate any assessment areas since the prior evaluation. The individual assessment area sections of this performance evaluation provide additional information on each area.

Description of Assessment Areas			
Assessment Area	Parishes in Assessment Area	# of CTs	# of Branches
New Orleans MSA	St. James, St. John the Baptist, St. Tammany, and part of Jefferson	195	15
Hammond MSA	Tangipahoa	31	1
Houma MSA	Parts of Lafourche and Terrebonne	42	3
Baton Rouge MSA	Ascension, Assumption, Livingston, and part of East Baton Rouge	90	6
<i>Source: Bank Data</i>			

## SCOPE OF EVALUATION

### **General Information**

Examiners evaluated FABT's performance based on FFIEC Intermediate Small Institution CRA Examination Procedures, which include the Lending and Community Development Tests. The appendix details each tests' criteria. This evaluation covers the period from the previous evaluation dated March 15, 2021, to the current evaluation dated June 10, 2024.

The following table shows the New Orleans MSA AA generated the largest percentage of loans originated inside the assessment areas, contained the largest percentage of deposits gathered, and included the largest percentage of offices operated. Consequently, examiners performed a full-scope review and weighed performance in the New Orleans MSA AA heaviest when arriving at applicable conclusions. Additionally, examiners performed a full-scope review on the Hammond MSA AA since examiners have not performed full-scope procedures on this assessment area during the previous two evaluations. The Houma MSA and Baton Rouge MSA AAs received a limited-scope review. Examiners generally weighed performance for the assessment areas based on the lending percentages in the following table.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
New Orleans MSA	83,994	50.5	861,709	72.4	15	60.0
Hammond MSA	19,669	11.8	28,511	2.4	1	4.0
Houma MSA	29,746	17.9	142,842	12.0	3	12.0
Baton Rouge MSA	32,850	19.8	156,543	13.2	6	24.0
<b>Total</b>	<b>166,259</b>	<b>100</b>	<b>1,189,605</b>	<b>100</b>	<b>25</b>	<b>100</b>
<i>Source: Bank Data (2023); HMDA Data (2022); FDIC Summary of Deposits (06/30/2023)</i>						

### **Activities Reviewed**

For the Lending Test, CRA Intermediate Small Institution procedures require examiners to determine the bank's major product lines for review. As an initial matter, examiners may select from the same loan categories used for CRA Large Bank evaluations: home mortgage, small business, small farm, and consumer loans.

As seen in the following table, considering the dollar volume and number of loans originated or purchased as well as management's stated business strategy, examiners determined that the bank's major product lines consist of home mortgage and small business loans. Since small farm and consumer loans do not represent major product lines and would not materially affect any conclusions or ratings, this evaluation does not include a review of them. The institution's records indicate the lending focus and product mix remained generally consistent throughout the evaluation period.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	64,599	21.9	285	17.1
Secured by Farmland	810	0.3	2	0.1
Secured by 1-4 Family Residential Properties	133,477	45.1	618	37.2
Multi-Family (5 or more) Residential Properties	10,574	3.6	18	1.1
Commercial Real Estate Loans	22,889	7.7	102	6.1
Commercial and Industrial Loans	52,446	17.7	121	7.3
Agricultural Loans	2,569	0.9	5	0.3
Consumer Loans	8,297	2.8	512	30.8
Other Loans	0	0.0	0	0
<b>Total Loans</b>	<b>295,611</b>	<b>100.0</b>	<b>1,663</b>	<b>100.0</b>
<i>Source: Bank Data (01/01/2023 – 12/31/2023)</i>				

Consequently, this evaluation includes a review of all home mortgage loans listed below reported on the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) for all full calendar years since the prior evaluation, including the year of the prior evaluation since the prior evaluation did not consider partial 2021 data.

- 2021 - 560 such loans totaling \$156.3 million,

- 2022 - 549 such loans totaling \$171.5 million, and
- 2023 - 399 such loans totaling \$114.4 million.

Examiners did not identify any trends between the different years' data that materially affect conclusions. Therefore, this evaluation presents HMDA data for 2022, the most recent year for which aggregate data exists as of this evaluation data. HMDA aggregate data for 2022 provided the primary standard of comparison for home mortgage loans.

In addition, this evaluation includes a review of 2023 small business loans, the most recent calendar year of available data. The evaluation considered the universe of 207 small business loans totaling \$33.8 million under the assessment area concentration performance factor. For the borrower profile performance factor, examiners selected a random sample of 77 small business loans totaling \$13.7 million. D&B data for 2023 provides a standard of comparison for the small business loans reviewed.

Examiners considered the universes of the dollar volume and number of loans originated for the loan categories reviewed, as well as management's stated business strategy, to determine the weighting applied when evaluating the applicable performance factors. The following table shows that, among the loan categories reviewed, home mortgage loans comprise a majority by number and a majority by dollar. Consequently, examiners placed more weight on home mortgage loans when arriving at applicable conclusions.

<b>Loan Category Weighting</b>				
<b>Loan Categories Reviewed</b>	<b>Universes of Loan Categories Typically Reviewed</b>			
	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Home Mortgage	171,600	83.5	549	72.6
Small Business	33,800	16.5	207	27.4
Total	<b>205,400</b>	<b>100.0</b>	<b>756</b>	<b>100.0</b>
<i>Source: Bank records (2023); HMDA 2022.</i>				

While the evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans better indicates the number of businesses and individuals served.

For the Community Development Test, this evaluation considers applicable current period CD activities, including CD loans, QIs, and CD services. Current period activities involve those generated since the previous March 15, 2021, evaluation. This test further encompasses prior period QIs, those purchased prior to the evaluation but that remain outstanding as of this evaluation's date. Examiners use the book value as of the current evaluation date for all prior period QIs.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

FABT demonstrated a satisfactory record regarding the Lending Test. Reasonable borrower profile and geographic distributions primarily support this conclusion. A reasonable record regarding the bank's LTD ratio and a majority of loans originated in the assessment areas further support this conclusion.

#### Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs. For the 13 quarters since the previous evaluation, the bank recorded a 64.7 percent average net LTD ratio. The ratio decreased from the 78.0 percent average net LTD ratio reported at the previous evaluation. The bank's quarterly net LTD ratio ranged from a low of 54.6 percent on March 31, 2022, to a high of 70.0 percent on September 30, 2023.

The following table includes comparable institutions operating in or near FABT's assessment area, reporting similar asset sizes, and reflecting similar lending emphases. The following table shows that the bank posted one of the lowest ratios listed.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2024 \$(000s)	Average Net LTD Ratio (%)
First American Bank and Trust, Vacherie, St. James Par., LA	1,357,121	64.7
Fidelity Bank, New Orleans, Orleans Par., LA	1,120,468	79.4
First Guaranty Bank, Hammond, Tangipahoa Par., LA	3,552,496	87.5
Investar Bank, National Association, Baton Rouge, East Baton Rouge Par., LA	2,784,772	92.2
Synergy Bank: Houma, Terrebonne Par., LA	1,181,137	59.4
Source: Reports of Condition and Income 3/31/21 to 3/31/24.		

#### Assessment Area Concentration

A majority of loans and other lending related activities are in the institution's assessment areas. The following table shows a majority of home mortgage and small business loans, by both number and dollar, originated inside the bank's assessment areas.



Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	477	85.2	83	14.8	560	130,503	83.5	25,798	16.5	156,301
2022	452	82.3	97	17.7	549	137,134	79.9	34,420	20.1	171,554
2023	323	81.0	76	19.0	399	89,977	78.7	24,421	21.3	114,398
Subtotal	1,252	83.0	256	17.0	1,508	357,614	80.8	84,639	21.2	442,253
Small Business	172	83.1	35	16.9	207	29,125	86.1	4,694	13.9	33,819
Source: Bank Data (2023); HMDA Data (2021-2023).										

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Consistent performance in the New Orleans MSA AA, Hammond MSA AA, Houma MSA AA, and Baton Rouge MSA AA support this conclusion. Examiners considered the bank's performance relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans in low- and moderate-income geographies, within the assessment areas when arriving at conclusions.

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Consistent performance in the New Orleans MSA AA, Hammond MSA AA, Houma MSA AA, and Baton Rouge MSA AA support this conclusion. Examiners considered the bank's performance relative to the available comparative data and any performance context issues. They focused on the percentage by number of loans to businesses with gross annual revenue of \$1 million or less and to low- and moderate-income individuals within the assessment areas when arriving at conclusions.

### **Response to Complaints**

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

### **COMMUNITY DEVELOPMENT TEST**

The institution's CD performance demonstrates excellent responsiveness to CD needs in its assessment areas through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's assessment areas.

## **Community Development Loans**

Since the prior evaluation, the bank granted 23 CD loans totaling over \$84.5 million. The total dollar amount equates to 6.3 percent of average total assets of \$1.3 billion since the previous evaluation and 11.4 percent of average net loans of \$742.7 million for the same period. These levels reflect an increase from the 5.6 percent of average total assets and the 8.4 percent of average net loans noted at the last evaluation. The responsiveness of the loans address identified needs in the assessment area primarily targeted to revitalization and stabilization efforts but also benefit the other CD categories. The following table illustrates the CD loans by year and purpose.

<b>Community Development Lending Institution</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2021*	2	3,625	1	191	0	0	6	50,362	9	54,178
2022	5	5,742	1	100	1	2,732	1	2,676	8	11,250
2023	0	0	1	526	0	0	4	16,447	5	16,973
YTD 2024	0	0	0	0	0	0	1	2,150	1	2,150
<b>Subtotal</b>	<b>7</b>	<b>9,367</b>	<b>3</b>	<b>817</b>	<b>1</b>	<b>2,732</b>	<b>12</b>	<b>71,635</b>	<b>23</b>	<b>84,551</b>
<i>Source: Bank data. *Since the prior evaluation.</i>										

The bank's CD loans benefitted the following areas:

- New Orleans MSA AA – 10 CD loans totaling \$20,095,000
- Hammond MSA AA – 2 CD loans totaling \$5,005,000
- Houma MSA AA – 7 CD loans totaling \$49,193,000
- Baton Rouge MSA AA – 2 CD loans totaling \$7,138,000
- Broader statewide or regional area – 2 CD loans totaling \$3,121,000

The following is an example of the bank's CD loans benefitting a broader statewide or regional area:

- ***Revitalize or Stabilize*** – The bank originated a \$2.6 million loan to construct a new gas station and convenience store located in a low-income census tract. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.

## **Qualified Investments**

The bank made use of 88 QIs totaling \$36.3 million. The total dollar amount equates to 2.7 percent of average total assets since the prior evaluation and 7.7 percent of average securities of \$468.9 million for the same period. These levels reflect a decrease from the 4.2 percent of average total assets and 18.2 percent of average securities recorded at the last evaluation. The responsiveness of the QIs addresses identified needs of the assessment area for affordable housing, community services to low- and moderate-income individuals, and revitalization or stabilization efforts. The following table illustrates the QIs by year and purpose.

Qualified Investments Institution										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	35	8,020	31	13,995	0	0	0	0	66	22,015
2021*	0	0	0	0	0	0	1	1,000	1	1,000
2022	0	0	3	2,760	0	0	3	10,500	6	13,260
2023	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>35</b>	<b>8,020</b>	<b>34</b>	<b>16,755</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>11,500</b>	<b>73</b>	<b>36,275</b>
Qualified Grants & Donations	1	1	14	36	0	0	0	0	15	37
<b>Total</b>	<b>36</b>	<b>8,021</b>	<b>48</b>	<b>16,791</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>11,500</b>	<b>88</b>	<b>36,312</b>
Source: Bank data. *Since the prior evaluation.										

The bank's QIs benefitted the following areas:

- New Orleans MSA AA – 27 QIs totaling \$18,274,000
- Hammond MSA AA – 4 QIs totaling \$144,000
- Houma MSA AA – 7 QIs totaling \$1,470,000
- Baton Rouge MSA AA – 22 QIs totaling \$6,214,000
- Broader statewide or regional area – 28 QIs totaling \$10,208,000

The following points provide examples of the bank's QIs benefitting a broader statewide or regional area:

- **Community Service** – The bank continued its investments in 23 municipal bonds totaling \$9.0 million to various school districts throughout the state where a majority of the students receive free or reduced lunch. Thus, the activities benefit organizations or projects that provide community services primarily to low- and moderate-income individuals.
- **Revitalize or Stabilize** – The bank continued its investments in two municipal bonds totaling \$810,000 for the purpose of constructing and improving roads in a moderate-income geography. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.

### **Community Development Services**

Since the prior evaluation, the bank performed 61 services. This reflects an increase from the 47 CD services noted at the prior evaluation. The services all involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations. The following table illustrates the CD services by year and purpose.

Community Development Services Institution					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021*	1	7	0	0	8
2022	1	13	2	0	16
2023	1	15	2	0	18
YTD 2024	0	18	1	0	19
<b>Total</b>	<b>3</b>	<b>53</b>	<b>5</b>	<b>0</b>	<b>61</b>
Source: Bank data. *Since the prior evaluation.					

The bank's CD services benefitted the following areas:

- New Orleans MSA AA – 44 CD services
- Hammond MSA AA – 3 CD services
- Baton Rouge MSA AA – 9 CD services
- Houma MSA AA – 5 CD services

Regarding its delivery systems, the following table shows that the bank has no full-service offices in low-income census tracts in comparison to the percentage of the population residing in those areas. The table also shows that, in moderate-income geographies, the bank's percentage of full-service offices lands 6.3 percentage points lower than the population percentage.

Branch and ATM Distribution by Geography Income Level Institution								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	16	4.5	46,826	3.4	0	0	0	0
Moderate	73	20.4	254,524	18.3	3	12.0	3	12.5
Middle	148	41.3	583,118	41.8	12	48.0	11	45.8
Upper	113	31.6	490,847	35.2	10	40.0	10	41.7
NA	8	2.2	18,386	1.3	0	0.0	0	0.0
<b>Total</b>	<b>358</b>	<b>100.0</b>	<b>1,393,701</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>
Source: U.S. Census Data (2020); Bank Data								

Furthermore, the bank provides alternative delivery systems that help avail the bank's services to low- and moderate-income individuals. Those systems include the bank's ATMs, three of which operate in moderate-income census tracts. Besides its ATMs, the bank provides other alternative delivery systems including online and mobile banking, as well as electronic bill pay capabilities available to all individuals throughout all portions of the assessment areas. Additionally, in response to the COVID-19 pandemic, the bank participated in the Small Business Administration's Paycheck Protection Program (PPP) and offered deferrals on loan payments to assist affected borrowers. Since the previous evaluation, the bank originated 25 PPP loans totaling \$1.1 million.

## DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

### NEW ORLEANS MSA AA – Full-Scope Review

#### DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW ORLEANS MSA AA

The New Orleans MSA AA, unchanged from the prior evaluation, consists of the following contiguous parishes, five of the eight parishes that make up the New Orleans-Metairie, LA Metropolitan Statistical Area, located in southeast Louisiana.

- Jefferson Parish – 105 of the 128 total census tracts
- St. Charles Parish – all 13 census tracts
- St. James Parish – all 7 census tracts
- St. John the Baptist Parish – all 11 census tracts
- St. Tammany Parish – all 59 census tracts

The following table shows that the bank operates 15 full-service offices and 14 ATMs in this assessment area. The offices maintain hours consistent with the area and the industry.

Full-Service Office Locations New Orleans MSA AA					
Parish/City/Street	Office Type	Census Tract Number	Census Tract Income Level	ATM	Office Opened or Closed Since Last Evaluation
<b>Jefferson Parish:</b>					
Harvey - Manhattan Blvd	Branch	0278.03	Moderate	Yes	No
Kenner - Williams Blvd	Branch	0205.02	Middle	Yes	No
Metairie - 1800 Veterans Blvd	Branch	0225.00	Upper	Yes	No
Metairie - Veterans Memorial Blvd	Branch	0220.01	Moderate	Yes	No
<b>St. Charles Parish</b>					
Boutte - 13355 Hwy 90	Branch	0628.00	Middle	Yes	No
Des Allemands - 17228 Hwy 90	Branch	0632.00	Upper	Yes	No
Luling - River Rd	Branch	0627.00	Middle	Yes	No
Norco - First St	Branch	0625.00	Middle	Yes	No
St. Rose - James Blvd	Branch	0621.00	Middle	Yes	No
<b>St. James Parish:</b>					
Gramercy - N Airline Hwy	Branch	0401.00	Middle	No	No
Laplace - Belle Terre Dr	Branch	0703.00	Middle	Yes	No
Lutcher - Hwy 3125	Branch	0402.00	Middle	Yes	No
Mandeville - Hwy 22	Branch	0403.03	Upper	Yes	No
Vacherie - Hwy 20	Main Office	0406.00	Middle	Yes	No
Vacherie South - Hwy 643	Branch	0407.00	Middle	Yes	No
Source: Bank data; U.S. Census data (2020).					

## **Economic and Demographic Data**

During the evaluation period, the income classifications of the census tracts within the assessment area changed. According to 2015 ACS data, the assessment area's 171 census tracts reflect the following income designations: 10 low-, 32 moderate-, 72 middle-, and 55 upper-income census tracts, as well as 2 census tracts with no income designation. According to 2020 U.S. Census data, the assessment area's 195 census tracts reflect the following income designations: 7 low-, 44 moderate-, 78 middle-, 64 upper-income census tracts, and 2 census tracts with no income designation. The Federal Emergency Management Agency (FEMA) declared this area as a major disaster area during the entire period under review.

According to Moody's Analytics, major employers in the area include: Ochsner Health, Entergy, and Harrah's New Orleans. The U.S. Bureau of Labor Statistics reflects a May 2024 unemployment rate of 3.6 percent for the New Orleans MSA, which is below the 4.0 percent national rate, and equals the 3.6 percent State of Louisiana unemployment rate for the same period.

Examiners use the applicable FFIEC median family income (MFI) levels to analyze home mortgage loans under the borrower profile criterion. The following table shows the applicable income ranges based on the 2022 FFIEC-estimated MFI of \$81,800 for the New Orleans MSA AA.

<b>Median Family Income Ranges – New Orleans MSA AA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt; 120%</b>	<b>Upper ≥120%</b>
2022 (81,800)	<\$40,900	\$40,900 to <\$65,440	\$65,440 to <\$98,160	≥\$98,160
<i>Source: FFIEC.</i>				

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area New Orleans MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	195	3.6	22.6	40.0	32.8	1.0
Population by Geography	734,610	2.7	21.3	40.1	35.7	0.2
Housing Units by Geography	306,432	2.9	22.2	40.8	33.9	0.2
Owner-Occupied Units by Geography	193,851	1.6	16.7	41.7	39.8	0.2
Occupied Rental Units by Geography	84,893	5.6	34.0	38.8	21.5	0.2
Vacant Units by Geography	27,688	4.1	24.4	40.6	30.9	0.0
Businesses by Geography	138,071	2.4	19.9	41.4	36.2	0.1
Farms by Geography	2,614	1.8	17.9	45.0	35.1	0.3
Family Distribution by Income Level	182,230	21.1	15.4	19.0	44.4	0.0
Household Distribution by Income Level	278,744	22.0	14.1	16.7	47.2	0.0
Median Family Income – New Orleans, LA MSA	\$72,053		Median Housing Value Median Gross Rent Families Below Poverty Level			\$215,470 \$1,037 9.6%
Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0. (* ) The NA category consists of geographies that have not been assigned an income classification.						

## **Competition**

The New Orleans MSA AA contains a high level of competition from other chartered banks. According to FDIC Deposit Market Share data as of June 30, 2023, 31 institutions operate 198 offices in the assessment area. Mortgage companies, credit unions, and finance companies also compete for loans in the area adding to the competition level. FABT ranks 8<sup>th</sup> in deposit market share by capturing 3.59 percent of the area's deposits.

## **Community Contact**

Examiners reviewed a previously contacted community member, representing an economic development organization, knowledgeable of the area's economic, demographic, and business environment to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the area.

The contact identified a current need for entrepreneur and start-up business loans, small business loans, and more affordable housing opportunities due to recent rising housing prices. The contact's perception of involvement of the local financial institutions was favorable, as they feel that most of the financial institutions are involved in the area.

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

Considering information from the community contact, bank management, as well as demographic and economic data, examiners determined that home mortgage and small business loans represent primary credit needs in the assessment area.

Regarding the area's CD needs, demographic data showing that 26.2 percent of the area's census tracts received low- or moderate-income designations and the federal disaster area designations suggest a need for activities that revitalize or stabilize qualifying geographies. In addition, the demographic data showing lower percentages of owner-occupied housing units relative to total housing units in low- and moderate-income geographies, in connection with the 36.5 percent of the area's families reporting low or moderate incomes, also suggests a need for affordable housing. The percentage of low- and moderate-income families also suggests a need for activities that benefit projects or organizations that provide community services targeted to those families. The area's businesses suggest a need for economic development activities, such as those that finance smaller sized entities that support permanent job creation, retention, or improvement for low- or moderate-income persons or geographies.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW ORLEANS MSA AA**

### **LENDING TEST**

FABT demonstrated a satisfactory record regarding the Lending Test in the New Orleans MSA AA. Reasonable records regarding geographic distribution and borrower profile support this conclusion.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the New Orleans MSA AA. Reasonable records regarding home mortgage and small business loans support this conclusion.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the New Orleans MSA AA. Reasonable performances in low- and moderate-income census tracts support this conclusion. The following table shows that the bank's level of lending in low-income census tracts falls 0.4 percentage points lower than aggregate data, reflecting reasonable performance. The table further shows that, in moderate-income census tracts, the bank's level of lending rises 7.9 percentage points higher than aggregate data, reflecting reasonable performance.



Geographic Distribution of Home Mortgage Loans New Orleans MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.6	1.2	2	0.8	239	0.3
Moderate	16.7	13.7	55	21.6	14,011	20.2
Middle	41.7	41.9	107	42.0	22,550	32.5
Upper	39.8	43.0	91	35.7	32,627	47.0
NA	0.2	0.2	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>255</b>	<b>100.0</b>	<b>69,426</b>	<b>100.0</b>
<i>Source: U.S. Census data (2020); HMDA data (2022); HMDA aggregate data (2022).</i>						

### ***Small Business Loans***

The geographic distribution of small business loans reflects a reasonable record in the New Orleans MSA AA. Reasonable performances in low- and moderate-income geographies support this conclusion. The following table shows that, in low-income census tracts, the bank's level of lending rises 0.1 percentage points higher than demographic data, reflecting reasonable performance. The table further shows that in moderate-income census tracts, the bank's level of lending fell 0.1 percentage points lower than demographic data, also reflecting reasonable performance.

Geographic Distribution of Small Business Loans New Orleans MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	2.4	2	2.5	600	4.1
Moderate	19.9	16	19.8	1,803	12.4
Middle	41.4	36	44.4	7,053	48.4
Upper	36.2	27	33.3	5,113	35.1
N/A	0.1	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>81</b>	<b>100.0</b>	<b>14,569</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; Bank Data</i>					

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes in the New Orleans MSA AA. Reasonable performance regarding home mortgage and small business loans supports this conclusion.

### ***Home Mortgage Loans***

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) in the New Orleans MSA AA. A reasonable performance to low-income borrowers lifted the poor performance to moderate-income borrowers to support this conclusion. The following table shows that, to low-income borrowers, the bank's level of lending rises 1.5 percentage points higher than aggregate data, reflecting reasonable performance. The table further shows that, to moderate-

income borrowers, the bank's level of lending falls 11.8 percentage points lower than aggregate data, reflecting poor performance.

Distribution of Home Mortgage Loans by Borrower Income Level New Orleans MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.1	5.6	18	7.1	1,503	2.2
Moderate	15.4	18.1	16	6.3	1,725	2.5
Middle	19.0	21.8	31	12.2	6,307	9.1
Upper	44.4	35.8	121	47.5	34,649	49.9
Income Not Available	0.0	18.7	69	27.1	25,242	36.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>255</b>	<b>100.0</b>	<b>69,426</b>	<b>100.0</b>
<i>Source: U.S. Census Data (2020); HMDA Reported Data (2022); HMDA Aggregate Data (2022).</i>						

### ***Small Business Loans***

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes in the New Orleans MSA AA. Reasonable performance to businesses with gross annual revenues of \$1 million or less supports this conclusion. The following table shows that, in the New Orleans MSA AA, the bank originated seven out of every ten loans to businesses with gross annual revenues of \$1 million or less, thereby reflecting a reasonable level.

Distribution of Small Business Loans by Gross Annual Revenue Category New Orleans MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	92.6	22	71.0	3,479	53.6
> \$1,000,000	2.1	7	22.6	2,231	34.4
Revenue Not Available	5.3	2	6.4	780	12.0
<b>Total</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>6,490</b>	<b>100.0</b>
<i>Source: D&amp;B data (2022); Bank data (2023).</i>					

## **COMMUNITY DEVELOPMENT TEST**

The institution's CD performance demonstrates adequate responsiveness to CD needs in the assessment area through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the New Orleans MSA AA.

### **Community Development Loans**

Since the prior evaluation, the bank originated 10 CD loans totaling over \$20.0 million in the New Orleans MSA AA. The dollar amount reflects an increase in number from the 14 CD loans totaling \$13.3 million reported for this area in the prior evaluation. The current dollar amount equates to 23.8 percent of the bank's total CD loans, compared to this assessment area capturing 50.5 percent

of the bank's total loans. As seen in the following table, the bank's CD loans primarily benefitted revitalization or stabilization efforts, which reflect responsiveness to a need in the assessment area.

Community Development Lending New Orleans MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021*	1	2,580	1	191	0	0	2	4,362	4	7,133
2022	2	2,186	1	100	0	0	0	0	3	2,286
2023	0	0	1	526	0	0	1	8,000	2	8,526
YTD 2024	0	0	0	0	0	0	1	2,150	1	2,150
<b>Total</b>	<b>3</b>	<b>4,766</b>	<b>3</b>	<b>817</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>14,512</b>	<b>10</b>	<b>20,095</b>
<i>Source: Bank Data. *Since the prior evaluation.</i>										

The following points are examples of the bank's CD loans in the New Orleans MSA AA:

- **Revitalize or Stabilize** – The bank originated an \$8.0 million loan to reconstruct a skilled nursing facility located in a moderate-income geography damaged by Hurricane Ida. The reconstruction of this facility will return health services and permanent jobs back to the area. Thus, the activity revitalizes and stabilizes a qualifying geography by helping attract new, or retain existing, businesses or residents.
- **Revitalize or Stabilize** – The bank originated a \$1.7 million loan to purchase a 29-unit multi-family apartment complex located in a moderate-income census tract and vacated due to damage caused by Hurricane Ida. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.

### **Qualified Investments**

The bank made use of 27 QIs totaling over \$18.2 million. This level reflects an increase from the 16 QIs totaling \$13.6 million reported at the prior evaluation. The current dollar amount equates to 50.3 percent of the bank's total QIs, whereas this assessment area captured 72.4 percent of the bank's total deposits. The bank's QIs primarily benefitted revitalization and stabilization efforts, which reflect responsiveness to needs in the assessment area.

Qualified Investments New Orleans MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	15	5,437	0	0	0	0	0	0	15	5,437
2021*	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	3	3,570	2	9,250	5	12,820
YTD 2023	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>15</b>	<b>5,437</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3,570</b>	<b>2</b>	<b>9,250</b>	<b>20</b>	<b>18,257</b>
Qualified Grants & Donations	1	1	6	17	0	0	0	0	7	18
<b>Total</b>	<b>16</b>	<b>5,438</b>	<b>6</b>	<b>17</b>	<b>3</b>	<b>3,570</b>	<b>2</b>	<b>9,250</b>	<b>27</b>	<b>18,275</b>
Source: Bank data. *Since prior evaluation.										

The following points are examples of the bank's QIs in the New Orleans MSA AA:

- **Revitalize or Stabilize** – The bank invested \$8.0 million in a municipal bond to fund the removal of debris, demolition, rehabilitation, and improvement of infrastructure in a designated disaster area heavily impacted by Hurricane Ida. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.
- **Community Services** – The bank donated \$4,500 to a non-profit organization that provides services such as tutoring and school uniforms to low- and moderate-income families. Thus, the activity benefits organizations or projects that provide community services primarily to low- and moderate-income individuals.

### **Community Development Services**

The following table shows that the bank provided 44 CD services since the prior evaluation. This reflects an increase from the 25 CD services noted at the prior evaluation. The 44 CD services represent 72.1 percent of the bank's total volume of services. Comparatively, this assessment area contains 60.0 percent of the bank's total branches. The services involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations. These activities are responsive and benefit community services.

Community Development Services New Orleans MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021*	0	6	0	0	6
2022	0	12	0	0	12
2023	0	14	0	0	14
YTD 2024	0	12	0	0	12
<b>Total</b>	<b>0</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>44</b>
Source: Bank data. *Since the prior evaluation.					

The following points are examples of the bank's CD services in the New Orleans MSA AA:

- **Community Services** – A bank representative provided financial literacy education programs at various schools where the majority of students receive free or reduced lunch. Thus, the activity benefits organizations or projects that provides community services primarily to low- and moderate-income individuals.
- **Community Services** – A bank representative serves on the Board and as a Treasurer for an organization that provides employment, health, and education services to people with intellectual disabilities. Thus, the activity benefits organizations or projects that provide community services to low- and moderate-income individuals.

Additionally, the bank's retail banking services benefit low- and moderate-income individuals and areas. The bank operates five of its branches and ATMs in moderate-income census tracts in the assessment area. Alternative delivery systems available throughout all portions of this assessment area remain consistent with those discussed previously at the institution level section.

## HAMMOND MSA AA – Full-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN HAMMOND MSA AA

The Hammond MSA AA unchanged from the last evaluation, consists of the following parish, which alone makes up the Hammond, LA Metropolitan Statistical Area, located in south Louisiana.

- Tangipahoa Parish – all 31 census tracts

Examiners considered the same review period and same lending products discussed at the institution level. However, small business lending did not comprise a primary lending focus in the Hammond MSA AA; therefore, examiners drew conclusions for this assessment area based on home mortgage lending performance.

The following table shows that the bank operates one full-service office and ATM in this assessment area. The office maintains hours consistent with the area and the industry.

Full-Service Office Location Hammond MSA AA					
Parish/City/Street	Office Type	Census Tract Number	Census Tract Income Level	ATM	Office Opened or Closed Since Last Evaluation
<b>Tangipahoa Parish:</b> Hammond - SW Railroad Ave	Branch	9543.00	Moderate	Yes	No
<i>Source: Bank data; U.S. Census (2020).</i>					

## **Economic and Demographic Data**

During the evaluation period, the income classifications of the census tracts within the assessment area changed. According to 2015 ACS data, the assessment area's 20 census tracts reflect the following income designations: 0 low-, 6 moderate-, 10 middle-, and 4 upper-income census tracts. According to 2020 U.S. Census data, the assessment area's 31 census tracts reflect the following income designations: 3 low-, 5 moderate-, 15 middle-, 7 upper-income census tracts, and 1 census tracts with no income designation. The FEMA declared this area as a major disaster area during the entire period under review.

According to Moody's Analytics, major employers in the assessment area include North Oaks Medical Center, Southeastern Louisiana University, and Tangipahoa Parish School System. The U.S. Bureau of Labor Statistics reflects a May 2024 unemployment rate of 4.2 percent for the Hammond MSA, which is above the 4.0 percent national and the 3.6 percent State of Louisiana unemployment rates for the same period.

Examiners use the applicable FFIEC MFI levels to analyze home mortgage loans under the borrower profile performance factor. The following table shows the applicable income ranges based on the 2022 FFIEC-estimated MFI of \$69,700 for the Hammond MSA AA.

Median Family Income Ranges – Hammond MSA AA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120 %	Upper ≥120%
2022 (\$69,700)	<\$34,850	\$34,850 to <\$55,760	\$55,760 to <\$83,640	≥\$83,640
<i>Source: FFIEC (2020).</i>				

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area Hammond MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	31	9.7	16.1	48.4	22.6	3.2
Population by Geography	133,157	7.3	12.7	48.1	30.4	1.5
Housing Units by Geography	56,449	7.3	14.9	49.5	27.0	1.4
Owner-Occupied Units by Geography	34,133	5.4	12.2	51.1	30.5	0.7
Occupied Rental Units by Geography	14,415	12.7	19.4	45.8	20.1	2.0
Vacant Units by Geography	7,901	5.3	18.0	49.2	24.1	3.4
Businesses by Geography	18,746	11.2	15.7	43.7	28.3	1.1
Farms by Geography	709	3.0	11.6	51.9	32.2	1.4
Family Distribution by Income Level	32,187	26.2	15.0	16.7	42.1	0.0
Household Distribution by Income Level	48,548	28.2	15.4	12.6	43.9	0.0
Median Family Income – Hammond, LA MSA	\$62,373		Median Housing Value Median Gross Rent Families Below Poverty Level			\$159,462 \$800 15.8%
Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0. (* ) The NA category consists of geographies that have not been assigned an income classification.						

## **Competition**

The Hammond MSA AA contains a high level of competition from other chartered banks. According to FDIC Deposit Market Share data as of June 30, 2023, 13 institutions operate 33 offices in the assessment area. Mortgage companies, credit unions, national banks, and finance companies also compete for loans in the area adding to the competition level. FABT ranks 11<sup>th</sup> in deposit market share by capturing 1.0 percent of the area's deposits.

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

Considering information from bank management, as well as demographic and economic data, examiners determined that home mortgage and small business loans represent primary credit needs in the assessment area.

Regarding the area's CD needs, demographic data showing that 25.8 percent of the area's census tracts received low- or moderate-income designations and the federal disaster area designations suggest a need for activities that revitalize or stabilize qualifying geographies. In addition, the demographic data showing lower percentages of owner-occupied housing units relative to total housing units in low- and moderate-income geographies, in connection with the 41.2 percent of the area's families reporting low or moderate incomes, also suggests a need for affordable housing. The percentage of low- and moderate-income families also suggests a need for activities that benefit projects or organizations that provide community services targeted to those families. The area's businesses suggest a need for economic development activities, such as those that finance smaller-sized entities that support permanent job creation, retention, or improvement for low- or moderate-income persons or geographies.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN HAMMOND MSA AA

### LENDING TEST

FABT demonstrated a satisfactory record regarding the Lending Test in the Hammond MSA AA. A reasonable record regarding geographic distribution outweighed a poor record regarding borrower profile to support this conclusion.

#### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Hammond MSA AA. A reasonable record regarding home mortgage loans supports this conclusion.

#### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects a reasonable record in the Hammond MSA AA. Reasonable performance in moderate-income census tracts lifted the poor performance in low-income census tracts to support this conclusion. The following table shows that the bank did not originate any loans in low-income census tracts, reflecting poor performance. The table further shows that, in moderate-income census tracts, the bank's level of lending rises 2.0 percentage points higher than aggregate data, reflecting reasonable performance. Examiners placed more weight on the bank's performance in moderate-income tracts given the higher percentage of owner-occupied housing units.

Geographic Distribution of Home Mortgage Loans Hammond MSA AA						
Tract Income Level	% of Owner- Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.4	4.3	0	0.0	0	0.0
Moderate	12.2	6.7	2	8.7	3,717	19.9
Middle	51.1	46.2	13	56.5	4,072	21.8
Upper	30.5	41.3	8	34.8	10,909	58.3
NA	0.7	1.5	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>18,699</b>	<b>100.0</b>
Source: U.S. Census data (2020); HMDA data (2022); HMDA aggregate data (2022).						

#### Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among individuals of different income levels (including low- and moderate-income) in the Hammond MSA AA. A poor record regarding home mortgage loans support this conclusion.

#### *Home Mortgage Loans*

The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among individuals of different income levels (including low- and moderate-income) in the Hammond MSA AA. Poor performances to low- and moderate-income borrowers support this



conclusion. The following table shows that the bank did not originate any loans to low- and moderate-income borrowers in 2022, reflecting poor performance.

Distribution of Home Mortgage Loans by Borrower Income Level Hammond MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	26.2	4.7	0	0.0	0	0.0
Moderate	15.0	15.9	0	0.0	0	0.0
Middle	16.7	25.1	3	13.0	587	3.1
Upper	42.1	32.6	12	52.2	3,266	17.5
Income Not Available	0.0	21.5	8	34.8	14,846	79.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>18,699</b>	<b>100.0</b>
<i>Source: U.S. Census Data (2020); HMDA Reported Data (2022); HMDA Aggregate Data (2022).</i>						

The bank's performance improved in 2023, as it originated loans to low- and moderate-income borrowers as shown in the table below. However, examiners placed more weight on the bank's lending in 2022 since it is the most recent year with aggregate data available.

Distribution of Home Mortgage Loans by Borrower Income Level Hammond MSA AA					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	26.2	1	4.8	51	0.8
Moderate	15.0	4	19.0	642	10.2
Middle	16.7	0	0.0	0	0.0
Upper	42.1	14	66.7	5,401	85.7
Income Not Available	0.0	2	9.5	205	3.3
<b>Total</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>	<b>6,299</b>	<b>100.0</b>
<i>Source: U.S. Census data (2020); HMDA data (2023).</i>					

## COMMUNITY DEVELOPMENT TEST

The institution's CD performance demonstrates adequate responsiveness to CD needs in the assessment area through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the Hammond MSA AA.

### Community Development Loans

Since the prior evaluation, the bank originated 2 CD loans totaling over \$5.0 million in the Hammond MSA AA. The dollar amount reflects a slight decrease from the 4 CD loans totaling \$5.4 million reported for this area in the prior evaluation. The current dollar amount equates to 5.9 percent of the bank's total CD loans, compared to this assessment area capturing 11.8 percent of the bank's total loans. As seen in the following table, the bank's CD loans primarily benefitted

economic development and affordable housing efforts, which reflect responsiveness to needs in the assessment area.

Community Development Lending Hammond MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021*	0	0	0	0	0	0	0	0	0	0
2022	1	2,273	0	0	1	2,732	0	0	2	5,005
2023	0	0	0	0	0	0	0	0	0	0
YTD 2024	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>2,273</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2,732</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>5,005</b>
Source: Bank data. *Since the prior evaluation.										

The following points are the bank's CD loans in the Hammond MSA AA:

- **Affordable Housing** – The bank originated a \$2.2 million loan to fund an apartment complex where rents are below the Department of Housing and Urban Development's fair market rents for the area. Thus, the activity provides affordable housing primarily to low- and moderate-income families.
- **Economic Development** – The bank originated a \$2.7 million loan to finance the construction of a new gas station/convenience store that will employ low- or moderate-income individuals. Thus, the activity promotes economic development by financing an entity that meets the size eligibility standards of the regulation and by supporting permanent job creation, retention, or improvement for low- or moderate-income persons or in low- or moderate-income geographies.

### **Qualified Investments**

The bank made use of 4 QIs totaling \$144,000. This level reflects an increase from the 2 QIs totaling \$3,00 reported at the prior evaluation. The current dollar amount equates to 0.4 percent of the bank's total QIs, whereas this assessment area captured 2.4 percent of the bank's total deposits. The bank's QIs primarily benefitted affordable housing efforts, which reflect some level responsiveness to needs in the assessment area.

Qualified Investments Hammond MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	141	0	0	0	0	0	0	2	141
2021*	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
YTD 2024	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>2</b>	<b>141</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>141</b>
Qualified Grants & Donations	0	0	2	3	0	0	0	0	2	3
<b>Total</b>	<b>2</b>	<b>141</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>144</b>
Source: Bank data. *Since prior evaluation.										

The following points are examples of the bank's QIs in the Hammond MSA AA:

- ***Affordable Housing*** – The bank continued its investment of \$141,000 in two pools of mortgage-backed securities, with the underlying loans to finance housing for low- and moderate-income borrowers. Thus, the activity provides affordable housing primarily to low- and moderate-income families.
- ***Community Services*** – The bank donated \$3,000 to fund need-based scholarships for low- and moderate-income individuals. Thus, the activity benefits organizations or projects that provide community services primarily to low- and moderate-income individuals.

### **Community Development Services**

The following table shows that the bank provided 3 CD services since the prior evaluation. This reflects a slight increase from the 2 CD services noted at the prior evaluation. The 3 CD services represent 4.9 percent of the bank's total volume of services. Comparatively, this assessment area contains 4.0 percent of the bank's total branches. The services involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations. Providing some level of responsiveness, all activities benefit affordable housing.

Community Development Services Hammond MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021*	1	0	0	0	1
2022	1	0	0	0	1
2023	1	0	0	0	1
YTD 2024	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
<i>Source: Bank data. *Since the prior evaluation.</i>					

The following point is the bank's CD services in the Hammond MSA AA:

- **Affordable Housing** – A bank representative serves as a Board member of an organization that builds and repairs houses for low- income families. Thus, the activity provides affordable housing primarily to low- and moderate-income families.

Additionally, the bank's retail banking services benefit low- and moderate-income individuals and areas. The bank's only branch location and ATM in this assessment area operates in a moderate-income census tract. Alternative delivery systems available throughout all portions of this assessment area remain consistent with those discussed previously at the institution level section.

## BATON ROUGE MSA AA – Limited-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN BATON ROUGE MSA AA

The Baton Rouge MSA AA consists of the following contiguous parishes, four of the ten parishes that make up the Baton Rouge, LA Metropolitan Statistical Area, located in south Louisiana. The bank operates six full-service branches and ATMs in this assessment area.

- Ascension Parish – all 29 census tracts
- Assumption Parish – all 7 census tracts
- East Baton Rouge Parish – 20 of 108 total census tracts
- Livingston Parish – all 34 census tracts

During the evaluation period, the income classifications of the census tracts within the assessment area changed. According to 2015 ACS data, the assessment area had 59 census tracts with the following income designations: 4 low-, 14 moderate-, 21 middle-, and 18 upper-income census tracts, as well as 2 census tracts with no income designation. According to 2020 U.S. Census data, the assessment area's 90 census tracts reflect the following income designations: 3 low-, 16 moderate-, 38 middle-, 30 upper-income census tracts, and 3 census tracts with no income designation. The FEMA declared this area as a major disaster area during the entire period under review. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area Baton Rouge MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	90	3.3	17.8	42.2	33.3	3.3
Population by Geography	375,768	2.4	15.2	43.0	36.7	2.7
Housing Units by Geography	154,412	2.7	15.9	43.9	34.5	2.9
Owner-Occupied Units by Geography	105,283	1.8	16.4	41.9	37.7	2.2
Occupied Rental Units by Geography	29,793	4.7	14.1	45.0	31.1	5.1
Vacant Units by Geography	19,336	5.0	16.1	53.2	22.6	3.1
Businesses by Geography	61,046	3.3	15.6	41.4	38.0	1.8
Farms by Geography	1,643	1.6	16.9	41.4	38.1	2.0
Family Distribution by Income Level	96,148	20.2	15.3	19.3	45.2	0.0
Household Distribution by Income Level	135,076	19.8	13.9	16.7	49.7	0.0
Median Family Income – Baton Rouge, LA MSA	\$77,948		Median Housing Value Median Gross Rent Families Below Poverty Level			\$191,322 \$1,017 8.5%
Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0. (* ) The NA category consists of geographies that have not been assigned an income classification.						

## CONCLUSIONS ON PERFORMANCE CRITERIA IN BATON ROUGE MSA AA

### LENDING TEST

The institution's lending performance in the Baton Rouge MSA AA is consistent with the institution's lending performance overall. The following tables provide quantitative data regarding the loan distribution performance factors.

### Geographic Distribution

#### *Home Mortgage Loans*

Geographic Distribution of Home Mortgage Loans Baton Rouge MSA AA						
Tract Income Level	% of Owner- Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.8	1.2	6	7.3	694	2.9
Moderate	16.4	14.2	23	28.0	5,573	23.3
Middle	41.9	44.5	32	39.0	10,233	42.7
Upper	37.7	38.8	19	23.2	7,296	30.5
NA	2.2	1.3	2	2.4	160	0.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>82</b>	<b>100.0</b>	<b>23,956</b>	<b>100.0</b>
Source: U.S. Census data (2020); HMDA data (2022); HMDA aggregate data (2022).						

### ***Small Business Loans***

Geographic Distribution of Small Business Loans Baton Rouge MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	3.3	1	1.9	291	3.3
Moderate	15.6	17	32.7	4,256	47.9
Middle	41.4	21	40.4	3,390	38.1
Upper	38.0	9	17.3	668	7.5
N/A	1.8	4	7.7	288	3.2
<b>Total</b>	<b>100.0</b>	<b>52</b>	<b>100.0</b>	<b>8,894</b>	<b>100.0</b>
Source: D&B Data (2023); Bank Data (2023).					

### **Borrower Profile**

#### ***Home Mortgage Loans***

Distribution of Home Mortgage Loans by Borrower Income Level Baton Rouge MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.2	7.8	8	9.8	368	1.5
Moderate	15.3	21.9	4	4.9	291	1.2
Middle	19.3	22.3	16	19.5	2,907	12.1
Upper	45.2	28.9	43	52.4	17,015	71.0
Income Not Available	0.0	19.1	11	13.4	3,375	14.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>82</b>	<b>100.0</b>	<b>23,956</b>	<b>100.0</b>
Source: U.S. Census Data (2020); HMDA Reported Data (2022); HMDA Aggregate Data (2022).						

### ***Small Business Loans***

Distribution of Small Business Loans by Gross Annual Revenue Category Baton Rouge MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	92.9	18	66.7	2,537	59.6
> \$1,000,000	1.9	7	25.9	1,529	36.0
Revenue Not Available	5.2	2	7.4	186	4.4
<b>Total</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>4,252</b>	<b>100.0</b>
Source: D&B data (2023); Bank data (2023).					

## **COMMUNITY DEVELOPMENT TEST**

The institution's CD performance in the Baton Rouge MSA AA is below the institution's CD performance overall. The bank originated 2 CD loans totaling \$7.1 million, made use of 22 QIs totaling \$6.2 million, and provided 9 CD services in this assessment area.

## HOUMA MSA AA – Limited-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN HOUMA MSA AA

The Houma MSA AA consists of the following contiguous parishes, both of which make up the Houma-Thibodaux, LA Metropolitan Statistical Area, located in southeast Louisiana. The bank operates three full-service branches and ATMs in this assessment area.

- Lafourche Parish – 20 of the 27 total census tracts
- Terrebonne Parish – 22 of the 35 census tracts

During the evaluation period, the income classifications of the census tracts within the assessment area changed. According to 2015 ACS data, the assessment area’s 26 census tracts reflect the following income designations: 4 moderate-, 17 middle-, and 5 upper-income tracts. According to 2020 U.S. Census data, the assessment area’s 42 census tracts reflect the following income designations: 3 low-, 8 moderate-, 17 middle-, 12 upper-income census tracts, as well as 2 census tracts with no income designation. FEMA declared this area as a major disaster area during the entire period under review. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area Houma MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	7.1	19.0	40.5	28.6	4.8
Population by Geography	150,168	5.4	16.0	41.8	33.4	3.3
Housing Units by Geography	63,167	5.2	17.8	41.1	31.9	4.0
Owner-Occupied Units by Geography	40,138	3.2	17.5	41.7	35.4	2.1
Occupied Rental Units by Geography	16,306	8.8	18.8	35.8	28.9	7.7
Vacant Units by Geography	6,723	8.0	17.2	50.8	17.9	6.2
Businesses by Geography	20,133	4.2	17.9	35.4	39.5	3.0
Farms by Geography	597	2.0	17.1	41.9	36.9	2.2
Family Distribution by Income Level	37,797	24.4	16.2	17.9	41.5	0.0
Household Distribution by Income Level	56,444	27.8	15.1	14.0	43.1	0.0
Median Family Income – Houma- Thibodaux, LA MSA	\$65,137		Median Housing Value Median Gross Rent Families Below Poverty Level			\$162,270 \$814 14.7%
Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0. (* ) The NA category consists of geographies that have not been assigned an income classification.						

## CONCLUSIONS ON PERFORMANCE CRITERIA IN HOUMA MSA AA

### LENDING TEST

The institution's lending performance in the Houma MSA AA is consistent with the institution's lending performance overall. The following tables provide quantitative data regarding the loan distribution performance factors.

#### Geographic Distribution

##### *Home Mortgage Loans*

Geographic Distribution of Home Mortgage Loans Houma MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.2	3.4	1	1.1	163	0.7
Moderate	17.5	13.7	8	8.7	1,210	4.8
Middle	41.7	43.9	27	29.3	6,314	25.2
Upper	35.4	35.9	53	57.6	16,989	67.8
NA	2.1	3.1	3	3.3	377	1.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>92</b>	<b>100.0</b>	<b>25,053</b>	<b>100.0</b>
<i>Source: U.S. Census data (2020); HMDA data (2022); HMDA aggregate data (2022).</i>						

##### *Small Business Loans*

Geographic Distribution of Small Business Loans Houma MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	4.2	0	0.0	0.0	0.0
Moderate	17.9	3	8.6	242	5.2
Middle	35.4	18	51.4	1,932	41.2
Upper	39.5	14	40.0	2,518	53.7
N/A	3.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>4,692</b>	<b>100.0</b>
<i>Source: D&amp;B Data (2023); Bank Data (2023).</i>					



## **Borrower Profile**

### ***Home Mortgage Loans***

<b>Distribution of Home Mortgage Loans by Borrower Income Level Houma MSA AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	24.4	4.4	4	4.3	287	1.1
Moderate	16.2	17.0	7	7.6	1,017	4.1
Middle	17.9	22.3	12	13.0	2,518	10.0
Upper	41.5	31.8	50	54.3	17,521	69.9
Income Not Available	0.0	24.5	19	20.7	3,710	14.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>92</b>	<b>100.0</b>	<b>25,053</b>	<b>100.0</b>
<i>Source: U.S. Census Data (2020); HMDA Reported Data (2022); HMDA Aggregate Data (2022).</i>						

### ***Small Business Loans***

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Houma MSA AA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
≤ \$1,000,000	89.8	15	78.9	2,326	79.5
> \$1,000,000	2.9	4	21.1	601	20.5
Revenue Not Available	7.3	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>2,927</b>	<b>100.0</b>
<i>Source: D&amp;B data (2022); Bank data (2022).</i>					

## **COMMUNITY DEVELOPMENT TEST**

The institution's CD performance in the Houma MSA AA is below the institution's CD performance overall. The bank originated 7 CD loans totaling \$49.2 million, made use of 7 QIs totaling \$1.5 million, and provided 5 CD services in this assessment area.

## **APPENDICES**

### **INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.