



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

**August 23, 2010**

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

Town & Country National Bank  
Charter Number 16708

118 Broad Street  
Camden, AL 36726

Office of the Comptroller of the Currency  
Birmingham Field Office  
100 Concourse Parkway Suite 240  
Birmingham, AL 35244

**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 level and trend of the bank's loan-to-deposit (LTD) ratio is reasonable.
- The majority of loans are made within the bank's assessment area (AA).
- The bank's loan portfolio is heavily weighted toward residential real estate and business loans. Home loans and small business financing were identified as primary credit needs in the area.
- Loan analysis indicates that the bank had reasonable penetration for lending to borrowers of different incomes and businesses of different sizes.
- The geographic distribution of loans across different income census tracts is reasonable.
- The bank did not receive any consumer complaints regarding Community Reinvestment Act (CRA) performance.

The bank demonstrated adequate responsiveness to fulfilling community needs identified in the AA. Further, the bank participates in a regional commission program to provide credit counseling and permanent financing to low-and moderate-income families. The commission also provides small business financing, in which the bank participates.

### **SCOPE OF THE EXAMINATION**

Town & Country National Bank (T&C) was evaluated under the Small Bank examination procedures, which is comprised of a lending test. The lending test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The bank's previous CRA rating was "Satisfactory" as of January 3, 2005. The evaluation period for this performance report is January 4, 2005 through August 16, 2010.

The lending test for T&C covers its performance from January 1, 2008 through August 2, 2010, as this is representative of its lending strategy since the last CRA examination. T&C's primary loan products are home, consumer, and business loans. We selected a sample of home and business loans to evaluate the bank's lending performance in each area.

### **DESCRIPTION OF INSTITUTION**

T&C is a community bank located in Camden, Alabama. Camden is a rural community located in Wilcox County. T&C operates one full service office located in downtown Camden. As of June 30, 2010, T&C had total assets of \$88 million and is the second largest bank in Camden. The bank's primary competitor is Camden National Bank. T&C provides many banking services, including: business, agricultural, residential, and consumer lending. The bank is in satisfactory financial condition which does not affect its ability to meet the credit needs within the assessment area.

## DESCRIPTION OF ASSESSMENT AREA

The bank's AA is Wilcox County, Alabama. Wilcox County contains six census tracts. One census tract is designated as low-income, with the other five designated as moderate-income. The 2000 census indicated the population of Wilcox County is 13,183. The AA economy continues to be driven by the timber industry and Weyerhaeuser as the largest employer. The local economy is depressed and the county has the lowest median income in the state and the highest unemployment. The median family income is \$23,090 for 2009 with unemployment at 24.8 percent as of March 2010.

We discussed community lending needs with a regional commission chairman who identified consumer and small businesses as the most prominent lending needs. Our contact stated that T&C has been proactive in supporting these credit needs in the community through work with the commission. Credit counseling and down payment assistance for home buyers and supporting a small-business lending fund are two examples.

## CONCLUSIONS ABOUT PERFORMANCE CRITERIA

### Loan-to-Deposit Ratio

The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's LTD ratio averaged 73 percent over the 25 quarters since the last CRA examination. The bank's LTD ratio compares favorably with other community banks of similar location and product offerings. The bank's LTD average is slightly lower over that time period than Camden National Bank (83 percent) but substantially higher than the smaller Bank of Pine Hill (36 percent). These are the only two other banks based in Wilcox County.

### Lending in Assessment Area

The bank originates a majority of its loans inside the AA. Nearly 78 percent of the number and 83 percent of the dollar volume of loans sampled were to borrowers located within the AA. This meets the standards for satisfactory performance.

Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	8	89%	1	11%	9	828,751	96%	30,413	4%	859,164
Home Improvement	4	80%	1	20%	5	68,492	68%	32,273	32%	100,765
Refinance	26	76%	8	24%	34	1,664,691	78%	477,334	22%	2,142,025
Total	38	78%	10	22%	48	2,561,934	83%	540,020	17%	3,101,954

## Geographic Distribution of Loans

A geographic analysis would be impracticable as there are very little demographically distinct geographies within the AA.

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

Lending performance to borrowers of different incomes and businesses of different sizes is reasonable. The percentage of loans to businesses with annual revenues under \$1 million is reasonably commensurate with the number and percentage of businesses in each AA.

### Home Loans

The distribution of home loans to borrowers reflects reasonable penetration among borrowers of different income levels. Low-income families represent 44.46 percent of the AA. Although the bank achieved a significantly lower penetration of home loans to low-income borrowers, the level of poverty is over 40 percent of the population in the AA. This high rate of poverty impedes the bank's ability to originate home loans to low-income borrowers. The bank's distribution of loans to moderate-income borrowers is satisfactory in relation to the percentage of families in the AA. Table 2 illustrates the distribution of home mortgage loans in relation to the number of families in the AA by income level.

Table 2 - Borrower Distribution of Residential Real Estate Loans in Wilcox County, Alabama a Non MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	44.46%	25%	14.47%	-	18.26%	12.5%	22.82%	62.5%
Home Improvement	44.46%	50%	14.47%	50%	18.26%	-	22.82%	-
Refinance	44.46%	23%	14.47%	11%	18.26%	31%	22.82%	35%

### Business Loans

The distribution of loans to businesses reflects a reasonable penetration among businesses of different sizes. In the AA, 44 percent of businesses were recognized as having annual revenues of less than \$1 million. A large portion of businesses (52 percent) had annual revenues that were unavailable or unknown. The bank exhibited strong penetration of small businesses with 80 percent of our sample by volume and 47 percent by amount were to small businesses. Table 2A illustrates the distribution of commercial loans among different sized businesses in the AA.

Table 2A - Borrower Distribution of Loans to Businesses in Wilcox County, Alabama, a Non MSA AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	44.06%	3.75%	52.19%	100%
% of Bank Loans in AA by #	80%	20%		100%
% of Bank Loans in AA by \$	47%	53%		100%

**Responses to Complaints**

T&C has not received CRA-related complaints from the public since the prior CRA examination.

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

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