



## **PUBLIC DISCLOSURE**

February 13, 2023

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

Home Bank, National Association  
Charter Number: 25106

503 Kaliste Saloom Road  
Lafayette, LA 70508

Office of the Comptroller of the Currency

3850 North Causeway Blvd.  
Suite 1330  
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

**Institution's CRA Rating:** This institution is rated Satisfactory.

The following table indicates the performance level of Home Bank, National Association (Home Bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Home Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

\*The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based on a high percentage of loans being made in the assessment areas (AAs), a good geographic distribution of loans, a good borrower and business loan distribution, and an excellent level of community development (CD) lending. The institution is a leader in making CD loans.
- The Investment Test rating is based on an adequate level of investments and adequate responsiveness to CD needs.
- The Service Test rating is based on good accessibility of branch offices and a good level of CD services that are responsive to the needs in the AAs.

### Lending in AAs

A high percentage of the Home Bank's loans are in its AAs.

Home Bank originated and purchased 86.3 percent of its total loans by number and 86.4 percent of its total loans by dollar amount inside its AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the AAs										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	1,946	83.9	371	16.1	2,317	497,709	85.7	82,872	14.3	580,581
Small Business	6,853	87.0	1,024	13.0	7,877	672,383	86.9	101,019	13.1	773,402
<b>Total</b>	<b>8,799</b>	<b>86.3</b>	<b>1,395</b>	<b>13.7</b>	<b>10,194</b>	<b>1,170,092</b>	<b>86.4</b>	<b>183,891</b>	<b>13.6</b>	<b>1,353,983</b>
<i>Source: Bank Data. Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

Home Bank is a full-service, nationally chartered interstate community bank headquartered in Lafayette, Louisiana. It is wholly owned subsidiary of Home Bancorp, Inc., which is a Louisiana corporation. Home Bank currently operates with 43 total branches located in the states of Louisiana, Mississippi, and Texas. As of December 31, 2022, total assets were approximately \$3.2 billion, with total deposits of \$2.6 billion and tier one capital at 12.4 percent. Historically, Home Bank's primary lending focus has been retail lending secured by one- to four-family housing. However, over the course of the last decade, that philosophy has shifted to include the origination of commercial loans. As of September 30, 2022, approximately 62 percent of the loan portfolio consisted of commercial real estate (CRE) loans, 23 percent were residential real estate (RRE) loans, and 14 percent were commercial and industrial (C&I) loans. Approximately, only one percent of the loan portfolio consists of consumer loans.

Home Bank operates in seven AAs located in the states of Louisiana, Mississippi, and Texas. In Louisiana, there are 17 branches in the Lafayette Metropolitan Statistical Area (MSA), four branches in the Baton Rouge MSA, 13 branches in the New Orleans MSA, and three branches in the Jefferson Davis Parish Non-MSA AA. In Mississippi, there are three branches in Adams County and one branch in Warren County. In Texas, there are five branches in the Houston MSA.

Management is primarily engaged in attracting deposits from the general public and using those funds to invest in loans and investment securities. Home Bank has a full line of banking products, which include savings accounts, NOW checking accounts, money market deposit accounts and certificates of deposit. In addition, Home Bank offers Visa-branded cards, wire transfers, remittance transfers and cashier's checks. Each branch office offers identical products and services with the ability to receive mortgage loan applications that are processed at the main office in Lafayette, LA. Loan products include one- to four-family residential mortgage loans, home equity loans and lines of credit, CRE loans, construction and land loans, multi-family residential loans, CRA mortgage loans, C&I loans, and consumer loans. Although Home Bank continues to originate residential mortgage loans and other consumer loans, management is focused on originating CRE and C&I loans, as these are deemed attractive due to their generally higher yields and shorter loan terms when compared to residential mortgage loans. In addition, management views CRE and C&I loans as attractive lending products because the commercial borrowers typically maintain core deposit accounts.

Home Bank faces significant competition in originating loans and attracting deposits in its AAs. This competition stems from other banks, credit unions, and mortgage banking companies with regional and national footprints. Many of the financial services providers operating in Home Bank's AAs are significantly larger, such as, JPMorgan Chase Bank, Capital One Bank, First Horizon Bank, and

Hancock Whitney Bank. These institutions have greater financial resources. Management noted that recent innovations in loan and deposit products brought about by financial technology companies have added to the level of competition for originating both loans and deposits. These factors were considered when determining the CRA performance.

Home Bank has no affiliate or operating subsidiary activities considered when evaluating CRA performance. There are no legal or financial factors impeding the ability to help meet the credit needs of its AAs. The rating at its previous CRA performance evaluation dated July 8, 2019, was Outstanding.

## **Scope of the Evaluation**

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

We evaluated the CRA performance of Home Bank using the Interagency Large Bank CRA procedures, which focus on an analysis of the primary loan products as well as CD activity. The evaluation period covered January 1, 2019, through December 31, 2021. As Home Bank entered the state of Texas in 2022, bank activities in Texas will not be reviewed during this evaluation.

Conclusions regarding Home Bank's lending performance are based on a review of small loans to businesses (CRA loans), as well as home mortgage loans (HMDA loans). We analyzed all loans reported on the CRA and HMDA loan application register (LAR) for 2019, 2020, and 2021. Conclusions regarding Home Bank's CD activity are based on a review of CD lending, investments, and services. Consumer and small farm loans were not a primary product of Home Bank. Therefore, they were not analyzed.

During the review period, management responded to lending needs in the AAs by participating in the Small Business Administration (SBA) Paycheck Protection Program (PPP). Home Bank originated 4,875 PPP loans totaling approximately \$388.7 million in 2020 and 2021. With these loans, Home Bank was able to retain approximately 90,000 jobs throughout its AAs. While we did not evaluate PPP lending during this evaluation, Home Bank should be commended for addressing a significant need in their AAs during this historic and challenging period.

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

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this performance evaluation, Home Bank's delineated AAs located within the same MSA, multi-state MSA (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the Scope section under each State Rating section for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

For this performance evaluation, Home Bank operates with six AAs located in the states of Louisiana and Mississippi. There are four AAs in the state of Louisiana and two AA in the state of Mississippi. In Louisiana, the four AAs consist of three MSAs (Lafayette MSA, Baton Rouge MSA, and New Orleans MSA) and one Non-MSA AA. The AAs in Mississippi consist of two Non-MSA AAs.

In the state of Louisiana, we selected the Lafayette AA as well as the New Orleans AA for full-scope reviews. This determination was based on several factors including branch location, number of deposits,

and the number of loans in each AA. Including the main office, approximately 46 percent of the branches in Louisiana are in the Lafayette AA, with another 34 percent located in the New Orleans AA. Additionally, approximately 61 percent of deposits are in the Lafayette MSA and 29 percent are in the New Orleans MSA. Lastly, approximately 42 percent of HMDA and approximately 49 percent of CRA loans are in the Lafayette MSA and 45 percent of HMDA and 31 percent of CRA loans are in the New Orleans MSA.

In the state of Mississippi, we combined the Non-MSA AAs for analysis purposes and completed a full-scope review of this combined AA.

## **Ratings**

Home Bank's overall rating is a blend of the Louisiana and Mississippi state ratings, with more weight being placed on the State of Louisiana as a majority of Home Bank's activities take place in Louisiana. Each state rating is based on performance in each full-scope area reviewed. When multiple full-scope areas are present in a state, those full-scope areas are rated equally. Additionally, all lending products being reviewed are rated equally. Refer to the Scope section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

The state ratings are based on performance in all bank AAs. Refer to the Scope section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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

Pursuant to 12 CFR 25.28(c) or 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 (HUD), and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this performance evaluation.

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.

## State Rating

### State of Louisiana

**CRA rating for the State of Louisiana:** Satisfactory

**The Lending Test is rated:** High Satisfactory

**The Investment Test is rated:** Low Satisfactory

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to meeting the credit needs of the AAs.
- A good geographic distribution of loans.
- An adequate distribution by the income level of the borrower and businesses of different sizes.
- An excellent level of CD loans that are responsive to CD credit needs. Home Bank is a leader in providing CD loans.
- An adequate level of CD investments.
- A good level of CD services.

### Description of Institution's Operations in Louisiana

Home Bank serves its community in the state of Louisiana through 37 branches located in four AAs. Of those 37 branches, 17 are in the Lafayette MSA; 13 are in the New Orleans MSA; 4 are in the Baton Rouge MSA; and 3 are located in the Non-MSA AA. For this evaluation the Lafayette and New Orleans MSA AAs received a full-scope review and the Baton Rouge MSA and Non-MSA AA received a limited-scope review. Home Bank primarily offers CRE and RRE loans.

During the review period, the COVID-19 pandemic significantly impacted the state of Louisiana and Home Bank's AAs. A stay-at-home order was issued by the governor, with schools and businesses being ordered to close for a period of time and once reopened, had significant limitation placed on their ability to operate. These limitations had an amplifying effect on low- and moderate-income geographies and families, as these groups had reduced access to the Internet, healthcare services, and distance learning solutions. Because of these measures, Home Bank's ability to engage within their AAs and to specifically address the needs of their communities was challenged.

#### Lafayette AA

Home Bank operates with 17 branches in the Lafayette AA. The MSA is in the southwestern portion of the state and consists of five parishes. Home Bank has chosen three of those five parishes to serve including Lafayette Parish, Acadia Parish, and St. Martin Parish as it determined the entire MSA was too large to adequately provide banking services. Of the 17 branches, 10 are in Lafayette Parish, two in Acadia Parish, and five in St. Martin Parish. Lafayette is the largest city in Lafayette Parish, which also includes the cities of Carencro, Youngsville, Broussard, and Scott. Acadia Parish, which is located next

to Lafayette Parish, includes the cities of Crowley and Rayne. St. Martin Parish is located adjacent to Lafayette Parish and includes the cities of Breaux Bridge, and St. Martinville.

There are a total of 66 census tracts (CTs) in the AA. Of this total, five of which are low-income CTs, 14 are moderate-income CTs, 28 are middle-income CTs, 18 are upper-income CTs, and one CT is listed as not applicable (NA). A CT can become NA due to changes in the geography of the AA. The AA meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income areas.

While there is significant competition among financial institutions in the AA, Home Bank remains well positioned to vie for loans as it ranks fourth out of 43 financial institutions in the AA and has a deposit market share of 12.1 percent. The top three financial institutions combined have a market share of 50.1 percent and so there remains significant competition for Home Bank in the AA.

HMDA aggregate data for 2021 revealed that Home Bank ranked eighteenth out of 302 financial institutions making loans in the AA. There was a total of 21,447 loans originated in the AA, of which Home Bank achieved a market share of 1.6 percent. The top five lenders in the AA achieved a combined market share of 22.6 percent, evidencing significant competition in the AA for mortgage loans.

The Federal Financial Institutions Examination Council's (FFIEC) updated 2015 median family income for the AA was \$66,400. Low income is defined as less than 50 percent of the median family income. Moderate income is defined as 50 percent to less than 80 percent of the median family income. Middle income is defined as 80 percent to 119 percent of the median family income. Upper income is defined as income of 120 percent and over the median family income. The following table depicts income categories:

Income Categories – Lafayette AA			
Low	Moderate	Middle	Upper
<\$33,200	\$33,200 to <\$53,120	\$53,120 to <\$79,680	≥\$79,680

Source: US Census data

The HUD-adjusted MSA median family income for the AA in 2015 was \$66,400. Utilizing Home Bank's current underwriting ratios, a low-income borrower and a moderate-income borrower would qualify for loans up to \$135,000 and \$230,000, respectively within this AA. During 2021, the average selling price for a residence within this AA was \$258,200. Both a low-income and moderate-income borrower would potentially not be able to purchase a home, even without factoring in taxes and insurance. Additionally, we considered the average age of the housing stock in the AA, according to the 2010 U.S. Census, which was 58 years for low-income CTs and 47 years for moderate-income CTs. We note that older housing often has higher maintenance costs compared to new housing stock and frequently require significant repairs to bring dwelling up to code. These older houses are often less energy efficient, resulting in higher utility costs, which can increase overall homeownership costs. These additional factors and costs negatively affect the ability of low- and moderate-income individuals to qualify for mortgage loans in the AA.

Low-income families earning a median family income less than \$32,199 represented 24.2 percent of families in the AA, while moderate-income families comprised 15.5 percent of the AA population. In 2015, 13 percent of households in the AA earned wages below the property level. In addition to these borrower lending constraints, opportunities for residential lending remain limited within the five low-income and 14 moderate-income CTs in the AA. Of the 38,688 housing units within these 19 CTs, approximately 47.8 percent of the units are owner-occupied housing units, 40 percent are rental units with an average gross monthly rent of \$658, and approximately 12 percent are vacant.



The effects of the COVID-19 pandemic have been considerable on the Lafayette AA during the review period, impacting jobs, affordable housing, and business opportunities. Louisiana experienced a relatively high incidence of COVID-19 and was one of the initial states to experience the outbreak. The collapse caused the Lafayette AA's gross domestic product to decrease significantly over a short period of time. The COVID-19 pandemic additionally caused a significant increase in unemployment, with the AA losing 24,000 jobs in 2020 (a reduction of 12 percent). Lafayette Parish is the region's economic engine, so the broader metro areas were also negatively impacted. While certain sectors bounced back relatively quickly including the construction sector, new constraints to lending to low- and moderate-income borrowers, including home affordability, have increased.

Low supply of housing coupled with increased demand has caused housing prices to increase significantly during the review period. While census data reports the average home price in the AA to be \$146,090, the average sales price in the AA during the review period is \$258,200. This increased home price, coupled with a lack of inventory, means low- and moderate-income borrowers face significant challenges when looking to purchase a home. According to the Daily Advertiser, Lafayette had 374 pending sales in September 2021, compared to only 280 in September 2020. While home sales are trending upwards, during the review period housing supply, and affordable housing specifically, continued to be a challenge.

Based on 2020 business demographic data, there were 36,649 non-farm businesses in the AA. Of these, 31,702 (86.5 percent) of the businesses had revenues of less than \$1 million, 1,757 (4.8 percent) had revenues greater than \$1 million, and 3,190 (8.7 percent) did not report revenue information. The economy of the Lafayette AA is mixed, with retail, education, medical services, manufacturing, mining, and tourism as major economic drivers. Agriculture (rice, soybeans, and crawfish), particularly in Acadia Parish, also comprise major segments of the AA's economy. Major employers in the AA include the Lafayette Parish School System (education), Lafayette General Health (medical services), Wood Group Production Services (oil and gas services), and Lafayette Consolidated Government (municipal government). According to the Bureau of Labor Statistics, the Lafayette MSA had a 3.5 percent unemployment rate in 2022, which was slightly lower than the Louisiana state average of 4 percent.

Demographic Information of the AA						
Lafayette MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (CTs)	66	7.6	21.2	42.4	27.3	1.5
Population by Geography	347,100	5.6	20.2	41.3	32.9	0.0
Housing Units by Geography	144,595	5.3	21.5	40.8	32.4	0.0
Owner-Occupied Units by Geography	88,187	3.3	17.7	43.8	35.2	0.0
Occupied Rental Units by Geography	42,462	9.5	27.3	35.1	28.1	0.0
Vacant Units by Geography	13,946	5.5	27.4	38.9	28.1	0.0
Businesses by Geography	36,649	6.8	16.3	39.5	37.3	0.2
Farms by Geography	1,015	3.6	16.4	47.7	32.3	0.0
Family Distribution by Income Level	84,464	24.2	15.5	16.3	44.0	0.0
Household Distribution by Income Level	130,649	26.4	14.7	14.9	44.0	0.0
Median Family Income MSA - 29180 Lafayette MSA		\$59,988	Median Housing Value			\$146,090
			Median Gross Rent			\$746
			Families Below Poverty Level			13.1%
<i>Source: 2015 ACS and 2020 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>						

In conjunction with this performance evaluation, we conducted an interview with several community leaders in the AA. The primary credit needs in the community were identified as both affordable housing, as well as small business lending. Interviewees noted that the area is still recovering from recent hurricanes and the COVID-19 pandemic, causing significant displacement and demand for affordable housing. According to this contact, local banks have been active in helping meet the credit needs of the AA.

### New Orleans AA

Home Bank operates with 13 branches in the New Orleans MSA AA. The MSA is in the southeast portion of the state and consists of eight parishes. Home Bank has chosen three of those eight parishes to serve, including Orleans, Jefferson, and St. Tammany. Home Bank determined the entire MSA was too large to adequately provide banking services. Of the 13 branches, two are in Orleans Parish, five in Jefferson Parish, and six in St. Tammany Parish. The city of New Orleans is in Orleans Parish and is the economic center of the MSA. Orleans Parish is 350 square miles, of which 169 square miles is land and 181 square miles is water. Jefferson Parish is adjacent to Orleans Parish and includes the cities of Metairie, Kenner, and Harvey. Harvey is on the western side of the Mississippi river. Jefferson Parish is the second most populous parish in Louisiana. St. Tammany Parish is located north of Lake Pontchartrain. St. Tammany Parish is a geographically large area and is the fifth most populous parish in Louisiana. St. Tammany Parish's main cities include Slidell, Covington, Mandeville, and Folsom.

There are a total of 347 CTs in the AA. Of that total, 64 are low-income CTs, 81 are moderate-income CTs, 91 are middle-income CTs, 96 are upper-income CTs, and 15 are listed as NA. The AA meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income areas.

There is significant competition among financial institutions in the AA, with Home Bank raking twelfth out of 68 financial institutions in the AA and with a market share of 1.2 percent. The top five financial institutions combined have a market share of 77.2, evidencing significant competition from large regional and national financial institution in the AA.

HMDA aggregate data for 2021, revealed that Home Bank ranked forty-seventh out of 473 financial institutions making loans in the AA. There was a total of 70,177 loans originated in the AA, of which Home Bank achieved a market share of 0.5 percent. The top five lenders in the AA achieved a combined market share of 21.5 percent, evidencing significant competition in the AA for mortgage loans.

The FFIEC updated 2015 median family income for the AA was \$70,100. The following table depicts income categories:

Income Categories – New Orleans AA			
Low	Moderate	Middle	Upper
<\$35,050	\$35,050 to <\$56,080	\$56,080 to <\$84,120	≥\$84,120

Source: US Census data

The HUD-adjusted MSA median family income for the AA in 2015 was \$70,100. A low-income borrower and a moderate-income borrower would qualify for loans up to \$140,000 and \$235,000, respectively within this AA. During 2021, the average selling house within this AA was \$283,876. A low-income borrower would potentially not be able to purchase a home and when taxes and insurance are factored into the equation, a moderate-income borrower may not have been able to purchase a home, as well. Additionally, we considered the average age of the housing stock in the AA, according to the 2010 U.S. Census, which was 57 years for low-income CTs and 53 years for moderate-income CTs. We note that older housing often has higher maintenance costs compared to new housing stock and frequently require significant repairs to bring dwelling up to code. 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 individuals to qualify for mortgage loans.

Low-income families earning a median family income less than \$35,050 represented 25.1 percent of families in the AA, while moderate-income families comprised 15.5 percent of the AA population. In 2015, 14.6 percent of families in the AA earned wages below the property level. In addition to these borrower lending constraints, opportunities for residential lending remain limited within the 64 low-income and 81 moderate-income CTs in the AA. Of the 179,736 housing units within these 145 CTs, approximately 34 percent of the units are owner-occupied housing units, 47 percent are rental units with an average gross monthly rent of \$834, and approximately 19 percent are vacant.

The effects of the COVID-19 pandemic have been considerable on the New Orleans AA during the review period, impacting jobs, affordable housing, and business opportunities. The New Orleans AA was the first area in the state to experience high rates of COVID-19, and this had an immediate negative impact on the AA. The local economy relies heavily on tourism and with the ensuing shutdown the hospitality sector, including travel, hotels, and restaurants, were significantly impacted. The hospitality sector has traditionally been a significant employer of low- and moderate-income individuals. Therefore, the COVID-19 pandemic disproportionately impacted low- and moderate-income borrowers. This collapse caused the New Orleans AA's gross domestic product to decrease significantly over a short period of time. The COVID-19 pandemic additionally caused a significant increase in unemployment, with the AA losing 37,300 jobs in 2020 (a reduction of 12 percent). Orleans Parish is the region's

economic engine, so the broader metro areas were also negatively impacted. While certain sectors, including the construction sector, bounced back relatively quickly. New constraints, including home affordability, have increased.

Prior to the COVID-19 pandemic, the AA was experiencing an affordable housing crisis and the pandemic only intensified the problem. Low- and moderate-income borrowers comprise a significant portion of the rental population, and rents have been slowly increasing over the last decade. At the same time, the area continued to be a real estate investment destination as New Orleans is world famous. Increased demand, low housing supply, and record-low mortgage rates have caused the increase in median sales prices, further impeding homeownership for low- and moderate-income borrowers. The average median housing in the MSA has increased from \$229,356 in 2019 to \$283,876 in 2021, according to recent reports from the National Association of Realtors. Housing stock also continues to be a significant issue. A review of available listings during the review period reveals a limited supply and a very limited number of affordable options.

Based on 2020 business demographic data, there were 115,619 non-farm businesses in the AA. Of these, 102,783 (88.9 percent) of the businesses had revenues of less than \$1 million, 4,505 (3.9 percent) had revenues greater than \$1 million, and 8,331 (7.2 percent) did not report revenue information. The AA's economy is dominated by tourism and the finance/insurance/real estate sector, which account for 48.2 percent of jobs in the AA. The largest employers include Ochsner Health System, universities, Entergy, and Acme Truck Line, Inc. According to the Bureau of Labor Statistics, as of December 31, 2021, the unemployment rate of the MSA was 7.0 percent, which was slightly higher than the Louisiana state average of 6.1 percent.

<b>Demographic Information of the AA</b>						
<b>New Orleans MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (CTs)	347	18.4	23.3	26.2	27.7	4.3
Population by Geography	1,054,790	11.5	23.8	33.3	30.4	1.0
Housing Units by Geography	479,005	13.4	24.2	31.0	30.3	1.1
Owner-Occupied Units by Geography	243,445	6.4	18.6	37.9	36.4	0.6
Occupied Rental Units by Geography	166,835	20.2	30.3	24.7	23.1	1.7
Vacant Units by Geography	68,725	21.2	28.8	22.0	26.1	1.8
Businesses by Geography	115,619	9.3	18.7	28.0	42.6	1.4
Farms by Geography	1,597	6.2	16.5	39.9	36.8	0.6
Family Distribution by Income Level	248,232	25.1	15.5	17.2	42.2	0.0
Household Distribution by Income Level	410,280	27.0	15.1	15.2	42.7	0.0
Median Family Income MSA - 35380 New Orleans-Metairie MSA		\$61,124	Median Housing Value			\$201,460
			Median Gross Rent			\$931
			Families Below Poverty Level			14.6%

*Source: 2015 ACS and 2020 D&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.

In conjunction with this performance evaluation, we conducted an interview with several community leaders in the AA. The primary credit needs in the community were identified as both affordable housing and small business lending. Interviewees noted that the AA contains several low- and moderate-income geographies, but that many of these areas are still recovering from recent hurricanes and the COVID-19 pandemic. This is causing significant displacement and demand for affordable housing. Also, businesses need access to funding and education to assist with establishment, growth, and expansion. According to this contact, local banks have been active in helping meet the credit needs of the AA.

**Scope of Evaluation in Louisiana**

In the State of Louisiana, we selected the Lafayette AA as well as the New Orleans AA for full scope reviews. This determination was based on several factors including branch location, number of deposits, and the number of loans in each AA. Including the main office, approximately 46 percent of the branches in Louisiana are in the Lafayette AA, with another 34 percent located in the New Orleans MSA. Additionally, approximately 61 percent of deposits are in the Lafayette MSA and 29 percent are in the New Orleans MSA. Lastly, approximately 42 percent of HMDA and approximately 49 percent of CRA loans are in the Lafayette MSA and 45 percent of HMDA and 31 percent of CRA loans are in the New Orleans MSA. Both full-scope areas were weighted equally.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOUISIANA**

**LENDING TEST**

Home Bank’s performance under the Lending Test in Louisiana is rated High Satisfactory.

**Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, Home Bank’s performance in the Lafayette AA and New Orleans AA is good.

**Lending Activity**

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
AA	Home Mortgage	Small Business	Small Farm	CD	Total	%State Loans	%State Deposits
Lafayette AA	825	3,375	NA	5	4,205	50.2	60.8
New Orleans AA	867	2,148	NA	17	3,033	36.2	29.4
Baton Rouge AA	151	604	NA	6	761	9.1	4.5
Non-MSA AA	47	327	NA	0	374	4.5	5.3

\*The tables present the data for all AAs. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
AA	Home Mortgage	Small Business	Small Farm	CD	Total	% State* Loans	% State Deposits
Lafayette AA	180,632	272,085	NA	20,576	473,293	38.3	60.8
New Orleans AA	272,919	279,196	NA	41,326	593,441	47.9	29.4
Baton Rouge AA	34,642	74,318	NA	30,774	139,734	11.3	4.5
Non-MSA AA	4,898	25,766	NA	0	30,664	2.5	5.3

\*The tables present the data for all AAs. The narrative below addresses performance in full-scope areas only.

The overall lending activity in the Lafayette AA and New Orleans AA is good, considering the significant competition for home mortgage and business loans in the AA, as well as the performance context considerations discussed elsewhere in this performance evaluation. During the review period, Home Bank originated 8,373 loans totaling approximately \$1.2 billion within the state of Louisiana.

### **Distribution of Loans by Income Level of the Geography**

Home Bank exhibits a good geographic distribution of loans in its AAs.

#### ***Home Mortgage Loans***

Refer to Table O in the state of Louisiana section of Appendix D for the facts and data used to evaluate the geographic distribution of Home Bank's home mortgage loan originations and purchases.

#### Lafayette AA

Home Bank exhibits good geographic distribution of home mortgage loans in both the low- and moderate-income CTs, as lending exceeded aggregate lending and was on par with the demographic comparator in the Lafayette AA.

#### New Orleans AA

Home Bank exhibits excellent geographic distribution of home mortgage loans in both the low- and moderate-income CTs, as lending exceeded both the demographic comparator and aggregate lending in the New Orleans AA.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of Louisiana section of Appendix D for the facts and data used to evaluate the geographic distribution of originations and purchases of small loans to businesses.

#### Lafayette AA

Home Bank exhibits adequate geographic distribution of small loans to businesses in the Lafayette AA, as lending was only slightly less than aggregate lending in both low- and moderate-income CTs.

#### New Orleans AA

Home Bank exhibits adequate geographic distribution of small loans to businesses in the New Orleans AA when considering the significant competition in the AA, as well as the number of businesses in the low- and moderate-income geographies. While lending in both the low- and moderate-income CTs was

less than the comparator as well as aggregate lending, Home Bank only commands 1.2 percent of the market share in the AA and is ranked 12 out of 68 financial institutions. Furthermore, only 6.8 percent of non-farm businesses are in the low-income CTs and only 16.2 percent of non-farm businesses are in the moderate-income CTs, resulting in low demand for lending in those CTs.

### ***Lending Gap Analysis***

We evaluated the lending distribution in the AA to determine if any unexplained conspicuous gaps existed. We used reports and maps to compare the geographies where loans were made to the geographies in the AA. We considered loan distributions, branch locations, competition, market conditions, demographic information, and bank capacity and restraints during the evaluation period. No unexplained conspicuous gaps were identified. This had a neutral impact on our conclusion regarding Home Bank's geographic distribution of loans.

### **Distribution of Loans by Income Level of the Borrower**

Home Bank exhibits an adequate distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution.

### ***Home Mortgage Loans***

Refer to Table P in the state of Louisiana section of Appendix D for the facts and data used to evaluate the borrower distribution of Home Bank's home mortgage loan originations and purchases.

### **Lafayette AA**

Home Bank exhibits adequate borrower distribution in the AA, when considering performance context. While both loans to low- and moderate-income borrowers is less than the comparator and aggregate lending, lending to low-income borrowers is only slightly less than aggregate. Lending to moderate-income borrowers is adequate when factoring in both the average selling price and borrower income in the AA. A moderate-income borrower would qualify for, at the most, a loan totaling \$235,000. During 2021, the average selling house within this AA was \$283,876.

### **New Orleans AA**

Home Bank exhibits adequate borrower distribution in the AA, when considering performance context. While both loans to low- and moderate-income borrowers is less than the comparator and aggregate lending, it is nevertheless adequate when factoring income and the average sales price in the AA. A low-income borrower and a moderate-income borrower would qualify for loans up to \$140,000 and \$235,000, respectively, based on the HUD-adjusted MSA median family income for the AA. During 2021, the average selling house within this AA was \$283,876. A low-income borrower would potentially not be able to purchase a home. When taxes and insurance are factored into the equation, a moderate-income borrower may not have been able to purchase a home as well. The availability of homes for sale is an additional barrier for home ownership in the AA. During the review period, a lack of home listings meant many properties listed for sale were sold above the asking price and often were all cash sales.

***Small Loans to Businesses***

Refer to Table R in the state of Louisiana section of Appendix D for the facts and data used to evaluate the borrower distribution of Home Bank's origination and purchase of small loans to businesses.

**Lafayette AA**

The distribution of small loans to businesses in the Lafayette AA is considered adequate. Home Bank's lending was less than both the percentage of businesses in the AA, as well as aggregate lending. While Home Bank is well positioned in the AA, ranking fourth out of 43 financial institutions. There are nevertheless numerous financial institutions vying for commercial lending in the AA and consequently considerable competition in the AA.

**New Orleans AA**

The distribution of small loans to businesses in the New Orleans AA is considered adequate. While Home Bank's lending was less than both the percentage of businesses in the AA as well as aggregate lending, Home Bank faces stiff competition in the AA with only a market share of 1.2 percent. Home Bank is ranked twelfth out of 68 financial institutions in the New Orleans AA.

**CD Lending**

Home Bank is a leader in making CD loans.

The Lending Activity tables, previously mentioned, set forth the information and data used to evaluate the Home Bank's level of CD lending. These tables include all CD loans, including multi-family loans that also qualify as CD loans.

During the evaluation period, Home Bank made 22 CD loans totaling approximately \$62 million in the full-scope areas. Total CD loans of \$62 million in the full-scope AAs represent approximately 20 percent of allocated tier one capital, reflecting an excellent level of CD lending. Many of the CD loans focus on affordable housing and small business lending, which are noted needs in the AAs.

**Lafayette AA**

During the evaluation period, Home Bank originated five CD loans totaling approximately \$20.6 million. This included one loan for \$10 million for the improvement of the Lafayette Regional Airport, three loans totaling approximately \$11 million for affordable housing, and one loan totaling \$400,000 the construction of an agricultural structure. Noteworthy examples of CD lending in the Lafayette AA include:

- A loan for \$5.5 million for the construction of 51 affordable senior housing units.
- A loan for \$5 million for the construction of a 70-unit affordable multi-family housing project.

**New Orleans AA**

During the evaluation period, Home Bank originated 17 CD loans totaling approximately \$41 million in the AA. This includes 13 loans for affordable housing, one loan for a grocery located in a low-income geography, and three loans that revitalized or stabilized low- and moderate-income geographies. Home



Bank should be commended for targeting their CD loans to affordable housing, which is a known critical need in the AA. Noteworthy examples of CD lending in the New Orleans AA include:

- A \$6 million loan for the construction of and renovation of 30 buildings containing 60 affordable housing units located in low-income CTs. The buildings are throughout the lower ninth ward and will provide much needed affordable housing to the area.
- A \$5 million loan for the redevelopment, construction, leasing, and operating costs of a 14,000-square foot commercial space that will revitalize and stabilize low-income CTs and provide meaningful employment to low- and moderate-income individuals.
- A \$4.9 million loan to develop 52 rental housing units for low- and moderate-income borrowers.

### Broader/Regional Area CD Loans

Home Bank originated six additional CD loans totaling approximately \$18.7 million. This includes two loans in southeast Louisiana for approximately \$5.4 million to revitalize or stabilize and provide employment in Donaldsonville and Opelousas, Louisiana, two affordable housing loans in north Louisiana for approximately \$12.5 million, and two loans totaling \$768,000 in Texas related to educational services targeted at low- and moderate-income students. These loans, while outside the AA, had a positive impact on the bank's overall CD loan rating.

### **Product Innovation and Flexibility**

Home Bank makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. Management originated several mortgage loans and business loans through several Federal government programs that provide flexible lending terms and interest rates, including:

- Farm Service Agency Guaranteed Farm Loans (USGA) – 11 loans totaling \$5.5 million,
- United States Department of Agriculture (USDA) Mortgage Loans – 32 loans totaling \$4.3 million,
- Federal Housing Administration Loans (FHA) – 30 loans totaling \$5.3 million,
- Veterans Administration (VA) mortgage loans – 9 loans totaling \$1.9 million, and
- SBA 504 business loans – 3 loans totaling \$6.8 million.

Additionally, the following products were determined to be flexible or innovative lending programs. Home Bank should be commended for participating in these targeted programs, which include:

### **Home Bank's Community Reinvestment Program**

This program provides 100 percent financing to qualified low- and moderate-income borrowers, securing owner-occupied, first- and second-mortgage loans on single-family dwellings. To qualify, an applicant's income cannot exceed 80 percent of the median income for the parish/county or MSA. The first mortgage has a maximum loan-to-value of 90 percent, and the second mortgage covers the additional 10 percent. Importantly, private mortgage insurance is not required, and the minimum credit score is 620. Home Bank originated 18 loans for \$1.9 million in this program.

### **Home Bank's Credit Builder Program**

This program is a small-dollar loan program designed to assist customers in building or rebuilding their credit history. Customers may borrow up to \$2,500, which is immediately deposited into a savings account and secured from withdrawal. The customer will then make regular monthly payments on the

loan. When the loan is fully repaid, the customer will have access to the full balance in the savings account. During the review period, Home Bank approved 14 loans in this program.

**Homebuyer Equity Leverage Partnership (HELP) – Federal Home Loan Bank of Dallas**

Eligible Home Bank mortgage customers who meet income and program qualifications may receive a grant of up to \$10,000 to be used towards closing costs and/or down payment assistance when purchasing a new home. Qualifications for the program include being a first-time homebuyer, total household income not exceeding 80 percent of the area median income, homes must be purchased in Home Bank’s AAs, the homebuyer must complete the Homebuyer Counseling Program, and the homebuyer must sign a five-year retention agreement. Home Bank originated 14 loans in this program totaling \$146,790.

**Home Bank’s Second Chance Checking Program**

This program provides individuals who have had prior issues handling or managing deposit accounts and need a new start. When approved, customers are placed into Home Bank’s eBanking Account. During the review period, Home Bank opened 66 new accounts under this program.

**Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, Home Bank’s performance under the Lending Test in the Baton Rouge AA and Non-MSA AA is consistent with Home Bank’s overall performance under the Lending Test in the full-scope areas.

Refer to Tables O through V in the state of Louisiana section of Appendix D for the facts and data that support these conclusions.

**INVESTMENT TEST**

Home Bank’s performance under the Investment Test in Louisiana is rated Low Satisfactory.

**Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, Home Bank’s performance in the Lafayette AA and New Orleans AA is adequate.

Home Bank has an adequate level of qualified investments, particularly those that are not routinely provided by private investors, although rarely in a leadership position.

Qualified Investments										
AA	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope										
Lafayette AA	5	3,400	7	1,600	12	40	5,000	34.5	0	0
New Orleans AA	3	1,800	9	3,700	12	40	5,500	37.9	0	0
Limited-Scope										
Baton Rouge AA	4	1,300	2	2,700	6	20	4,000	27.6	0	0
Non-MSA AA	0	0	0	0	0	0	0	0	0	0

\* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Home Bank's CD investments and grants/donations are adequately responsive to the needs in the AA, as they focus on affordable housing and economic development. Overall, investments were not considered innovative or complex, but did address the specific needs in the AA. During the evaluation period, Home Bank made a total of 24 investments totaling approximately \$10.5 million and 65 donations totaling \$229,000 in the full-scope areas. Total investments of approximately \$10.73 million in the full-scope AAs represent 3.5 percent of allocated tier one capital, reflecting an adequate level of investments.

#### Lafayette AA

Investment performance in the Lafayette AA is considered adequate. During the review period, the bank made a total of 12 investments (five prior period and seven current period) totaling approximately \$5 million, and an additional 30 donations/grants totaling \$74,680. Prior period investments were primarily mortgage-backed security pools benefiting low- and moderate-income geographies. Current period investments include three mortgage-backed securities, one municipal bond, one SBIC investment, and two additional investments.

Home Bank invested \$50,000 in the Habitat for Humanity Micro Loan Fund, which provides short-term loans to Habitat For Humanity homebuyers for unexpected home repairs, homeowner and flood insurance deductibles, and some additional expenditures approved by the organization. The program allows for short-term loans with significantly reduced rates for amounts between \$500 - \$5,000. Home Bank also invested \$100,000 in the Lafayette Parish Government's Revolving Loan Fund, which invests non-Federal funds to stimulate business revitalization, create low- and moderate-income jobs, and enhance neighborhood vitality. Notable donations/grants include \$5,000 to an organization to help low- and moderate-income families with disaster relief and \$4,000 for an organization which focuses on homebuyer counseling, training, and foreclosure prevention for low- and moderate-income borrowers.

#### New Orleans AA

Investment performance in the New Orleans AA is considered adequate. During the review period, Home Bank made a total of 12 investments (three prior period and nine current period) totaling approximately \$5.5 million, and an additional 35 donations/grants totaling approximately \$155,000. Prior period investments were primarily mortgage-backed security pools benefiting low- and moderate-income geographies. Current period investments include six mortgage-backed securities, one SBIC investment, one qualifying certificate of deposit, one qualifying impact note, an investment with Habitat for Humanity, and one additional investment.

Home Bank invested \$1 million for a Federal Historic Tax Credit for the Dew Drop Inn. The Dew Drop Inn is listed on the National Register of Historic Places and played an important role and was the leading Black musical review for several decades. The Dew Drop Inn hosted some of the most prominent Black entertainers of the time, both locally from New Orleans, and nationwide. The purpose of the tax credit is to revitalize the space and surrounding community, which are both in a low-income CT. In addition to an event space, The Dew Drop Inn will also serve as a community space, providing job training for at-risk youth. In addition to this investment, notable donations include \$25,000 to the Northshore food bank; \$50,000 to a New Orleans food bank; and \$2,500 to an organization focused on affordable housing.

### Broader/Regional Area Investments

Home Bank provided \$68,000 to various organizations throughout the state during the review period. A \$53,000 donation to EverFi, which provides computer-based learning platforms for learners of all ages, was part of this total. The company also provides web-based financial literacy curriculum that provides students with educational guidance involving personal finance. Home Bank entered a three-year contract at \$17,500 a year to reach students via computer during their normal lesson time. In 2019 and 2020, approximately 495 students joined the program (384 in low- and moderate-income areas). These students were from nine schools, seven of which are in low- and moderate-income areas and logged more than 1,901 hours (1,658 in low- and moderate-income areas). During the 2020-2021 school year, 623 students joined the program (471 in low- and moderate-income areas). These students were from nine schools, six of which are in low- and moderate-income areas and logged more than 1,636 hours (1,184 in low- and moderate-income areas). This program provided much needed educational guidance during the COVID-19 pandemic and was able to reach a large group of students, all of whom were required to stay home and learn remotely. Home Bank should be commended for understanding and addressing a critical need for low- and moderate-income communities during this critical time. This donation had a positive impact on Home Bank's overall investment rating.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, Home Bank's performance under the Investment Test in the Baton Rouge AA is consistent with the overall performance under the Investment Test in the full-scope areas. Home Bank's performance under the Investment Test in the Non-MSA AA is weaker than the performance under the Investment Test in the full-scope areas. Home Bank did not make any investments in the Non-MSA AA during the review period.

### **SERVICE TEST**

Home Bank's performance under the Service Test in Louisiana is rated High Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, Home Bank's performance in the Lafayette AA and New Orleans AA was good.

## Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the Lafayette AA and reasonably accessible to geographies and individuals of different income levels in the New Orleans AA.

Distribution of Branch Delivery System											
AA	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope											
Lafayette AA	60.8	17	45.9	1	3	8	5	5.6	20.2	41.3	32.9
New Orleans AA	29.4	13	35.1	1	1	5	6	11.5	23.8	33.3	30.4
Limited Scope											
Baton Rouge AA	4.5	4	10.8	0	0	3	1	12.7	27.8	22.1	37.5
Non-MSA AA	5.3	3	8.2	0	0	1	2	0	10.5	42.1	47.4

### Lafayette AA

Home Bank's delivery systems are accessible to geographies and individuals of different income levels in the AA. Home Bank operates with four branches in low- and moderate-income geographies in the AA. Home Bank operates with one branch in the low-income geographies, which is higher than the percentage of the population located in low-income CTs in the AA. Home Bank operates with three branches in moderate-income CTs, which is slightly lower than the overall percentage of the AA population living in moderate-income CTs. Additionally, several branches that are located on major roadways in both middle- and upper-income CTs are adjacent to low- and moderate-income CTs.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. Home Bank also became a member of the Community Cash Network of ATMs, which grants customers further access to a series of ATMs that can be used without incurring an ATM fee.

### New Orleans AA

Home Bank's delivery systems are reasonably accessible to geographies and individuals of different income levels in the AA. Home Bank operates with two branches in low- and moderate-income geographies in the AA, with one branch each on the low- and moderate-income CTs. The percentage of branches in both the low- and moderate-income CTs is less than the populations in both of those respective geographies. Nevertheless, there are several branches located in middle- and upper-income CTs that are readily accessible to low- and moderate-income CTs.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. Home Bank also

became a member of the Community Cash Network of ATMs, which grants customers further access to a series of ATMs that can be used without incurring an ATM fee.

Distribution of Branch Openings/Closings						
	Branch Openings/Closings					
AA	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Moderate	Middle	Upper
Full Scope						
Lafayette AA	1	1	0	+1	0	-1
New Orleans AA	1	1	0	0	0	+/-1
Limited Scope						
Baton Rouge AA	2	1	0	0	+1	0
Non-MSA AA	0	0	0	0	0	0

### Lafayette AA

To the extent changes have been made, Home Bank's opening and closing of branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Home Bank both opened and closed one branch in the AA during the review period. The closed branch was in an upper-income CT, and the new branch is in a moderate-income CT.

Services and business hours do not vary in a way that inconveniences the various portions of its AA, particularly low- and moderate-income geographies and/or individuals.

Home Bank offers a wide range of loan and deposit products, security services, investment products, and other miscellaneous services. Products and services include overdraft protection, second-chance checking, night deposits, safe deposit boxes, credit-builder loans, mortgage loans, and a variety of consumer and commercial loan products. Products and services are tailored to meet the needs of individuals of all income levels and businesses of all sizes.

### New Orleans AA

To the extent changes have been made, Home Bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Home Bank both opened and closed one branch in the AA during the review period, with both the opening and closed branch being in an upper-income CT.

Services and business hours do not vary in a way that inconveniences the various portions of its AA, particularly low- and moderate-income geographies and/or individuals.

Home Bank offers a wide range of loan and deposit products, security services, investment products, and other miscellaneous services. Products and services include overdraft protection, second-chance checking, night deposits, safe deposit boxes, credit-builder loans, mortgage loans, and a variety of

consumer and commercial loan products. Products and services are tailored to meet the needs of individuals of all income levels and businesses of all sizes.

## **CD Services**

The institution provides a relatively high level of CD services.

Home Bank's performance in providing CD services was good. Home Bank's performance in the Lafayette AA was considered excellent, and performance in the New Orleans AA was considered good. CD services focused primarily on community service, affordable housing, and revitalizing/stabilizing AAs and was targeted to low- and moderate-income individuals. Bank employees participated in a variety of organizations and partnerships, some in leadership roles, that benefited low- and moderate-income individuals, promoted economic development, and provided affordable housing. Home Bank employees also provided technical assistance on financial and banking related matters to community groups and to low- and moderate-income persons and families.

### Lafayette AA

Home Bank provided an excellent level of CD services that was responsive to the needs of the community in the Lafayette AA. During the review period, 25 employees provided approximately 900 community service hours to 31 different qualifying organizations. Additionally, 19 senior level employees demonstrated leadership and served on the Board of Directors or on committees for 24 organizations. These senior level employees shared their financial expertise by servicing as board members, officers, and on committees, as well as, assisting with fundraising efforts. These activities help provide affordable housing, economic development, revitalization and stabilization of designated areas, and community services to low- and moderate-income individuals and families.

Noteworthy examples of organizations where bank employees provided CD services include:

- Progressive Outreach Center – A Home Bank employee was a volunteer teacher and fundraiser. The organization provides assistance and classes for community members who need clothing, food, and educational resources. The organization also provided basic educational support and classes to assist community members with reading, writing, and math.
- One Acadiana – A senior-level Home Bank employee was a board member of the organization where he provided financial expertise. One Acadiana is the former Greater Lafayette Chamber of Commerce, which provides economic development ideas to organizations throughout south Louisiana.
- Lafayette Housing Authority – A Home Bank employee was a committee member of the Family Self Sufficiency Program, which is a federal program funded by HUD. The Housing Authority of the City of Lafayette's mission is to provide and develop affordable housing opportunities for individuals and families while promoting self-efficiency, empowerment, and neighborhood revitalization.

### New Orleans AA

Home Bank provided a relatively high level of CD services in the New Orleans AA. During the review period, 13 Home Bank employees provided approximately 300 CD service hours to 13 organizations. These 13 employees, including some senior-level employees, demonstrated leadership and served on the Board of Directors or on committees where they shared their financial expertise. These activities help

provide affordable housing, economic development, revitalization and stabilization of designated areas, and community services to low- and moderate-income individuals and families.

Noteworthy examples of organizations where bank employees provided CD services include:

- Reconcile New Orleans – A Home Bank employee was both a financial committee and board member for this organization. Reconcile is an organization committed to addressing the system of generational poverty, violence, and neglect in the New Orleans area. They provide life skills and job training programs that assist young people (ages 16–24) from severely at-risk communities who desire to make a positive change in their lives.
- Crescent City Community Land Trust – A Home Bank employee was the Treasurer of the organization, which attempts to increase opportunity and equity in New Orleans through community land trust-based commercial and residential development, helping local families access jobs, grow their own businesses, and live in affordable housing near areas of significant economic development and opportunity.
- Greater New Orleans Housing Alliance – A Home Bank employee was a committee member of the organization, which is a collaborative of non-profit housing builders and CD corporations working to rebuild affordable housing stock available in the city of New Orleans after Hurricane Katrina devastated the city’s infrastructure.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, Home Bank’s performance under the Service Test in the Baton Rouge AA and Non-MSA AA is consistent with the overall performance under the Service Test in the full-scope area(s).

## **State Rating**

### **State of Mississippi**

**CRA rating for the State of Mississippi:** Outstanding

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** Low Satisfactory

**The Service Test is rated:** Outstanding

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to meeting the credit needs of the AA.
- An excellent geographic distribution of loans.
- A good distribution by the income level of the borrower and businesses of different sizes.
- An excellent level of CD loans that are responsive to CD credit needs. Home Bank is a leader in providing CD loans.
- An adequate level of CD investments.



- An excellent level of CD services.

## Description of Institution's Operations in Mississippi

Home Bank serves its community in the state of Mississippi through four branches located in two AAs. Of those four branches, three are in Adams County and one is in Warren County. Neither Adams County nor Warren County are in an MSA, and so they can be combined for analysis purposes. As such, the Non-MSA AA in the state of Mississippi received a full-scope review and is comprised of Adams County and Warren County. Home Bank primarily offers CRE and RRE loans.

During the review period, the COVID-19 pandemic significantly impacted the state of Mississippi and Home Bank's AAs. A stay-at-home order was issued by the governor, with schools and businesses being ordered to close for a period and once reopened, had significant limitation placed on their ability to operate. These limitations had an amplifying effect on low- and moderate-income geographies and families, as these groups had reduced access to the Internet, healthcare, services, and distance learning solutions. Because of these measures, Home Bank's ability to engage within their AAs and to specifically address the needs of their communities was challenged.

### Non-MSA AA

The Non-MSA AA is located in southwest Mississippi. The AA shares the Mississippi River as a western boundary with the state of Louisiana and is part of the Mississippi delta region. Home Bank operates four branches within the AA. Three branches are in Adams County, with Natchez being the county seat. One branch is in Warren County, with Vicksburg being the county seat. There are a total of 21 CTs in the AA, with one low-income CT, seven moderate-income CTs, five middle-income CTs, and eight upper-income CTs. The AA meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income areas.

While there is competition among financial institutions in the AA, Home Bank remains well positioned to vie for loans as it ranks fifth out of 16 financial institutions in the AA and has a deposit market share of 8.4 percent. The top three financial institutions combined have a market share of 53.3 percent and so, there remains significant competition for Home Bank in the AA.

HMDA aggregate data for 2021 revealed that Home Bank ranked eighteenth out of 147 financial institution makings loans in the AA. There was a total of 3,012 loans originated in the AA, of which Home Bank achieved a market share of 1.5 percent. The top five lenders in the AA achieved a combined market share of 31.9 percent, evidencing significant competition in the AA for mortgage loans.

The FFIEC updated 2015 median family income for the AA was \$51,400. Low income is defined as less than 50 percent of the median family income. Moderate income is defined as 50 percent to less than 80 percent of the median family income. Middle income is defined as 80 percent to 119 percent of the median family income. Upper income is defined as income of 120 percent and over the median family income. The following table depicts income categories:

Income Categories – Non-MSA AA			
Low	Moderate	Middle	Upper
<\$25,700	\$25,700 to <\$41,120	\$41,120 to <\$61,680	≥\$61,680

Source: US Census data

The HUD-adjusted MSA median family income for the AA in 2015 was \$51,400. A low-income borrower and a moderate-income borrower would qualify for loans up to \$85,000 and \$175,000, respectively, within this AA. During 2021, the average selling house within this AA was \$101,067, making home ownership out of reach for most low-income borrowers. Additionally, when considering the average age of the housing stock in the AA is 51 years, home ownership is challenging for moderate-income borrowers as older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring dwelling 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 individuals to qualify for mortgage loans.

Low-income families earning a median family income less than \$25,700 represented 24.4 percent of families in the AA, while moderate-income families earning between \$25,700 and \$41,120 comprised 15.7 percent. According to 2015 ACS US census data, 21 percent of families in the AA earned wages below the poverty level. In addition to these borrower lending constraints, opportunities for residential lending remain limited within the one low-income and seven moderate-income CTs in the AA. Of the 36,494 housing units within the 21 CTs, approximately 53.9 percent of the units are owner-occupied housing units, 29.0 percent are rental units with an average gross monthly rent of \$626, and approximately 17.1 percent are vacant.

Based on 2020 business demographic data, there were 6,201 non-farm businesses in the AA. Of these 5,130 (82.7 percent) of the businesses had revenues of less than \$1 million, 256 (4.1 percent) had revenues greater than \$1 million and 815 (13.1 percent) did not report revenue information. The economy of the Non-MSA AA is mixed, with healthcare and social services, transportation, retail, education, hospitality and food service, mining, and oil and gas. Major employers in the AA include Genesis Rail Services, Natchez-Adams School District, Jordan Carriers, Walmart, and Natchez Hospital Company, LLC. According to the Bureau of Labor Statistics, the AA had a 4.8 percent unemployment rate in 2022, which is slightly higher than the Mississippi state average of 4 percent.

<b>Demographic Information of the AA</b>						
<b>AA: Mississippi Non-MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (CTs)	21	4.8	33.3	23.8	38.1	0.0
Population by Geography	79,999	3.5	33.6	17.1	45.8	0.0
Housing Units by Geography	36,494	4.0	31.1	18.7	46.2	0.0
Owner-Occupied Units by Geography	19,671	2.4	29.1	15.5	53.0	0.0
Occupied Rental Units by Geography	10,598	6.5	33.4	21.5	38.5	0.0
Vacant Units by Geography	6,225	4.5	33.8	23.8	37.9	0.0
Businesses by Geography	6,201	3.1	30.3	24.8	41.8	0.0
Farms by Geography	189	2.1	35.4	15.9	46.6	0.0
Family Distribution by Income Level	19,909	24.3	15.7	15.3	44.7	0.0
Household Distribution by Income Level	30,269	25.7	15.2	14.6	44.6	0.0
Median Family Income Non-MSAs - Mississippi		\$51,400	Median Housing Value			\$101,067
			Median Gross Rent			\$626
			Families Below Poverty Level			21.0%
<i>Source: 2015 ACS and 2020 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>						

In conjunction with this performance evaluation, we conducted an interview with community leaders in the AA. The primary credit needs in the community were identified as affordable housing. According to this contact, local banks have been active in helping meet the credit needs of the AA.

## **Scope of Evaluation in Mississippi**

Home Bank operates with four branches in two counties in Mississippi. Since Adams County and Warren County are not in an MSA, they can be combined for analysis purposes into a Non-MSA AA. The Non-MSA AA in the state of Mississippi received a full-scope review. Home Bank primarily offers CRE and RRE loans.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MISSISSIPPI**

### **LENDING TEST**

Home Bank's performance under the Lending Test in Mississippi is rated Outstanding.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, Home Bank's performance in the Non-MSA AA is excellent.

## Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans*							
AA	Home Mortgage	Small Business	Small Farm	CD	Total	%State Loans	%State Deposits
Non-MSA AA	56	399	NA	9	464	100	100

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
AA	Home Mortgage	Small Business	Small Farm	CD	Total	%State*	%State Deposits
Non-MSA AA	4,618	21,018	NA	7,292	32,928	100	100

\*The tables present the data for all AAs. The narrative below addresses performance in full-scope areas only.

The overall lending activity in the Non-MSA AA is excellent, considering the performance context considerations discussed elsewhere in this evaluation. During the review period, Home Bank originated 464 loans totaling approximately \$33 million within the state of Mississippi.

### Distribution of Loans by Income Level of the Geography

Home Bank exhibits an excellent geographic distribution of loans in its AAs.

#### *Home Mortgage Loans*

Refer to Table O in the state of Mississippi section of Appendix D for the facts and data used to evaluate the geographic distribution of the home mortgage loan originations and purchases.

Home Bank exhibits an excellent geographic distribution of home mortgage loans in the AA.

While Home Bank did not make any loans in the low-income CTs, aggregate lending is less than one percent, evidencing the lack of lending overall in those low-income CTs.

The geographic distribution of loans in the moderate-income CTs exceeded both the comparator and aggregate lending and is therefore considered excellent.

#### *Small Loans to Businesses*

Refer to Table Q in the state of Mississippi section of Appendix D for the facts and data used to evaluate the geographic distribution of the originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses is excellent.

The percentage of loans in both the low- and moderate-income CTs exceeded both the comparator and aggregate lending and is therefore considered excellent.

### ***Lending Gap Analysis***

We evaluated the lending distribution in the AA to determine if any unexplained conspicuous gaps existed. We used reports and maps to compare the geographies where loans were made to the geographies in the AA. We considered loan distributions, branch locations, competition, market conditions, demographic information, and bank capacity and restraints during the evaluation period. No unexplained conspicuous gaps were identified. This had a neutral impact on our conclusion regarding the geographic distribution of loans.

### **Distribution of Loans by Income Level of the Borrower**

Home Bank exhibits a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

#### ***Home Mortgage Loans***

Refer to Table P in the state of Mississippi section of Appendix D for the facts and data used to evaluate the borrower distribution of the home mortgage loan originations and purchases.

Home Bank exhibits a good distribution of loans among individuals of different income levels.

The percentage of loans to low-income borrower was less than the comparator but greater than aggregate lending, evidencing good distribution.

The percentage of bank loans to moderate-income borrowers was greater than both the comparator and aggregate lending and is therefore considered excellent.

#### ***Small Loans to Businesses***

Refer to Table R in the state of Mississippi section of Appendix D for the facts and data used to evaluate the borrower distribution of the origination and purchase of small loans to businesses.

The distribution of loans to businesses with revenues of less than or equal to \$1 million is considered good. While the percentage of bank loans to businesses with revenues of less than or equal to \$1 million was less than the comparator, it was greater than aggregate lending and is therefore considered good.

### **CD Lending**

Home Bank is a leader in making CD loans, when considering performance context in the AA.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multi-family loans that also qualify as CD loans.

During the evaluation period, Home Bank made a total of nine CD loans totaling approximately \$7.3 million. Total CD loans of \$7.3 million in the full-scope AAs represent approximately 2.4 percent of allocated tier one capital, reflecting an excellent level of CD loans. Noteworthy examples of CD lending in the Non-MSA AA include:

- A loan for \$3 million to assist the Natchez School District with operating costs for all elementary, middle and high schools in the area. These schools are in low- and moderate-income CTs.
- A loan for \$1.5 million to improve and make updates to three nursing homes in the community. All nursing homes are in low- and moderate-income CTs.

### **Product Innovation and Flexibility**

Home Bank makes limited use of innovative and/or flexible lending practices in order to serve AA credit needs. Management originated several mortgage loans and business loans through several Federal government programs that provide flexible lending terms and interest rates, including:

- United States Department of Agriculture (USDA) Mortgage Loans – two loans totaling \$240,000
- Federal Housing Administration Loans (FHA) – four loans totaling \$467,000
- Veterans Administration (VA) mortgage loans – three loans totaling \$702,000

Additionally, the following products were determined to be flexible or innovative lending programs. Home Bank should be commended for participating in these targeted programs, which include:

#### **HELP – Federal Home Loan Bank of Dallas**

Eligible Home Bank mortgage customers who meet income and program qualifications may receive a grant of up to \$10,000 to be used towards closing costs and/or down payment assistance when purchasing a new home. Qualifications for the program include being a first-time homebuyer; total household income not exceeding 80 percent of the area median income; homes must be purchased in Home Bank’s AAs; the homebuyer must complete the Homebuyer Counseling Program; and the homebuyer must sign a five-year retention agreement. Home Bank has originated four loans in this program totaling \$32,000.

#### **Home Bank’s Credit Builder Program**

This program is a small-dollar loan program designed to assist customers in building or rebuilding their credit history. Customers may borrow up to \$2,500, which is immediately deposited into a savings account and secured from withdrawal. The customer will then make regular monthly payments on the loan. When the loan is fully repaid, the customer will have access to the full balance in the savings account. During the review period, Home Bank approved four loans in this program.

#### **Home Bank’s Second Chance Checking Program**

This program provides individuals who have had prior issues handling or managing deposit accounts and need a new start. When approved, customers are placed into Home Bank’s eBanking Account. During the review period, Home Bank opened five new accounts under this program.

#### **Special Needs Rehabilitation Assistance Program (SNAP)**

SNAP is a program that provides rehabilitation assistance to low- and moderate-income and special needs homeowners. During the review period, Home Bank utilized \$139, 230 in SNAP funds to assist 25 special needs homeowners with needed home rehabilitation.

### **INVESTMENT TEST**

Home Bank’s performance under the Investment Test in Mississippi is rated Low Satisfactory.

## Conclusions for Area Receiving Full-Scope Reviews

Based on a full-scope review, Home Bank's performance in the Non-MSA AA is adequate.

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and CD needs. The institution occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
AA	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Non-MSA AA	2	548	0	0	2	100	548	100	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Overall, investments were not considered innovative or complex, but did address the specific needs in the Mississippi Non-MSA. During the evaluation period, Home Bank made a total of two investments totaling \$548,000 and six donations totaling approximately \$26,000 in the AA. Total investments and donations of approximately \$574,000 represent less than one percent of allocated tier one capital, reflecting an adequate level of investments, given the performance context of the AA. Prior period investments were primarily mortgage-backed security pools benefiting low- and moderate-income geographies. In addition to these prior period investments, notable donations include \$7,000 to address homelessness in the AA and \$6,000 to the City of Natchez to assist the needs of low- and moderate-income residents in the AA.

### Broader/Regional Area Investments

Home Bank additionally provided approximately seven investments totaling approximately \$2.5 million throughout the state of Mississippi during the review period. These investments were primarily mortgage-backed security pools benefiting low- and moderate-income geographies. These additional investments had a positive impact on the overall investment rating in the AA.

## SERVICE TEST

Home Bank's performance under the Service Test in Mississippi is rated Outstanding.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, Home Bank's performance in the Non-MSA AA is excellent.

## Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
AA	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	Number of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Non- MSA AA	100	4	100	1	0	1	2	3.5	33.6	17.1	45.8

Home Bank's delivery systems are accessible to geographies and individuals of different income levels in the AA. Home Bank operates with one branch in low-income geographies in the AA, which is higher than the percentage of the population located in low-income CTs in the AA. Home Bank does not have any branches in the moderate-income CTs. Several branches that are located on major roadways in both middle- and upper-income CTs are adjacent to low- and moderate-income CTs.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. Home Bank also became a member of the Community Cash Network of ATMs, which grants customers further access to a series of ATMs that can be used without incurring an ATM fee.

Home Bank did not open or close any branches in the Non-MSA AA during the review period.

Services, including where appropriate, business hours, are tailored to the convenience and needs of its AA, particularly low- and moderate-income geographies and/or individuals.

Home Bank offers a wide range of loan and deposit products, security services, investment products, and other miscellaneous services. Products and services include overdraft protection, second-chance checking, night deposits, safe deposit boxes, credit builder loans, mortgage loans, and a variety of consumer and commercial loan products. Products and services are tailored to meet the needs of individuals of all income levels and businesses of all sizes.

## CD Services

The institution provides a relatively high level of CD services.

Home Bank's performance in providing CD services was good. CD services focused primarily on community service, affordable housing, and revitalizing/stabilizing AA and was targeted to low- and moderate-income individuals. Bank employees participated in a variety of organizations and partnerships, some in leadership roles, that benefited low- and moderate-income individuals, promoted economic development, and provided affordable housing. Bank employees also provided technical assistance on financial and banking related matters to community groups and to low- and moderate-income persons and families.



During the review period, eight employees provided approximately 200 community service hours to 21 different qualifying organizations. These activities help provide affordable housing, economic development, revitalization and stabilization of designated areas, and community services to low- and moderate-income individuals and families.

Noteworthy examples of organizations where bank employees provided CD services include:

- Board memberships and/or volunteers on various nonprofit organizations including Habitat for Humanity, Humane Society, Kiwanis Club, Chamber of Commerce, and the Historic Natchez Foundation.
- Conducting financial literacy and financial education training and workshops for low- and moderate-income students in elementary and high school at various schools located in the AA.
- Arts Danu - Provides a holistic approach to education, health, cultural exchange, community outreach and economic development through art, focusing on low- and moderate-income communities.

## 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 MSAs and non-MSAs 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>	(01/01/2019 to 12/31/2021)	
<b>Bank Products Reviewed:</b>	Home mortgage and small business loans CD loans, qualified investments, CD services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA	NA	NA
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Louisiana</b>		
Lafayette AA	Full-Scope	
New Orleans AA	Full-Scope	
Baton Rouge AA	Limited-Scope	
Non-MSA AA	Limited-Scope	
<b>Mississippi</b>		
Non-MSA AA	Full-Scope	

## Appendix B: Summary of MSA and State Ratings

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RATINGS Home Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank and State
	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
State:				
Louisiana	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Mississippi	Outstanding	Low Satisfactory	Outstanding	Outstanding

(\*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a parish/county delineated by a local committee of census data users for the purpose of presenting data. CTs nest within parishes/counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, CTs ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multi-family 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 SBA Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas, 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, 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-Scope 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), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

**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-Scope 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:** Individual income that is less than 50 percent of the area median income.

**Low-Income Geography:** A CT with a median family income that is less than 50 percent.

**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 state/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. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the 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, and half below, a range of incomes.

**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.

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

**Middle-Income Individual:** 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:** 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.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Multi-state MSA (MMSA):** Any multi-state MSA or multi-state combined statistical area, as defined by the Office of Management and Budget.

**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.

**Rating Area:** A rated area is a state or MMSA. 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 MMSA, the institution will receive a rating for the MMSA.

**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 C&I 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 1 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:** 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.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All MMSAs, if applicable, 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 the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/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 performance evaluation.

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 MMSA/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 that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than parishes/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 (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.



<b>Table O: Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2019-21</b>		
<b>AA:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>					
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>			
<b>Full-Scope AAs</b>																						
Lafayette AA	825	180,632	42.4	14,128	3.3	1.6	1.5	17.7	14.7	10.9	43.8	34.2	36.4	35.2	49.6	51.2	0.0	0.0	0.0			
New Orleans AA	867	272,918	44.6	45,528	6.4	12.7	6.0	18.6	18.9	15.0	37.9	24.3	35.8	36.4	41.8	42.5	0.6	2.3	0.8			
MS Non-MSA AA	56	4,618	2.9	1,825	2.4	0.0	0.5	29.1	37.5	20.6	15.5	35.7	17.1	53.0	26.8	61.8	0.0	0.0	0.0			
<b>Limited-Scope AAs</b>																						
Baton Rouge AA	151	34,642	7.8	18,226	7.4	9.3	2.4	22.6	24.5	17.9	26.2	14.6	25.6	43.8	51.7	54.1	0.0	0.0	0.0			
LA Non-MSA AA	47	4,898	2.4	874	0.0	0.0	0.0	7.3	0.0	3.7	44.0	48.9	36.2	48.6	51.1	60.2	0.0	0.0	0.0			
<b>Total</b>	<b>1,946</b>	<b>497,709</b>	<b>100.0</b>	<b>80,581</b>	<b>5.8</b>	<b>7.0</b>	<b>4.2</b>	<b>19.6</b>	<b>17.6</b>	<b>14.9</b>	<b>35.6</b>	<b>28.7</b>	<b>33.2</b>	<b>38.7</b>	<b>45.6</b>	<b>47.3</b>	<b>0.3</b>	<b>1.0</b>	<b>0.5</b>			
<i>Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																						

Table P: Distribution of Home Mortgage Loans by Income Category of the Borrower																			2019-21	
AA:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
<b>Full-Scope AAs</b>																				
Lafayette AA	825	180,632	42.4	14,128	24.2	5.1	5.6	15.5	10.3	16.2	16.3	12.7	19.3	44.0	51.6	37.6	0.0	20.2	21.3	
New Orleans AA	867	272,919	44.6	45,528	25.1	3.1	4.0	15.5	7.2	13.4	17.2	11.2	17.7	42.2	50.2	42.2	0.0	28.4	22.7	
MS Non-MSA AA	56	4,618	2.9	1,825	24.3	5.4	3.9	15.7	16.1	11.2	15.3	19.6	14.4	44.7	37.5	48.5	0.0	21.4	21.9	
<b>Limited-Scope AAs</b>																				
Baton Rouge AA	151	34,642	7.8	18,226	25.7	2.6	7.2	16.6	9.9	17.9	17.2	7.3	17.3	40.5	45.0	37.5	0.0	35.1	20.0	
LA Non-MSA AA	47	4,898	2.4	874	24.1	2.1	2.9	14.0	14.9	8.7	15.9	10.6	16.5	46.1	55.3	52.6	0.0	17.0	19.3	
<b>Total</b>	<b>1,946</b>	<b>497,709</b>	<b>100.0</b>	<b>80,581</b>	<b>25.0</b>	<b>4.0</b>	<b>5.0</b>	<b>15.7</b>	<b>9.1</b>	<b>14.8</b>	<b>17.0</b>	<b>11.8</b>	<b>17.8</b>	<b>42.3</b>	<b>50.2</b>	<b>40.6</b>	<b>0.0</b>	<b>25.0</b>	<b>21.8</b>	
<i>Source: 2015 ACS ; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																				

**Table Q: Distribution of Loans to Small Businesses by Income Category of the Geography** **2019-21**

AA:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
<b>Full- Scope AAs</b>																			
Lafayette AA	3,375	272,085	49.2	13,423	6.8	5.5	6.5	16.3	14.4	14.6	39.5	46.7	40.0	37.3	33.4	38.8	0.2	0.0	0.0
New Orleans AA	2,148	279,196	31.3	42,340	9.3	7.1	10.0	18.7	15.3	18.9	28.0	25.3	27.1	42.6	50.7	42.7	1.4	1.5	1.3
MS Non-MSA AA	399	21,018	5.8	1,649	3.1	5.3	3.5	30.3	38.6	32.3	24.8	37.3	22.9	41.8	18.8	41.4	0.0	0.0	0.0
<b>Limited- Scope AAs</b>																			
Baton Rouge AA	604	74,318	8.8	15,900	8.9	8.1	7.3	24.4	18.0	24.0	20.0	15.2	20.9	46.6	58.6	47.7	0.1	0.0	0.1
LA Non-MSA AA	327	25,766	4.8	536	0.0	0.0	0.0	6.8	4.0	3.4	37.7	38.5	38.1	55.5	57.5	58.6	0.0	0.0	0.0
<b>Total</b>	<b>6,853</b>	<b>672,383</b>	<b>100.0</b>	<b>73,848</b>	<b>8.5</b>	<b>6.0</b>	<b>8.6</b>	<b>19.9</b>	<b>15.9</b>	<b>19.4</b>	<b>28.1</b>	<b>36.3</b>	<b>28.1</b>	<b>42.8</b>	<b>41.3</b>	<b>43.1</b>	<b>0.8</b>	<b>0.5</b>	<b>0.7</b>

Source: 2020 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table R: Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2019-21</b>
<b>AA:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= \$1 Million</b>			<b>Businesses with Revenues &gt; \$1 Million</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
<b>Full-Scope AAs</b>												
Lafayette AA	3,375	272,085	49.2	13,423	86.5	21.3	33.0	4.8	24.9	8.7	53.8	
New Orleans AA	2,148	279,196	31.3	42,340	88.9	27.0	37.3	3.9	9.6	7.2	63.5	
MS Non-MSA AA	399	21,018	5.8	1,649	82.7	40.1	29.0	4.1	5.3	13.1	54.6	
<b>Limited-Scope AAs</b>												
Baton Rouge AA	604	74,318	8.8	15,900	85.9	28.1	34.0	4.4	10.4	9.7	61.4	
LA Non-MSA AA	327	25,766	4.8	536	84.8	41.0	34.0	3.5	8.3	11.7	50.8	
<b>Total</b>	<b>6,853</b>	<b>672,383</b>	<b>100.0</b>	<b>73,848</b>	<b>87.6</b>	<b>25.7</b>	<b>35.6</b>	<b>4.2</b>	<b>16.9</b>	<b>8.3</b>	<b>57.4</b>	
<i>Source: 2020 D&amp;B Data; 01/01/2019 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>												