

# **PUBLIC DISCLOSURE**

**September 29, 2008**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**First American Bank and Trust  
Certificate Number: 8149**

**2785 Louisiana Highway 20 West  
Vacherie, Louisiana 70090**

**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.**

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory .**  
**The Lending Test is rated: Satisfactory .**  
**The Community Development Test is rated: Outstanding .**

The FDIC evaluates Intermediate Small Banks (ISB) under the Lending Test and the Community Development Test. Regulators weigh both tests equally when arriving at the overall rating. Individual ratings for the Lending Test and the Community Development Test are summarized below.

### **Lending Test**

- First American Bank and Trust's (FABT)'s level of lending is reasonable given its size, locations, and the credit needs of the bank's Assessment Areas (AA's). The bank's average net loan-to-deposit (LTD) ratio since the last Performance Evaluation is 65.55 percent, which is satisfactory considering the context of the bank's lending.
- The bank's lending inside the AA's is considered reasonable. FABT originated a high percentage of its small business and home mortgage loans (by number and amount) inside its AA's, which is satisfactory.
- Overall, the bank's geographic distribution of loans reflects an adequate dispersion in its AA(s). The geographic distribution of the bank's small business and home mortgage lending is considered good in the New Orleans, LA AA; excellent in the Ascension, LA AA; and marginally adequate in the Lafourche LA, and LA Non-MSA AA's.
- In general, the borrower characteristics of the bank's lending is considered reasonable in its AA's, with overall adequate lending to businesses of all sizes, including small businesses, and good distribution of home mortgage lending among borrowers of different sizes including low- and moderate-income (LMI) borrowers.

### **Community Development Test**

The community development test evaluates the bank's responsiveness to the community development needs of its AA(s) through community development loans, qualified investments, and community development services as appropriate considering the bank's capacity and the need and availability of such opportunities in the respective AA(s).

- FABT originated 723 community development loans totaling \$325,141,000, which is considered excellent in relation to the bank's capacity and the need and availability of lending opportunities in each of its AA(s). This level of community development loans totals 51.38 percent of average total assets, 86.68 percent of average net loans, and 599.11 percent of average total equity.

### **Community Development Investments (Whole Bank)**

FABT has a total of \$9,285,600 in qualified investments (includes donations/grants), which is considered good in relation to the bank's capacity and the need and availability of qualified investments in its AA(s). This level of investments totals 1.47 percent of average total assets, 2.48 percent of average investments, and 17.11 percent of average total equity. Table 20 and 20a in Appendix B summarizes the bank's qualified investments and grants/donations by year and the type of community development activity.

The bank has 8 investments totaling \$7,751,000 in mortgage backed securities secured by loans in the State of Louisiana to low- and moderate-income borrowers or loans in low- and moderate-income areas. Also, the bank has a \$1,500,000 investment in the Senior Housing Crime Prevention Foundation Investment Corporation benefiting two nursing homes (housing LMI residents) in the New Orleans AA. Furthermore, the bank make grants and donations totaling \$34,600 for various affordable housing needs; revitalization and stabilization of low-, moderate-, and middle-income distressed and underserved areas; and donations to community development organizations that provide services to low- and moderate-income individuals and families. It was noted that the bank's community development investments which were of direct benefit to each of its assessment areas were relatively small (other than New Orleans); however, since the bank had investments that benefited the State as a whole, the bank's overall performance was good.

### **Community Development Services (Whole Bank)**

Overall, FABT is providing an adequate level of community development services, considering its quantity of resources in each area served. During the review period (2005-2008), the bank provided a total of 74 qualified community development services. For comparison, the bank has averaged approximately 19 community development services per year, and the bank has 24 bank officers serving its AA(s). Refer to Table 21 in Appendix B.

FABT operates 22 offices; 2 are located in moderate-income tracts (New Orleans MSA and Ascension MSA). Out of the remaining 20 offices, 13 are located in middle-income census tracts and 9 are located in upper-income tracts. The percentage of offices and ATM(s) serving low- and moderate-income areas is generally consistent with demographics of the area. Two offices have been opened, since the previous CRA evaluation; one office was opened in Gonzales (middle-income census tract) and one office in East Baton Rouge Parish (upper-income census tract). Both offices are located in the Ascension LA (MSA) AA. No offices have been closed. Table 22 in Appendix B summarizes the distribution of offices and ATM(s) in each AA.

### **RESPONSE TO COMPLAINTS (Whole Bank)**

The bank has not received any CRA-related consumer complaints since the last evaluation on March 7, 2005.

### **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW (Whole Bank)**

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet the credit needs of the community were identified during the examination.

### ***Borrower Characteristics of Small Business Loans***

The bank's small business lending in the New Orleans AA displays adequate performance in regard to its lending to businesses with gross annual revenues of \$1 million or less, and excellent performance relevant to very small businesses. Refer to Table 12 in Appendix B for supporting information.

According to the most recent D&B Data (2007), 92.5 percent of the businesses in the New Orleans AA have gross annual revenues of \$1 million or less. An analysis of the small business loan sample indicates that 75.7 percent of the bank's small business loans (by number) were originated to businesses in this category, which is considered adequate. The D&B data also indicates that 42.2 percent of the businesses in the area are categorized as very small (gross annual revenues less than \$100,000). The bank originated 46.0 percent of its small business loans to businesses in this category, which is considered excellent.

### **COMMUNITY DEVELOPMENT TEST**

FABT's performance under the community development test is outstanding in this AA. The bank's community development performance demonstrates excellent responsiveness to the community development needs of the area, particularly in regard to its substantial volume of community development loans, as well as, a good level of qualified investments and an excellent level of community development services, in relation to the institution's capacity and the need and availability of such opportunities for community development in the area.

#### **Community Development Lending (New Orleans, LA AA)**

FABT originated 168 community development loans totaling \$84,975,000 in this AA, which is considered excellent in relation to the bank's capacity and the need and availability of lending opportunities in the New Orleans AA. The bank originated 163 construction and land development loans in this AA totaling \$82,032,000, which are qualified community development loans to revitalize and stabilize a designated Federal Disaster Area. Furthermore, the bank originated 3 loans totaling \$2,307,000 that financed affordable housing projects, and 2 loans totaling \$636,000 to community development organizations that provide services to low- and moderate-income families and individuals. Refer to Table 19 in Appendix B.

#### **Community Development Investments (New Orleans, LA AA)**

FABT has a total of \$9,277,000 in investments (including donations/grants) that benefit this AA area either directly or indirectly, with this amount of investments considered good. These investments include 8 mortgage backed securities totaling \$7,751,000 secured by loans in a state-wide area. These loans were originated to low- and moderate-income borrowers or in low- and moderate-income areas; many in the New Orleans vicinity. Also, the bank has a \$1,500,000 investment in the Senior Housing Crime Prevention Foundation Investment Corporation benefiting two nursing homes (with LMI residents) in the New Orleans AA. Furthermore, the bank has made grants and donations totaling \$26,000, including \$2,000 in donations that directly