



PUBLIC DISCLOSURE

June 10, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Home Bank
Charter Number 700890

503 Kaliste Saloom, Lafayette, LA 70508

Office of the Comptroller of the Currency

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Major factors supporting the assigned ratings are as follows:

- Home Bank's loan-to-deposit ratio is reasonable relative to the bank's size, competition, and financial condition.
- A substantial majority of loans originated by the bank were within the bank's assessment area (AA).
- Lending to borrowers of different income levels is considered reasonable in light of the AA's demographic and peer comparisons.
- The geographic distribution of loans is commensurate with that of peer lenders and is considered reasonable.
- The bank has demonstrated reasonable responsiveness to the community development needs within its AA.
- The bank did not receive any CRA-related consumer complaints since the previous CRA Performance Evaluation.

Scope of Examination

This Performance Evaluation assessed the bank's success with meeting the credit needs of the communities in which it operates. The bank qualified as an Intermediate Small Bank (ISB) and therefore was evaluated under both the Lending and Community Development Tests. In evaluating the bank's lending performance, the bank's primary loan product, as illustrated in the table below, was analyzed to determine those products requiring review. In evaluating the Community Development Test, the bank's community development loans, investments, and services were also reviewed. The review period for both the Lending and Community Development Tests was from January 1, 2010 to December 31, 2011. When more recent data was needed for comparative purposes, such data was used and the applicable date noted. The last CRA examination was conducted March 31, 2010 and covered a review period from January 1, 2007 through December 31, 2009. The last CRA examination found the bank was satisfactorily meeting the credit needs of its community.

| Home Bank Loan Portfolio | | |
|--------------------------|------------------|-------------|
| Loan Category | Dollars (000's) | Percentage |
| Real Estate | \$551,452 | 81% |
| Multi-Family | \$19,678 | 3% |
| Consumer | \$34,641 | 5% |
| Commercial & Industrial | \$72,365 | 10% |
| Farm | \$620 | 1% |
| Total | \$678,756 | 100% |

Source: Call Report Data as of 12/31/2012

Residential real estate loans were identified as the bank's primary loan product. Home Mortgage Disclosure Act (HMDA) data, the accuracy of which was verified in April 2013, was used in the evaluation of the lending performance. No significant discrepancies relative to the HMDA data was uncovered during the review. Full year HMDA data for 2010 and 2011 were used for this evaluation. Community development loans, investments, and services submitted by management were also verified to ensure each met the regulatory definition for community development. Any items that did not meet the definition of Community Development were excluded from the analysis.

Home Bank operates within three different Metropolitan Statistical Areas (MSA) and one Non-MSA, all within the state of Louisiana. The bank's main branch is located in the Lafayette MSA (29180), along with seven other branches. In total, 36 percent of the bank's branches are located in the Lafayette MSA. Moreover, 64 percent of the loans made within the bank's AA were made in the Lafayette MSA and 58 percent of the bank's deposits are also located in the Lafayette MSA.

The bank recently acquired both Statewide Bank (during 2010) and Guaranty Savings Bank (during 2011), and those acquisitions made up the bulk of the bank's presence in those locations outside of the Lafayette MSA. Since both of these acquisitions occurred during the review period, the bank has not had sufficient time to fully incorporate these mergers into the organization. Therefore, it would be premature to fully analyze the bank's lending activities in these areas.

Consequently, the Lafayette MSA received a full scope review, which considered complete performance context information, quantitative factors, and qualitative factors. The remaining MSAs and Non-MSA received a limited scope review that considered primarily quantitative factors with performance context data listed to the comparable demographics.

As no affiliates exist, their activities could not be considered in this evaluation.

Description of Institution

Home Bank is a federally chartered institution headquartered in Lafayette, Louisiana, with assets of \$972 million as of March 31, 2013. The bank maintains a total of 22 offices located in four AAs throughout southern Louisiana. Those AAs include Acadia Parish, located in a Non-Metropolitan Statistical Area (NMSA) and three other areas located in separate MSAs: Lafayette MSA, Baton Rouge MSA, and New Orleans-Metairie-Kenner MSA. One branch located in the New Orleans-Metairie-Kenner MSA was closed during the review period, but during the same time period the bank opened 13 new branches through either the acquisition or assumption of other financial institutions. The bank's largest presence, along with its main office, is located in Lafayette Parish, in the Lafayette MSA.

Home Bank is a wholly owned subsidiary of Home Bankcorp, Inc. (Bancorp), a unitary, non-diversified holding company. Bancorp is a shell entity that does not engage in

significant activity other than its 100 percent ownership of Home Bank. Subsequent to this examination, Home Bank acquired Statewide Bank in 2010 and Guaranty Savings Bank in 2011. The acquisition and assumption of Statewide and Guaranty added an additional seven and five branches, respectively, to Home Bank's existing ten branches and provided Home Bank with an immediate presence in Jefferson, Orleans, and St. Tammany Parishes. Those four Parishes are all located in the New Orleans-Metairie-Kenner MSA.

The bank offers a full range of banking services to commercial and retail customers in south Louisiana. The bank's loan portfolio is primarily comprised of both fixed and variable rate mortgage loans for the construction, purchase, or refinance of owner occupied one-to-four family dwellings. The bank has a full line of banking products including: Savings accounts, NOW checking accounts, money market deposit accounts, and certificates of deposit. Additionally, the bank offers Visa branded cards, wire transfers, cashier's and traveler's checks. Each branch office offers identical services and has the ability to receive mortgage loan applications. Those applications are processed, however, at the bank's main office in Lafayette. Home Bank offers first-time homebuyer or low down payment loan programs via FHA and VA loans.

Home Bank received a Satisfactory rating during the previous CRA examination dated March 31, 2010. The bank has no legal or financial impediments that prevent it from meeting the credit needs of their community.

Description of Assessment Areas (AAs)

Home Bank has designated Acadia NMSA, Lafayette MSA, Baton Rouge MSA, and New Orleans-Metairie-Kenner MSA as its AA. All 22 of the bank's branches are located within these areas. Acadia NMSA and Lafayette MSA are adjoining and located in the Southwestern portion of the state of Louisiana. Baton Rouge MSA is east of Acadia and Lafayette Parishes and is the capital city of Louisiana. Southeast from Baton Rouge lies the New Orleans-Metairie-Kenner MSA, which includes the city of New Orleans in Orleans Parish and six additional Parishes.

For purposes of this Performance Evaluation, the four areas listed above will be considered separately as they contain different demographic information and are geographically separated. The designation of these AAs is reasonable based on the bank's office locations. The AAs meet the requirement of the CRA regulations and do not arbitrarily exclude low- or moderate-income geographies. The following information was derived from 2000 census data and was obtained primarily from CRA WIZ collected data:

Acadia Non-MSA

Home Bank operates one branch located in a middle-income census tract (9610) in the City of Crowley, in the Acadia NMSA. The area is primarily rural, with educational services, healthcare, and social assistance being the leading industries. The area also has minor concentrations in agriculture, forestry, fishing and hunting, and mining. There are a total of 12 census tracts in the NMSA which include 2 tracts in moderate-income areas (16.67 percent), 9 tracts in middle-income areas (75 percent), and one tract in an upper-income area (8.33 percent). There are no low income census tracts in the Acadia NMSA. The area has a total population of 58,861 and 23,209 housing units. Of those 23,209 housing units, 15,259 (65.75 percent) are owner occupied and 5,883 (25.35 percent) are rental units. Approximately 17 percent of households live in the moderate-income census tracts, with the remaining 75 percent and 8 percent of households living in the middle- and upper-income census tracts, respectively. Nine percent of the housing units are vacant.

The medium family income is \$32,785, with 26 percent of households living below the poverty level. Approximately 28 percent of the households in the AA are considered low-income. Moderate-income families approximate 14 percent of the population, middle-income families total 16 percent, and upper-income families comprise 42 percent of the population, respectively. There are 7,987 businesses in the AA. Of these businesses, 55 percent reported gross annual revenue less than \$1 million and 2 percent reported gross annual revenue equal to or greater than \$1 million. Because reporting is voluntary, 43 percent of the businesses did not report revenues.

Lafayette MSA (29180)

Home Bank has a total of eight branches in the Lafayette MSA including its headquarters in the City of Lafayette, in an upper-income census tract (census tract 14.06). The bank has an additional four branches in the Lafayette area, with another in an upper-income census tract (14.03) and the additional three in middle-income census tracts (1, 3, and 18). Home bank's remaining three branches are located in the cities of Broussard (middle-income census tract 14.09), Carencro (moderate-income census tract 21.03), and Scott (middle-income census tract 1.02).

The region is home to several large employers and is located in an oil-rich area not far from the gulf coast. As a result, the area has become a prime spot to locate service firms, fabricators, and other companies that do business with extraction firms exploring south Louisiana and the Gulf of Mexico. Major employers in the area unaffiliated with the oil and gas industry include Lafayette General Regional Medical Center, Kergan Brothers Inc. (Sonic Drive-In restaurant franchise), Stuller Inc. (jewelry manufacturer), and Wal-Mart Stores.

There are a total of 41 census tracts in the Lafayette MSA which include four low- (9.76 percent), six moderate- (14.63 percent), 16 middle- (39.02 percent), and 15 upper-income (36.59 percent) census tracts. The area has a total population of 190,503 and

78,122 housing units. Of those 78,122 housing units, 47,803 (61.19 percent) are owner occupied and 24,569 (31.45 percent) are rental units. Approximately 4 percent of households live in the low-income census tracts, with the remaining 13 percent, 44 percent, and 39 percent of households living in moderate-, middle-, and upper-income census tracts, respectively. Seven percent of the housing units are vacant.

The medium family income is \$42,852, with 16 percent of households living below the poverty level. Approximately 24 percent of the households in the AA are considered low-income. Moderate-income families approximate 15 percent, middle-income families total 18 percent and upper-income families comprise 43 percent of the population, respectively. There are 38,335 businesses in the AA. Of these businesses, 58 percent reported gross annual revenue less than \$1 million and 3 percent reported gross annual revenue equal to or greater than \$1 million. Because reporting is voluntary, 39 percent of the businesses did not report revenues.

Baton Rouge MSA (12940)

Home bank operates three branches in the Baton Rouge MSA, which are all located in upper-income census tracts (38.01, 40.05, and 45.02). Baton Rouge is the state capital and has a diverse economic community. The largest employers include the Louisiana Department of State Civil Service, The Shaw Group (Fortune 500 company specializing in construction, engineering, and technology), Turner Industries, Louisiana State University, ExxonMobil, and Our Lady of the Lake Regional Medical Center.

There are a total of 89 census tracts in the Baton Rouge MSA which include 14 low- (15.73 percent), 24 moderate- (26.97 percent), 19 middle- (21.35 percent), and 32 upper-income (35.96 percent) census tracts. The area has a total population of 412,852 and 169,073 housing units. Of those 169,073 housing units, 96,305 (56.96 percent) are owner occupied and 60,060 (35.52 percent) are rental units. Approximately 11 percent of households live in the low- income census tracts, with the remaining 21 percent, 24 percent, and 44 percent of households living in moderate-, middle-, and upper-income census tracts, respectively. Eight percent of the housing units are vacant.

The medium family income is \$45,622, with 17 percent of households living below the poverty level. Approximately 26 percent of the households in the AA are considered low-income. Moderate-income families approximate 15 percent of the population, middle-income families total 17 percent, and upper-income families comprise 42 percent of the population, respectively. There are 77,242 businesses in the AA. Of these businesses, 55 percent reported gross annual revenue less than \$1 million and 2 percent reported gross annual revenue equal to or greater than \$1 million. Because reporting is voluntary, 41 percent of the businesses did not report revenues.

New Orleans-Metairie-Kenner MSA (35380)

The New Orleans-Metairie-Kenner MSA consists of seven Parishes, including: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. John the Baptist, and St. Tammany. Home bank has a total of 10 branches located in the MSA, with three being located in Jefferson Parish, which includes one moderate-income census tract (278.03), one middle-income census tract (219), and one upper-income census tract (242). One branch is located in Orleans Parish (moderate-income census tract 5). The remaining six branches are located in St. Tammany Parish.

St. Tammany Parish is a geographically large area that contains several different cities where Home Bank has branches, including: Abita Springs (middle-income census tract 401.02), Folsom (middle-income census tract 402.01), Mandeville (upper-income census tract 403.03), Slidell (upper-income census tract 407.07), and two branches in Covington (one middle-income census tract 402.02 and one upper-income census tract 404). The bank does not have any branches in Plaquemines, St. Bernard, St. Charles, or St. John the Baptist Parishes. The city of New Orleans is located in Orleans Parish and is the economic center of the MSA. The largest employers include Ochsner Health System, Parish school systems and universities, Northrop Grumman, and city and parish government.

There are a total of 299 census tracts in the New Orleans-Metairie-Kenner MSA which include 54 low- (18.06 percent), 74 moderate- (24.75 percent), 88 middle- (29.43 percent), and 83 upper-income (27.76 percent) census tracts. The area has a total population of 953,966 and 410,020 housing units. Of those 410,020 housing units, 218,703 (53.34 percent) are owner occupied and 152,210 (37.12 percent) are rental units. Approximately 11 percent of households live in the low- income census tracts, with the remaining 22 percent, 34 percent, and 33 percent of households living in moderate-, middle-, and upper-income census tracts, respectively. Ten percent of the housing units are vacant.

The medium family income is \$42,770, with 18 percent of households living below the poverty level. Approximately 27 percent of the households in the AA are considered low-income. Moderate-income families approximate 15 percent of the population, middle-income families total 17 percent and upper-income families comprise 41 percent of the population, respectively. There are 151,936 businesses in the AA. Of these businesses, 51 percent reported gross annual revenue less than \$1 million and 5 percent reported gross annual revenue equal to or greater than \$1 million. Because reporting is voluntary, 39 percent of the businesses did not report revenues.

As part of the examination, two community contacts were made to determine the credit needs of the AA. Both contacts indicated that the AA has fared well during the recent recession and that growth has continued since Hurricane Katrina. Construction spending is a major driving force for the economy but significant state government layoffs have dampened recovery efforts. The need for affordable housing has increased across the AA, especially after Hurricanes Katrina and Rita. In many cities,

the housing units have not been restored to pre-hurricane levels. Both contacts indicate that low credit scores are making it difficult to locate qualified borrowers. One contact stressed the need for financial education as more people become small business owners. Other than education, neither contact revealed specific deficiencies in the AA that could be addressed by banks.

Conclusions with Respect to Performance Tests

LENDING TEST

Home Bank's lending performance is satisfactory. The bank's loan-to-deposit (LTD) ratio is reasonable and a substantial majority of loans were originated in Home Bank's AA. Overall, the distribution of loans to low- and moderate-income families, as well as loans located in low- and moderate-income census tracts, is reasonable.

Loan-to-Deposit Ratio

Home Bank's LTD ratio is reasonable given the credit needs of the AA and the bank's size, financial condition, and location. This determination is based on the quarterly LTD ratios from March 31, 2010 to December 31, 2012 that average 85.29 percent. During this evaluation period, the bank's LTD ratio ranged from a low of 78.73 percent to a high of 91.97 percent.

Management considers the five banks shown in the following table to be its competitors as all are of comparable size, actively offer residential loan products, and have at least one branch location within the same boundaries of Home Bank's AA. The LTD ratio for these Peer banks was 82.80 percent, which is slightly lower than Home Bank's average during the same period of time. Their average LTD ratio for the same time period was 81.44 percent, with a range from a low of 61.54 percent to a high of 107.86 percent.

| Institution | Assets – As of December 30, 2012 (in thousands) | Average LTD |
|-------------------------------------|--|------------------------|
| Midsouth Bank, National Association | \$1,849,274 | 66.97% |
| Business First Bank | \$683,205 | 78.05% |
| Resource Bank | \$473,278 | 94.47% |
| Metairie Bank & Trust Company | \$351,433 | 70.14% |
| Bank of New Orleans | \$310,798 | 97.59% |

Source: Call Reports

Lending in Assessment Area (AA)

Home Bank originated a substantial majority of loans in its' AA during the review period. As shown in the following table, 82.78 percent of the bank's loans by number and 85.84 percent by dollar amount were made in Home Bank's AA.

| Lending in Home Bank's Assessment Area | | | | | | | | | | |
|---|-----------------|-------|---------|-------|-------|------------------|-------|---------|-------|---------|
| Loan Type | Number of Loans | | | | | Dollars of Loans | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | # | % | # | % | | \$ | % | \$ | % | |
| Home Purchase | 303 | 83.01 | 62 | 16.99 | 364 | 47,388 | 84.16 | 8,917 | 15.84 | 56,305 |
| Home Improvement | 27 | 93.10 | 2 | 6.90 | 29 | 1,591 | 92.29 | 133 | 7.71 | 1,724 |
| Home Refinance | 540 | 82.19 | 117 | 17.81 | 657 | 120,252 | 86.44 | 18,863 | 13.56 | 139,115 |
| Totals | 870 | 82.78 | 181 | 17.22 | 1,051 | 169,231 | 85.84 | 27,913 | 14.16 | 197,144 |

Source: 2010 and 2011 HMDA data

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

Lending to borrowers of different income levels is reasonable. While lending to both low- and moderate-income families was lower than the bank's AA HMDA peers, lending to these groups is adequate, considering that only 17 percent of households live in those census tracts. Additionally, approximately 16 percent of households live below the poverty level and there exists a lack of affordable housing along with significant competition by the bank's HMDA peers. The average home price in the AA is approximately \$94,000, with average rents being only \$471 per month. These facts, coupled with the significant declines in residential real estate values and a tightening of underwriting standards nationally make lending to low- and moderate-income borrowers challenging.

Home Bank ranks 6 of 62 lenders, with a 2.63 percent market share within its AA. The top three lenders command a 76.85 percent market share and are large national, regional, and local lenders within the AA and offer a wider variety of conventional, government-insured, and flexible mortgage loan products. The following table represents Home Bank's total loans originated in the Lafayette MSA to borrowers of various income levels for a 24 month period ending December 31, 2011.

| Borrower Distribution of Residential Real Estate Loans in Lafayette Parrish MSA | | | | | | | | |
|--|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Home Purchase | 21.48 | 7.61 | 15.76 | 11.41 | 19.09 | 22.28 | 43.67 | 58.70 |
| Home Improvement | 21.48 | 5.88 | 15.76 | 23.53 | 19.09 | 29.41 | 43.67 | 41.18 |
| Home Refinance | 21.48 | 1.86 | 15.76 | 11.49 | 19.09 | 16.77 | 43.67 | 69.88 |

Source: 2010 and 2011 HMDA data and 2011 HMDA aggregate data

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's lending to borrowers of different incomes is consistent with the bank's overall performance in the Lafayette MSA. The following tables record the bank's lending activities compared to the respective demographic percentages for the limited scope AAs.

| Borrower Distribution of Residential Real Estate Loans in Acadia Parrish NMSA | | | | | | | | |
|--|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Home Purchase | 25.20 | 0.00 | 16.13 | 9.09 | 18.42 | 18.18 | 40.25 | 72.73 |
| Home Improvement | 25.20 | 25.00 | 16.13 | 0.00 | 18.42 | 0.00 | 40.25 | 75.00 |
| Home Refinance | 25.20 | 3.85 | 16.13 | 3.85 | 18.42 | 19.23 | 40.25 | 73.08 |

Source: 2010 and 2011 HMDA data and 2011 HMDA aggregate data

| Borrower Distribution of Residential Real Estate Loans in Baton Rouge MSA | | | | | | | | |
|--|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Home Purchase | 22.99 | 0.00 | 15.31 | 4.17 | 17.97 | 25.00 | 43.73 | 70.83 |
| Home Improvement | 22.99 | 0.00 | 15.31 | 100.00 | 17.97 | 0.00 | 43.73 | 0.00 |
| Home Refinance | 22.99 | 2.38 | 15.31 | 11.90 | 17.97 | 26.19 | 43.73 | 59.52 |

Source: 2010 and 2011 HMDA data and 2011 HMDA aggregate data

| Borrower Distribution of Residential Real Estate Loans in New Orleans-Metairie-Kenner MSA | | | | | | | | |
|--|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Home Purchase | 24.68 | 9.52 | 15.95 | 11.90 | 18.27 | 38.10 | 41.10 | 40.48 |
| Home Improvement | 24.68 | 0.00 | 15.95 | 33.33 | 18.27 | 66.67 | 41.10 | 0.00 |
| Home Refinance | 24.68 | 6.86 | 15.95 | 12.75 | 18.27 | 28.43 | 41.10 | 51.96 |

Source: 2010 and 2011 HMDA data and 2011 HMDA aggregate data

Geographic Distribution of Loans

Overall, Home Bank's geographic distribution of residential real estate loans within the AA is reasonable, considering the low level of owner-occupied housing units in the low- and moderate-income census tracts at approximately 3 percent and 12 percent, respectively. Additionally, the bank's financing of home improvement in the moderate-income census tract exceeds the aggregate percentage of such loans by all HMDA lenders and is almost on par with peer lending in low-income census tracts for refinances.

There are no unexplained conspicuous gaps in the bank's residential lending within the AA. The following table represents Home Bank's lending in the Lafayette MSA for a 24 month period ending December 31, 2011.

| Geographic Distribution of Residential Real Estate Loans in Lafayette Parrish MSA | | | | | | | | |
|--|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan type | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans |
| Home Purchase | 0.34 | 0.00 | 10.79 | 5.53 | 35.56 | 27.14 | 53.30 | 67.34 |
| Home Improvement | 2.62 | 0.00 | 9.59 | 11.76 | 45.35 | 41.18 | 42.44 | 47.06 |
| Home Refinance | 0.58 | 0.59 | 6.02 | 5.64 | 34.87 | 30.27 | 58.53 | 63.50 |

Source: 2010 and 2011 HMDA data and 2011 HMDA aggregate data

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's geographic distribution of loans is consistent with the bank's overall performance in the Lafayette MSA. The following tables record the bank's lending activities compared to the respective demographic percentages for the limited scope AAs.

| Geographic Distribution of Residential Real Estate Loans in Acadia Parrish NMSA | | | | | | | | |
|--|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan type | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans |
| Home Purchase | 0.00 | 0.00 | 11.85 | 25.00 | 72.89 | 75.00 | 15.26 | 0.00 |
| Home Improvement | 0.00 | 0.00 | 9.49 | 0.00 | 75.18 | 100.00 | 15.33 | 0.00 |
| Home Refinance | 0.00 | 0.00 | 8.56 | 16.13 | 74.71 | 80.65 | 16.73 | 3.23 |

Source: 2010 and 2011 HMDA data and 2011 HMDA aggregate data

| Geographic Distribution of Residential Real Estate Loans in East Baton Rouge MSA | | | | | | | | |
|---|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan type | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans |
| Home Purchase | 1.63 | 2.78 | 7.86 | 13.89 | 29.32 | 16.67 | 61.19 | 66.67 |
| Home Improvement | 4.11 | 0.00 | 14.82 | 0.00 | 22.32 | 0.00 | 58.75 | 100.00 |
| Home Refinance | 1.55 | 1.96 | 6.35 | 3.92 | 26.51 | 23.53 | 65.90 | 70.59 |

Source: 2010 and 2011 HMDA data and 2011 HMDA aggregate data

| Geographic Distribution of Residential Real Estate Loans in New Orleans-Metairie-Kenner MSA | | | | | | | | |
|--|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan type | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans | % of AA Aggregate | % of Number of Loans |
| Home Purchase | 3.13 | 7.41 | 12.55 | 11.11 | 34.73 | 29.63 | 49.59 | 51.85 |
| Home Improvement | 5.38 | 0.00 | 17.40 | 0.00 | 36.63 | 33.33 | 40.58 | 66.67 |
| Home Refinance | 2.19 | 7.14 | 10.09 | 10.71 | 32.98 | 30.36 | 54.74 | 51.79 |

Source: 2010 and 2011 HMDA data and 2011 HMDA aggregate data

Responses to Complaints

Home Bank received no consumer complaints pertaining to its performance in helping to meet the credit needs within the AAs since the previous CRA Performance Evaluation.

COMMUNITY DEVELOPMENT TEST

Home Bank’s performance with respect to the community development test is rated satisfactory.

Home Bank has demonstrated adequate responsiveness to community development needs in its AA given the bank’s size, financial condition, and known community development opportunities.

Number and Amount of Community Development Loans

Considering the needs and opportunities in the Lafayette MSA and Home Bank’s performance context and capacity, the number and amount of community development loans is adequate.

During the review period, Home Bank participated in four loan programs that qualified as community development loans:

- Home Bank's Community Reinvestment Program is a mortgage loan product that provides 100 percent financing to qualified borrowers. Applicants' total income cannot exceed 80 percent of medium family income for the AA where the loan is requested. Home Bank has made 4 loans under this program during the review period for a total of \$240,000.
- Angel Point is a low-/moderate-income and senior housing project where the bank finances both the construction and permanent financing for the project through tax credits. The project is located in a low-/moderate-income census tract in the city of Lafayette and has recently been completed. The final tax credits were used to pay down the original investment of \$3,000,000 to an outstanding balance of approximately \$900,000.
- HELP Grants assist qualified borrowers in purchasing and financing homes through Habitat for Humanity. Home Bank funded 10 qualified applicants, with each applicant receiving \$4,000 in down payment and closing costs assistance through Home Bank's membership in the Federal Home Loan Bank. Applicants qualify by earning less than 80 percent of medium family income.
- Habitat for Humanity has been provided a line-of-credit that allows them to leverage existing notes receivable to build more housing for low- and moderate-income individuals.

Performance in Limited Scope Assessment Areas (AAs)

Performance in the limited scope AAs of, Acadia NMSA, Baton Rouge MSA, and New Orleans-Metairie, Kenner MSA, was consistent with Home Bank's responsiveness in the Lafayette MSA. The bank participates in Habitat for Humanity in many of these areas with the goal of assisting low- and moderate-income borrowers achieve affordable homeownership.

Number and Amount of Qualified Investments

Considering the needs and opportunities in the Lafayette MSA and Home Bank's performance context and capacity, the bank's performance needs to improve regarding qualified investments.

Home Bank did not produce any evidence of qualified debt or equity investments during the review period in any of the bank's AAs. While the bank did have qualified donations and contributions, such donations and contributions only totaled \$31,514 for the review period, which is significantly less than similarly situated financial institutions of comparable size. Of the donations to organizations that were made, the most notable were the following:

- \$7,705 to United Way of Acadian
- \$832 for Community Foundation of CF
- \$200 for Prevent Child abuse

Performance in Limited Scope Assessment Areas (AAs)

Performance in the limited scope AAs of, Acadia NMSA, Baton Rouge MSA, and New Orleans-Metairie, Kenner MSA, was consistent with Home Bank's responsiveness in the Lafayette MSA.

Extent to Which the Bank Provides Community Development Services

The bank's level of community development services reflect an adequate responsiveness to meeting the financial service needs of the community. During the evaluation period, 10 individuals provided financial services to more than 15 qualified community development organizations in the Lafayette MSA. The types of services provided included serving on the board, executive committee, or as instructors for organizations such as Junior Achievement, Habitat for Humanity, and events sponsored by The United Way (Bowl for Kid's Sake / The Running of the Dicks). By providing financial services that take advantage of bank employees' financial expertise, the bank is responsive to the needs of low- and moderate-income people. These services include developing and conducting financial educational programs to students and individuals and providing technical financial assistance to Community Development organizations.

Bank employees also participated in various educational and job seminars including the Lafayette Economic Development Leadership Job Fair and the Department of Labor's Job Fair. Both job fairs were held in Lafayette. The bank also conducts "HOT" training classes, which are targeted at first time home buyers. The classes are designed to walk attendees through the basics of home ownership, prequalifying, credit, fees, good faith estimates, and truth in lending requirements. The classes are targeted to low- and moderate-income individuals, but open to the public. The bank also offers classes on reverse mortgages, but these classes are typically targeted at real estate professionals who may negotiate such products with seniors that are low- or moderate-income.

During the review period, the bank processed one USDA Rural Housing mortgage loan totaling \$138 thousand. Provided the property is in a USDA approved rural area, low- and moderate-income homebuyers can qualify for this no down payment loan provided income and credit score criteria are met. Home Bank underwrites these loans to agency guidelines, receives a fee for its efforts, and the loan is funded by a third party in the secondary market.

Performance in Limited Scope Assessment Areas (AAs)

Performance in the limited scope AAs of, Acadia NMSA, Baton Rouge MSA, and New Orleans-Metairie, Kenner MSA, was consistent with Home Bank's responsiveness in the Lafayette MSA.

Responsiveness to Community Development Needs

Home Bank has demonstrated an adequate level of responsiveness to community development needs throughout the AA. Products and services offered meet the needs of low- and moderate-income individuals by offering free checking products and services on Saturdays at several branch locations. Home Bank also offers free online banking, telephone banking, and toll free customer service. The bank has numerous proprietary ATM locations throughout its AA, which customers can use without incurring a fee.

The bank's senior management and staff are involved in numerous activities and affiliated with many organizations throughout the AAs that focus on the needs of low- and moderate-income groups. These activities enable the bank to become aware of and participate in activities that satisfy the community development needs of the AA.

Performance in Limited Scope Assessment Areas (AAs)

Performance in the limited scope AAs of Acadia NMSA, Baton Rouge MSA, and New Orleans-Metairie, Kenner MSA, was consistent with Home Bank's responsiveness in the Lafayette MSA.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal Savings Association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any AA by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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