



## PUBLIC DISCLOSURE

July 18, 2013

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank of Bastrop  
Charter Number 4093

489 Highway 71 West  
Bastrop, TX 78602

Office of the Comptroller of the Currency  
Southern District  
San Antonio Field Office  
10001 Reunion Place, Suite 250  
San Antonio, TX 78216-4165

**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 the 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: "Outstanding."**

The First National Bank of Bastrop's (FNBB) CRA performance depicts a practice of providing for the credit needs of its assessment area (AA). The following factors support this rating.

- FNBB has demonstrated lending performance that is satisfactory given its size, financial condition and the known credit needs in its AA.
- The loan-to-deposit (LTD) ratio meets the standard for satisfactory performance. The LTD averaged 61% since our last examination. Over the same time period, the average LTD for similarly situated banks was 47%.
- A majority of FNBB's loans are within its AA.
- The distribution to borrowers reflects a reasonable penetration to individuals of different incomes and a good penetration to business of different sizes.
- The geographic dispersion of loans reflects a reasonable penetration for home loans and small businesses.
- FNBB is active in the community by providing loans and services to low- to- moderate income (LMI) individuals and small businesses.
- FNBB's community development (CD) performance demonstrates strong responsiveness to the CD needs of its AA.
- There have been no complaints with respect to FNBB's performance under the Community Reinvestment Act (CRA).

### **Scope of Examination**

We evaluated FNBB's CRA performance under the Intermediate Small Bank examination procedures, which include a lending test and a CD test. The bank's performance was evaluated in the following categories: the bank's average LTD ratio, its lending in the AA, the geographic distribution of its lending, and its lending to borrowers of differing incomes and businesses of varying sizes. Our review focused on the bank's primary product, which is commercial real estate (CRE) loans. We reviewed loans originated from April 1, 2010 through June 30, 2013. In addition, our review also focused on residential real estate for Home Mortgage Disclosure Act (HMDA) reportable years; 2010, 2011, and 2012. A data integrity review of the HMDA Loan Application Register (LAR) data HMDA was conducted during this examination to confirm the reliability of this information. We focused our review on these primary loan products because they represent over 80% of the total loan portfolio as of June 30, 2013.

In evaluating the bank's LTD ratio, we compared FNBB to three similarly situated banks using historical balance sheet information. To determine the lending performance inside and outside the AA, we randomly sampled 20 loans, for each primary product line that originated during the prior two calendar years and the first quarter of the current year. To determine FNBB's performance in lending to borrowers of differing incomes, sizes, and geographies, we expanded the initial sample to obtain a minimum of 20 loans originated within each AA for each primary loan product.

As of the 2010 Census, the U.S. Census Bureau revised its approach to collecting most of the population and demographic data used in the CRA Performance Evaluation (PE) process. Data collection requirements and CRA PEs were impacted by the 2010 Census data changes beginning January 1, 2012. The data changes required a separate analysis for each year of CRA activity evaluated between 2011 through 2013. Therefore, for this CRA examination, we analyzed and evaluated loan data against the applicable demographic for the years subject to our review. Since we tested the two prior years and the first two quarters of the current year, these data changes required the use of two sets of tables - a table reflecting 2000 Census data demographics for the loans originated in 2011 and a table reflecting 2010 Census data demographics for loans originated in 2012 and the first two quarters of 2013. Please see Table 1 below for specific information on the expanded sample.

Table 1 SAMPLING INFORMATION		
<i>Loan Type</i>	<i>2011</i>	<i>2012 and 2013</i>
Commercial	28	28
<b>Total Sample</b>	<b>28</b>	<b>28</b>

We also performed a CD Test, reviewing community development loans, services, and investments since the last CRA examination of May 17, 2010, through June 30, 2013. The CD test evaluates the bank's responsiveness to the CD needs in its AA based on the information above.

## Description of Institution

FNBB is a community bank headquartered in Bastrop, Texas. Bastrop County is located in central Texas and is approximately 30 miles east of Austin and 125 miles west of Houston. At June 30, 2013, FNBB had total assets of \$381 million and Tier 1 leverage capital of 10.89%. FNBB is wholly owned by Bastrop Bancshares. FNBB has six full service banking offices, including the main office. The bank also has eleven automated teller machines (ATMs) located in the AA. No branches have opened or closed since the last CRA examination. There have been no significant changes to FNBB's corporate structure, including merger or acquisition activities, since our last CRA examination.

The bank offers a full range of deposit and loan product and services. FNBB's loan portfolio is comprised primarily of residential and commercial loans. As of June 30, 2013, loans represent 54% of total assets. Deposit products and services include a no-cost basic checking account.

All ATMs offer 24-hour self-service, and the Tele-Bank system gives customers around the clock access to most banking functions. The bank’s website also provides another option for customers to access account information.

As of June 30, 2013, FNBB reported net loans of \$204 million. The loan portfolio composition is as follows:

Table 2 LOAN PORTFOLIO COMPOSITION		
Loan Category	\$000s	%
Residential Real Estate Loans	88,091	42.3%
Commercial Loans	9,817	4.7%
Commercial Real Estate Loans	75,073	36.1%
Construction & Land Development Loans	20,302	9.7%
Agricultural Loans	2,882	1.3%
Consumer Loans	11,452	5.5%
Other Loans	374	0.4%
<b>Total</b>	<b>207,991</b>	<b>100%</b>

Source: Institution Consolidated Reports of Condition as of June 30, 2013

In September 2011, Bastrop County suffered the most destructive wildfire in Texas history. Two people were killed by the fire, which destroyed 1,691 homes and inflicted an estimated \$325 million of insured property damage. Many of those impacted by the wildfire included several FNBB employees and customers. During this difficult time, FNBB worked together with other non-profit agencies to help employees and customers re-build and recover from this tragedy.

**Description of Assessment Area(s)**

FNBB’s AA includes all of Bastrop County, which is part of the Austin metropolitan statistical area (MSA). Bastrop County consists of ten census tracts (CTs). These CTs include five moderate- and five middle-income areas. There are no low-income CTs within the AA. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. Principal communities located in the AA include the cities of Bastrop, Elgin, Cedar Creek, and Smithville.

Please see Table 3 on the following page for specific demographic data of this area for loans originated in 2011 and Table 4 for specific demographic data of this area for loans originated in 2012 and 2013.

Table 3 <b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS BASTROP COUNTY ASSESSMENT AREA 2000 CENSUS</b>	
<b>Population</b>	
Number of Persons	57,733
Number of Families	14,829
Number of Households	20,067
<b>Geographies</b>	
Number of Census Tracts	8
% Low-Income Census Tracts	0%
% Moderate-Income Census Tracts	25.00%
% Middle-Income Census Tracts	75.00%
% Upper-Income Census Tracts	0%
<b>Median Family Income (MFI)</b>	
2000 MFI for AA	\$59,498
2010 HUD-Adjusted MFI	\$75,900
<b>Economic Indicators</b>	
Unemployment Rate	2.50%
Weighted Average of Median Housing Value	\$87,440
% of Owner-occupied Properties	72.55%
% of Households Below Poverty Level	11.30%

Source: 2000 US Census Data

Table 4 <b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS BASTROP COUNTY ASSESSMENT AREA 2010 CENSUS</b>	
<b>Population</b>	
Number of Persons	74,171
Number of Families	18,815
Number of Households	25,214
<b>Geographies</b>	
Number of Census Tracts	10
% Low-Income Census Tracts	0%
% Moderate-Income Census Tracts	50.00%
% Middle-Income Census Tracts	50.00%
% Upper-Income Census Tracts	0%
<b>Median Family Income (MFI)</b>	
2010 MFI for AA	\$71,602
2010 HUD-Adjusted MFI	\$75,900
<b>Economic Indicators</b>	
Unemployment Rate	4.06%
Weighted Avg. of Median Housing Value	\$121,082
% of Owner-occupied Properties	72.55%
% of Households Below Poverty Level	12.58%

Source: 2010 US Census Data

Based on its financial condition, resources, the local economy, product offerings, and competition, FNBB has the ability to meet the various credit needs in its community. No legal impediments or other factors hinder the bank’s ability to provide credit in the AA. FNBB received a “Satisfactory” rating at the previous CRA examination conducted in May 2010.

In order to gather more information on the nature of the community and potential lending opportunities in the AA, a community contact was performed in conjunction with this performance evaluation. The contact was a senior official of a non-profit organization that provides several services to LMI individuals and families in Bastrop County. The community contact identified the credit needs of the community as financial education and first-time home buyer assistance programs. The contact stated that the banks in the local area have done a good job in partnering with non-profit organizations and providing financial literacy programs to LMI individuals.

**Conclusions with Respect to Performance Tests**

**LENDING TEST**

FNBB’s performance under the Lending Test is rated “Satisfactory.”

**Loan-to-Deposit Ratio**

FNBB’s LTD ratio meets the standard for satisfactory performance given its asset size, financial condition, and lending opportunities within its AA. The average LTD ratio over the 12 quarters since the last examination is 61%. This ratio has declined from the prior CRA examination’s average ratio of 66%. The LTD ratio is reasonable when compared to other similarly situated banks located in the AA. LTD ratios for these banks averaged at 47%.

**Lending in Assessment Area**

FNB originates a majority of loans within its AA. In 2011, FNBB made 81% of the number and 76% of the dollar amount of loans within its AA. These figures are supported through analysis of aggregate HMDA data during the assessment period as well as a random sample of 28 CRE loans originated in 2011. Please see Table 5 below for details.

Table 5 LENDING IN ASSESSMENT AREA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	135	83.33	27	16.67	162	\$14,795	80.55	\$3,573	19.45	\$18,368
Home Improvement	133	88.08	18	11.92	151	\$4,598	89.07	\$564	10.93	\$5,162
Refinance	96	91.43	9	8.57	105	\$9,401	87.93	\$1,290	12.07	\$10,691
Commercial Real Estate	12	60.00	8	40.00	20	\$6,628	46.55	\$7,609	53.44	\$14,237
<b>Totals</b>	<b>376</b>	<b>80.71</b>	<b>62</b>	<b>19.29</b>	<b>438</b>	<b>\$35,422</b>	<b>76.09</b>	<b>\$13,036</b>	<b>26.90</b>	<b>\$48,458</b>

Source: Data reported under HMDA.2000 data, 2011 loan sample

In 2012 and the first half of 2013, FNBB made 78% of the number and 60% of the dollar amount of the loans sampled to borrowers located within the AA. These figures are supported through analysis of aggregate HMDA data during the assessment period as well as a random sample of 28 CRE loans originated in 2011. Please see Table 6 below for details.

Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	91	73.98	32	26.02	123	\$10,956	72.47	\$4,161	27.53	\$15,117
Home Improvement	62	84.93	11	15.07	73	\$1,596	87.64	\$225	12.36	\$1,821
Refinance	47	85.45	8	14.55	55	\$4,731	81.96	\$1,041	18.04	\$5,772
Commercial Real Estate	12	60.00	8	40.00	20	\$5,487	35.35	\$10,033	64.65	\$15,520
<b>Totals</b>	<b>212</b>	<b>78.23</b>	<b>59</b>	<b>21.77</b>	<b>271</b>	<b>\$22,770</b>	<b>59.56</b>	<b>\$15,460</b>	<b>40.44</b>	<b>\$38,230</b>

Source: Data reported under HMDA. 2010 Data, 2012 and 2013 loan sample

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

FNBB’s loan portfolio reflects a reasonable distribution among individuals of various incomes levels and businesses of different sizes within the AA. Based on our review of aggregate HMDA data, the bank’s level of residential real estate lending to moderate-income families meets the standard for reasonable performance. The level of lending to low-income families is below area demographics. The lower level of lending to low-income families is attributed to the relatively low supply of affordable housing coupled with the bank’s requirement of 15% down payments for residential real estate loans. Several competitors in the area offer 100% financing. However, FNBB works with the Bastrop Housing Authority to help provide low-income housing to area LMI residents.

Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of # of Loans	% of AA Families	% of # of Loans	% of AA Families	% of # of Loans	% of AA Families	% of # of Loans
Home Purchase	24.74	8.15	22.56	18.52	26.14	25.93	26.56	42.96
Home Improvement	24.74	21.80	22.56	28.57	26.14	27.07	26.56	18.05
Refinance	24.74	14.58	22.56	22.92	26.14	28.13	26.56	27.08
<b>Total</b>	<b>24.74</b>	<b>14.84</b>	<b>22.56</b>	<b>23.35</b>	<b>26.14</b>	<b>26.92</b>	<b>26.56</b>	<b>29.67</b>

Source: Data reported under HMDA; 2000 U.S. Census data.

As shown on Table 7 above, according to the 2000 US Census data, about 25% of the AA families are low-income and 23% are moderate-income. Comparatively, in 2011, the bank originated 14% of its residential real estate loans to low-income borrowers and 23% to moderate-income borrowers. This data reveals reasonable penetration to LMI families.

Table 8  
**BORROWER DISTRIBUTION OF RESIDENTIAL REAL ESTATE LOANS IN ASSESSMENT AREA**

Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of # of Loans	% of AA Families	% of # of Loans	% of AA Families	% of # of Loans	% of AA Families	% of # of Loans
Home Purchase	24.82	12.09	22.71	20.88	22.74	19.78	29.73	40.66
Home Improvement	24.82	33.87	22.71	20.97	22.74	19.35	29.73	16.13
Refinance	24.82	19.15	22.71	25.53	22.74	23.40	29.73	27.66
<b>Total</b>	<b>24.82</b>	<b>20.50</b>	<b>22.71</b>	<b>22.00</b>	<b>22.74</b>	<b>20.50</b>	<b>29.73</b>	<b>30.00</b>

Source: Data reported under HMDA; 2010 U.S. Census data.

As shown on Table 8 above, according to the 2010 US Census data, 25% of the AA families are low-income and 23% are moderate-income. Comparatively, in 2012 and the first half of 2013, FNBB originated 20% of its residential real estate loans to low-income borrowers and 22% to moderate-income borrowers. This data reveals reasonable penetration to LMI families.

### Business Loans

FNBB’s distribution of loans to small businesses (annual gross revenues of less than \$1 million) is in line with AA demographics. We reviewed 28 CRE loans to determine the lending distribution among business of different sizes for 2011, 2012 and 2013. We considered the results of the sample with comparison to both 2000 and 2010 Census data in arriving at this conclusion. According to 2000 U.S. Census information, 71% of businesses in the AA have revenues of less than \$1 million. In 2011, 89% of the business loans FNBB originated in its AA had revenues below \$1 million. As a dollar amount, the percentage of loans is lower at 63%; however, this is reasonable as larger businesses inherently qualify for and require larger loan amounts. According to 2010 U.S. Census information, 76% of businesses in the AA have revenues of less than \$1 million. In 2012 and 2013, 75% of business loans FNBB originated in its AA had revenues below \$1 million. As a dollar amount, the percentage of loans is lower at 33%; however, this is reasonable as larger businesses inherently qualify for and require larger amounts. Please see Table 9 and Table 10 for the distribution of business loans among different-sized businesses in the AA.

Table 9  
**BORROWER DISTRIBUTION OF LOANS TO BUSINESSES IN ASSESSMENT AREA**

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	71.46%	0.98%	27.56%	100%
% of Bank Loans in AA by #	89.29%	10.71%	—	100%
% of Bank Loans in AA by \$	63.00%	37.00%	—	100%

Source: 2011 Loan sample; Dunn and Bradstreet data.

Table 10 BORROWER DISTRIBUTION OF LOANS TO BUSINESSES IN ASSESSMENT AREA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	75.95%	1.34%	22.71%	100%
% of Bank Loans in AA by #	75.00%	25.00%	—	100%
% of Bank Loans in AA by \$	33.34%	66.66%	—	100%

Source: 2012 and 2013 Loan sample; Dunn and Bradstreet data.

**Geographic Distribution of Loans**

The geographic distribution of loans reflects a reasonable dispersion of loans throughout the AA when compared to area demographics. We based on our analysis on FNBB’s residential and CRE loans which comprise 80% of total loans as of June 30, 2013. We considered the results of the sample with comparison to both 2000 and 2010 Census data in arriving at this conclusion.

Table 11 shows that the geographic distribution of residential loans located in moderate-income CTs exceeds demographics based on 2000 Census data. Table 12 shows that the geographic distribution of CRE loans located in moderate-income CTs reasonably compares to the AA demographics based on 2000 Census data.

Table 13 and Table 14 reflect 2010 Census data and show that the geographic distribution of loans in moderate-income CTs reasonably compare to AA demographics.

Table 11 GEOGRAPHIC DISTRIBUTION OF RESIDENTIAL REAL ESTATE LOANS IN ASSESSMENT AREA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.00	0.00	15.82	28.15	84.18	71.85	0.00	0.00
Home Improvement	0.00	0.00	15.82	29.32	84.18	70.68	0.00	0.00
Refinance	0.00	0.00	15.82	25.00	84.18	75.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>15.82</b>	<b>27.75</b>	<b>84.18</b>	<b>72.25</b>	<b>0.00</b>	<b>0.00</b>

Source: Data reported under HMDA; 2000 U.S. Census data.

Table 12 GEOGRAPHIC DISTRIBUTION OF LOANS TO BUSINESSES IN ASSESSMENT AREA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/Farms	% of # of Loans	% of AA Businesses/Farms	% of # of Loans	% of AA Businesses/Farms	% of # of Loans	% of AA Businesses/Farms	% of # of Loans
Businesses	0.00	0.00	14.08	17.86	85.92	75.00	0.00	7.14

Source: 2011 Loan sample; Dunn and Bradstreet data, 2000 US Census Data

Table 13 GEOGRAPHIC DISTRIBUTION OF RESIDENTIAL REAL ESTATE LOANS IN ASSESSMENT AREA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.00	0.00	39.97	27.47	60.03	72.53	0.00	0.00
Home Improvement	0.00	0.00	39.97	32.26	60.03	67.74	0.00	0.00
Refinance	0.00	0.00	39.97	21.28	60.03	78.72	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>39.97</b>	<b>27.50</b>	<b>60.03</b>	<b>72.50</b>	<b>0.00</b>	<b>0.00</b>

Source: Data reported under HMDA; 2010 U.S. Census data.

Table 14 GEOGRAPHIC DISTRIBUTION OF LOANS TO BUSINESSES IN ASSESSMENT AREA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/Farms	% of # of Loans	% of AA Businesses/Farms	% of # of Loans	% of AA Businesses/Farms	% of # of Loans	% of AA Businesses/Farms	% of # of Loans
Businesses	0.00	3.57	32.42	21.43	67.58	67.86	0.00	7.14

Source: 2012 and 2013 Loan sample; Dunn and Bradstreet data. 2010 US Census data

### Responses to Complaints

FNBB has received no complaints relating to the bank’s performance under CRA.

### COMMUNITY DEVELOPMENT TEST

FNBB’s performance under the Community Development (CD) Test is rated “Outstanding.” The bank demonstrated excellent responsiveness to the needs of its AA - Bastrop County. The bank has originated over \$14 million in loans and made qualified investments in the form of donations over \$40 thousand to business and organization that benefit LMI families and individuals. CD loans and qualified investments total 8.63% of Tier 1 capital. CD services performed by the bank exceed the standards for satisfactory CRA performance. Participation in down payment assistance programs and financial literacy education initiatives benefit LMI persons within the AA.

### Number and Amount of Community Development Loans

Qualified CD loans are those that meet the definition of CD as defined in the CRA regulation and do not include loans given consideration under the Lending Test.

### Performance in the Bastrop County Assessment Area

FNBB originated \$14 million in CD loans since the last CRA examinations in May 2010. Loans made during the period detailed below were to non-profit organizations, small business with the purpose of rebuilding after the fire and creating LMI jobs within the AA.

- \$44,000 to the Bastrop County Emergency Food Pantry, a non-profit organization who directly assists LMI persons.
- \$2,223,000 to Linda’s V, Inc., working with the Small Business Administration (SBA), created jobs for LMI persons.
- \$2,859,400 to Mann Ganga LLC – Texas Ltd., working with the SBA, created jobs for LMI persons.
- \$1,540,481 to GRW holdings, LLC, working with the SBA, created jobs for LMI persons.
- \$7,425,600 to Bob Bharat & Son Ltd., working with the SBA, retained 23 LMI employees and created 2 new jobs.

**Number and Amount of Qualified Investments**

Investments, deposits, memberships shares, or grants that have CD as their primary purpose are defined as “qualified investments” in the CRA regulation. These also include investments that support community services that target LMI families and individuals.

***Performance in the Bastrop County Assessment Area***

FNBB has contributed to the community through numerous donations totaling \$40,457. The bank makes ongoing contributions to organizations such as the Bastrop County Emergency Food Pantry, Boys and Girls Clubs, Court Appointed Special Advocates (CASA), Meals on Wheels, Smithville Community Clinic, Family Crisis Center, The Children’s Advocacy Center and Smithville Empty Bowl Project. The bank also supports Blue Santa and Pink Santa. These organizations work to service LMI families and individuals and to rehabilitate/stabilize the community after the 2011 wildfire.

**Extent to Which the Bank Provides Community Development Services**

Qualified CD services must meet the definition of “community development” in the CRA regulation and must be related to providing financial services to qualified individuals and organizations.

***Performance in the Bastrop County Assessment Area***

FNBB works with the FHLB Homebuyer Equity Leverage Program (HELP) to assist LMI first-time home buyers. The program matches funds for down payment and closing costs. The bank also works with the Bastrop Housing Authority to provide down payment assistant grants for LMI individuals. Home buyer and home maintenance counseling programs are offered online by the bank for customer use. The bank offers LMI individuals low-cost checking accounts and free government check cashing.

The bank participates in the Save for America Program, which is offered to all local elementary schools with the intent to encourage children to save. Information is provided at events such as career day, student bank tours, and presentations given to various grade levels. Educational Bank Books are also handed out at these student events.

After the devastating September 2011 wildfire where many local residents lost their homes, Bastrop County was designated a disaster area. FNBB originated 43 new loans totaling \$4,488,564 to assist fire victims recover and rebuild their homes. In addition, the mortgage department closed 22 mortgage loans totaling \$3,054,385 for fire victims to help them get into another home. Employees were also offered 4 days off with pay to assist anyone that needed help during these times. To assist customers that were affected by the devastation, FNBB offered several services free of charge. The services included free temporary checks, ATM/debit cards replacement, drilled safe deposit boxes, and cashier checks. FNBB waived early withdraw penalties on CDs. FNBB also offered participation in a loan program to viable businesses affected by the wildfire to access low interest financing until insurance proceeds were received. FNBB also extended payment terms or restructured existing loan terms for affected customers upon request with at least 10 loan customers participating.

### **Responsiveness to Community Development Needs**

The bank demonstrates a strong responsiveness to the CD needs of its AA. While investment opportunities are limited, the bank continues to invest in non-profit organizations that provide services for LMI individuals and families. The bank is responsive to the needs of non-profit organizations in the community that directly assist LMI families and individuals. In addition, the bank has been active in sponsoring financial literacy programs.

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

FNBB has not been subjected to a Fair Lending review. However, based on our review of complaint records and consumer files during this evaluation period, we found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.