



# INTERMEDIATE SMALL BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

September 14, 2009

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American First National Bank  
Charter Number: 23521

9999 Bellaire Boulevard  
Houston], TX. 77036

Office of the Comptroller of the Currency

Houston Field Office  
1301 McKinney Street, Suite 1410  
Houston, TX. 77010-3031

**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.

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

**The Lending Test is rated: Outstanding.**

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

American First National Bank (AFNB) has a satisfactory record of meeting community credit needs based on the following:

- AFNB has maintained a reasonable loan-to-deposit ratio on a quarterly basis when compared to a similarly situated peer group.
- A majority of loans were originated in the bank's assessment area (AA).
- Lending to businesses of different sizes shows excellent penetration for both Harris-Fort Bend and Dallas-Collin AA.
- The geographic distribution of loans to businesses shows excellent dispersion and significantly exceeds the characteristics in low-income census tracts in the Harris-Fort Bend AA and in moderate-income census tracts in both Harris-Fort Bend and Dallas-Collin AA.
- Overall, the Community Development Test rating is satisfactory and reflects adequate responsiveness to the needs of the AA.

## **Scope of Examination**

We evaluated American First National Bank's (AFNB) Community Reinvestment Act performance under the Lending and Community Development Tests. We completed a full-scope review of the bank's CRA activities in the two assessment areas of Houston-Fort Bend and Dallas-Collin. The primary loan products reviewed were commercial real estate and loans to commercial businesses. The Lending Test included a review of all loans originated for these products from January 1, 2007 to May 1, 2009. Since commercial real estate lending is the most significant lending product at 66 percent of the loan portfolio, it was assigned the greatest weight in determining the final rating. We reviewed this data for borrower and geographic distribution. Home Mortgage products represent 4 percent of the loan portfolio. As this was not a primary product for the bank any further evaluation would not have been meaningful.

The evaluation period for the Community Development Test was from the date of the last evaluation of January 20, 2004 through the first day onsite at the bank for this examination on December 7, 2009. The Community Development Test included a review of community development loans, investments and services.

Prior to this examination cycle, AFNB was subject to Small Bank Community Reinvestment Act (CRA) requirements. This exam cycle, the bank became an Intermediate Small Bank and is subject to the Community Development Test along with the Lending Test. As an Intermediate Small Bank, management is not required to collect and report information on business lending; however, management had obtained some of the information. We completed a data integrity review in May 2009 to determine the accuracy of originated loan data to be used at this evaluation. We reviewed a sample of commercial and commercial real estate loans. We found the geographic designations to be reliable; therefore, the total population of loans could be used for the geographic distribution analysis. In reviewing revenue reporting for loans to businesses there were inconsistencies in the calculation of gross revenues. An error rate exceeding five percent was noted; therefore, the data was not considered reliable for gross revenue reporting and our review for loans to businesses of different income levels was based on a sample of commercial and commercial real estate loans.

A full-scope review was conducted for the Harris-Fort Bend AA and Dallas-Collins AA. There were no limited scope areas.

## **Description of Institution**

AFNB is a full-service community bank headquartered at 9999 Bellaire Boulevard in Houston, Texas. On January 18, 2007, AFNB became a subsidiary of AFNB Holdings, Inc., a Nevada Corporation with its main address the same as AFNB. AFNB has a total of eight locations, all in Texas. There are three branches in Houston in Harris County; one in Katy in Harris County; one in Missouri City in Fort Bend County; one in Dallas in Dallas County; one in Richardson in Dallas County; and, one in Plano in Collin County. The bank primarily serves the Asian communities in its AAs. Banking services are offered in several languages including Cantonese, Chiuchounese, English, Hakah, Korean, Mandarin, Shanghainese, Spanish, Taiwanese, Vietnamese, Indonesian, and Malay. Banking hours are reasonable. Lobby hours at most branches are from 9:00 a.m. to 4:00 p.m. Monday through Thursday, extended to 5:30 p.m. on Friday, and 9:00 a.m. to 1:00 p.m. on Saturday. Most branches offer drive-through service during the same hours as the lobby. Most branches also offer a 24-hour ATM and night depository.

The bank's primary lending focus is on commercial lending; however, the bank also makes mortgage and other consumer loans. As of September 30, 2009, loan portfolio composition was commercial real estate (66%), commercial and industrial loans (17%), commercial real estate construction and development loans (11%), residential real estate loans (4%), and all other loans (2%). As of September 30, 2009, assets are \$735 million and the Tier One Leverage Capital Ratio is nine (9) percent. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AAs. The bank received a Satisfactory rating at the prior examination dated January 20, 2004.

*Please refer to AFNB's CRA Public File for more information about this institution.*

## Description of Assessment Area(s)

AFNB has two AAs; both are in Texas. One is within the Houston-Sugar Land-Baytown Metropolitan Statistical Area (MSA) and consists of the counties of Harris and Fort Bend (Harris-Fort Bend AA). The other is within the Dallas-Fort Worth-Arlington MSA, and consists of a majority of the census tracts (CTs) in Dallas County and all of the CTs in Collin County (Dallas-Collin AA). Both AAs meet the requirements of the regulation and do not arbitrarily exclude low- or moderate-income CTs. Based on 2008 Deposit Market Share data, AFNB ranks 31<sup>st</sup> in the Houston-Fort Bend AA in total deposits, which represents a market share of 0.34 percent. AFNB ranks 68th in the Dallas-Collin AA in total deposits which represents a market share of 0.11 percent.

### Harris-Fort Bend AA

The AA includes 707 CTs in two counties. It includes all of the 649 CTs of Harris County and all 58 CTs of Fort Bend County. CTs in the AA are designated as low income (9%); moderate income (32%); middle income (28%); upper income (30%); and, not designated (1%). The updated median family income for 2008 is \$61,100. AFNB has five branches in the AA, with income distribution by CT as follows: one (20%) in a low-income CT; one (20%) in a moderate-income CT, none in a middle income tract, and three (60%) in upper income CTs.

Harris and Fort Bend Counties are within the Houston-Sugar Land-Baytown Metropolitan Statistical Area (MSA). This MSA is a ten-county metropolitan area in the Gulf Coast region of Southeast Texas. This MSA is the sixth largest in the nation with a population of 5.6 million as of the 2007 U.S. Census estimate. The population is centered in Houston, Texas. It is the largest economic and cultural center in Texas with a population estimated at 2.2 million.

### Community Contacts

A Community Affairs Officer for the Office of the Comptroller of the Currency (OCC) conferred with four community contacts from local organizations in the 18 months immediately preceding the examination:

- A Chamber of Commerce leader indicated limited credit availability for funds to repair homes and businesses after Hurricane Ike. The contact also stated that small business loans were difficult to obtain.
- The Director for a Small Business Development Center discussed Hurricane Ike's effect on small businesses, specifically slow payments, business closings, and employee layoffs. The Director felt small banks were slightly more aggressive in making small business loans. This organization provides business consulting and training seminars for small- and medium-size business owners and managers.

- A third community contact discussed the presence of alternative service providers in the areas the agency serves and estimated that only 30 to 40 percent of the agency's clients participate in mainstream financial systems. This contact stated the two greatest needs were reliable transportation and affordable credit. The agency provides family services in Harris County and three adjacent counties.
- The Director of a Neighborhood Recovery and Community Development Corporation discussed the need for loans to organizations that provide micro loans to small businesses and small dollar loans to startup businesses. The contact also stated that most of the corporation's clients used alternatives to traditional banking services and needed diverse banking products and services suited to individuals in low-income communities.

## **Harris County**

All of Harris County, Texas is designated as part of AFNB's Houston-Fort Bend AA. Harris County is the largest county in Texas and the third most populous county in the nation. The population is estimated at 3.9 million according to a 2007 U.S. Census Bureau estimate with a growth rate since the 2000 Census of 15 percent. The 2006 U.S. Census Bureau shows an unemployment rate of 7.5 percent, and 16 percent of the population lives below the poverty level. The county seat is Houston which is the largest city in Texas and the fourth largest city in the nation.

Houston has the largest medical center in the world, the Texas Medical Center. The Center's economic impact exceeds \$10 billion annually, and it has approximately 61 thousand employees. Houston is second only to New York City in Fortune 500 company headquarters, and more than 5 thousand energy-related firms are located in the city. Among the ten most populous metropolitan areas, Houston ranked second in employment growth rate and fourth in nominal employment growth. Houston is home to the Johnson Space Center, NASA's largest research and development facility, employing nearly 3 thousand federal civil service workers and more than 14 thousand contract personnel.

The Metropolitan Transit Authority of Harris County (METRO) operates bus, light rail, and METROLift (paratransit) service in Harris County. METRO's service area encompasses 1,285 square miles. Most METRO buses run on city streets with the majority of the routes serving downtown Houston. This allows people and small businesses easy access to branch locations through public transportation. METRO also operates one light rail line, with four other lines expected to be completed by 2012.

Major employers include Continental Airlines, Administaff, Halliburton, Wal-Mart Stores, Exxon Mobil, Kroger Company, Memorial Hermann Healthcare System, and The University of Texas Medical Branch, all with more than 13 thousand employees each.

Banking competition is intense. The largest competitors in the county include JP Morgan Chase Bank, National Association (N.A.), Bank of America, N.A., Wells Fargo Bank, N.A., and Amegy Bank, N.A.

## **Fort Bend County**

All of Fort Bend County, Texas has been designated as part of the AA. It is one of the fastest growing counties in the United States. The county had a population of 510 thousand as of the 2007 U.S. Census Bureau estimate with a growth rate since the 2000 Census of 44 percent. Part of Houston is in Fort Bend County. The unemployment rate is 7 percent, and 7.5 percent of the population lives below the poverty level.

Major employers in Fort Bend County include the Fort Bend Independent School District with more than 8 thousand employees and Fluor Corporation with approximately 3 thousand employees. Fort Bend's county seat is Richmond, while its largest city is Sugar Land. Sugar Land has the second largest level of economic activity after Houston, and it is the third largest city in the Houston-Sugar Land-Baytown MSA. Sugar Land has the most important and fastest growing economic center in Fort Bend County. It is the headquarters for Western Airways. Engineering firms and related industries are an economic engine for Sugar Land and the county.

Banking competition is intense. Major competitors in the area include: Capital One, N.A., Wells Fargo Bank, N.A., JP Morgan Chase Bank, N.A., Citibank, N.A., and GE Capital Financial, Inc.

## **Dallas-Collin AA**

The AA includes 339 census tracts (CTs) in two counties. It includes 254 (52%) of the 487 CTs in Dallas County, and all of the 85 CTs of Collin County. CTs in the AA are designated as low income (6%); moderate income (19%); middle income (30%); upper income (44%); and, not designated (1%). The updated median family income for 2008 is \$65,000. AFNB has three branches in the AA, with income distribution by CT as follows: none in a low-income CT; one (33%) in a moderate-income CT, two (67%) in middle income tracts, and none in an in upper income CT.

Dallas and Collin Counties are within the Dallas-Fort Worth-Arlington MSA, a 12-county MSA, which is the largest MSA in Texas and the fourth largest MSA in the nation with a population of 6.1 million as of the 2007 U.S. Census estimate.

Dallas is served by two commercial airports: Dallas/Fort Worth International Airport (DFW) and Dallas Love Field. DFW is the largest airport in the state, second largest in the nation, and third largest in the world. American Airlines, the largest air carrier in the world, is located less than a mile from DFW.

According to the Greater Dallas Chamber of Commerce, the 10 largest employers in the Dallas-Irving-Plano area are Wal-Mart, Dallas Independent School District, Baylor Health Care System, SBC Communications, Verizon Communications, City of Dallas, Texas Instruments, HCA Healthcare, Brinker International Inc., and the University of Texas Southwestern Medical Center.

### **Community Contacts**

A Community Affairs Officer for the OCC conferred with one community contact from a local organization in the 18 months immediately preceding the examination:

- A Community Development for a city's Neighborhood Services Division identified the need for housing credit availability for first time buyers, the workforce population, and the maturing population.

### **Dallas County**

AFNB's AA includes 254 (52%) of the 487 CTs in Dallas County, Texas. Dallas County is the ninth most populous county in the United States and had a population of 2.4 million according to the 2007 U.S. Census Bureau estimate. Its county seat is Dallas, which is the largest city in the county. Dallas is the second largest city in Texas and the ninth-largest city in the United States.

The Dallas Area Rapid Transit (DART) is the Dallas-area public transportation authority, providing buses, rails, and High Occupancy Vehicle (HOV) lanes to commuters. The DART bus system operates local routes which serve downtown Dallas. DART also offers an On-Call and Flex shuttle service that provides curbside pick up by calling DART one hour before the destination time. This allows people and small businesses easy access to branch locations through public transportation.

The Dallas County economy is primarily based on petroleum, telecommunications, computer technology, banking, and transportation. Love Field Airport, close to downtown Dallas, serves many domestic passengers and is the home of Southwest Airlines. Information from the 2006 U.S. Census Bureau shows an unemployment rate of 7.1 percent, and 16.5 percent of the population lives below the poverty level. The updated median family income in 2006 was \$49,777.

Banking competition is intense. The 4 largest competitors in the county include JP Morgan Chase Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., and Comerica Bank.

## **Collin County**

All of Collin County, Texas has been designated as part of the AA. In 2000, Collin County had a population of 492 thousand. In 2007, the U.S. Census Bureau estimated the population to be 731 thousand, a 49 percent growth rate in seven years. The unemployment rate is 4.5 percent and 6.2 percent of the population lives below the poverty level. The U.S. Census Bureau reported in 2000 that Collin County is the wealthiest county in Texas for per capita income. As of 2006, the median family income was estimated to be \$88 thousand.

The county seat is McKinney with 107 thousand residents, and its largest city is Plano with an estimated population of 255 thousand. As of the 2000 census, Plano is the ninth largest city in Texas. Recently, Plano has drawn retail businesses to the area with the opening of The Shops at Legacy. It features apartments and numerous shops and restaurants and is known as an upscale area. In addition, Wal-Mart considered the city's affluence when it established the experimental luxury Wal-Mart Supercenter on Park Road and the Dallas North Tollway. Plano is home to many corporate headquarters including Ericsson Inc, Rent-A-Center, Crossmark, Perot Systems, Electronic Data Systems, JCPenney, Frito-Lay, Cinemark Theatres, and UGS. Plano also has many semiconductor and telecommunications companies in its Research and Technology District due to its proximity to Dallas' Telecom Corridor.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

The Lending Test is rated Outstanding.

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

Overall, the loan-to-deposit (LTD) ratio is reasonable. The average LTD ratio for AFNB was 92 percent. This average was calculated from first quarter of 2004 till fourth quarter of 2009. The peer group was selected by choosing banks with similar asset size and assessment areas. The peer group consisted of AFNB and four other banks. AFNB had a higher LTD ratio than three of the banks and a lower LTD ratio than one of the banks in the peer group.

### **Lending in Assessment Area**

Lending in the AA is reasonable. A majority of loans originated during the evaluation period were inside the AA. AFNB originated 78 percent by number and 75 percent by dollar amount in its combined AA. The bank's performance is shown in the table below:



<b>Table 1 - Lending in Harris-Fort Bend and Dallas-Collin AA</b>										
Loan Type	Number of Loans					Dollars of Loans (\$000)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		#	%	#	%	
Commercial RE	247	76	77	24	324	240,010	75	79,580	25	319,590
Commercial loans	247	80	60	20	307	85,311	74	30,228	26	115,539
Totals	494	78	137	22	631	325,321	75	109,808	25	435,129

Source: commercial real estate and commercial loan portfolio data.

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

We did not analyze lending to borrowers of different incomes since consumer lending and owner-occupied residential lending is not a significant loan product.

Lending to businesses of different sizes shows excellent penetration for both Harris-Fort Bend and Dallas-Collin AA.

#### Performance in the Harris-Fort Bend AA

Lending to businesses of different sizes shows excellent penetration. The percentage of loan originations to small businesses with revenues of \$1 million or less by number is very similar to the characteristics of the AA. By dollar, the percentage of the amount is also very similar to the characteristics of the AA. The bank's performance is shown in the following table:

<b>Table 2B - Borrower Distribution of Loans to Businesses in Harris-Fort Bend AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	68.48	5.22	26.30	100%
% of Bank Loans in AA by #	66.67	28.89	4.44	100%
% of Bank Loans in AA by \$	62.39	36.78	0.83	100%

Source: sample of commercial real estate and commercial loan portfolio data; Dun and Bradstreet data.

#### Performance in the Dallas-Collin AA

Lending to businesses of different sizes shows excellent penetration. The percentage of loan originations to small businesses with revenues of \$1 million or less by number exceeds the characteristics of the AA. By dollar, the percentage of the amount is very similar to the characteristics of the AA. The bank's performance is shown in the following table:

<b>Table 2B - Borrower Distribution of Loans to Businesses in Dallas-Collin AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	66.47	5.89	27.64	100%
% of Bank Loans in AA by #	66.67	33.33	0.00	100%
% of Bank Loans in AA by \$	54.76	45.24	0.00	100%

Source: sample of commercial real estate and commercial loan portfolio data; Dun and Bradstreet data.

## Geographic Distribution of Loans

### Performance in the Harris-Fort Bend AA

The geographic distribution of loans to businesses in the Harris-Fort Bend AA shows excellent dispersion. The percentage of loans originated in low- and moderate-income census tracts exceeds the characteristics of the AA. The Harris-Fort Bend AA had 0.28 percent of their businesses located in tracts without income information. The bank's performance is shown in the following table:

<b>Table 3B - Geographic Distribution of Loans to Businesses in Harris-Fort Bend AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Commercial Loans	5.66	19.07	25.86	34.65	26.70	26.74	41.49	19.07

Source: commercial and commercial real estate loan portfolio data; Dun and Bradstreet data.  
NA census tracts are 0.47% of bank loans.

### Performance in the Dallas-Collin AA

The geographic distribution of loans to businesses in the Dallas-Collin AA shows excellent dispersion. The percentage of loans originated in low- income census tracts is very similar to the characteristics of the AA. The percentage of loans in moderate-income census tracts exceeds the characteristics of the AA. The Dallas-Collin AA had 1.80 percent of their businesses located in tracts without income information. The bank's performance is shown in the following table:

<b>Table 3B - Geographic Distribution of Loans to Businesses in Dallas-Collin AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Commercial Loans	3.15	3.13	20.30	46.88	30.45	21.87	44.30	28.12

*Source: commercial and commercial real estate loan portfolio data; Dun and Bradstreet data.*

**Responses to Complaints**

The bank did not receive any CRA related complaints during the CRA evaluation period.

**COMMUNITY DEVELOPMENT TEST**

**Responsiveness to Community Development Needs**

Overall, the bank’s performance under the Community Development Test is Satisfactory. This is the first exam where the bank was subject to the Community Development Test. The level of community development lending and services is adequate. The level of community development investments is more than adequate. The level and nature of AFNB’s community development performance demonstrates adequate responsiveness to community needs in relation to the overall need and opportunities within the assessment area.

Opportunities for community development loans and investments are limited in Galveston, Brazoria, and Fort Bend Counties. Harris County has significant opportunities for both community development loans and community development investments. Overall, the greatest need is affordable housing. Opportunities for services in Galveston, Brazoria, and Harris County are ample.

Community Development Loans

Qualifying community development loans are loans that meet the definition of community development, as defined in the CRA regulation. The definition of community development includes the following: affordable housing for low- and moderate-income individuals; community services targeted toward low- and moderate- income individuals; activities that promote economic development by financing small businesses or farms; or activities that revitalize or stabilize low- and moderate-income geographies. As of September 1, 2005, the following activities were added to the definition: activities that revitalize or stabilize low-or-moderate-income areas; designated disaster areas; or distressed or underserved non- metropolitan middle-

income geographies designated by the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (OCC).

Most of the loan originations are in Harris County. During the evaluation period, officers originated two loans for construction and rehabilitation for a total of \$3.939 million that met the definition of a community development loan. A summary of the qualified community development loans follows:

- A loan for \$3.8 million to build a hotel in a distressed and underserved middle income tract in Berwick, Louisiana. The area is designated as a disaster area from Hurricane Katrina. Additionally, low-to moderate-income jobs will be created.
- A loan for \$139 thousand to rehabilitate an apartment complex in a moderate income census tract with rents from \$399 to \$715 per month.

### Community Development Investments

Qualifying investments are investments, deposits, membership shares, or grants that have as their primary purpose community development as defined in the CRA regulation. The definition includes investments and contributions meeting the definition of community development. The level of community development investments is satisfactory. This is the first examination that the bank has been designated as an intermediate-small bank and is the first time community development investments are reviewed.

AFNB purchased a new investment for \$1.9 million, a mortgage backed security (MBS) through the Fannie Mae MBS program during this evaluation period. The security is composed of thirteen properties with 100 percent of the borrowers reported as having a low- or moderate-income level. All thirteen properties are also located in the bank's AA.

The bank also made six qualifying community development donations totaling \$4.7 thousand during the evaluation period. Of this total, \$1.2 thousand was given to a cancer memorial foundation which provides financial aid to low-income cancer patients and provides health fairs for low-income immigrants along with a fundraising concert. An additional \$1 thousand was given to a heritage society of Houston which serves the elderly community and low income families.

### Community Development Services

The bank has provided an adequate level of responsiveness to the community through community development services. AFNB provided documentation of several community services that they have participated in and support. A summary of these activities is listed below.

FDIC Money Smart Program (2005-2008):

This program is offered by the FDIC as an outreach to low and moderate-income communities to teach banking basics and the benefit of banking relationships. It also offers basics on loans and savings. From 2005-2008, AFNB has invited members of the community to attend this free seminar. They also advertise this service at local community centers and senior citizen centers. The bank states that they estimate attendance in the Dallas area around 30 to 40 people and in the Houston area around 50-100.

FHLB Community Development workshop – Housing program (2008):

The bank participated in a workshop with FHLB to discuss home loan options for low- and moderate-income customers. At this time, the bank is participating by referring borrowers to the grant programs offered at FHLB. To date, one customer has received a grant. In the future, the bank has plans to participate in other programs offered as part of the FHLB Community Development program.

Bank on Houston Outreach (2008):

The bank participated in this collaborative effort with the City of Houston, FDIC, the National League of Cities, The Federal Reserve, and other banks and credit unions aimed at bringing Houston's unbanked individuals into the financial mainstream. This program is similar to the Money Smart program. At this time, the bank has placed itself in the program so the individuals are referred to the bank to start financial relationships.

Fort Bend Cares (2006):

Fort Bend Cares is a non-profit primarily focused on youth related organizations. Their vision is to help disadvantaged youth of Fort Bend County. One loan officer is working with the organization and the bank also donates money to help support medical services for underprivileged children.

Eyes on the Fourth Ward (2006):

This community forum is focused on rebuilding the fourth ward community. The forum included presentations from local organizations and financial institutions. While the bank attended this forum, no loans or relationships originated from their participation.

Loan payment deferrals for Hurricane Ike and Katrina victims (2005 & 2008):

The bank allowed loan payment deferrals for 39 customers following Hurricane Ike and for 3 customers following Hurricane Katrina. All loan deferrals were to allow the businesses to rebuild/reopen after the devastating storms. Both storm areas were designated disaster areas by FEMA. These loan deferrals helped to revitalize damaged communities.

Provision of Financial Services:

AFNB has a reasonable branch distribution. The bank has eight (8) branches. One branch is located in a low-income census tract and two branches are located in moderate-income census tracts.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.