



## **PUBLIC DISCLOSURE**

April 15, 2019

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First National Bank USA  
Charter Number 16473  
13386 Highway 90  
Boutte, LA 70039

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

**This institution is rated: Satisfactory.**

First National Bank USA (FNB USA) has a satisfactory record of meeting its community needs based on the following:

- The average loan-to-deposit (LTD) ratio is reasonable given the bank's size, competition, and economic environment.
- The bank originated a majority of loans inside the assessment area (AA).
- 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 (CTs) exhibits a reasonable dispersion throughout the bank's AA.
- 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 (MA)/AA.

**CT:** A small subdivision of metropolitan and other densely populated counties. CT boundaries do not cross county 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 AA(s) or outside the AA(s) provided the bank has adequately addressed the CD needs of its AA(s).

**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 MA/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.

**MA:** Any metropolitan statistical area (MSA) 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/county or group of parishes/counties 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/counties that represent an employment center or centers, plus adjacent parishes/counties associated with the main/secondary parish/county or parishes/counties through commuting ties.

**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/county or parishes/counties containing the core, plus adjacent outlying parishes/counties having a high degree of social and economic integration with the central parish/county or parishes/counties as measured through commuting.

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

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

**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 CD.

**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 multistate MA, the institution will receive a rating for the multistate 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 noncumulative 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

FNB USA is a single-state community bank headquartered in Boutte, LA of St. Charles Parish, LA. The bank is wholly owned by First Saint Charles Bancshares., a one-bank holding company, also located in Boutte, LA. The bank’s strategic plan is to serve its AA (St. Charles and St. John the Baptist Parishes of the New Orleans-Metairie, LA MSA), by primarily originating residential and nonresidential mortgage loans. FNB USA operates two branches, with the main office located in Boutte, LA and a second office located in LaPlace, LA of St. John the Baptist Parish. The distance from the main office to the branch is approximately 21 miles. The main office is located in a middle-income CT and is 28 miles west of New Orleans, the largest city within the MSA. The second branch is located in an upper-income CT. Since the previous CRA examination, FNB USA closed a third branch which was located in an upper-income CT in Norco, La. Banking hours reasonably meet the community needs with lobby hours Monday through Friday, with extended hours on Thursday and Friday evenings. Automated teller machines (ATMs) are located at the Boutte and LaPlace offices. FNB USA offers a wide range of deposit and loan products with no significant difference between locations.

FNB USA closes loans for secondary marketing purposes, but no longer has designated loan underwriters to make credit decisions. The dispositions of the loans are made by investors and not maintained on the bank’s HMDA-Loan Application Register (HMDA-LAR). However, the bank does maintain a “shadow LAR” of such loans of which we gave the bank credit during this evaluation. For further details, refer to Appendix B-4.

As of December 31, 2018, total assets were \$125 million with net loans and leases of approximately \$99 million. Total deposits were \$105 million, and Tier One capital was 13.48 percent. For the same time period, mortgage loans, nonresidential mortgage loans, and commercial loans represented 34 percent, 30 percent, and six percent, respectively of the total loan portfolio. The St. Charles Parish area represented 79 percent of total deposits, compared to 26 percent secured by St. John the Baptist Parish area. The aforementioned numbers, represent, 14 and 0.5 percent of deposit market shares among depository institutions in the rating area. There are no legal, financial, or other factors impeding FNB USA’s ability to meet the credit needs in its AA. The bank’s CRA performance was previously evaluated on January 27, 2014 with an overall level of “Satisfactory” performance.

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

FNB USA’s Loan Portfolio		
Loan Category	Dollars (000)	Percentage
Construction and Farm	23,170	23 %
One- to Four-Family Residential Properties	33,623	34 %
Multifamily	5,350	5 %
Non-Farm / Non-Residential	29,416	30 %
Farm	-	-
Commercial and Industrial	6,003	6 %
Consumer	1,484	2 %
<b>Total</b>	<b>\$99,046</b>	<b>100%</b>

Source: Call Report as of 12/31/2018

## **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 AA through lending activities. The lending test evaluation included analyzing the bank's mortgage loan data from January 1, 2016, to December 31, 2018. This period is representative of the bank's primary lending strategy of originating residential mortgage loans. We also gave the bank credit for non-HMDA mortgage loans which were originated within the AA for the same time period.

### **Data Integrity**

Prior to conducting the CRA Evaluation, in January of 2019, the bank's performance of its HMDA loans was assessed for the time period of January 1, 2016 through December 31, 2018. A sample of non-HMDA loans was assessed during the CRA examination. We concluded, the bank's data was reliable.

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

The bank's AA chosen for full-scope review were the parishes of St. Charles and St. John the Baptist, which are two of eight parishes which make up the New Orleans-Metairie, LA MSA. The bank's main office, and its only other branch are located in this AA.

### **Ratings**

The "Satisfactory" rating was primarily based on the one aforementioned AA.

### **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 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.” FNB USA’s LTD ratio is reasonable. A majority of loans was originated within the bank’s AA. The distribution of home loans among borrowers of different income levels, as well as the geographic dispersion of loans, reflects reasonable penetrations.

#### LTD Ratio

The LTD ratio is reasonable. The quarterly ratio since the previous CRA evaluation averaged 88.6 percent, with a high ratio of 92.4 percent in the 3rd quarter of 2018. We compared the bank’s LTD ratio to three similarly-situated banks (peer group banks) within the MSA, ranging in assets of \$79 million to \$385 million. The peer group bank’s average LTD ratio was 92.1 percent with a high average ratio of 133.5 percent and a low average ratio of 66.6 percent.

#### Lending in AA

The bank originated a majority of its loans inside of the AA. Lending inside of the AA is deemed reasonable. During the review period, the bank originated 134 of its 243 loans (55.1 percent) inside the parishes of St. Charles and St. John the Baptist. The following table details the bank’s lending inside and outside its AA by number and dollar amounts:

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%	\$	%	\$	%		
Home Mortgage										
2016	66	55.9	52	44.1	118	6,310	44.4	7,895	55.6	14,205
2017	38	56.7	29	43.3	67	3,795	37.6	6,291	62.4	10,086
2018	30	51.7	28	48.3	58	4,968	54.0	4,236	46.0	9,204
<b>Total</b>	<b>134</b>	<b>55.1</b>	<b>109</b>	<b>44.9</b>	<b>243</b>	<b>15,073</b>	<b>45.0</b>	<b>18,422</b>	<b>55.0</b>	<b>33,495</b>

*Source: Evaluation Period: 1/1/2016-12/31/18, Bank Data. Due to rounding, totals may not equal 100.0.*

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

Lending to borrowers of different income levels, reflects a reasonable penetration. 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 2016 reflects an excellent penetration when compared to aggregate data; however, the distribution of the bank's home mortgage loans to low-income borrowers for 2017 and 2018 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 year 2016, was reasonable when compared to aggregate data; however, the distribution of loans during years 2017 and 2018 to moderate-income families reflects a poor penetration when compared to aggregate data. The proportion of loans to moderate-income borrowers was generally weaker than 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. For further details, refer to Community Profiles of Appendix B.

### **Geographic Distribution of Loans**

The overall geographic distribution of loans in the bank's AA reflects an excellent dispersion in moderate-income CTs. There are no low-income CTs. Based on the data in Table O of Appendix C, we concluded the geographic distribution of the bank's originations of home mortgage loans reflects an excellent dispersion.

- The geographic distribution of the bank's home mortgage loans in moderate-income CTs for 2016 reflects an excellent dispersion when compared to aggregate data. The proportion of loans in moderate-income CTs was generally weaker than the portion of owner-occupied housing units; however, the distribution of the bank's home mortgage loans in moderate-income CTs for calendar years 2017 and 2018 reflects an excellent dispersion when compared to aggregate data. In addition, the bank's proportion of loans in moderate-income CTs was stronger than the portion of owner-occupied housing units.

### **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): (01/01/16 to 12/31/18)	
<b>Financial Institution</b>		<b>Products Reviewed</b>
FNB USA Boutte, 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>
St. Charles Parish and St. John the Baptist Parish of the New Orleans-Metairie MSA	Full-Scope	

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

FNB USA has designated portions of the New Orleans-Metairie, LA MSA as its AA. The MSA encompasses eight parishes. However, because of the limited facilities compared to the size of the overall MSA, management has chosen a smaller section of this area to serve. The institution chose St. Charles and St. John the Baptist Parishes as its AA. These parishes are locally termed the River Parishes as they run along the Mississippi River between New Orleans and Baton Rouge. Major cities in the AA include Boutte, Luling, and LaPlace. 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 institution meets CRA regulatory requirements by including whole geographies and not arbitrarily excluding low- and moderate-income areas.

Based on the 2018 business demographic data, there were 7,926 nonfarm businesses in the AA. Of these 6,932 (87.46 percent) of the businesses had revenues of less than \$1 million, 231 (2.91 percent) had revenues greater than \$1 million, and 763 (9.63 percent) did not report revenue information. The majority of the businesses in the AA are small businesses in the service industry, with approximately 97 percent of the businesses having less than 50 employees and 69 percent of the businesses having one to four employees. Major industries in the AA include oil and gas.

**Table A – Demographic Information of the AA FNB USA, St. Charles and St. John the Baptist Parish- New Orleans-Metairie MSA**

Demographic Characteristics	#	Low	Moderate	Middle	Upper	NA*
		% of #	% of #	% of #	% of #	% of #
Geographies (Census Tracts)	24	0	25.0	41.7	33.3	0
Population by Geography	96,800	0	18.4	47.1	34.5	0
Housing Units by Geography	37,793	0	19.8	45.7	34.5	0
Owner-Occupied Units by Geography	26,568	0	17.2	44.8	38.0	0
Occupied Rental Units by Geography	7,147	0	22.7	50.9	26.4	0
Vacant Units by Geography	4,078	0	32.1	42.9	25.0	0
Businesses by Geography	7,926	0	19.4	46.3	34.3	0
Farms by Geography	137	0	20.4	38.7	40.9	0
Family Distribution by Income Level	24,933	21.3	16.0	19.7	43.0	0
Household Distribution by Income Level	33,715	20.4	13.5	16.5	49.6	0
Median Family Income New Orleans-Metairie MSA		\$66,085	Median Housing Value			\$166,273
St. Charles and St. John the Baptist Parishes						
			Median Gross Rent			\$859
			Population Below Poverty Level			14.28%

**St. Charles Parish, LA- New Orleans/Metairie MSA**

**Description of Parish**

St Charles Parish is one of eight parishes, which make up the New Orleans-Metairie, LA MSA. The area is comprised of 13 CTs. Fourteen municipalities are located within the boundaries of St. Charles Parish: Hahnville (parish seat), Ama, Bayou Gauche, Boutte, Des Allemands, Destrehan, Killona, Luling, Montz, New Sarpy, Norco, Paradis, St. Rose, and Taft. One of the parishes' CTs (7.69 percent)

is moderate-income; six (46.15 percent) are middle- income; and six (46.15 percent) are upper- income. As of 2018, there was no low- income CTs. The 2017 Data USA report indicates households in St. Charles Parish, LA have a median annual income of \$64,707, which is more than the median annual income of \$60,336 across the entire United States. This is in comparison to a median income of \$61,691 in 2016, which represents a 4.89 percent annual growth. The most common employment sector for those who live in St. Charles Parish, LA is manufacturing (3,185 people) dominated by employers Dow Chemical and Bayer.

### **Competition in Parish**

The banking environment in St. Charles Parish is highly competitive. The June 30, 2018 FDIC Deposit Market Share Report indicates that four institutions compete for deposits in St. Charles Parish. FNB USA ranks fourth and holds a deposit market share of 14.15 percent. Capital One Bank and First American Bank and Trust hold 69 percent of the deposits in the parish. JP Morgan Chase Bank holds the remaining 17 percent of deposits. The banks that compete for deposits in the area also compete for loans. In addition, there are several credit unions in the area also competing for residents' loans and deposits, making the environment even more competitive in attracting and retaining customers.

### **Oil and Gas Expansion**

The oil and gas industry is one of the leading industries in Louisiana in terms of economic impact and people employed. In 2017, Dow Chemical announced its investment of \$2 billion in new chemical manufacturing investments. The investment included boosting Dow's ethylene capacity; a new commend center for the company's hydrocarbon operations; and the restart of an existing ethylene unit in St. Charles Parish. In addition, Monsanto Co. recently merged with Bayer Co. in 2017. They broke ground on a \$975 million expansion of its plant to produce Dicamba, a new technology recently approved by the EPA to combat hard-to-control weeds like palmer amaranth and pigweed. The project is slated for completion by 2022 and will add an additional 95 jobs. At peak construction, the expansion is projected to generate 1,000 jobs. Roughly 645 people work for the company in Luling, LA.

### **Poverty Level**

St. Charles Parish has a total population of 52,879 with 9.30 percent of families and 11.40 percent of the population living below the poverty level, which represents a comparatively high level. Because so many families (6,028 persons) live at or below the poverty level, these applicants often do not have the required down payment to qualify for mortgage loans.

### **Unemployment Rates**

As of 2018, the St. Charles Parish unemployment rate was 4.3 percent and has experienced a decreasing trend over the past three years. Major employers in the area include St. Charles Parish Public Schools employing approximately 1,773 employees, Shell Norco employing 1,147 employees, and Dow Chemical employing 1,006 employees.

## **St. John the Baptist, LA- New Orleans/Metairie MSA**

### **Description of Parish**

St. John the Baptist Parish is one of eight parishes in the New Orleans-Metairie, LA MSA and one of three river parishes that run along the Mississippi River. The area is comprised of eleven CTs. Seven municipalities are located within the boundaries of St. John the Baptist Parish: Edgard, Garyville, LaPlace, Pleasure Bend, Reserve, and Wallace. Five of the parishes' CTs (45 percent) are moderate-income; four (36 percent) are middle-income; and two (18 percent) are upper-income. As of 2018, there were no low-income CTs.

The 2017 Data USA report indicates households in St. John the Baptist Parish have a median annual income of \$53,628, which is less than the median income of \$60,336 across the United States; however, represents a 4.32 percent annual increase to median income from 2016. The largest industries in St. John the Baptist Parish are healthcare and social assistance employing over 2,294 persons.

### **Competition in Parish**

The banking environment in St. John the Baptist Parish is competitive, with FNB USA making up only 6.05 percent of the market share. The June 30, 2018 FDIC Deposit Market Share Report indicated that seven institutions compete for loans and deposits in the parish. FNB USA ranks fifth. Capital One Bank holds the majority of deposits with 49 percent market share. Regions Bank (16.92 percent); JP Morgan Chase Bank (15.12 percent); First American Bank and Trust (9.75 percent); United Community Bank (3.27 percent); and Woodforest National Bank (0.24 percent) make up the remaining market.

### **Unemployment Rates**

St. John the Baptist Parish is a high unemployment area with 5.1 percent (2,202 persons) of the population unemployed, surpassing the national and Louisiana unemployment rate of 3.8 percent and 4.4 percent, respectively. The largest industries in St. John the Baptist Parish are healthcare and social assistance employing 2,751 people, retail employing 2,401 people, and manufacturing employing 2,294 people.

### **Both Parishes**

#### **Lack of Affordable Homes**

There is a shortage of affordable housing in the AA. Those living at or below the poverty level make up 14.28 percent or 13,823 persons of the population. Moderate-income residents are making at or below \$52,560 and low-income residents are making at or below \$32,850. The median area home value in the AA is \$166,273. Without assistance from governmental programs to fill the wage gap, a significant portion of the population cannot afford to purchase a home in the AA.

The FFIEC's adjusted MSA median family income for the AA in 2018 was \$66,085. Utilizing the bank's current underwriting ratios, a low-income borrower and a moderate-income borrower would qualify for loans up to \$93,764 and \$152,371, respectively within this AA. During 2018, the average selling price for homes within this AA was \$243,682. Low- and moderate-income borrowers would potentially not be able to purchase a home, and taxes and insurance exacerbate the problem.

#### **Other Loans Reported on "Shadow LAR"**

Since 2012, FNB USA closes loans for secondary marketing purposes, but no longer has designated loan underwriters to make credit decisions. The credit decisions, as well as the dispositions of the loans are made by investors and therefore, not maintained on the bank's HMDA-LAR, according to the applicable regulations. However, the bank does maintain a "shadow LAR" which is a listing of all non-HMDA loans maintained in a duplicate form just as the bank's HMDA-LAR. For the calendar year which ended, December 31, 2016, the bank originated 26 non-HMDA mortgage loans, within the AA, which totaled \$4.8 million. Of the 26 loans, 4.0 percent (compared to the aggregate percentage of 3.8) were originated to low-income borrowers; and 32.0 percent (compared to the aggregate percentage of 12.8) were originated to moderate-income borrowers. In addition, for 24 months ended December 31, 2018, the bank originated 49 non-HMDA mortgage loans, within the AA, which totaled \$9.3 million. Of the 49 loans, 6.0 percent (compared to the aggregate percentage of 5.8) were made to low-income

borrowers; and 20.0 percent (compared to the aggregate percentage of 14.7) were made to moderate-income borrowers.

### **Community Contacts**

We contacted a community member and community agency who both indicated the bank is doing an exemplary job in being involved in community activities and supporting its customers by meeting the needs of the community. Furthermore, both contacts noted there is an affordable housing issue within the community that is affecting a number of its residents.

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## Appendix C: Tables of Performance Data

AA:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% 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
FNB USA AA 2016	66	6,310	100.0	2,615	0.0	0.0	0.0	16.0	13.6	13.7	49.9	56.1	49.1	34.1	30.3	37.2	0.0	0.0	0.0
<b>Total</b>	<b>66</b>	<b>6,310</b>	<b>100.0</b>	<b>2,615</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>16.0</b>	<b>13.6</b>	<b>13.7</b>	<b>49.9</b>	<b>56.1</b>	<b>49.1</b>	<b>34.1</b>	<b>30.3</b>	<b>37.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate 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**

**2017-18**

AA:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% 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
FNB USA AA 2017	68	8,760	100.0	2,312	0.0	0.0	0.0	17.2	23.5	12.2	44.8	39.7	43.9	38.0	36.8	43.9	0.0	0.0	0.0
<b>Total</b>	<b>68</b>	<b>8,760</b>	<b>100.0</b>	<b>2,312</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>17.2</b>	<b>23.5</b>	<b>12.2</b>	<b>44.8</b>	<b>39.7</b>	<b>43.9</b>	<b>38.0</b>	<b>36.8</b>	<b>43.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 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**

**2016**

	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
AA:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
FNB USA AA 2016	66	6,310	100.0	2,615	22.5	6.1	3.8	15.2	9.1	12.8	17.6	21.2	21.3	44.6	40.9	38.0	0.0	22.7	24.1
<b>Total</b>	<b>66</b>	<b>6,310</b>	<b>100.0</b>	<b>2,615</b>	<b>22.5</b>	<b>6.1</b>	<b>3.8</b>	<b>15.2</b>	<b>9.1</b>	<b>12.8</b>	<b>17.6</b>	<b>21.2</b>	<b>21.3</b>	<b>44.6</b>	<b>40.9</b>	<b>38.0</b>	<b>0.0</b>	<b>22.7</b>	<b>24.1</b>

Source: 2010 U.S Census ; 01/01/2016 - 12/31/2016 Bank Data, 2016 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**

**2017-18**

	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
AA:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
FNB USA AA 2017	68	8,760	178.9	2,312	21.2	1.5	5.8	16.0	2.9	14.7	19.7	11.8	19.8	43.0	39.7	36.0	0.0	44.1	23.8
<b>Total</b>	<b>68</b>	<b>8,760</b>	<b>178.9</b>	<b>2,312</b>	<b>21.2</b>	<b>1.5</b>	<b>5.8</b>	<b>16.0</b>	<b>2.9</b>	<b>14.7</b>	<b>19.7</b>	<b>11.8</b>	<b>19.8</b>	<b>43.0</b>	<b>39.7</b>	<b>36.0</b>	<b>0.0</b>	<b>44.1</b>	<b>23.8</b>

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0