



## **PUBLIC DISCLOSURE**

September 17, 2018

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The First National Bank of Jeanerette  
Charter Number 7768

1331 East Main Street  
Jeanerette, LA 70544

Office of the Comptroller of the Currency

3838 North Causeway Blvd.  
Suite 2890  
Metairie, LA 70002-8105

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

### The lending test is rated “Satisfactory.”

The First National Bank of Jeanerette has a satisfactory record of meeting its community needs based on the following:

- The average loan-to-deposit (LTD) ratio is more than reasonable given the bank’s size, competition, and economic environment.
- The bank originated a majority of loans inside the assessment areas (AAs).
- Loan analysis indicates the distribution of loans to borrowers of different income levels exhibits a reasonable penetration.
- The geographic distribution of loans within low- and moderate-income census tracts exhibits a reasonable dispersion throughout the bank’s AAs.
- The bank did not receive any CRA-related complaints during the evaluation period.

### Definitions and Common Abbreviations

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

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

**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/AA.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated parishes. CT boundaries do not cross parish lines; however, they may cross the boundaries of metropolitan areas. CTs generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. CTs are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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

activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AAs or outside the AAs provided the bank has adequately addressed the CD needs of its AAs.

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

**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.

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

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one- to four-family dwellings other than manufactured housing.

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

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, 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.

**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/AA.

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

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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

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

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

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

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

## Description of Institution

The First National Bank of Jeanerette is a single-state community bank headquartered in Jeanerette of Iberia Parish, LA. The bank is wholly owned by Jeanerette First National Bancorp, a one-bank holding company, also located in Jeanerette, LA. The bank's strategic plan is to serve its two AAs, Iberia Parish of the Lafayette, LA. MSA and St. Mary Parish (a non-MSA), by primarily originating residential mortgage loans. The bank operates with seven total offices, which includes a drive-thru location. Four of the seven offices are located in Iberia Parish, while the remaining three branches are located in St. Mary Parish. The main office, drive-thru location, and New Iberia branch are located in moderate-income CTs. The fourth branch in Iberia Parish is located in a middle-income CT. The three branches in St. Mary Parish are located in middle- and upper-income CTs, respectively. Each office has a 24-hour accessible automated teller machine that is cash dispensing only. The bank offers numerous loan products including home loan real estate, home improvement, commercial real estate, non-residential, non-farm and consumer. The bank's seventh branch, located in Morgan City of St. Mary Parish, La. was opened since the previous examination.

As of June 30, 2018, total assets were \$250 million with net loans and leases of \$184 million which represented 74 percent of total assets; total deposits were \$219 million, and Tier One capital was 26 percent of total capital. For the same time period, mortgage loans and commercial loans represented 44 percent and 11 percent, respectively. The Iberia Parish AA represented 64 percent of total deposits, compared to 36 percent secured by St. Mary Parish.

According to the FDIC Deposit Market Share Report dated June 30, 2018, the bank had deposits of \$219 million (\$141 million in Iberia Parish and \$78 million in St. Mary Parish) which represented 6.9 percent and 7.8 percent of deposit market shares among depository institutions in the rating area.

There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs in its AAs. The bank's CRA performance was previously evaluated on September 10, 2014 with an overall level of "Satisfactory" performance.

As shown below, the bank's primary product includes one- to four-family residential real estate:

<b>The First National Bank of Jeanerette Loan Portfolio</b>		
<b>Loan Category</b>	<b>Dollars (000)</b>	<b>Percentage</b>
Construction and Farm	19,282	10
One- to Four-Family Residential Properties	69,427	38
Multifamily	3,229	2
Non-Farm / Non-Residential	51,311	29
Farm	16,387	9
Commercial and Industrial	16,904	9
Consumer	7,469	3
<b>Total</b>	<b>\$184,009</b>	<b>100%</b>

Source: Call Report as of 06/30/2018

## **Scope of the Evaluation**

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

We evaluated the institution using small bank examination procedures, which only includes a lending test. The lending test evaluates the bank's record of meeting the credit needs of its AAs through lending activities. The lending test evaluation included analyzing the bank's mortgage loan data from January 1, 2015, to December 31, 2017. This period is representative of the bank's primary lending strategy of originating residential mortgage loans.

We noted that the evaluation period includes two different census data sets. Accordingly, we used 2010 U.S. Census Data for 2015 and 2016 demographic comparators and lending tests; and we used 2015 ACS U.S. Census Data for demographic comparators and lending tests for 2017.

### **Data Integrity**

Prior to conducting the CRA Evaluation, in August of 2018, the bank's performance of its HMDA loans was assessed for the time period of January 1, 2015 through December 31, 2017. We concluded, the bank's data was reliable.

### **Selection of Areas for Full-Scope Review**

The bank's AA chosen for full-scope review was Iberia Parish, which is one of five parishes which make up the Lafayette, LA MSA. The bank's main office, a full-service drive-thru, and two other branches are located in this AA. In addition, 65 percent of total deposits are secured within the Iberia Parish AA; therefore, a full-scope review was conducted. A limited-scope review was conducted in the non-MSA area of St. Mary Parish.

### **Ratings**

The bank's AA chosen for full-scope review was the Iberia Parish of the Lafayette, LA MSA. Four of seven branches or 57 percent and 65 percent of total deposits are secured within the Iberia AA. More weight was placed on the full-scope area of Iberia Parish.

The "Satisfactory" rating was primarily based on the one aforementioned AA of Iberia Parish of the Lafayette, LA MSA.

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

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

U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

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

## Conclusions with Respect to Performance Tests

### Lending Test

The lending test is “Satisfactory.” When applicable, more weight was placed on the Iberia Parish AA as 57 percent of branch locations (including the main office) and 65 percent of total deposits are within this AA. The bank’s LTD ratio is more than reasonable. A majority of loans was originated within the bank’s AAs. The distribution of home loans among borrowers of different income levels, as well as the geographic distribution of loans, reflects reasonable penetrations.

### LTD Ratio

The bank’s LTD ratio is more than reasonable. The quarterly LTD ratio since the previous CRA evaluation averaged 77.2 percent, with a high ratio of 85.8 percent in the 3rd quarter of 2017. We compared the bank’s LTD ratio to three similarly-situated banks (peer group banks) in Iberia and St. Mary Parishes, ranging in assets of \$220 million to \$370 million. The peer group bank’s average LTD ratio was 74.4 percent with a high average ratio of 80.9 percent and a low average ratio of 56.3 percent.

### Lending in AA

The bank originated a majority of its loans inside of the AAs. Lending inside of the AA is deemed reasonable. During the review period, the bank originated 283 of its 360 loans (78.6 percent) inside the parishes of Iberia and St. Mary. The following table details the bank’s lending inside and outside its AAs by number and dollar amounts:

<b>Table D - Lending Inside and Outside of the AA</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage										
2015	118	81.9	26	18.1	144	11,126	66.2	5,672	33.8	16,798
2016	81	77.9	23	22.1	104	8,265	70.0	3,536	30.0	11,801
2017	84	75.0	28	25.0	112	7,357	45.0	9,003	55.0	16,360
<b>Totals</b>	<b>283</b>	<b>78.6</b>	<b>77</b>	<b>21.4</b>	<b>360</b>	<b>26,748</b>	<b>59.5</b>	<b>18,211</b>	<b>40.5</b>	<b>44,959</b>
<i>Source: Evaluation Period: 1/1/2015 - 12/31/2017 Bank Data Due to rounding, totals may not equal 100.0</i>										

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

The overall borrower distribution of loans by income level reflects reasonable penetration of borrowers of different income levels. More weight was placed on the full-scope review conducted in the Iberia Parish AA.

### **Iberia Parish AA**

Based on the data in Table P of Appendix C and the performance context considerations in Community Profiles of Appendix B, we concluded the borrower distribution of the bank's originations of home mortgage loans reflects an overall reasonable penetration.

- The distribution of the bank's home mortgage loans to low-income borrowers for 2015, 2016, and 2017 reflects a poor penetration. The proportion of loans to low-income borrowers were generally weaker than the portion of low-income families. The distribution of the bank's home mortgage loans to moderate-income borrowers for calendar years 2015, 2016, and 2017 was reasonable. While the distribution of loans during years 2015 and 2016 were slightly lower than moderate-income families; the distribution of loans for calendar year 2017 was stronger and exceeded the portion of moderate-income families.
- Although the proportion of loans to low- and moderate-income borrowers compared to the portion of low- and moderate-income families was poor, the bank's performance was impacted by several factors. See Community Profiles of Appendix B for more details.

### **St. Mary Parish AA**

Based on a limited-scope review, the bank's performance under the lending test in the St. Mary Parish AA is consistent with the bank's overall, "reasonable" penetration of borrowers to different income levels performance.

## **Geographic Distribution of Loans**

The overall geographic distribution of loans in the Iberia Parish AA (full-scope review) reflects a reasonable dispersion in low- and moderate-income CTs. More weight was placed on the full-scope review conducted in the Iberia Parish AA.

### **Iberia Parish AA**

While the distribution of loans in low-income CTs were lower than AA characteristics, the distribution of loans in moderate-income CTs significantly exceeded the AA characteristics. More weight was placed on loans originated in Iberia Parish of the Lafayette MSA AA.

Based on the data in Table O of Appendix C and the performance context considerations in Community Profiles of Appendix B, we conclude that the geographic distribution of the bank's home mortgage loan originations reflects a reasonable dispersion.

The bank's home mortgage loans in low- and moderate-income geographies reflects a reasonable dispersion. The proportion of loans in moderate-income CTs was generally stronger than the proportion of owner-occupied housing units in those geographies. More weight was placed on loans originated in Iberia Parish of the Lafayette MSA AA. During 2017, there were no low-income CTs within this AA.

### **St. Mary Parish AA**

Based on a limited-scope review, the bank's performance under the lending test in the St. Mary Parish AA is consistent with the bank's overall, "reasonable" geographic distribution of loans performance.

### **Responses to Complaints**

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

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): (01/01/2015 to 12/31/2017)	
<b>Financial Institution</b>		<b>Products Reviewed</b>
The First National Bank of Jeanerette, Jeanerette, LA		Residential (One- to Four-Family) Home Loans
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	N/A	N/A
<b>List of AAs and Type of Examination</b>		
<b>AA</b>	<b>Type of Exam</b>	<b>Other Information</b>
Iberia Parish of the Lafayette MSA	Full-scope	
St. Mary Parish	Limited-Scope	

## Appendix B: Community Profiles for Full-Scope Areas

At the previous examination, the bank had one AA, which comprised of the entire parishes of Iberia and St. Mary. Neither parish was a part of an MSA. In 2014, Iberia Parish became a part of the Lafayette MSA, resulting in the bank having two AAs instead of one AA. At this examination, the bank has two AAs: Iberia Parish which is a part of the Lafayette MSA and St. Mary Parish, which is a non-MSA.

### Iberia Parish, LA- Lafayette MSA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (CTs)	16	0.00	50.00	37.50	6.30	6.30
Population by Geography	73,938	0.00	42.80	48.50	8.70	0.00
Housing Units by Geography	30,002	0.00	46.80	45.00	8.20	0.00
Owner-Occupied Units by Geography	18,573	0.00	40.10	48.70	11.20	0.00
Occupied Rental Units by Geography	7,772	0.00	56.40	40.70	2.90	0.00
Vacant Units by Geography	3,657	0.00	60.40	34.70	4.90	0.00
Businesses by Geography	6,477	0.00	48.60	42.90	8.50	0.00
Farms by Geography	166	0.00	28.30	59.00	12.70	0.00
Family Distribution by Income Level	18,918	26.30	19.20	18.10	36.40	0.00
Household Distribution by Income Level	26,345	27.10	15.00	18.10	39.70	0.00
Median Family Income MSA - 29180 Lafayette, LA MSA		\$59,988	Median Housing Value			\$98,952
			Median Gross Rent			\$657
			Families Below Poverty Level			15.80%
<i>Source: 2015 ACS Census and 2017 D&amp;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.</i>						

## **Description of AA**

Iberia Parish (a metropolitan area of Lafayette, LA) is one of five parishes which make up the Lafayette MSA. The area is comprised of 16 contiguous CTs, of which the bank meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income geographies. Five municipalities are located within the boundaries of Iberia Parish: City of New Iberia (Parish seat), City of Jeanerette, Town of Delcambre, Village of Loreauville, and the Community of Lydia. Eight of the AA's CTs (50.00 percent) are moderate-income; 6 (37.50 percent) are middle-income; 1 (6.25 percent) is upper-income; and 1 (6.25 percent) does not have an income designation. As of 2017, there were no low-income CTs. The bank has established lending opportunities in the AA and has determined that the designated AA is an area the bank can reasonably serve.

The Iberia Parish AA has 6,477 businesses and 166 farms. Approximately 86.12 percent of the businesses are small (gross annual revenues of \$1 million or less); 5.25 percent are large businesses with gross annual revenues over \$1 million; and 8.63 percent consist of businesses where income data was not collected/reported. The top industries in the Iberia Parish AA are mining, quarrying, oil, gas, extraction, retail trade, and healthcare & social assistance.

## **Competition in AA**

The banking environment in the bank's AA is highly competitive. The June 30, 2018 FDIC Deposit Market Share report indicates that 11 institutions compete for deposits in Iberia Parish. The bank ranks fourth and holds a deposit market share of 6.87 percent. Seventy-seven percent of the deposits in the AA are held by Iberia Bank, Community Bank, and Regions Bank. The remaining competing banks hold from 0.32 to 6.80 percent of the AA's deposits. The banks that compete for deposits in the AA also compete for loans. In addition, there are several other institutions that do not receive deposits but compete for loans in the AA, making it more difficult for banks to compete for loans than deposits.

## **Oil Crisis**

According to Moody's Analytics, as of June of 2018, the economy in Lafayette, LA is soft and the MA is at risk of a recession. Job losses over the last year have been the worst ever seen in the State of Louisiana. The state's oil industry is concentrated in high-cost offshore fields that collapsed in 2014. While oil prices are rising, and employment has stabilized, drilling has not returned. Without drilling, the economy will continue to lag.

## **Poverty Level**

The AA has a total population of 73,938 with 16.0 percent of the population living below the poverty level, which represents a comparatively high level. Because so many families (11,830 persons) live at or below the poverty level, applicants often do not have the required down payment.

## **Unemployment Rates**

As of June 30, 2018, the Iberia Parish unemployment rate was 7.1 percent and has experienced an increasing trend since the start of 2018. The Louisiana state unemployment rate was 5.5 percent,

compared to the national rate of 4.0 percent which means the economies of Iberia Parish are worse than the state and federal unemployment rates.

### **Lack of Affordable Homes**

The FFIEC's adjusted MSA median family income for the AA in 2017 was \$59,988. Utilizing the bank's current underwriting ratios, a low-income borrower and a moderate-income borrower would qualify for loans up to \$110,000 and \$137,500, respectively within this AA. During 2017, the average selling price for homes within this AA was \$155,000. Low- and moderate-income borrowers would potentially not be able to purchase a home, and taxes and insurance exacerbate the problem. We also factored into the equation, the average age of the housing stock in the AA, according to the 2015 ACS Census, which was 57 years for low-income CTs and 37 years for moderate-income CTs. We note that older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring dwellings up to code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase homeownership costs. These additional factors and costs negatively affect the ability of low- and moderate-income borrowers to qualify for mortgage loans.

### **Community Contact**

We contacted an economic development organization during this examination. A representative of the group indicated that most banks are doing a good job of being involved in community activities. The representative stated there is a need for loans to small businesses within this AA.

**St. Mary Parish, La., Non-MSA**

Table A - Demographic Information of the AA						
FNB Jeanerette, St. Mary Parish Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	17	5.88	23.53	47.06	17.65	5.88
Population by Geography	53,441	3.60	19.30	52.40	24.70	0.00
Housing Units by Geography	23162	3.60	22.60	51.70	22.10	0.00
Owner-Occupied Units by Geography	13,607	2.80	19.80	53.00	24.40	0.00
Occupied Rental Units by Geography	6,713	4.10	22.80	55.20	17.80	0.00
Vacant Units by Geography	2,842	6.00	35.40	37.60	21.00	0.00
Businesses by Geography	5,059	3.40	18.80	50.62	27.18	0.00
Farms by Geography	64	0	17.19	57.81	25.00	0.00
Family Distribution by Income Level	13,568	24.20	14.00	18.80	43.00	0.00
Household Distribution by Income Level	20,320	23.40	13.90	14.10	48.60	0.00
Median Family Income Non MSA St Mary Parish, La.		\$46,845	Median Housing Value			\$89,240
			Median Gross Rent			\$696
			Families Below Poverty Level			18.90%
<i>Source: 2015 ACS Census and 2017 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## **Description of the AA**

The bank has designated all of St. Mary Parish, LA as its AA. The parish encompasses 17 contiguous CTs, and is not part of an MSA. The parish includes five municipalities: Morgan City, Berwick, Patterson, Franklin (Parish seat), and Baldwin, as well as the Chitimacha Nation in Charenton. One CT (5.88 percent) is low-income; 4 CTs (23.53 percent) are moderate-income; 8 CTs (47.06 percent) are middle-income; 3 CTs (17.65 percent) are upper-income; and one CT (5.88 percent) does not have an income designation. The bank's AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income geographies. The bank has established lending opportunities in the AA and has determined that the designated AA is an area the bank can reasonably serve.

The banking environment in the AA is highly competitive. The June 30, 2018 FDIC Deposit Market Share report indicates that eight institutions compete for deposits in St. Mary Parish. The bank ranks fifth and holds a deposit market share of 7.81 percent. Seventy-seven percent of the deposits in the AA are held by Hancock Whitney Bank; MC Bank & Trust Company, Patterson State Bank, and Iberia Bank. The remaining competing banks hold market shares ranging from 3.5 to 8.0 percent. The banks that compete for deposits in the AA also compete for loans. In addition, there are several other institutions that do not collect deposits, but compete for loans in the AA, making it more difficult for banks to compete for loans than deposits.

The bank's AA has 5,059 businesses and 64 farms. Approximately 86 percent of the businesses are small (gross annual revenues of \$1 million or less); 5 percent are large businesses with gross annual revenues over \$1 million; and 9 percent consist of businesses where income data was not collected/reported.

As of June 30, 2018, the St. Mary Parish unemployment rate was 8.0 percent and has experienced an increasing trend since the start of 2018. The Louisiana state unemployment rate was 5.5 percent., compared to a national rate of 4.0 percent. The top industries in the St Mary Parish AA are ship building/fabrication, diving services and ROV operations, marine transportation, chemical manufacturing, oil/gas services, and sugar mills.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MAs are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Deposit data are compiled by the FDIC and are available as of June 30 of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

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

- Table O. AA Distribution of Home Mortgage Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. AA Distribution of Home Mortgage Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. AA Distribution of Loans to Small Businesses by Income Category of the Geography -** The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.
- Table R. AA Distribution of Loans to Small Businesses by Gross Annual Revenue -** Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.
- Table S. AA Distribution of Loans to Farms by Income Category of the Geography -** The percentage distribution of the number of small loans (less than or equal to \$500,000) to

farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.

- Table T. AA Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. The table also presents aggregate peer data for the years the data is available.
- Table U. AA Distribution of Consumer Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households throughout those geographies.
- Table V. AA Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MA/AA.

**Table O : AA Distribution of Home Mortgage Loans by Income Category of the Geography-Iberia and St. Mary Parishes**

**2015-2016**

Assessment Area:	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Iberia AA	97	9	48.7	5.9	2.1	0.0	16.0	45.4	47.7	60.2	39.2	43.2	17.8	13.4	9.1	0.0	0.0	0.0
St. Mary AA	102	10	51.3	0.0	0.0	0.0	6.4	5.9	5.4	72.5	79.4	81.1	21.1	14.7	13.5	0.0	0.0	0.0
<b>Total</b>	<b>199</b>	<b>19</b>	<b>100</b>	<b>3.4</b>	<b>1.0</b>	<b>0.0</b>	<b>11.8</b>	<b>25.1</b>	<b>28.1</b>	<b>65.6</b>	<b>59.8</b>	<b>60.5</b>	<b>19.3</b>	<b>14.1</b>	<b>11.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2010 U.S Census; 01/01/2015 - 12/31/2016; 2016 HMDA Aggregate Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0

**Table O : AA Distribution of Home Mortgage Loans by Income Category of the Geography-Iberia and St. Mary Parishes** **2017**

AA:	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Iberia AA	41	4.2	48.8	0.0	0.0	0.0	40.1	65.9	34.9	48.7	24.4	48.0	11.2	9.8	17.1	0.0	0.0	0.0
St. Mary Δ Δ	43	3.2	51.2	2.8	2.3	1.1	19.8	9.3	14.5	53.0	67.4	49.8	24.4	20.9	34.6	0.0	0.0	0.0
<b>Total</b>	<b>84</b>	<b>7.4</b>	<b>100</b>	<b>1.2</b>	<b>1.2</b>	<b>0.4</b>	<b>31.5</b>	<b>36.9</b>	<b>27.8</b>	<b>50.5</b>	<b>46.4</b>	<b>48.6</b>	<b>16.8</b>	<b>15.5</b>	<b>23.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data "--" data not available. Due to rounding, totals may not equal 100.0

**Table P: AA Distribution of Home Mortgage Loans by Income Category of the Borrower-Iberia and St. Mary Parishes** **2015-2016**

AA:	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Iberia AA	97	9	48.7	26.8	14.4	9.1	15.8	12.4	15.9	20.0	12.4	6.8	37.4	46.4	50.0	0.0	14.4	18.2
St. Mary AA	102	10	51.3	22.8	7.8	8.1	16.3	5.9	8.1	16.2	17.6	10.8	44.7	53.9	51.4	0.0	14.7	21.6
<b>Total</b>	<b>199</b>	<b>19</b>	<b>100.0</b>	<b>25.1</b>	<b>11.1</b>	<b>8.6</b>	<b>16.1</b>	<b>9.0</b>	<b>12.3</b>	<b>18.3</b>	<b>15.1</b>	<b>8.6</b>	<b>40.5</b>	<b>50.3</b>	<b>50.6</b>	<b>0.0</b>	<b>14.6</b>	<b>19.8</b>

Source: 2010 U.S Census; 01/01/2015 - 12/31/2016; 2016 HMDA Aggregate Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0

**Table P: AA Distribution of Home Mortgage Loans by Income Category of the Borrower-Iberia and St. Mary Parishes 2017**

Assessment Area:	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Iberia AA	41	4.2	48.8	26.3	4.9	11.3	19.2	31.7	17.7	18.1	2.4	19.9	36.4	46.3	27.2	0.0	14.6	24.0
St. Mary AA	43	3.2	51.2	24.2	2.3	4.9	14.0	7.0	8.8	18.8	11.6	19.3	43.0	62.8	44.5	0.0	16.3	22.5
<b>Total</b>	<b>84</b>	<b>7.4</b>	<b>100.0</b>	<b>25.4</b>	<b>3.6</b>	<b>9.1</b>	<b>17.0</b>	<b>19.0</b>	<b>14.6</b>	<b>18.4</b>	<b>7.1</b>	<b>19.7</b>	<b>39.2</b>	<b>54.8</b>	<b>33.2</b>	<b>0.0</b>	<b>15.5</b>	<b>23.5</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data "--" data not available. Due to rounding, totals may not equal 100.0