

PUBLIC DISCLOSURE

July 13, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Fidelity Homestead Savings Bank
Certificate Number: 28316**

**321 St. Charles Avenue
New Orleans, Louisiana 70130**

**Federal Deposit Insurance Corporation
Division of Supervision and Consumer Protection
Dallas Region – Memphis Area Office
5100 Poplar Avenue, Suite 1900
Memphis, Tennessee 38137**

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.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Fidelity Homestead Savings Bank, New Orleans, Louisiana** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **July 13, 2009**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Fidelity Homestead Savings Bank received a Satisfactory rating based on Small Bank Evaluation Procedures at its previous Office of Thrift Supervision evaluation dated December 1, 2004. For this evaluation, examiners reviewed those tests and performance factors applicable to Intermediate Small Bank Evaluation Procedures.

The FDIC evaluates Intermediate Small Banks under the Lending and Community Development Tests. Examiners weigh both tests equally when arriving at the overall rating. Individual ratings for the Lending and Community Development Tests are summarized below and detailed elsewhere in this document.

Lending Test

Fidelity Homestead Savings Bank demonstrated a satisfactory record regarding the Lending Test. Once the bank performed at least adequately regarding its loan-to-deposit ratio and its lending inside the assessment areas, examiners focused on the loan dispersion based on the borrowers' profiles and the loans' geographic distribution when arriving at the rating.

Examiners only reviewed the bank's records regarding residential real estate lending, including multi-family when arriving at conclusions. The bank exhibited the following record regarding the performance criteria used to evaluate this test:

- The average quarterly net loan-to-deposit ratio, 78 percent, is reasonable given the institution's size, financial condition, and the assessment areas' credit needs.
- A majority of loans were originated within the bank's assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, satisfactory penetration among individuals of different income levels.
- The geographic distribution of loans shows reasonable dispersion throughout the assessment areas.

Community Development Investments

Activity Year	Qualifying Category								Totals	
	Affordable Housing		Community Development Organizations		Economic Development		Revitalize or Stabilize LMI* Geographies			
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
2005	0	0	0	0	0	0	0	0	0	0
2006	1	30	0	0	0	0	0	0	1	30
2007	13	66	0	0	0	0	0	0	13	66
2008	1	1,800	0	0	0	0	0	0	1	1,800
2009	1	4	0	0	0	0	0	0	1	4
Total	16	1,900	0	0	0	0	0	0	16	1,900

Source: Bank Records. * Low- or Moderate-Income, Disaster, Distressed, or Underserved

Fidelity Homestead Savings Bank has established a reasonable responsiveness to the community development needs by dollar volume of qualified investments reviewed. The bank purchased all of its qualified investments in its assessment areas. Currently, the bank has one bond and fifteen grants for investments totaling \$1,900,080 or .22 percent of average assets and .23 percent of total assets. The qualified investments are listed below:

- In March 2009, Fidelity Homestead Savings Bank made an investment of \$1,800,000 to the series L Preferred Stock of the Senior Housing Crime Prevention Foundation. This non-profit organization provides a crime reporting program in nursing homes to protect residents. The program gives cash rewards to people who call the 24-hour hotline with tips regarding crimes in any nursing facility. The nursing home residents include low- to moderate-income individuals who directly benefit from the funds of this investment. The bank's investment sponsors approximately 110 beds in Metairie (Jefferson Parish) and 89 beds in Gretna (Jefferson Parish) both of which promotes affordable housing and is located in designated disaster areas.
- Since 2007, the bank has made investments of \$66,080 in 13 Homebuyer Equity Leverage Partnership grants. The HELP program sponsored by the Federal Home Loan Bank of Dallas provides grants for down payments and closing costs for eligible first-time homebuyers. Households must have an income of 80 percent or less of the median family income for the area. This program promotes affordable home ownership to low- and moderate- income families and is available to all customers within the bank's assessment areas.
- In 2006, the bank made an investment of \$30,000 by using the Affordable Housing Program grant. The investment benefited an Orleans parish resident. This program, is sponsored by the Federal Home Loan Bank of Dallas, was designed to help institutions develop affordable housing assistance for very low- to moderate-income families and individuals. This program promotes affordable home ownership within a federally-declared disaster area.
- In July 2009, the bank made an investment of \$4,000 toward the Partnership Grant Program. Fidelity Homestead Savings Bank partnered with the Federal Home Loan Bank of Dallas to provide these funds to the Community Development Capital, a non-profit financial intermediary. The mission of this organization is to increase the number of decent affordable housing units for low- and moderate-income residents in the New Orleans area.