



PUBLIC DISCLOSURE

February 6, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Cornerstone National Bank
Charter Number 23870

1670 East Main Street
Easley, SC 29642-0000

Office of the Comptroller of the Currency

ADC-CHARLOTTE (8116) Field Office
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Charlotte, NC 28281

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**.

Cornerstone National Bank's performance rating is supported by the following factors:

- The bank's quarterly average loan-to-deposit ratio is reasonable based on the bank's size and relevant competitive factors;
- CNB's residential mortgage and business loans were originated with a majority inside the bank's AA;
- The distribution of loans to borrowers of different income levels and to businesses of different sizes reflects reasonable penetration;
- The bank's geographic distribution of loans within its AA reflects reasonable dispersion throughout the AA;
- There were no CRA complaints against the bank during the review 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 MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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 assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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 census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that 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/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county 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 metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

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) and the Thrift Financial Reporting (TFR) 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 Consolidated Report of Condition and Income (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

Cornerstone National Bank (CNB) is an intrastate institution headquartered in Easley, South Carolina (SC) with three full service-banking locations. The bank opened in 1999 and is wholly owned by a single bank holding company, Cornerstone Bancorp (CB), also located in Easley, SC. CNB's main office is located in the Easley, SC area of Pickens County. The second branch is located in the Berea, SC area of Greenville County. The third branch is located in the Powdersville, SC area of Anderson County. In 2004, the bank established a wholly owned subsidiary, Crescent Financial Services, which is an insurance agency that engages in limited operations. CNB reported total assets of \$146 million as of December 31, 2016 and \$144 million as of December 31, 2015.

CNB offers a variety of products and services, which includes drive-up facilities and automated teller machine access at all of the branches, as well as telephone and internet-banking services with 24-hour access to customer account information. CNB provides internet-banking access at www.cornerstonenatlbank.com. On line banking services include account balance inquires, funds transfer, and bill pay services. The bank also recently began offering mobile banking products including Apple Pay, Samsung Pay, and non-recurring bill payments.

CNB offers a variety of lending programs with a primary focus on commercial lending, and to a lesser extent, residential real estate lending. Commercial loans are available to finance working capital, business expansion, and purchase of equipment and machinery. Residential mortgage loans are available for terms less than 15 years. Up until November 2009, the bank had a mortgage loan brokerage department that accepted mortgage loans with terms greater than 15 years. The bank processed these applications and then sent them to third parties for underwriting. The third parties approved, funded, and closed the loans in their names. Due to the decline in residential mortgage lending, the bank suspended its mortgage brokerage activities.

Business lending represents 80 percent of the total loan portfolio with the remaining 20 percent in residential and consumer lending. This is consistent with the institution's overall strategic goals and objectives.

The following table highlights the composition of the bank's loan portfolio:

Distribution of Loan Portfolio		
Loan Type	Dollars of Loans (\$000s)	% by Dollars of Loans
<i>Commercial Real Estate including Commercial & Industrial</i>	\$57,904	80.15%
Non-farm Non-residential Properties	\$41,821	
Construction and Land Development	\$10,306	
Commercial and Industrial	\$ 5,777	
<i>Residential Real Estate, including Multifamily</i>	\$13,254	18.34%
Secured by 1-4 Family Residential by 1 st liens	\$ 6,976	
Secured by 1-4 Family Residential by junior liens	\$ 0	
Secured by 1-4 Family Residential, open-end	\$ 2,820	
Construction 1-4 Family	\$ 1,154	
Secured by Multifamily (5 or more) Residential	\$ 2,304	
<i>Consumer</i>	\$ 1,091	1.51%
<i>Total</i>	\$72,249	100%

Source: Consolidate Report of Condition and Income (December 31, 2016)

CNB's rating at the preceding CRA examination, dated March 27, 2012 was "Satisfactory."

DESCRIPTION OF ASSESSMENT AREA(S)

CNB's assessment area (AA) meets the technical requirements of the CRA and does not arbitrarily exclude low- and moderate-income census tracts. The defined AA consists of Greenville, Pickens, and Anderson Counties, for a total of 178 census tracts. Greenville, Pickens, and Anderson Counties are a part of the Greenville-Anderson-Mauldin Metropolitan Statistical Area (GP-MSA #24860).

Competition in the AA is strong and includes many financial options. As of June 30, 2016, the Federal Deposit Insurance Corporation (FDIC) reported 35 financial institutions, with 245 offices, operate in the AA. The FDIC's deposit market share report, for the same time period, reflects 35 banks, with 257 total offices, operate in the Greenville- Anderson- Mauldin MSA AA. CNB's market share of this deposit base was less than one percent. Five regional banks hold 60 percent of the market share in the Greenville-Anderson-Mauldin MSA AA. Non-bank institutions offer additional financial services. Major competitors also include offices/branches of large, regional, and local community banks.

Greenville-Anderson-Pickens AA

Greenville, Pickens, and Anderson Counties are located in the northwestern region of SC, with the city of Greenville as the county seat and the largest city in the county. These counties are a part of the Greenville-Anderson-Mauldin South Carolina Metropolitan Statistical Area (MSA). They were formerly a part of the Greenville MSA and the Anderson MSA. However, the Office of Management and Budget (OMB) changed the metropolitan area designations effective January 1, 2014 to incorporate both the Anderson MSA and Greenville MSA into the combined Greenville-Anderson-Mauldin MSA AA. The Greenville MSA also includes Laurens County; however, Laurens County is not included in the bank's defined assessment area because the bank does not have a branch or extensive operations in Laurens County.

Greenville County's population has grown over the past decade. According to the 2015 U.S. Census, the population of Greenville County grew by 30 percent to 491,863. Pickens County's population grew by nearly 10 percent to 121,691. Anderson County's population grew by nearly 18 percent to 194,692. Manufacturing, government, and retail services primarily supports the local economy. The five largest employers in Greenville County are the Greenville Health System, the School District of Greenville County, Bon Secours-Saint Francis Health System, Michelin North America Inc., and GE Power and Water. The five largest employers in Pickens County are the State of South Carolina, Clemson University, the School District of Pickens County, Contract Environmental Services, and Aramark Services. The five largest employers in Anderson County are AnMed Health, Anderson School District 5, Robert Bosch LLC, Electrolux Major Appliances, and the Anderson County Government.

The 2016 U.S. Census report shows Greenville County as being comprised of 10 low-, 27 moderate-, 39 middle-, and 35 upper-income census tracts. It shows Pickens County as having no low-income, 4 moderate-income, 20 middle-income, and 4 upper-income census tract. It shows Anderson County as having 3 low-, 10 moderate-, 10 middle-, and 7 upper-income census tracts. CNB's main office located in Easley, SC is in the middle-income census tract. The branch located in the Berea, SC area is in the low-income census tract. The branch located in the Powdersville, SC areas is in the upper-income census tract.

The following table highlights the demographic and economic composition of the bank's Greenville-Anderson-Pickens AA:

Demographic and Economic Characteristics of Greenville-Anderson-Mauldin SC MSA	
<i>Population</i>	757,575
Number of Families	193,506
Number of Households	287,254
% Owner-Occupied	61.64%
% Occupied Rentals	26.55%
% Vacant	11.81%
<i>Geographies</i>	
Number of Census Tracts	178
% Low-Income Census Tracts	7.30%
% Moderate-Income Census Tracts	23.03%
% Middle-Income Census Tracts	43.82%
% Upper-Income Census Tracts	25.84%
% Unclassified Census Tracts	0%
<i>Median Family Income (MFI)</i>	
2010 MFI for AA	\$59,327
2016 HUD-Adjusted MFI	\$54,957
<i>Economic Indicators</i>	
Unemployment Rate Greenville MSA*	3.6%
South Carolina Unemployment Rate*	4.3%
2016 Median Housing Value	\$138,250
% of Households Below Poverty Level	14.34%

Source: 2010 U.S. Census Data; U.S. Department of Labor (December, 2016)

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses CNB's capacity to help meet the credit needs of

the community in which it operates. The bank was evaluated under the Small Bank examination procedures. This includes a lending test which evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The Evaluation Period covered January 1, 2014 through December 31, 2016. Products reviewed included residential real estate loans as well as small business loans originated within the evaluation period.

Data Integrity

The accuracy of Home Mortgage Disclosure Act (HMDA) data used in the evaluation of the bank's residential lending performance was verified through a data integrity exam conducted prior to this CRA examination. We assessed the bank's performance by sampling 66 reported loans during the period of January 1, 2014 thru June 30, 2016. We determined data was accurate and reliable for the use in this CRA examination.

During this examination, for the small business loan analysis, we obtained a sample of 22 small business loans during the review period from January 1, 2014 thru December 31, 2016. We determined the data was accurate and reliable for the use in this CRA examination.

Selection of Areas for Full-Scope Review

As of this examination, CNB has one assessment area, all located in South Carolina. The assessment area consists of Greenville, Anderson, and Pickens Counties, and is located entirely within the Greenville-Anderson-Mauldin MSA. We conducted a full scope review of the bank's lending performance within the defined assessment area.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. Those areas include the bank's Loan-to-Deposit ratio, lending inside the Assessment Area, the borrower distribution, geographic dispersion, and complaints received. The bank's primary business is small business lending, but the bank also originates residential loans. Small business lending performance carried the most weight in determining the overall lending test rating than residential lending because it makes up approximately 80 percent of the bank's loans compared to 20 percent for residential loans.

Other

During this evaluation, we contacted a nonprofit organization to discuss the credit needs of the AA. According to this representative, Pickens County has recovered from the economic recession. The local economy has grown significantly over the past five years, which has created a need to develop infrastructure, such as roads. Residential growth has led to significant growth, especially within the retail sector. The local government would like to see continued growth in a planned and manageable pace.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c) and 195.28(c), in determining a national bank's (bank) or federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA'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 (HUD), and the Consumer Financial Protection Bureau (CFPB).

The OCC did not identify evidence of discriminatory or other illegal credit practices with respect to this institution.

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

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's overall lending performance is "Satisfactory". This conclusion is based on the results of the following lending tests used to determine if the bank is meeting the credit needs of the AA. All criteria of the specific lending tests are documented below.

Loan-to-Deposit Ratio

CNB's average loan-to-deposit ratio is reasonable considering the size of the bank and the competition in the AA. We reviewed the quarterly average LTD ratio for the 21 quarters beginning December 31, 2011 through December 31, 2016. Since our last examination in March 2012, the bank's average quarterly LTD ratio is 62.63 percent, which is below the average quarterly LTD among banks of similar size in South Carolina, which was 72.59 percent. The decline in CNB's average LTD ratio is due to a decline in the bank's loan growth from loan payoffs occurring faster than loan originations and growth in competition within the AA.

Lending in Assessment Area

CNB's residential mortgage and business loans were originated with a majority inside the bank's AA. During our review, we determined that 91 loans were in the AA. This revealed that 91.00 percent in number and 92.32 percent in dollar volume are made in CNB's AA, respectively. Performance for each category reviewed is detailed in the following table:

Assessment Area Lending (Evaluation Period January 2014 to December 2016)										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage	72	92.31%	6	7.69%	78	\$7,911	84.48%	\$1,453	15.52%	\$9,364
Small Business	19	86.36%	3	13.64%	22	\$12,006	98.34%	\$203	1.66%	\$12,209
Totals	91	91.00%	9	9.00%	100	\$19,917	92.32%	\$1,656	7.68%	\$21,573

Source: 2014-2016 HMDA Data and Small Business Loan Sampling

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

The distribution of loans to borrowers of different incomes and to businesses of different sizes reflects reasonable penetration among AA borrowers.

Small business lending, is the bank's primary business line. The distribution of small business loans carried the most weight in determining lending performance because the majority of the residential mortgage loans originated were non-owner occupied. Our review included a sample of 22 small business loans from the AA. In addition, our review included all residential mortgage loans reported under HMDA. The following details the

bank's lending by AA.

Small Business Lending in the Greenville-Anderson-Pickens AA

CNB's distribution of loans sampled reflects reasonable penetration. Loans to businesses with revenues of one million or less represented 77.27 percent of reportable small business loans in the AA which is reasonable as 80.80 percent of businesses in the AA reported revenues of less than one million. The majority of the loan sizes were less than \$250 thousand.

The following tables indicate the bank's responsiveness to providing small business lending:

Borrower Distribution of Loans to Businesses/Farms in Greenville-Anderson-Pickens AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	80.80%	6.50%	12.70%	100%
% of Bank Loans in AA by #	77.27%	22.73%	0%	100%
% of Bank Loans in AA by \$	68.18%	22.73%	9.09%	100%

Source: Sample Loans and 2010 US Census Data

Borrower Distribution of Loans to Businesses by Loan Size in Greenville-Anderson-Pickens AA				
Loan Size (000's)	# of Loans	% of Number	\$ Volume of Loans (000)	% of \$ Volume
\$0 - \$100,000	12	54.55%	\$ 651	8.54%
\$100,001 - \$250,000	3	13.64%	\$ 375	4.91%
\$250,001 - \$500,000	3	13.64%	\$ 949	12.44%
\$500,001 - \$1,000,000	2	9.09%	\$ 1,451	19.03%
Over \$1,000,000	2	9.09%	\$ 4,200	55.07%
Total	22	100%	\$ 7,626	100%

Source: Sample of loans

Home Mortgage Loans

The borrower distribution of residential mortgage loans reflects excellent dispersion considering AA characteristics. The percentage of home loans to low-income borrowers is higher than the percentage of low-income families in the AA. This level of penetration is excellent considering that 14.10 percent of families are below the poverty level.

The borrower income distribution of residential mortgage loans to moderate-income borrowers is reasonable compared to the percentage of moderate-income families residing in the AA.

The following table shows the percentage of residential mortgage loans in the AA compared to the percentage of families by income level residing in the AA:

Borrower Distribution of Residential Real Estate Loans in Greenville-Anderson-Pickens 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 Mortgage Loans	4.58%	6.25%	17.52%	18.75%	48.97%	21.88%	28.93%	53.13%

Source: HMDA Data and 2010 US Census Data

Geographic Distribution of Loans

The distribution of small business loans and home mortgage loans by income of the geography reflects reasonable dispersion.

Small business lending, is the bank's primary business line. The distribution of small business loans carried the most weight in determining lending performance because the majority of the residential mortgage loans originated were non-owner occupied. Our review included a sample of 22 small business loans from the AA. In addition, our review included all residential mortgage loans reported under HMDA. The following details the bank's lending by AA. The following details the bank's performance in the AA.

Small Business Lending in the AA

CNB's geographic distribution of loans to small businesses of various sizes reflects a reasonable dispersion throughout the bank's AA with 22.73 percent of the number of loans in low- and moderate-income tracts compared to the 23.20 percent of AA businesses in low- and moderate-income census tracts.

The following table details the bank's performance as compared to the percentage of businesses in each census tract income level:

Geographic Distribution of Loans to Businesses/Farms in Greenville-Anderson-Pickens AA										
Census Tract Income Level	Low		Moderate		Middle		Upper		Not Applicable	
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	% of AA Businesses/Farms	% of Number of Loans
Small Business	4.84%	4.55%	18.36%	18.18%	40.11%	45.46%	36.70%	31.82%	0.00%	0.00%

Source: Sample of loans and 2010 US Census Data

Home Mortgage Lending in the AA

The bank's geographic distribution of residential mortgage loans in the AA was

reasonable. The distribution of residential mortgage loans in low- income geographies in the AA exceeds the percentage of owner occupied housing in low-income geographies. The distribution of residential mortgage loans in moderate-income geographies in the AA is lower compared to the percentage of owner occupied housing in moderate-income geographies. The competition from numerous financial institutions and the small percentage of owner-occupied housing units may impact the bank’s lending opportunities in the moderate-income geographies. The bank’s distribution of residential loans in the middle-income census tracts exceeds the percentage of owner occupied housing units in middle-income census tracts.

The following tables reflect the bank’s performance as compared to the percentage of owner-occupied housing units in each census tract income level:

Geographic Distribution of Residential Real Estate Loans in Greenville-Anderson-Pickens AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Residential RE	5.30%	8.70%	19.82%	7.25%	47.11%	63.77%	27.77%	20.29%

Source: HMDA Data and 2010 US Census Data

Responses to Complaints

The bank has not received any CRA related complaints since the last examination. However, an informal response process is in place to address such complaints when they are received.