

PUBLIC DISCLOSURE

August 29, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Brand Banking Company
106 Crogan Street
Lawrenceville, Georgia 30046**

RSSD ID NUMBER: 701736

**FEDERAL RESERVE BANK OF ATLANTA
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309-4470**

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 the 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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INSTITUTION’S CRA RATING

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

The following table indicates the performance level of The Brand Banking Company with respect to the lending, investment, and service tests.

| PERFORMANCE LEVELS | <u>The Brand Banking Company</u> | | |
|---------------------------|----------------------------------|-----------------|--------------|
| | PERFORMANCE TESTS | | |
| | Lending Test* | Investment Test | Service Test |
| Outstanding | | | |
| High Satisfactory | | X | X |
| Low Satisfactory | X | | |
| Needs to Improve | | | |
| Substantial Noncompliance | | | |

**Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Major factors contributing to this rating include:

- A substantial majority of the bank’s loans were made inside the assessment areas;
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas;
- The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different sizes;
- The bank made a relatively high level of community development loans;
- The bank made use of flexible lending practices in serving assessment area credit needs, particularly for low- to moderate-income homebuyers;
- The bank had a significant level of qualified community development investments and grants, and exhibited adequate responsiveness to credit and community development needs;
- The bank’s branch network is reasonably accessible to essentially all portions of the bank’s assessment areas, given the bank’s business focus; and
- The bank provided a relatively high level of community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

The Brand Banking Company (Brand) is a wholly owned subsidiary of Brand Group Holdings, a one-bank holding company that was formed in June 2004. The companies are headquartered in Lawrenceville, Georgia. Brand operates eight branches, seven of which are in Gwinnett County and one is in Hall County. Of the eight offices, two are located in Lawrenceville, and one is located in each of the following cities: Snellville, Suwanee, Grayson, Flowery Branch, Buford, and Duluth. The Suwanee branch was opened since the previous Community Reinvestment Act (CRA) examination in May 2012. No branches have been closed during this time.

Brand Mortgage Group, LLC (BMG) is a bank-owned subsidiary that provides consumer real estate mortgages in Georgia and the surrounding Southeastern states. Mortgages originated or purchased by BMG during the review period are included in this performance evaluation.

Loan Portfolio

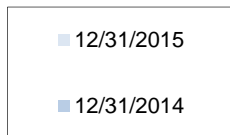
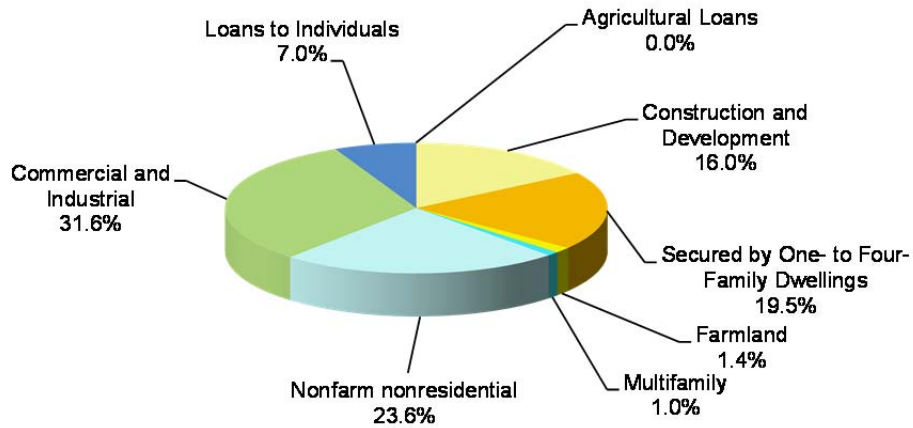
The following table and charts show the composition of the loan portfolio for 2014 and 2015 according to the Consolidated Reports of Condition and Income (Call Report).

| COMPOSITION OF LOAN PORTFOLIO | | | | |
|---|--------------------|----------------|--------------------|----------------|
| Loan Type | 12/31/2015 | | 12/31/2014 | |
| | \$ (000s) | Percent | \$ (000s) | Percent |
| Construction and Development | 297,198 | 16.0% | 274,905 | 16.7% |
| Secured by One- to Four- Family Dwellings | 363,011 | 19.5% | 348,945 | 21.2% |
| Other Real Estate: Farmland | 25,936 | 1.4% | 25,919 | 1.6% |
| Multifamily | 18,931 | 1.0% | 11,399 | 0.7% |
| Nonfarm nonresidential | 439,746 | 23.6% | 380,030 | 23.1% |
| Commercial and Industrial | 588,068 | 31.6% | 467,420 | 28.4% |
| Loans to Individuals | 129,914 | 7.0% | 135,177 | 8.2% |
| Agricultural Loans | 0 | 0.0% | 0 | 0.0% |
| <i>Total</i> | <i>\$1,862,804</i> | <i>100.00%</i> | <i>\$1,643,795</i> | <i>100.00%</i> |

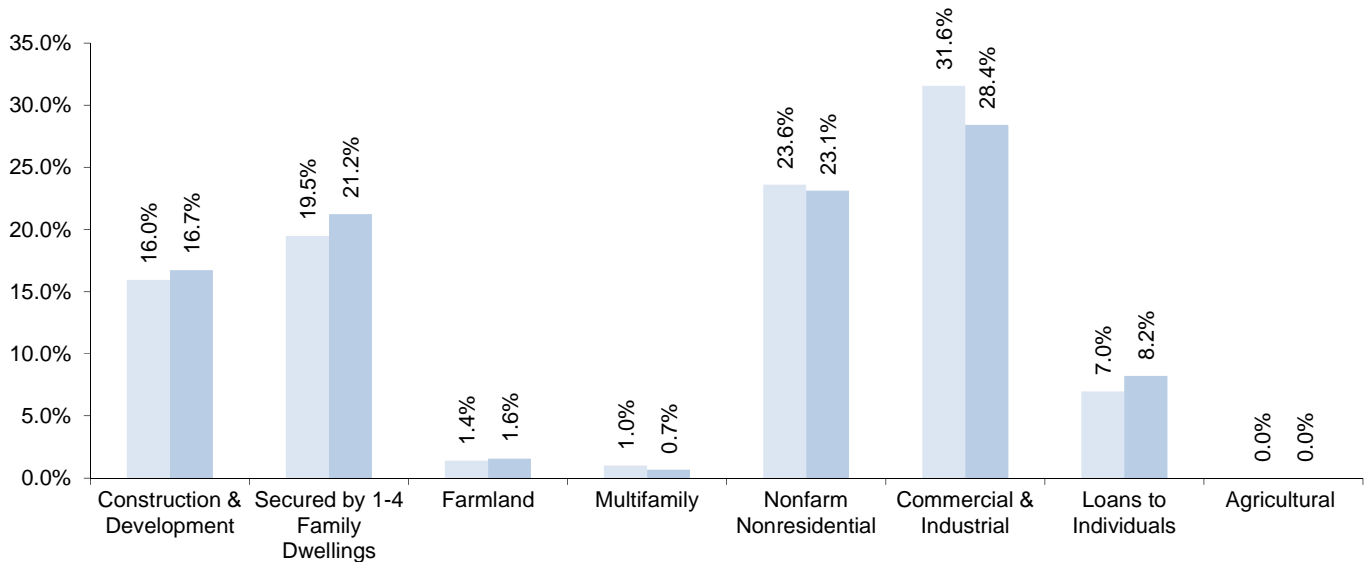
* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

The bank remains primarily focused on small business and commercial lending. As of December 31, 2015, commercial and industrial loans make up the largest percentage of the loan portfolio at 31.6 percent, followed by nonfarm nonresidential property (commercial real estate) at 23.6 percent, and loans secured by one- to four-family dwellings at 19.5 percent. Total loans increased by approximately 13.3 percent over the period shown, but the loan mix has not changed substantially. The most significant growth by dollar amount in the loan portfolio occurred in commercial and industrial loans, which increased by 25.8 percent from December 31, 2014 to December 31, 2015, with the level of commercial real estate loans remaining stable. The proportion of loans secured by residential real estate decreased to a lesser degree.

Loan Portfolio as of 12/31/15



Loan Portfolio Trend



Credit Products

The bank offers the following types of credit products: consumer loans (including auto loans, home improvement loans, home equity loans, home equity lines of credit, and personal lines of credit), real estate mortgages (including conventional fixed-rate mortgages, first-time home buyer loans, Federal Housing Administration (FHA) mortgage loans, and mortgages for multifamily dwellings), and commercial and industrial loans (including working capital lines of credit, equipment loans, SBA loans, business lines of credit, revolving lines of credit, and USDA loans).

Assessment Areas

For purposes of the CRA, Brand has defined two assessment areas, which are listed below:

- Atlanta assessment area, which is comprised of Barrow, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Paulding, Rockdale, and Walton counties, which are part of the Atlanta-Sandy Springs-Roswell MSA¹.
- Gainesville assessment area, which is comprised of Hall County, and is the entire Gainesville MSA.

Brand complies with the requirements of the CRA. No known legal impediments exist that would restrict the bank from meeting the credit needs of its assessment areas. A substantive violation of Section 5(a) of the Federal Trade Commission Act involving deceptive credit practices was found during the previous evaluation conducted by the Federal Reserve Bank of Atlanta dated May 14, 2012, under the large bank examination procedures. The bank discontinued the practice and strengthened its compliance risk management practices. The violation caused Brand's CRA rating to be lowered from "Satisfactory" to "Needs to Improve."

SCOPE OF EXAMINATION

The CRA performance evaluation assesses the bank's record of meeting the credit needs of its community, including low- and moderate-income neighborhoods, within the context of information such as asset size and financial condition of the institution, competitive factors, and the economic and demographic characteristics of its defined assessment area. Brand's CRA performance evaluation was based on CRA activities within its assessment area using the Large Institution Examination Procedures. "Large institutions" have total assets of at least \$1.216 billion as of December 31 of both of the prior two years. Institutions meeting the threshold size are evaluated using three separately rated tests: a lending test; a community investments test, and a community services test in light of the community needs within its assessment areas and the capacity of the bank.

A full scope review was conducted of the Atlanta assessment area. The Gainesville assessment area was reviewed using limited scope procedures. The overall institution rating was evaluated on the bank's performance in the Atlanta assessment area. The Atlanta assessment area represents the largest number of bank branches, has the highest lending volume, and is where all of the bank's community development activities occurred.

The evaluation included an analysis of HMDA-reportable and small business loans originated from January 1, 2014 through December 31, 2015. Given the bank's asset size and offices located in a metropolitan statistical area (MSA), it submits annual reports about its residential real estate loan originations and applications pursuant to the Home Mortgage Disclosure Act (HMDA). These loans are referred to as "HMDA" loans in this evaluation. The loan categories are home purchase, home refinance, home improvement, and multifamily loans. Loans originated by Brand and BMG were considered for this evaluation. A small business loan is defined as a business loan with an original amount of \$1 million or less, and typically is either secured

¹ Effective January 1, 2014, the name of the Atlanta MSA changed from 'Atlanta-Sandy Springs-Marietta' to 'Atlanta-Sandy Springs-Roswell'.

by nonfarm or nonresidential real estate or classified as a commercial loan. Due to higher loan volume, HMDA lending was weighted more heavily than small business lending in the overall analysis of Brand's lending performance. Community development loans originated from January 1, 2013 through December 31, 2015 were also evaluated.

For the investments and services tests, the evaluation covered qualified community development investments and services from January 1, 2013 through December 31, 2015. The CRA defines a community development activity as having a primary purpose of providing any of the following: affordable housing or community services for low- or moderate-income persons, economic development through the financing of small businesses, revitalizing or stabilizing low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies that benefit the assessment area or a larger statewide or regional area that includes the assessment area.

As part of the CRA evaluation, contact was made with one local community development organization focusing on affordable and supportive housing. The contact is familiar with the economic and demographic characteristics, as well as community development opportunities, in the Atlanta assessment area. Information obtained from this contact was used to establish a context for the communities in which the bank operates and to gather information on the bank's performance. Specific information obtained from the community contact is included in the applicable section of the evaluation for the Atlanta assessment area. The contact did not identify any unmet credit needs.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of prohibited discrimination or the use of other illegal credit practices was noted during the examination. The bank is in compliance with the substantive provisions of antidiscrimination laws and regulations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overview

Brand's performance rating for the lending test is low satisfactory. Lending levels reflect adequate responsiveness to assessment area credit needs. The majority of the bank's loans are to borrowers and businesses located in the bank's assessment areas. The geographic distribution of loans reflects adequate penetration throughout the assessment areas given the bank's business strategy and branch locations. The distribution of borrowers reflects good penetration among customers of different income levels and businesses of different sizes. The bank makes a relatively high level of community development loans. The bank also exhibits good responsiveness to the credit needs of low-income individuals, geographies, and small businesses, particularly through its use of first-time homebuyer programs.

Lending Activity

Brand's lending levels reflect adequate responsiveness to assessment area credit needs given the bank's market share of deposits, competition, the economic environment, and other performance context factors in the assessment areas. Brand, including BMG, originated 5,056 HMDA loans totaling \$1.13 billion in its assessment areas during the review period. Of the total HMDA loans originated within the bank's assessment

areas, 4,541(87.6 percent) were home purchase loans, 577 (11.1 percent) were refinance loans, 64 (1.2 percent) were home improvement loans, and there was 1 (0.02 percent) multifamily housing loan. The bank also originated 456 small business loans in its assessment areas totaling \$93.6 million.

Assessment Area Concentration

Brand originated a majority of its loans to borrowers and businesses residing in or located within its assessment areas. The table below shows, by product type, the number, and percentage of loans reviewed that were located inside and outside the bank’s assessment areas. The table does not include any HMDA loans originated or purchased by BMG.

Lending Inside and Outside the Assessment Area

| Loan Types | Inside | | | | Outside | | | |
|---------------------------------|------------|-------------|------------------|-------------|------------|-------------|-----------------|-------------|
| | # | % | \$(000s) | % | # | % | \$(000s) | % |
| Home Improvement | 51 | 83.6 | \$4,072 | 75.3 | 10 | 16.4 | \$1,338 | 24.7 |
| Home Purchase - Conventional | 200 | 66.9 | \$73,689 | 73.6 | 99 | 33.1 | \$26,452 | 26.4 |
| Home Purchase - FHA | 0 | 0.0 | \$0 | 0.0 | 1 | 100.0 | \$407 | 100.0 |
| Multi-Family Housing | 1 | 100.0 | \$2,240 | 100.0 | 0 | 0.0 | \$0 | 0.0 |
| Refinancing | 36 | 67.9 | \$17,198 | 66.2 | 17 | 32.1 | \$8,784 | 33.8 |
| Total HMDA related | 288 | 69.4 | \$97,199 | 72.4 | 127 | 30.6 | \$36,981 | 27.6 |
| Small Business | 421 | 92.3 | \$83,589 | 89.3 | 35 | 7.7 | \$10,026 | 10.7 |
| Total Small Bus. related | 421 | 92.3 | \$83,589 | 89.3 | 35 | 7.7 | \$10,026 | 10.7 |
| TOTAL LOANS | 709 | 81.4 | \$180,788 | 79.4 | 162 | 18.6 | \$47,007 | 20.6 |

Note: Affiliate loans not included

As indicated in the table above, 81.4 percent of Brand’s total loans were originated inside its assessment areas; 69.4 percent of the HMDA-reportable loans and 92.3 percent of small business loans are to borrowers and businesses residing within the bank’s assessment areas. This is indicative of the bank’s willingness to originate loans that meet the credit needs of its assessment areas.

Distribution of Lending by Geography and by Borrower Income and Business Size

The geographic distribution of HMDA and small business loans reflects adequate penetration throughout the bank’s assessment areas, given the opportunity and competition in these markets. This conclusion was based primarily upon the bank’s performance in the Atlanta assessment area considering performance context information and in comparison to available demographic and aggregate lending data.

Given the product lines offered, the distribution of lending to borrowers reflects good penetration among customers of different income levels and to businesses of different sizes. As with the geographic distribution analysis, this conclusion was primarily based upon the bank’s performance in the Atlanta assessment area considering performance context information and in comparison to available demographic and aggregate lending data.

The analysis of HMDA and small business lending within the Atlanta assessment area is discussed in detail later in this report.

Responsiveness to the Credit Needs of Low- and Moderate-Income Individuals and to Small Businesses.

Based on the analysis of the geographic distribution of loans and the distribution of loans by borrower income and business revenue, the bank exhibits an adequate record of serving the credit needs of low- and moderate-income individuals and geographies and small businesses.

Community Development Lending

Brand made a relatively high level of community development loans during the review period. Since the previous exam, the bank originated 11 qualified community development loans totaling \$45,043,381. The bank made six qualified community development loans at the last examination, and this level of activity is a notable improvement. Community development lending was diverse, with loans made for economic development (7), revitalization and stabilization (2), community services (1), and affordable housing (1). Many of the economic development loans were SBA 504 loans that aided in the job creation or retention of jobs for low- and moderate-income individuals or assisted in providing services specifically to low- and moderate-income individuals. Two loans were for projects that aid in the revitalization and stabilization of a moderate-income geography. All of the community development loans were originated in the Atlanta assessment area.

Use of Innovative and Flexible Lending Practices

The bank makes use of various federal- and state-sponsored down payment assistance programs. Through the Federal Home Loan Bank, the bank offers an affordable housing program that assists with rental development, homebuyer financing and homeowner rehabilitation financing. The bank also offers FHA, VA and USDA loans, as well as a number of flexible lending practices to help meet the credit needs of first time homebuyers.

INVESTMENT TEST

Brand's performance rating for the investment test is high satisfactory. The bank made a significant level of qualified community development investments and grants, and is occasionally in a leadership position. Qualified investments during the review period totaled \$2 million, and consisted of a mortgage-backed security backed by loans to low- and moderate-income borrowers and an investment in a federally taxable, recovery zone economic development bond. Both of these investments benefit a broader regional area, and were acquired since the last examination. The bank has prior period investments totaling \$4.6 million in mortgage-backed securities.

Brand made a noteworthy amount of grants and contributions during this review period. The bank made 96 contributions totaling \$645,356, as compared to \$79,850 during the previous examination. The grants and contributions went to a number of different organizations in the Atlanta assessment area, and were primarily used to support community services and affordable housing initiatives. The level of grants and contributions represents a substantial increase from the previous review period. Brand's investments exhibit good responsiveness to credit and community development needs, and make significant use of community development initiatives.

SERVICE TEST

Brand's performance rating for the service test is high satisfactory. Branch locations and alternative delivery systems such as virtual teller machines, ATMs, drive-thru banking facilities, telephone, mobile, text, online banking, and extended banking hours make the bank's services reasonably accessible to the bank's geographies

and individuals of different income levels. Two branches are located in moderate-income tracts. The bank opened one branch during the review period in an upper-income tract. Banking services do not vary in such a way that inconveniences low- or moderate-income individuals or geographies in the bank's assessment areas.

Brand provides a relatively high level of community development services. Officers and employees have used their financial expertise to provide financial services that benefit residents in the assessment areas, in particular, low- and moderate-income individuals and small businesses. Community services, financial education, and affordable housing targeting low- and moderate-income individuals and geographies are top priorities for the bank. In addition, bank staff serves on boards, or as trustees, for a variety of community development organizations in their markets. In total, bank staff provided a notable 3,157 hours in qualified community development services during the review period, as compared to 644 hours during the previous review period.

METROPOLITAN AREA FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ATLANTA ASSESSMENT AREA

Overview

The Atlanta assessment area includes Barrow, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Paulding, Rockdale, and Walton counties, which are part of the 29-county Atlanta-Sandy Springs-Roswell, Georgia MSA. There are 7 branches located in the assessment area, including 2 in moderate-income census tracts, and 12 ATMs, of which 3 are stand-alone. This represents 87.5 percent of the bank’s total branches and 92.3 percent of the bank’s total ATMs. All of the branches in the Atlanta assessment area are in Gwinnett County. During the review period, the bank originated 93.9 percent of its total HMDA loans and 89.3 percent of its small business loans in this assessment area.

Population Information

The population of the bank’s assessment area was 4,706,037 as of the 2010 U.S. census, which represented 89.0 percent of the population of the MSA (5,286,728).² The 2014 population of the assessment area was estimated to be at 4,872,309. This figure represents a five-year population growth rate of 3.8 percent for the assessment area, which is slower than the population growth rate for the State of Georgia, at 4.3 percent. The largest population growth in the assessment area since 2010 occurred in Forsyth, Paulding and Henry counties. Between 2000 and 2014, Forsyth County’s population increased by 92.4 percent. Paulding County’s population increased by 78.2 percent along with Henry County’s population that increased by 75.2 percent during the same time period.³

Income Characteristics

For purposes of classifying borrower income, this evaluation uses the FFIEC estimated 2014 and 2015 median family income for the relevant area. The following table sets forth the estimated median family income for the Atlanta-Sandy Springs-Roswell MSA. The table also provides a range of the estimated annual family income for each income category (low, moderate, middle, and upper).

Borrower Income Levels Atlanta-Sandy Springs-Roswell, GA MSA

| FFIEC Estimated Median Family Income | | Low | | Moderate | | Middle | | Upper | |
|---|-----------------|-----|------------|----------|------------|----------|------------|----------|-----------|
| | | 0 | - 49.99% | 50% | - 79.99% | 80% | - 119.99% | 120% | - & above |
| 2014 | \$70,100 | 0 | - \$35,049 | \$35,050 | - \$56,079 | \$56,080 | - \$84,119 | \$84,120 | - & above |
| 2015 | \$70,700 | 0 | - \$35,349 | \$35,350 | - \$56,559 | \$56,560 | - \$84,839 | \$84,840 | - & above |

² U.S. Census Bureau. Accessed through PolicyMap. Accessed on September 13, 2016; available at <http://www.policymap.com>; “QuickFacts.” Accessed on September 13, 2016; available at <http://www.census.gov/quickfacts/table/PST045215/1304000.13>

³ U.S. Census Bureau. Accessed through PolicyMap. Accessed on September 13, 2016; available at <http://www.policymap.com>

The estimated median family income in the MSA increased slightly from 2014 to 2015. The median family income varies considerably among the counties in the assessment area. Forsyth County had the highest estimated median family income in 2014 at \$100,442, while the median family income was lowest in Clayton County at \$45,221. In 2014, 29.0 percent of families in Clayton County used food stamps, an indicator of financial distress, while only 5.3 percent of families in Forsyth County used food stamps.

According to 2015 FFIEC data, 1,131,405 families lived in the Atlanta assessment area. Of those families, 20.9 percent were low-income; 16.6 percent were moderate-income; 19.9 percent were middle-income; and 43.3 percent were upper income. Of the total families, 9.3 percent had incomes below the poverty level. The percentage of families living below the poverty level increased in most of the counties in the assessment area between 2010 and 2014.

Following a trend seen in many other metro areas in the United States, poverty grew faster in the suburban counties of the Atlanta assessment area compared to the city. Between 2000 and 2014, poverty in suburban counties like Cherokee, Douglas, Fayette and Gwinnett counties more than doubled, while poverty in Paulding County tripled at 366.5 percent more families living in poverty in 2014 than in 2000. This is contrasted with an 18.1 percent increase in families living in poverty in Fulton County during this same time period.⁴ Population growth, immigration, job loss, and the foreclosure crisis are all factors that have contributed to the rise of suburban poverty. Suburban poverty brings additional challenges such as limited access to transit, less nonprofit density, philanthropic support for suburban organizations is limited, and schools with disproportionately high low-income populations. Gwinnett County has above-average poverty rate increase, and faces a lack of capacity, extensive fragmentation, and inflexible or unreliable funding.⁵

Demographic Data by Census Tracts

The Atlanta assessment area contained 855 census tracts; FFIEC data from 2015 indicates that there were 88 (10.3 percent) low-income tracts; 189 (22.1 percent) moderate-income tracts; 286 (33.5 percent) middle-income tracts; and 287 (33.6 percent) upper-income tracts. The following table provides the demographic information for the Atlanta assessment area used to analyze the bank's CRA performance.

⁴ *Id.*

⁵ Brookings Institute. Confronting Suburban Poverty in America. "A view from Atlanta, Epicenter of Suburban Poverty in America," published October 8, 2013. Accessed on September 13, 2016; available at <http://confrontingsuburbanpoverty.org/2013/10/a-view-from-atlanta-epicenter-of-suburban-poverty-in-america/>

Assessment Area Demographics

Assessment Area : Atlanta

| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
|--|----------------------------------|---|--------------------------|-------------------------|--|-----------------------------|---------------------------|--------------|
| | # | % | # | % | # | % | # | % |
| Low-income | 88 | 10.3 | 63,393 | 5.6 | 20,335 | 32.1 | 236,820 | 20.9 |
| Moderate-income | 189 | 22.1 | 216,751 | 19.2 | 35,985 | 16.6 | 187,975 | 16.6 |
| Middle-income | 286 | 33.5 | 430,515 | 38.1 | 33,132 | 7.7 | 217,084 | 19.2 |
| Upper-income | 287 | 33.6 | 420,746 | 37.2 | 15,360 | 3.7 | 489,526 | 43.3 |
| Unknown-income | 5 | 0.6 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Assessment Area | 855 | 100.0 | 1,131,405 | 100.0 | 104,812 | 9.3 | 1,131,405 | 100.0 |
| | Housing Units by Tract | Housing Types by Tract | | | | | | |
| | | Owner-Occupied | | | Rental | | Vacant | |
| | | # | % | % | # | % | # | % |
| Low-income | 148,409 | 33,347 | 3.0 | 22.5 | 80,984 | 54.6 | 34,078 | 23.0 |
| Moderate-income | 423,199 | 174,404 | 15.5 | 41.2 | 180,249 | 42.6 | 68,546 | 16.2 |
| Middle-income | 681,742 | 447,235 | 39.6 | 65.6 | 165,080 | 24.2 | 69,427 | 10.2 |
| Upper-income | 647,697 | 473,600 | 42.0 | 73.1 | 120,836 | 18.7 | 53,261 | 8.2 |
| Unknown-income | 33 | 0 | 0.0 | 0.0 | 33 | 100.0 | 0 | 0.0 |
| Total Assessment Area | 1,901,080 | 1,128,586 | 100.0 | 59.4 | 547,182 | 28.8 | 225,312 | 11.9 |
| | Total Businesses by Tract | Businesses by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | | # | % | # | % | # | % | # |
| Low-income | 14,125 | 4.7 | 12,700 | 4.5 | 1,373 | 7.2 | 52 | 8.1 |
| Moderate-income | 57,431 | 18.9 | 52,708 | 18.6 | 4,550 | 23.8 | 173 | 26.9 |
| Middle-income | 105,221 | 34.7 | 99,362 | 35.1 | 5,631 | 29.5 | 228 | 35.4 |
| Upper-income | 126,247 | 41.6 | 118,549 | 41.8 | 7,509 | 39.3 | 189 | 29.3 |
| Unknown-income | 152 | 0.1 | 116 | 0.0 | 34 | 0.2 | 2 | 0.3 |
| Total Assessment Area | 303,176 | 100.0 | 283,435 | 100.0 | 19,097 | 100.0 | 644 | 100.0 |
| Percentage of Total Businesses: | | | | 93.5 | | 6.3 | | 0.2 |

2015 FFIEC Census Data and 2015 D&B Information

Housing Characteristics

The 2015 FFIEC census data shows 1,901,080 housing units in the assessment area. Of these, 59.4 percent of the units were owner-occupied, 28.8 percent were rental units, and 11.9 percent were vacant. While a majority of the units were owner-occupied, a majority of housing in low-income tracts consisted of rental units, indicating reduced opportunities for mortgage origination in these geographies. Furthermore, the percentage of vacant units in low-income tracts was slightly greater than the percentage of owner-occupied units. The percentage of owner-occupied units is highest in Fayette County and lowest in Fulton County.

Based on 2010 census data, the median age of the housing stock in the assessment area was 23 years, although it was much older in low-income tracts at 37 years. The median housing stock was newest in Forsyth and Henry counties at 12 years, and oldest in DeKalb County at 31 years. The median housing value in the assessment area in 2010 was \$195,237, which was higher than the median housing value for the State of Georgia at \$161,400. The median housing value ranged from \$127,386 in low-income tracts to \$282,187 in upper-income tracts. The median housing value was highest in Forsyth County (\$276,700) and lowest in Clayton County (\$127,800).

The affordability ratio, defined as the median household income divided by the median housing value, is 30.4 for the bank's assessment area, almost equal to the 30.6 for the State of Georgia. A higher ratio means housing is considered more affordable, while a lower ratio means housing is considered less affordable. Therefore, housing is at the same level of affordability in the assessment area as it is in the State of Georgia. Housing is most affordable in Paulding County, and least affordable in Fulton County. Homeownership rates in the assessment area vary, from a low of 52.6 percent in Fulton County to a high of 85.1 percent in Forsyth County, as compared to 64.2 percent for the State.⁶

Employment and Economic Conditions

There are signs that the metro Atlanta region is recovering from the recent recession and its loss of 183,500 jobs from 2008 through 2010.⁷ According to the Bureau of Labor Statistics, of the 12 largest MSAs in the country in November 2015, Atlanta experienced the fastest rate of over-the-year job growth during the period – up 3.4 percent, exceeding the national average of 1.9 percent. The professional and business services sector grew by 5.3 percent in employment from November 2014 to November 2015, adding 25,100 jobs, as compared to a nationwide increase of only 3.2 percent. The leisure and hospitality sector had the second largest increase in jobs.⁸

The metro Atlanta economy is highly diverse, with sectors including retail and wholesale trade, health care, accommodation and food services, services (administrative, professional and technical), finance, construction, transportation and warehousing, information, and local government. The largest employers in the region include Delta Air Lines, Emory University, Wal-Mart, The Home Depot, AT&T, The Kroger Company, WellStar Health System, Publix Super Markets, Northside Hospital, Coca-Cola Company, and Children's Healthcare of Atlanta. Additionally, Atlanta serves as headquarters to at least 16 Fortune 500 companies, including The Home Depot, United Parcel Service (UPS), The Coca-Cola Company, and Delta Air Lines.⁹

The following chart shows the unemployment rates for 2014 and 2015 for the 15 counties in the bank's assessment area, the Atlanta MSA, and the State of Georgia. Unemployment rates have fallen across the

⁶ U.S. Census Bureau. Accessed through PolicyMap. Accessed on September 13, 2016; available at <http://www.policymap.com>

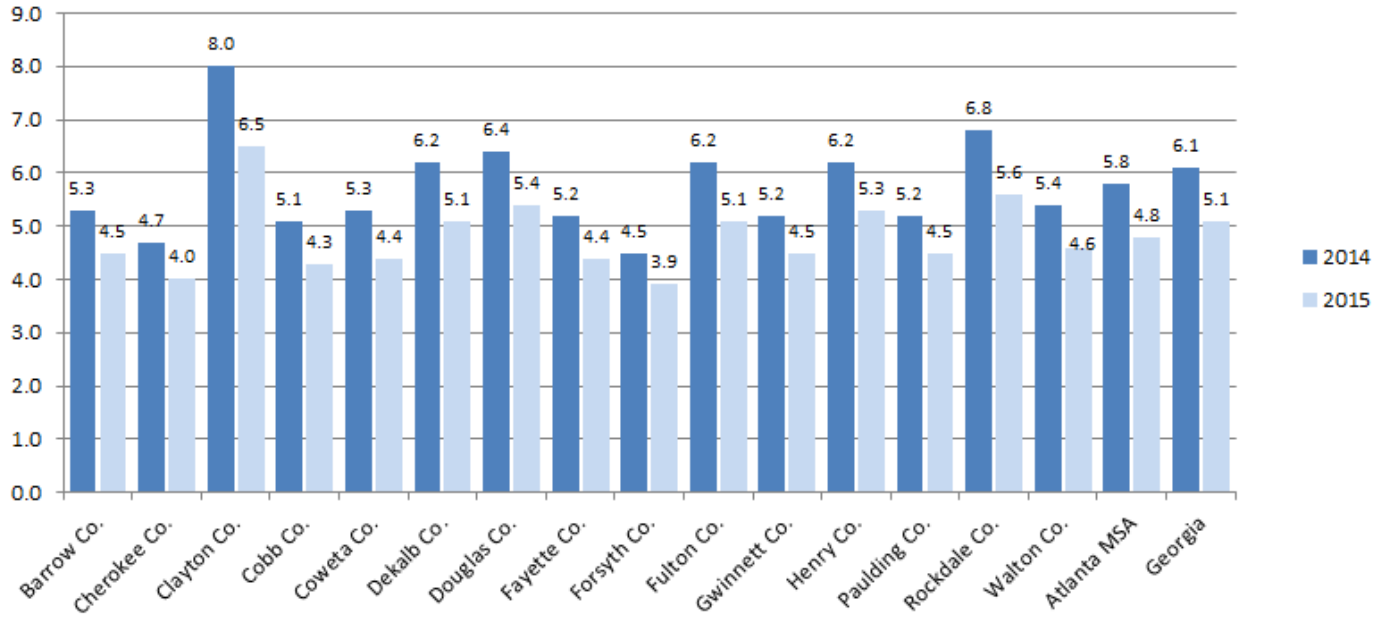
⁷ U.S. Department of Housing and Urban Development, Office of Policy Development and Research. "Comprehensive Housing Market Analysis, Atlanta-Sandy Springs-Marietta, Georgia." Accessed on September 13, 2016; available at https://www.huduser.gov/portal/publications/pdf/AtlantaGA_comp_2013.pdf

⁸ Bureau of Labor Statistics, "Atlanta Area Employment." Accessed on September 13, 2016; available at http://www.bls.gov/regions/southeast/news-release/2015/pdf/areaemployment_atlanta_20151230.pdf

⁹ Metro Atlanta Chamber, "2014 Metro Atlanta Top Employers." Accessed on September 13, 2016; available at <http://www.metroatlantachamber.com/docs/default-source/EcoDev/metro-atlanta-top-employers-2014.pdf?sfvrsn=2>

assessment area in 2015 from 2014. The 2015 unemployment rate of 5.5 percent has dropped in half since 2010 when the average unemployment rate in the assessment area was 10.1 percent.¹⁰ For 2014, six of the counties in the assessment area had unemployment rates higher than the statewide unemployment rate. Clayton County continues to have the highest unemployment rate, while unemployment rates are lowest in Forsyth and Cherokee counties.

Unemployment Rates - Atlanta



Not Seasonally Adjusted. Source: Bureau of Labor Statistics

While unemployment remains elevated, the Atlanta region continues to attract corporate expansions and relocations. For example, Mercedes-Benz USA relocated from New Jersey to metro Atlanta in July 2015; the Atlanta Center for Medical Research opened a new research facility in southwest Atlanta in October 2014; and AT&T created more than 1,300 new jobs in Georgia in 2014 for projects that expand and enhance broadband networks.¹¹ The Atlanta metro region is consistently recognized as a business friendly region.

Community Development Opportunities and Community Contacts

The community development environment in the Atlanta region is sophisticated, with strong engagement from nonprofits, government agencies, foundations, and financial institutions. There is also a robust economic development infrastructure and support from city officials and community residents for community development issues. These assets create a favorable environment and opportunity for banks to partner with nonprofits, developers, and CDFIs to provide a wide range of community development activities, including affordable housing development, neighborhood stabilization, small business lending, financial education, or the provision of technical assistance to the organizations or those they serve.

¹⁰ Bureau of Labor Statistics. Accessed through PolicyMap. Accessed on September 13, 2016; available at <http://www.policymap.com>

¹¹ Metro Atlanta Chamber, "Metro Atlanta Economic Briefing" February 2015, Issue 20. Accessed on September 13, 2016; available at <http://www.metroatlantachamber.com/docs/default-source/EcoDev/MACEconomicBriefing.pdf>

Affordable Housing

According to a community contact representing a nonprofit organization engaged in affordable housing and foreclosure crisis advocacy and remediation efforts, metro Atlanta continues to rank second or third in the U.S. with regards to negative home equity due to the financial crisis. The current crisis centers around homeowners who remain underwater on their mortgages. The majority of market activity in the community is left to the sale of homes by investors to other investors. Home sales in affordable neighborhoods are not increasing; these neighborhoods lack quality homes, and the availability of mortgage credit is lacking.

The percent of families living below the poverty level increased in almost all counties in the assessment area between 2009 and 2014. In some counties, there was a dramatic increase in the percentage of people living in poverty from 2009 to 2014. For example, in 2009 in Clayton County, 14.5 percent of people lived in poverty, but in 2014 that percent jumped to 24.8. In the majority of the counties in the bank's assessment area, more than 10.0 percent of families were estimated to live below the poverty level in 2014.¹² In the bank's assessment area, only 23.1 percent of all homes were affordable for a 4-person family earning 50.0 percent of the area median income in 2014. This varied widely by county with only 8.1 percent of homes being affordable to those earning 50.0 percent of the area median income in Fayette County, but drastically increased to 58.1 percent in Clayton County.

For renters, it is particularly hard to obtain affordable housing. Renters in almost every county in the assessment area spend at least half of their income on housing costs.¹³ Furthermore, many renters and households in the area are considered severely cost-burdened, meaning they spend more than 50.0 percent of household income on rental costs. Clayton County has the highest percentage of severely cost-burdened renters and households; 30.1 percent of renters spend more than 50.0 percent of their household income on rental expenses. On average, 48.7 percent of renters in the assessment area are cost burdened, meaning they spend more than 30.0 percent of household income on rental costs.¹⁴ In the Atlanta-Sandy Springs-Roswell MSA, a renter would need to work 101 hours per week at minimum wage to be able to afford a two-bedroom rental.¹⁵

The community contact mentioned federal and state housing tax credit programs, and noted that while apartment buildings serve a valuable purpose, there is also a need for the building and rehabilitation of single-family homes, even though there is not a tax credit program in place to encourage a shift in focus to this type of activity. Bank capital does not seem to be available for these single-family projects, according to the contact.

There are several tools that can be used by developers and banks in revitalizing distressed neighborhoods and cities rife with old buildings in need of rehabilitation. Besides Low-Income Housing Tax Credits and New Market Tax Credits, one such tool that has been gaining interest and usage by banks is the Federal Historic Tax Credit Program. Georgia has a state Historic Tax Credit as well. In addition to the tax benefits provided, banks are able to benefit from any short-term construction loans or permanent loans on the projects. Other projects expected to further encourage residential and commercial development in the city of Atlanta's low- and moderate-income neighborhoods include the Atlanta Beltline, the Atlanta Streetcar, and the Atlanta Falcons' stadium.

¹² U.S. Census Bureau. Accessed through PolicyMap. Accessed on September 14, 2016; available at <http://www.policymap.com>

¹³ Atlanta Regional Commission, "Housing Affordability in Metro Atlanta: It's Complicated." Accessed on September 14, 2016; available at http://www.neighborhoodindicators.org/sites/default/files/publications/housingaffordability_fulldeck.pdf

¹⁴ U.S. Census Bureau data calculations provided by PolicyMap. Accessed on September 14, 2016; available at <http://www.policymap.com>

¹⁵ National Low Income Housing Coalition. "Out of Reach 2016: Georgia." Accessed on September 14, 2016; available at <http://nlihc.org/oor/georgia>

Small Business Development

Small businesses play an important role in the Atlanta economy. According to 2015 Dun and Bradstreet data, there were 303,176 businesses in the assessment area of which 93.5 percent had total annual revenues less than or equal to \$1 million, and were therefore considered to be small businesses.¹⁶ Access to credit for small businesses declined during the recession, but has increased in recent years. In the assessment area, there were 43,635 loans made to small businesses in 2012, but that number rose to 52,913 in 2014; at 21.3 percent, a significant increase in loans made to small businesses.¹⁷

Throughout the recession and recovery, nonprofit organizations assisting small businesses continued to provide underserved small businesses with financing, education, support services, and access to angel investors to spur job creation and business growth. At a roundtable discussion hosted by FRB Atlanta in 2014, community development financial institutions (CDFIs) identified that direct investments and contributions into their organizations as the biggest opportunity for bank participation. Additionally, local financial institutions can support these organizations by serving on loan or advisory committees, sending referrals, and sponsoring business support programming for current and prospective entrepreneurs.

Financial Stability

In light of increasing poverty in metro Atlanta suburbs and other economic challenges facing low- and moderate-income individuals, there is an opportunity for banks to support activities that improve financial capability and household financial stability. According to the FDIC's 2013 National Survey of Unbanked and Underbanked Households, 9.1 percent of households in the Atlanta metropolitan area are unbanked, meaning they have no type of deposit account with a mainstream financial institution. In addition, 27.9 percent of households are considered underbanked, meaning they have a deposit account, but they also rely on alternative financial services providers on a regular basis.¹⁸ These alternative financial services not only provide check cashing services, but many also provide car title loans and or other small dollar installment loans, which can lead to further financial instability. In Georgia, rates for car-title loans may go up to 304 percent and other short-term installment loans up to 44 percent.¹⁹ High percentages of individuals and households utilizing alternative financial providers create opportunities for financial institutions to engage in financial outreach, literacy, and low-cost banking products.

Competition

The banking market in the assessment area is competitive, with a significant concentration of regional and super-regional banks. According to the June 30, 2015 FDIC Summary of Deposits Report, there are 84 financial institutions operating 1,162 branch locations in the assessment area. Brand is ranked 13th in the area with a deposit market share of 1.2 percent (\$1.7 billion). SunTrust Bank has the largest market share (27.9 percent), followed by Bank of America (20.1 percent), Wells Fargo Bank (19.6 percent) and Branch Banking and Trust Company (5.3 percent). All other banks in the area have a deposit market share of less than 2.7 percent. Community and Southern Bank is the most similarly situated bank in the region, with a deposit market share of 1.2 percent (\$1.7 billion).

¹⁶ FRB Atlanta Calculations of Dun & Bradstreet, 2015 FFIEC Census Data.

¹⁷ CRA data calculations provided by PolicyMap. Accessed on September 14, 2016; available at <http://www.policymap.com>

¹⁸ CFED, Assets and Opportunities Local Data Center. Estimates using on 2013 FDIC National Survey of Unbanked and Underbanked Households, SIPP, and 2008-2012 or 2009-2013 American Community Survey data. Accessed on September 14, 2016; available at <http://localdata.assetsandopportunity.org/place/12060>

¹⁹ CFED, Assets & Opportunity Scorecard. Accessed on September 14, 2016; available at <http://scorecard.assetsandopportunity.org/2014/measure/protections-from-predatory-short-term-loans>

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overview

During the review period, Brand reported 4,866 (92.3 percent) HMDA loans and 407 (7.7 percent) small business loans in the Atlanta assessment area. The bank's lending performance is adequate. Lending activity reflects adequate responsiveness to assessment area credit needs. The geographic distribution of loans reflects adequate penetration throughout the assessment area. The distribution of lending by borrower income and business size reflects good distribution of lending by borrower income, and business size reflects adequate penetration among borrowers of different income levels and businesses of different revenue sizes. Additionally, the bank makes a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to assessment area credit needs. Of the 4,866 HMDA loans originated or purchased during the review period, 4,271 loans (87.8 percent) were home purchase; 541 (11.1 percent) were home refinance; 53 loans (1.1 percent) were home improvement; and 1 (0.02 percent) was for multifamily dwellings. The 2014 market peer report showing the number of originations and purchases of HMDA loans indicates that Brand Mortgage Group ranked 19th out of 741 reporters, with a market share of 1.3 percent. Brand ranked 104th. Wells Fargo Bank, N.A. ranked 1st in 2014, with a market share of 12.3 percent. The 2015 market peer report showed that Brand Mortgage Group increased in the rankings to 16th out of 783 reporters, with a market share of 1.4 percent; Brand declined in the rankings to 152. For 2015, Wells Fargo remained in the first spot, with a market share of 10.4 percent.

Geographic Distribution of Loans

The overall geographic distribution of the bank's HMDA and small business loans reflects adequate dispersion throughout the Atlanta assessment area, and does not reveal any unexplained gaps in lending patterns. The bank's lending performance was compared with available demographic information; performance context factors, such as aggregate lending data, economic conditions, and information from community contacts were also taken into consideration.

Residential Real Estate (HMDA) Lending

The following table shows the geographic distribution of HMDA loans for 2014 and 2015 in the Atlanta assessment area, and also includes a comparison of the bank's 2014 HMDA lending to the aggregate HMDA lenders within the assessment area. The HMDA aggregate lenders' data represents the combined total of lending activity reported by all lenders subject to HMDA data reporting in the assessment area. Aggregate lending data for 2015 was not available as of the date of this examination.

Geographic Distribution of HMDA Loans

Assessment Area: Atlanta

| PRODUCT TYPE | Tract Income Levels | Bank Lending & Demographic Data Comparison 2015, 2014 | | | | | Bank & Aggregate Lending Comparison | | | | | |
|------------------|---------------------|---|---------------|--------------------|---------------|----------------------|-------------------------------------|---------------|---------------|------------------|---------------|---------------|
| | | Bank | | | | Owner Occupied Units | 2014 | | | 2014 | | |
| | | Count | | Dollar | | | Count | | Dollar | | | |
| | | # | % | \$ (000s) | \$ % | % | # | % | % | \$ (000s) | \$ % | \$ % |
| HOME PURCHASE | Low | 58 | 1.4% | \$8,107 | 0.9% | 3.0% | 23 | 1.2% | 1.7% | \$2,750 | 0.6% | 1.1% |
| | Moderate | 510 | 11.9% | \$83,814 | 8.9% | 15.5% | 238 | 12.6% | 11.6% | \$40,789 | 9.4% | 7.8% |
| | Middle | 1,672 | 39.1% | \$301,459 | 31.8% | 39.6% | 699 | 37.0% | 37.9% | \$121,431 | 28.1% | 29.9% |
| | Upper | 2,031 | 47.6% | \$553,248 | 58.4% | 42.0% | 927 | 49.1% | 48.7% | \$267,067 | 61.8% | 61.2% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | <i>Total</i> | <i>4,271</i> | <i>100.0%</i> | <i>\$946,628</i> | <i>100.0%</i> | <i>100.0%</i> | <i>1,887</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$432,037</i> | <i>100.0%</i> | <i>100.0%</i> |
| REFINANCE | Low | 3 | 0.6% | \$420 | 0.3% | 3.0% | 0 | 0.0% | 1.7% | \$0 | 0.0% | 1.2% |
| | Moderate | 30 | 5.5% | \$5,450 | 3.9% | 15.5% | 7 | 3.5% | 12.5% | \$1,850 | 3.4% | 8.4% |
| | Middle | 162 | 29.9% | \$28,295 | 20.4% | 39.6% | 61 | 30.7% | 37.9% | \$10,049 | 18.4% | 29.7% |
| | Upper | 346 | 64.0% | \$104,283 | 75.3% | 42.0% | 131 | 65.8% | 47.9% | \$42,845 | 78.3% | 60.8% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | <i>Total</i> | <i>541</i> | <i>100.0%</i> | <i>\$138,448</i> | <i>100.0%</i> | <i>100.0%</i> | <i>199</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$54,744</i> | <i>100.0%</i> | <i>100.0%</i> |
| HOME IMPROVEMENT | Low | 0 | 0.0% | \$0 | 0.0% | 3.0% | 0 | 0.0% | 2.7% | \$0 | 0.0% | 1.1% |
| | Moderate | 3 | 5.7% | \$158 | 3.1% | 15.5% | 2 | 8.3% | 12.4% | \$8 | 0.5% | 6.2% |
| | Middle | 28 | 52.8% | \$822 | 16.1% | 39.6% | 14 | 58.3% | 36.9% | \$673 | 39.4% | 24.1% |
| | Upper | 22 | 41.5% | \$4,119 | 80.8% | 42.0% | 8 | 33.3% | 48.0% | \$1,026 | 60.1% | 68.6% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | <i>Total</i> | <i>53</i> | <i>100.0%</i> | <i>\$5,099</i> | <i>100.0%</i> | <i>100.0%</i> | <i>24</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$1,707</i> | <i>100.0%</i> | <i>100.0%</i> |
| MULTI FAMILY | Low | 1 | 100.0% | \$2,240 | 100.0% | 17.1% | 1 | 100.0% | 17.3% | \$2,240 | 100.0% | 8.7% |
| | Moderate | 0 | 0.0% | \$0 | 0.0% | 33.6% | 0 | 0.0% | 34.6% | \$0 | 0.0% | 26.6% |
| | Middle | 0 | 0.0% | \$0 | 0.0% | 24.4% | 0 | 0.0% | 23.1% | \$0 | 0.0% | 31.4% |
| | Upper | 0 | 0.0% | \$0 | 0.0% | 24.9% | 0 | 0.0% | 25.0% | \$0 | 0.0% | 33.3% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | <i>Total</i> | <i>1</i> | <i>100.0%</i> | <i>\$2,240</i> | <i>100.0%</i> | <i>100.0%</i> | <i>1</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$2,240</i> | <i>100.0%</i> | <i>100.0%</i> |
| HMDA TOTALS | Low | 62 | 1.3% | \$10,767 | 1.0% | 3.0% | 24 | 1.1% | 1.8% | \$4,990 | 1.0% | 1.7% |
| | Moderate | 543 | 11.2% | \$89,422 | 8.2% | 15.5% | 247 | 11.7% | 12.0% | \$42,647 | 8.7% | 9.3% |
| | Middle | 1,862 | 38.3% | \$330,576 | 30.3% | 39.6% | 774 | 36.7% | 37.9% | \$132,153 | 26.9% | 29.8% |
| | Upper | 2,399 | 49.3% | \$661,650 | 60.6% | 42.0% | 1,066 | 50.5% | 48.4% | \$310,938 | 63.4% | 59.2% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | <i>Total</i> | <i>4,866</i> | <i>100.0%</i> | <i>\$1,092,415</i> | <i>100.0%</i> | <i>100.0%</i> | <i>2,111</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$490,728</i> | <i>100.0%</i> | <i>100.0%</i> |

Originations & Purchases
2015 FFIEC Census Data and 2010 ACS Data

The bank's total HMDA lending in low-income tracts at 1.3 percent was below the percentage of owner-occupied units in these tracts at 3.0 percent. Total HMDA lending in moderate-income tracts at 11.2 percent was also below the percentage of owner-occupied units in these tracts at 15.5 percent. By product, 1.4 percent of purchase loans and 0.6 percent of refinance loans were originated in low-income tracts. Home purchase loans were the bank's largest product by number during the review period, and they were also the bank's

strongest product in penetrating low-income tracts. Also, 11.9 percent of purchase loans, 5.5 percent of refinance loans, and 5.7 percent of home improvement loans were originated in moderate-income tracts; these levels of lending were also below the demographic for owner-occupied housing in moderate-income tracts.

In 2014, Brand’s overall HMDA lending was less than the aggregate lenders. When reviewed by product type, the bank’s performance was less than the aggregate in both low- and moderate-income tracts, except for home purchase lending in moderate-income tracts, where the bank performed above the aggregate.

Overall, the bank’s HMDA lending reflects an adequate geographic distribution when compared to assessment area demographics and aggregate lending. Several factors may have contributed to Brand’s performance in the lending test in low- and moderate-income tracts. First, the bank is in the process of adopting a more formalized CRA plan to target low- and moderate-income areas. Second, a relatively small percentage of the total housing units in these census tracts are owner-occupied, providing fewer opportunities for home purchase lending, which is Brand’s major product. Third, there is significant competition from regional and national banks in these communities. Finally, the majority of the low- and moderate-income tracts in the assessment area are located in Fulton and DeKalb counties where the bank does not have a retail or branch presence.

Small Business Lending

The geographic distribution of small business loans reflects good penetration throughout the assessment area. The following table shows the geographic distribution of small business loans as a percentage of the total number of loans within the Atlanta assessment area, and also includes a comparison of the bank’s 2014 small business lending to the aggregate lending data. The CRA aggregate lenders’ data is the combined total of lending activity reported by all lenders subject to CRA loan data reporting requirements in the assessment area. Aggregate lending data for 2015 was not available as of the date of this examination.

Geographic Distribution of Small Business Loans

Assessment Area: Atlanta

| Tract Income Levels | Bank Lending & Demographic Data Comparison | | | | | Bank & Aggregate Lending Comparison | | | | | |
|---------------------------|--|---------------|-----------------|---------------|---------------|-------------------------------------|---------------|---------------|-----------------|---------------|---------------|
| | 2015, 2014 | | | | | 2014 | | | | | |
| | Bank | | Small | | | Count | | | Dollar | | |
| | Count | Dollar | Businesses | Bank | Agg | Bank | Agg | Bank | Agg | | |
| # | % | \$ (000s) | \$ % | % | # | % | % | \$ 000s | \$ % | \$ % | |
| Low | 17 | 4.2% | \$2,388 | 3.0% | 4.5% | 7 | 5.0% | 4.2% | \$670 | 2.6% | 5.8% |
| Moderate | 106 | 26.0% | \$17,283 | 21.6% | 18.6% | 31 | 22.1% | 16.7% | \$4,382 | 17.0% | 19.6% |
| Middle | 134 | 32.9% | \$27,345 | 34.2% | 35.1% | 42 | 30.0% | 30.5% | \$7,787 | 30.2% | 30.2% |
| Upper | 149 | 36.6% | \$32,853 | 41.1% | 41.8% | 60 | 42.9% | 47.3% | \$12,977 | 50.3% | 43.5% |
| Unknown | 1 | 0.2% | \$150 | 0.2% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.1% |
| Tr Unknown | 0 | 0.0% | \$0 | 0.0% | | 0 | 0.0% | 1.2% | \$0 | 0.0% | 0.9% |
| <i>Total</i> | <i>407</i> | <i>100.0%</i> | <i>\$80,019</i> | <i>100.0%</i> | <i>100.0%</i> | <i>140</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$25,816</i> | <i>100.0%</i> | <i>100.0%</i> |

Originations & Purchases
2015 FFIEC Census Data and 2015 D&B Information

Small business loans in low-income tracts were 4.2 percent of the bank’s total small business lending, while 4.5 percent of small businesses are located in low-income tracts. The bank’s performance exceeded the aggregate lenders in low-income tracts in 2014 at 5.0 percent of loans versus 4.2 percent of aggregate loans. The bank’s performance exceeded the demographic in lending to small businesses in moderate-income tracts, originating

26.0 percent of small business loans to moderate-income tracts while 18.6 percent of small businesses are located in these tracts. In 2014, the bank also exceeded aggregate lending in moderate-income tracts at 22.1 percent compared to 16.7 percent. As discussed earlier, the bank is operating in a highly competitive market for small business lending, with the presence of national credit card banks and other national and large regional banks also competing for business loans in this area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The overall distribution of loans by borrower income and business revenue size reflects good penetration among individuals of different income levels and businesses of different sizes. For this analysis, the distribution of HMDA lending to borrowers at different income levels and to businesses across revenue sizes was compared to available demographic information. Aggregate lending and other performance context factors were also considered.

Residential Real Estate (HMDA) Lending

The following table shows the distribution of the bank's HMDA loans for 2014 and 2015 in the Atlanta assessment area by the income level of the borrowers, and also includes a comparison of the bank's 2014 HMDA lending to the aggregate HMDA lenders within the assessment area. The HMDA aggregate lenders' data represents the combined total of lending activity reported by all lenders subject to HMDA data reporting in the assessment area. Aggregate lending data for 2015 was not available as of the date of this examination.

Borrower Distribution of HMDA Loans

Assessment Area: Atlanta

| PRODUCT TYPE | Borrower Income Levels | Bank Lending & Demographic Data Comparison 2015, 2014 | | | | | Bank & Aggregate Lending Comparison 2014 | | | | | |
|------------------|------------------------|---|---------------|--------------------|---------------|-----------------------------|--|---------------|---------------|------------------|---------------|---------------|
| | | Bank | | | | Families by Family Income % | Count | | | Dollar | | |
| | | Count | | Dollar | | | # | % | % | Bank | | Agg |
| | | # | % | \$(000s) | \$ % | \$(000s) | | | | \$ % | \$ % | |
| HOME PURCHASE | Low | 574 | 13.4% | \$64,612 | 6.8% | 20.9% | 255 | 13.5% | 8.1% | \$26,550 | 6.1% | 3.8% |
| | Moderate | 1,067 | 25.0% | \$157,934 | 16.7% | 16.6% | 423 | 22.4% | 17.0% | \$60,966 | 14.1% | 11.2% |
| | Middle | 904 | 21.2% | \$178,537 | 18.9% | 19.2% | 391 | 20.7% | 17.7% | \$76,847 | 17.8% | 15.5% |
| | Upper | 1,705 | 39.9% | \$540,461 | 57.1% | 43.3% | 804 | 42.6% | 36.4% | \$264,769 | 61.3% | 51.3% |
| | Unknown | 21 | 0.5% | \$5,084 | 0.5% | 0.0% | 14 | 0.7% | 20.8% | \$2,905 | 0.7% | 18.2% |
| | <i>Total</i> | <i>4,271</i> | <i>100.0%</i> | <i>\$946,628</i> | <i>100.0%</i> | <i>100.0%</i> | <i>1,887</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$432,037</i> | <i>100.0%</i> | <i>100.0%</i> |
| REFINANCE | Low | 26 | 4.8% | \$2,405 | 1.7% | 20.9% | 10 | 5.0% | 7.1% | \$838 | 1.5% | 3.6% |
| | Moderate | 72 | 13.3% | \$8,959 | 6.5% | 16.6% | 26 | 13.1% | 12.7% | \$3,017 | 5.5% | 7.8% |
| | Middle | 109 | 20.1% | \$20,761 | 15.0% | 19.2% | 36 | 18.1% | 16.2% | \$6,807 | 12.4% | 12.5% |
| | Upper | 325 | 60.1% | \$100,739 | 72.8% | 43.3% | 122 | 61.3% | 38.6% | \$41,902 | 76.5% | 49.0% |
| | Unknown | 9 | 1.7% | \$5,584 | 4.0% | 0.0% | 5 | 2.5% | 25.5% | \$2,180 | 4.0% | 27.0% |
| | <i>Total</i> | <i>541</i> | <i>100.0%</i> | <i>\$138,448</i> | <i>100.0%</i> | <i>100.0%</i> | <i>199</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$54,744</i> | <i>100.0%</i> | <i>100.0%</i> |
| HOME IMPROVEMENT | Low | 10 | 18.9% | \$61 | 1.2% | 20.9% | 6 | 25.0% | 8.5% | \$34 | 2.0% | 2.5% |
| | Moderate | 11 | 20.8% | \$123 | 2.4% | 16.6% | 4 | 16.7% | 17.8% | \$23 | 1.3% | 8.1% |
| | Middle | 11 | 20.8% | \$273 | 5.4% | 19.2% | 5 | 20.8% | 20.4% | \$70 | 4.1% | 14.7% |
| | Upper | 16 | 30.2% | \$4,396 | 86.2% | 43.3% | 5 | 20.8% | 44.6% | \$1,484 | 86.9% | 65.1% |
| | Unknown | 5 | 9.4% | \$246 | 4.8% | 0.0% | 4 | 16.7% | 8.7% | \$96 | 5.6% | 9.5% |
| | <i>Total</i> | <i>53</i> | <i>100.0%</i> | <i>\$5,099</i> | <i>100.0%</i> | <i>100.0%</i> | <i>24</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$1,707</i> | <i>100.0%</i> | <i>100.0%</i> |
| MULTI FAMILY | Low | 0 | 0.0% | \$0 | 0.0% | 20.9% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Moderate | 0 | 0.0% | \$0 | 0.0% | 16.6% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Middle | 0 | 0.0% | \$0 | 0.0% | 19.2% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Upper | 0 | 0.0% | \$0 | 0.0% | 43.3% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Unknown | 1 | 100.0% | \$2,240 | 100.0% | 0.0% | 1 | 100.0% | 100.0% | \$2,240 | 100.0% | 100.0% |
| | <i>Total</i> | <i>1</i> | <i>100.0%</i> | <i>\$2,240</i> | <i>100.0%</i> | <i>100.0%</i> | <i>1</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$2,240</i> | <i>100.0%</i> | <i>100.0%</i> |
| HMDA TOTALS | Low | 610 | 12.5% | \$67,078 | 6.1% | 20.9% | 271 | 12.8% | 7.8% | \$27,422 | 5.6% | 3.5% |
| | Moderate | 1,150 | 23.6% | \$167,016 | 15.3% | 16.6% | 453 | 21.5% | 15.5% | \$64,006 | 13.0% | 9.3% |
| | Middle | 1,024 | 21.0% | \$199,571 | 18.3% | 19.2% | 432 | 20.5% | 17.2% | \$83,724 | 17.1% | 13.5% |
| | Upper | 2,046 | 42.0% | \$645,596 | 59.1% | 43.3% | 931 | 44.1% | 37.3% | \$308,155 | 62.8% | 47.1% |
| | Unknown | 36 | 0.7% | \$13,154 | 1.2% | 0.0% | 24 | 1.1% | 22.1% | \$7,421 | 1.5% | 26.6% |
| | <i>Total</i> | <i>4,866</i> | <i>100.0%</i> | <i>\$1,092,415</i> | <i>100.0%</i> | <i>100.0%</i> | <i>2,111</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$490,728</i> | <i>100.0%</i> | <i>100.0%</i> |

Originations & Purchases
2015 FFIEC Census Data and 2010 ACS Data

The bank’s borrower distribution of HMDA loans is good. Of the bank’s total HMDA loans, 12.5 percent were originated to low-income borrowers, which is less than the percentage of low-income families in the assessment area at 20.9 percent. However, the bank’s lending to low-income borrowers in 2014 at 12.8 percent is greater than the aggregate lending performance of 7.8 percent. By product type, 13.4 percent of purchase loans, 4.8 percent of refinance loans, and 18.9 percent of home improvement loans were to low-income borrowers, which was less than the percentage of low-income families in the assessment area for each product type; however, the bank exceeded the aggregate lenders in 2014 in home purchase and home improvement lending.

Overall HMDA lending to moderate-income borrowers exceeded the percentage of moderate-income families in the assessment area and was better than the aggregate lenders’ performance. In addition, the bank’s home purchase and home improvement lending to moderate-income borrowers exceeded the demographic; bank home purchase and refinance lending exceeded the aggregate in 2014, but home improvement lending was less than the aggregate.

Small Business Lending

The distribution of small business loans by revenue size is considered adequate when compared to demographic information and aggregate performance in the Atlanta assessment area. The table below shows, by loan size, the number, and dollar volume of small business and small farm loans Brand originated in 2014 and 2015. Aggregate lending data for 2015 was not available as of the date of this examination.

Small Business Loans by Business Revenue & Loan Size

Assessment Area: Atlanta

| Business Revenue & Loan Size | | Bank Lending & Demographic Data Comparison | | | | | Bank & Aggregate Lending Comparison | | | | | |
|-----------------------------------|-------------------------|--|-----------|------------------|--------|--------|-------------------------------------|------------|--------|----------|--------|--------|
| | | 2015, 2014 | | | | | 2014 | | | | | |
| | | Bank | | Total Businesses | | | Count | | | Dollar | | |
| | | Count | \$ (000s) | | % | | Bank | Agg | Bank | | Agg | |
| # | % | \$ | % | % | # | % | % | (\$ (000s) | \$ % | \$ % | | |
| BUSINESS REVENUE | \$1million or Less | 199 | 48.9% | \$33,225 | 41.5% | 93.5% | 66 | 47.1% | 51.9% | \$10,625 | 41.2% | 35.3% |
| | Over \$1 Million | 185 | 45.5% | \$40,551 | 50.7% | 6.3% | 67 | 47.9% | | | | |
| | Total Rev. available | 384 | 94.4% | \$73,776 | 92.2% | 99.8% | 133 | 95.0% | | | | |
| | Rev. Not Known | 23 | 5.7% | \$6,243 | 7.8% | 0.2% | 7 | 5.0% | | | | |
| | Total | 407 | 100.0% | \$80,019 | 100.0% | 100.0% | 140 | 100.0% | | | | |
| LOAN SIZE | \$100,000 or Less | 212 | 52.1% | \$10,354 | 12.9% | | 79 | 56.4% | 93.8% | \$3,577 | 13.9% | 35.1% |
| | \$100,001 - \$250,000 | 97 | 23.8% | \$17,719 | 22.1% | | 30 | 21.4% | 2.9% | \$5,842 | 22.6% | 14.4% |
| | \$250,001 - \$1 Million | 98 | 24.1% | \$51,946 | 64.9% | | 31 | 22.1% | 3.3% | \$16,397 | 63.5% | 50.5% |
| | Total | 407 | 100.0% | \$80,019 | 100.0% | | 140 | 100.0% | 100.0% | \$25,816 | 100.0% | 100.0% |
| LOAN SIZE Rev \$1 Mill or Less | \$100,000 or Less | 112 | 56.3% | \$4,948 | 14.9% | | | | | | | |
| | \$100,001 - \$250,000 | 50 | 25.1% | \$8,689 | 26.2% | | | | | | | |
| | \$250,001 - \$1 Million | 37 | 18.6% | \$19,588 | 59.0% | | | | | | | |
| | Total | 199 | 100.0% | \$33,225 | 100.0% | | | | | | | |

Originations & Purchases

Aggregate data is unavailable for loans to businesses with revenue over \$1 million or revenue unknown, and for loan size by revenue.

2015 FFIEC Census Data and 2015 D&B Information

Of the 407 small business loans where revenue figures were reported, 199 (48.9 percent) were originated to businesses with annual gross revenues of \$1 million or less, which is less than the percentage of businesses in the Atlanta assessment area that are considered to be small businesses at 93.5 percent. However, 52.1 percent of the bank's loans were in amounts of \$100,000 or less, which typically represent loan amounts requested by small businesses. An additional 97 loans were made in amounts between \$100,001 and \$250,000; thus, 75.9 percent of the bank's small business loans were also small loan sizes of \$250,000 or less, which illustrates the bank's willingness to lend to small businesses and provide small dollar loans. However, the aggregate lending comparison indicates the bank's 2014 lending to small businesses at 47.1 percent is slightly below the aggregate at 51.9 percent.

Community Development Lending

The bank made a relatively high level of community development loans during the review period. Since the previous examination, the bank originated 11 qualified community development loans in the Atlanta assessment area totaling approximately \$45 million.

Two loans were made to stabilize and revitalize moderate-income areas. One loan was for the purpose of providing community services to a preschool that services a majority of low- and moderate-income students in the assessment area. Seven of the 11 loans were for the purpose of economic development. One affordable housing loan was for the purchase of Low Income Housing Tax Credits in multiple income tracts in the metro Atlanta area.

Use of Innovative or Flexible Lending Practices

The bank makes use of flexible lending programs in order to serve assessment area credit needs. As previously mentioned, the bank offers flexible mortgage products such as FHA and VA loans, and USDA rural housing loans. The bank also leverages several federal- and state-sponsored down payment assistance programs available throughout the assessment area to assist first time and low- and moderate-income homebuyers.

INVESTMENT TEST

The bank made a significant level of qualified community development investments and grants, and was occasionally in a leadership position. During the review period, qualified community development investments and grants totaled more than \$2.6 million. The bank also maintained over \$4.6 million in prior period investments in mortgage-backed securities. During this review period, the bank made two qualified investments, a mortgage-backed security backed by loans to low- and moderate-income borrowers and an investment in a federally taxable, recovery zone economic development bond.

In addition to the qualified investments, the bank also made a noteworthy amount of grants and contributions during this review period. The bank made 96 contributions totaling \$645,356, as compared to \$79,850 during the previous examination. Grants and contributions went to a number of different organizations in the Atlanta assessment area and were primarily used to support community services and affordable housing initiatives.

Brand's investments help address identified needs in the community. As discussed in the performance context, affordable housing presents a challenge given the wide-spread poverty in many of the suburban counties in the bank's assessment area. Community services and affordable housing contributions and grants help to bring much needed resources to the bank's assessment area. Overall, the bank exhibited good responsiveness to credit and community development needs through its investment activities.

SERVICE TEST

Retail Services

Delivery systems are reasonably accessible to the bank’s geographies and individuals of different income levels. Brand has seven branch locations with ATMs, along with one full service and two cash-only, stand-alone ATMs in Gwinnett County. Brand also operates BrandExpress at five locations: Buckhead, Suwanee, Winder, Lawrenceville, and at Meadowcreek High School in Norcross, Georgia. BrandExpress is the bank’s Virtual Teller Machine (VTM) that has the interface of an ATM, but provides real time, face-to-face interactions with a bank employee working in Lawrenceville. Services at the VTM are available during regular business hours.

The distribution of the bank’s branches by census tract income level was compared to the distribution of businesses and households residing in the assessment area. The table below shows the distribution of branches, households, and businesses.

Geographic Distribution of Branches & ATMS

Assessment Area: Atlanta

| Tract Category | Branches | | | | | | | ATMs | | | | | | | | Demographics | | | | | | |
|----------------|----------------|--------|------|--------|------------|----------------|----------------|------------|----|-------------------|----|--------|--------|----------------|---|--------------|--------|---------------|-----|-------------|------------------|--------|
| | Total Branches | | | | Drive thru | Extended Hours | Week-end Hours | Total ATMs | | Full Service ATMs | | | | Cash only ATMs | | | | Census Tracts | | House holds | Total Businesses | |
| | # | % | Open | Closed | | | | # | % | # | % | Open | Closed | # | % | Open | Closed | # | % | | | |
| Low | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 | Total | 0 | 0.0% | 0 | 0.0% | 0 | 0 | 0 | 0.0% | 0 | 0 | 88 | 10.3% | 6.8% | 4.7% |
| DTC | 0 | | 0 | 0 | | | | SA | 0 | | 0 | | 0 | 0 | 0 | | 0 | 0 | | | | |
| Moderate | 2 | 28.6% | 0 | 0 | 1 | 0 | 1 | Total | 3 | 25.0% | 3 | 30.0% | 0 | 0 | 0 | 0.0% | 0 | 0 | 189 | 22.1% | 21.2% | 18.9% |
| DTC | 0 | | 0 | 0 | | | | SA | 1 | | 1 | | 0 | 0 | 0 | | 0 | 0 | | | | |
| Middle | 2 | 28.6% | 0 | 0 | 2 | 0 | 2 | Total | 4 | 33.3% | 2 | 20.0% | 0 | 0 | 2 | 100.0% | 0 | 0 | 286 | 33.5% | 36.5% | 34.7% |
| DTC | 0 | | 0 | 0 | | | | SA | 2 | | 0 | | 0 | 0 | 2 | | 0 | 0 | | | | |
| Upper | 3 | 42.9% | 1 | 0 | 3 | 0 | 2 | Total | 5 | 41.7% | 5 | 50.0% | 3 | 0 | 0 | 0.0% | 0 | 0 | 287 | 33.6% | 35.5% | 41.6% |
| DTC | 0 | | 0 | 0 | | | | SA | 0 | | 0 | | 0 | 0 | 0 | | 0 | 0 | | | | |
| Unknown | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 | Total | 0 | 0.0% | 0 | 0.0% | 0 | 0 | 0 | 0.0% | 0 | 0 | 5 | 0.6% | 0.0% | 0.1% |
| DTC | 0 | | 0 | 0 | | | | SA | 0 | | 0 | | 0 | 0 | 0 | | 0 | 0 | | | | |
| Total | 7 | 100.0% | 1 | 0 | 6 | 0 | 5 | Total | 12 | 100.0% | 10 | 100.0% | 3 | 0 | 2 | 100.0% | 0 | 0 | 855 | 100.0% | 100.0% | 100.0% |
| DTC | 0 | | 0 | 0 | | | | SA | 3 | | 1 | | 0 | 0 | 2 | | 0 | 0 | | | | |

Closed branches/ATMs are only included in "closed" columns and are not included in any other totals.
DTC - Drive thru only is a subset of total branches
SA = Stand Alone ATM is a subset of total ATMs

Except for Brand Mortgage Group’s loan production office and the BrandExpress VTM in Fulton County, Brand does not have a presence in Fulton or DeKalb County, where most of the low-income tracts in the assessment area are located. Brand does offer alternative systems for delivering retail banking services to its customers including VTMs, ATMs, mobile, text, online and telephone banking, and drive thru banking facilities.

Banking services and hours of operations do not vary in such a way that inconveniences the assessment area, particularly low- and moderate-income geographies and individuals. Brand does not offer extended weekday hours at any of the seven branches in the assessment area, but does offer weekend hours at one branch in a moderate-income tract. The bank’s extended hours and alternative delivery systems demonstrate its willingness to meet assessment area credit needs at the customer’s convenience.

Community Development Services

Brand provided a relatively high level of community development services in the Atlanta assessment area. Bank staff contributed a total of 3,157 qualified hours of community development services to a variety of local organizations during the review. Officers and employees have used their financial expertise to provide financial services that benefit residents in the assessment areas, in particular, low- and moderate-income individuals and small businesses. Community services, financial education, and affordable housing targeting low- and moderate-income individuals and geographies are top priorities for the bank for community development services. In addition, bank staff serves on boards, or as trustees, for a variety of community development organizations in their markets.

**METROPOLITAN AREA
LIMITED-SCOPE REVIEW**

The following assessment area was reviewed using limited-scope examination procedures. Through these procedures, conclusions regarding the bank’s CRA performance are drawn from the review of available facts and data, including performance and demographic information. The limited-scope review revealed the bank’s CRA performance in this assessment area is generally consistent with the area that received a full-scope review. Please refer to the tables in Appendix B for additional information regarding the assessment area.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN GAINESVILLE, GEORGIA

The Gainesville assessment area consists of Hall County, which is the entire Gainesville MSA. Brand has a very limited presence in the assessment area, with just one full service branch. This branch has one cash-only ATM, and is located in a middle-income tract. The bank ranks 14th out of 18 institutions in the assessment area, with a deposit market share of 1.46 percent according to the June 30, 2015 FDIC Summary of Deposits Report. The bank faces stiff competition from national and large regional banks, including Wells Fargo, Regions, Branch Banking and Trust Company, United Community Bank, SunTrust, Bank of America, and Peach State Bank and Trust.

CONCLUSION(S) WITH RESPECT TO PERFORMANCE TESTS

The following table compares conclusions regarding the bank’s performance in the Gainesville assessment area to the bank’s overall performance.

| Performance in the Limited-Scope Review Metropolitan Assessment Areas | | | |
|--|---------------------|------------------------|------------------------|
| Assessment Area | Lending Test | Investment Test | Service Test |
| Gainesville MSA | Consistent | Not Consistent – Below | Not Consistent – Below |

The bank’s lending performance in the limited-scope area is generally consistent with the bank’s performance overall. However, the bank did not make any qualified community development investments in the form of grants or donations in the Gainesville assessment area. The bank also did not report any qualified community development services benefitting the assessment area. Both the investment and service performance in this area

are less than the institution's overall performance; however, this performance does not change the investment or service test ratings for the institution. A number of factors may help explain the bank's performance in this assessment area, including the bank's very limited presence in the assessment area and the bank's concentration of resources in the larger metro Atlanta assessment area.

APPENDIX A

| SCOPE OF EXAMINATION | | | |
|---|-------------------------------|--|--------------------------|
| TIME PERIOD REVIEWED | | | |
| January 1, 2014 to December 31, 2015 – Lending Analysis | | | |
| January 1, 2013 to December 31, 2015 – Community Development Activities | | | |
| FINANCIAL INSTITUTION | | PRODUCTS REVIEWED | |
| The Brand Banking Company – Lawrenceville, Georgia | | HMDA loans Small business loans | |
| AFFILIATE(S) | AFFILIATE RELATIONSHIP | PRODUCTS REVIEWED | |
| Brand Mortgage Group | Subsidiary | HMDA loans | |
| LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION | | | |
| <i>ASSESSMENT AREA</i> | <i>TYPE OF EXAMINATION</i> | <i>BRANCHES VISITED</i> | <i>OTHER INFORMATION</i> |
| Atlanta, Georgia MSA: 12060 Atlanta-Sandy Springs-Roswell, Georgia | Full-scope Review | Snellville – 2488 Main Street East Snellville, Georgia 30078 | None |
| Gainesville, Georgia MSA: 23580 Gainesville, Georgia | Limited-scope Review | None | None |

APPENDIX B – LIMITED SCOPE AREA: GAINESVILLE ASSESSMENT AREA

Assessment Area Demographics

Assessment Area: Gainesville

| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
|------------------------------|--|---|--------------------------|-------------------------|--|-----------------------------|---------------------------|--------------|
| | # | % | # | % | # | % | # | % |
| Low-income | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 9,616 | 21.3 |
| Moderate-income | 9 | 25.0 | 10,088 | 22.3 | 2,158 | 21.4 | 8,262 | 18.3 |
| Middle-income | 18 | 50.0 | 23,460 | 51.9 | 2,081 | 8.9 | 9,065 | 20.1 |
| Upper-income | 9 | 25.0 | 11,624 | 25.7 | 880 | 7.6 | 18,229 | 40.4 |
| Unknown-income | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Assessment Area | 36 | 100.0 | 45,172 | 100.0 | 5,119 | 11.3 | 45,172 | 100.0 |
| | Housing | Housing Types by Tract | | | | | | |
| | Units by Tract | Owner-Occupied | | Rental | | Vacant | | |
| | | # | % | % | # | % | # | % |
| Low-income | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate-income | 15,541 | 6,437 | 15.5 | 41.4 | 7,424 | 47.8 | 1,680 | 10.8 |
| Middle-income | 35,128 | 23,042 | 55.5 | 65.6 | 8,421 | 24.0 | 3,665 | 10.4 |
| Upper-income | 16,242 | 12,023 | 29.0 | 74.0 | 2,826 | 17.4 | 1,393 | 8.6 |
| Unknown-income | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Assessment Area | 66,911 | 41,502 | 100.0 | 62.0 | 18,671 | 27.9 | 6,738 | 10.1 |
| | Total Businesses by Tract | Businesses by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | | # | % | # | % | # | % | |
| Low-income | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate-income | 2,511 | 28.2 | 2,172 | 26.4 | 332 | 51.0 | 7 | 31.8 |
| Middle-income | 4,104 | 46.1 | 3,859 | 46.9 | 236 | 36.3 | 9 | 40.9 |
| Upper-income | 2,278 | 25.6 | 2,189 | 26.6 | 83 | 12.7 | 6 | 27.3 |
| Unknown-income | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Assessment Area | 8,893 | 100.0 | 8,220 | 100.0 | 651 | 100.0 | 22 | 100.0 |
| | Percentage of Total Businesses: | | | 92.4 | | 7.3 | | 0.2 |

2015 FFIEC Census Data and 2015 D&B Information

APPENDIX B – LIMITED SCOPE AREA: GAINESVILLE ASSESSMENT AREA (Continued)

Geographic Distribution of HMDA Loans

Assessment Area: Gainesville

| PRODUCT TYPE | Tract Income Levels | Bank Lending & Demographic Data Comparison 2014, 2015 | | | | | Bank & Aggregate Lending Comparison 2014 | | | | | |
|------------------|---------------------------|---|---------------|-----------------|---------------|---------------------------------|---|---------------|---------------|-----------------|---------------|---------------|
| | | Bank | | | | Owner Occupied Units % | Count | | | Dollar | | |
| | | Count | | Dollar | | | # | % | % | Bank | | Agg |
| | | # | % | \$ (000s) | \$ % | \$ (000s) | | | | \$ % | \$ % | |
| HOME PURCHASE | Low | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Moderate | 36 | 21.2% | \$4,777 | 17.0% | 15.5% | 11 | 15.1% | 15.9% | \$1,960 | 14.9% | 11.2% |
| | Middle | 105 | 61.8% | \$18,331 | 65.1% | 55.5% | 54 | 74.0% | 55.1% | \$9,997 | 75.9% | 55.2% |
| | Upper | 29 | 17.1% | \$5,030 | 17.9% | 29.0% | 8 | 11.0% | 29.0% | \$1,215 | 9.2% | 33.5% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | <i>Total</i> | <i>170</i> | <i>100.0%</i> | <i>\$28,138</i> | <i>100.0%</i> | <i>100.0%</i> | <i>73</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$13,172</i> | <i>100.0%</i> | <i>100.0%</i> |
| REFINANCE | Low | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Moderate | 1 | 5.3% | \$91 | 1.8% | 15.5% | 1 | 12.5% | 11.3% | \$91 | 7.4% | 8.3% |
| | Middle | 10 | 52.6% | \$2,181 | 42.7% | 55.5% | 3 | 37.5% | 55.7% | \$329 | 26.8% | 53.8% |
| | Upper | 8 | 42.1% | \$2,839 | 55.5% | 29.0% | 4 | 50.0% | 33.0% | \$807 | 65.8% | 37.9% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | <i>Total</i> | <i>19</i> | <i>100.0%</i> | <i>\$5,111</i> | <i>100.0%</i> | <i>100.0%</i> | <i>8</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$1,227</i> | <i>100.0%</i> | <i>100.0%</i> |
| HOME IMPROVEMENT | Low | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Moderate | 0 | 0.0% | \$0 | 0.0% | 15.5% | 0 | 0.0% | 14.8% | \$0 | 0.0% | 13.4% |
| | Middle | 0 | 0.0% | \$0 | 0.0% | 55.5% | 0 | 0.0% | 63.1% | \$0 | 0.0% | 51.8% |
| | Upper | 1 | 100.0% | \$6 | 100.0% | 29.0% | 1 | 100.0% | 22.2% | \$6 | 100.0% | 34.8% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | <i>Total</i> | <i>1</i> | <i>100.0%</i> | <i>\$6</i> | <i>100.0%</i> | <i>100.0%</i> | <i>1</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$6</i> | <i>100.0%</i> | <i>100.0%</i> |
| MULTI FAMILY | Low | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Moderate | 0 | 0.0% | \$0 | 0.0% | 48.1% | 0 | 0.0% | 40.0% | \$0 | 0.0% | 29.0% |
| | Middle | 0 | 0.0% | \$0 | 0.0% | 39.5% | 0 | 0.0% | 53.3% | \$0 | 0.0% | 61.9% |
| | Upper | 0 | 0.0% | \$0 | 0.0% | 12.4% | 0 | 0.0% | 6.7% | \$0 | 0.0% | 9.1% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | <i>Total</i> | <i>0</i> | <i>0.0%</i> | <i>\$0</i> | <i>0.0%</i> | <i>100.0%</i> | <i>0</i> | <i>0.0%</i> | <i>100.0%</i> | <i>\$0</i> | <i>0.0%</i> | <i>100.0%</i> |
| HMDA TOTALS | Low | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Moderate | 37 | 19.5% | \$4,868 | 14.6% | 15.5% | 12 | 14.6% | 14.4% | \$2,051 | 14.2% | 10.8% |
| | Middle | 115 | 60.5% | \$20,512 | 61.7% | 55.5% | 57 | 69.5% | 55.6% | \$10,326 | 71.7% | 54.9% |
| | Upper | 38 | 20.0% | \$7,875 | 23.7% | 29.0% | 13 | 15.9% | 30.0% | \$2,028 | 14.1% | 34.3% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | <i>Total</i> | <i>190</i> | <i>100.0%</i> | <i>\$33,255</i> | <i>100.0%</i> | <i>100.0%</i> | <i>82</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$14,405</i> | <i>100.0%</i> | <i>100.0%</i> |

Originations & Purchases
2015 FFIEC Census Data and 2010 ACS Data

APPENDIX B – LIMITED SCOPE AREA: GAINESVILLE ASSESSMENT AREA (Continued)

Borrower Distribution of HMDA Loans

Assessment Area: Gainesville

| PRODUCT TYPE | Borrower Income Levels | Bank Lending & Demographic Data Comparison 2014, 2015 | | | | | Bank & Aggregate Lending Comparison 2014 | | | | | |
|------------------|------------------------|---|---------------|-----------------|---------------|-----------------------------|--|---------------|---------------|-----------------|---------------|---------------|
| | | Bank | | | | Families by Family Income % | Count | | | Dollar | | |
| | | Count | | Dollar | | | Bank | Agg | Bank | | Agg | |
| | | # | % | \$ (000s) | \$ % | # | | | % | % | | \$ (000s) |
| HOME PURCHASE | Low | 30 | 17.6% | \$3,104 | 11.0% | 21.3% | 9 | 12.3% | 5.7% | \$837 | 6.4% | 2.6% |
| | Moderate | 47 | 27.6% | \$5,743 | 20.4% | 18.3% | 20 | 27.4% | 15.2% | \$2,445 | 18.6% | 9.9% |
| | Middle | 44 | 25.9% | \$6,859 | 24.4% | 20.1% | 14 | 19.2% | 18.6% | \$1,965 | 14.9% | 15.5% |
| | Upper | 49 | 28.8% | \$12,432 | 44.2% | 40.4% | 30 | 41.1% | 37.5% | \$7,925 | 60.2% | 51.6% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 23.0% | \$0 | 0.0% | 20.3% |
| | <i>Total</i> | <i>170</i> | <i>100.0%</i> | <i>\$28,138</i> | <i>100.0%</i> | <i>100.0%</i> | <i>73</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$13,172</i> | <i>100.0%</i> | <i>100.0%</i> |
| REFINANCE | Low | 0 | 0.0% | \$0 | 0.0% | 21.3% | 0 | 0.0% | 6.5% | \$0 | 0.0% | 3.1% |
| | Moderate | 1 | 5.3% | \$91 | 1.8% | 18.3% | 1 | 12.5% | 10.9% | \$91 | 7.4% | 7.3% |
| | Middle | 2 | 10.5% | \$285 | 5.6% | 20.1% | 1 | 12.5% | 16.6% | \$97 | 7.9% | 12.5% |
| | Upper | 15 | 78.9% | \$4,608 | 90.2% | 40.4% | 6 | 75.0% | 43.1% | \$1,039 | 84.7% | 53.8% |
| | Unknown | 1 | 5.3% | \$127 | 2.5% | 0.0% | 0 | 0.0% | 22.8% | \$0 | 0.0% | 23.4% |
| | <i>Total</i> | <i>19</i> | <i>100.0%</i> | <i>\$5,111</i> | <i>100.0%</i> | <i>100.0%</i> | <i>8</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$1,227</i> | <i>100.0%</i> | <i>100.0%</i> |
| HOME IMPROVEMENT | Low | 0 | 0.0% | \$0 | 0.0% | 21.3% | 0 | 0.0% | 10.8% | \$0 | 0.0% | 2.1% |
| | Moderate | 0 | 0.0% | \$0 | 0.0% | 18.3% | 0 | 0.0% | 20.5% | \$0 | 0.0% | 7.4% |
| | Middle | 0 | 0.0% | \$0 | 0.0% | 20.1% | 0 | 0.0% | 23.3% | \$0 | 0.0% | 15.3% |
| | Upper | 1 | 100.0% | \$6 | 100.0% | 40.4% | 1 | 100.0% | 43.2% | \$6 | 100.0% | 71.5% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 2.3% | \$0 | 0.0% | 3.8% |
| | <i>Total</i> | <i>1</i> | <i>100.0%</i> | <i>\$6</i> | <i>100.0%</i> | <i>100.0%</i> | <i>1</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$6</i> | <i>100.0%</i> | <i>100.0%</i> |
| MULTI FAMILY | Low | 0 | 0.0% | \$0 | 0.0% | 21.3% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Moderate | 0 | 0.0% | \$0 | 0.0% | 18.3% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Middle | 0 | 0.0% | \$0 | 0.0% | 20.1% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Upper | 0 | 0.0% | \$0 | 0.0% | 40.4% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% |
| | Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 100.0% | \$0 | 0.0% | 100.0% |
| | <i>Total</i> | <i>0</i> | <i>0.0%</i> | <i>\$0</i> | <i>0.0%</i> | <i>100.0%</i> | <i>0</i> | <i>0.0%</i> | <i>100.0%</i> | <i>\$0</i> | <i>0.0%</i> | <i>100.0%</i> |
| HMDA TOTALS | Low | 30 | 15.8% | \$3,104 | 9.3% | 21.3% | 9 | 11.0% | 6.1% | \$837 | 5.8% | 2.7% |
| | Moderate | 48 | 25.3% | \$5,834 | 17.5% | 18.3% | 21 | 25.6% | 13.9% | \$2,536 | 17.6% | 8.8% |
| | Middle | 46 | 24.2% | \$7,144 | 21.5% | 20.1% | 15 | 18.3% | 18.1% | \$2,062 | 14.3% | 14.1% |
| | Upper | 65 | 34.2% | \$17,046 | 51.3% | 40.4% | 37 | 45.1% | 39.5% | \$8,970 | 62.3% | 51.1% |
| | Unknown | 1 | 0.5% | \$127 | 0.4% | 0.0% | 0 | 0.0% | 22.4% | \$0 | 0.0% | 23.4% |
| | <i>Total</i> | <i>190</i> | <i>100.0%</i> | <i>\$33,255</i> | <i>100.0%</i> | <i>100.0%</i> | <i>82</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$14,405</i> | <i>100.0%</i> | <i>100.0%</i> |

Originations & Purchases
2015 FFIEC Census Data and 2010 ACS Data

APPENDIX B – LIMITED SCOPE AREA: GAINESVILLE ASSESSMENT AREA (Continued)

Geographic Distribution of Small Business Loans

Assessment Area: Gainesville

| Tract Income Levels | Bank Lending & Demographic Data Comparison | | | | | Bank & Aggregate Lending Comparison | | | | | | |
|---------------------------|--|---------------|---------------------|---------------|---------------|-------------------------------------|---------------|---------------|----------------|---------------|---------------|-----|
| | 2014, 2015 | | | | | 2014 | | | | | | |
| | Bank | | Small Businesses | | Count | Dollar | | | Count | Dollar | | |
| | Count | Dollar | Dollar | % | | Bank | Agg | Bank | | Agg | Bank | Agg |
| # | % | \$ (000s) | \$ % | % | # | % | % | \$ 000s | \$ % | \$ % | | |
| Low | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% | |
| Moderate | 0 | 0.0% | \$0 | 0.0% | 26.4% | 0 | 0.0% | 28.4% | \$0 | 0.0% | 41.4% | |
| Middle | 8 | 57.1% | \$691 | 19.4% | 46.9% | 4 | 57.1% | 45.1% | \$377 | 18.4% | 38.0% | |
| Upper | 6 | 42.9% | \$2,879 | 80.6% | 26.6% | 3 | 42.9% | 24.1% | \$1,676 | 81.6% | 19.6% | |
| Unknown | 0 | 0.0% | \$0 | 0.0% | 0.0% | 0 | 0.0% | 0.0% | \$0 | 0.0% | 0.0% | |
| Tr Unknown | 0 | 0.0% | \$0 | 0.0% | | 0 | 0.0% | 2.4% | \$0 | 0.0% | 1.1% | |
| <i>Total</i> | <i>14</i> | <i>100.0%</i> | <i>\$3,570</i> | <i>100.0%</i> | <i>100.0%</i> | <i>7</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$2,053</i> | <i>100.0%</i> | <i>100.0%</i> | |

Originations & Purchases
2015 FFIEC Census Data and 2015 D&B Information

Small Business Loans by Business Revenue & Loan Size

Assessment Area: Gainesville

| Business Revenue & Loan Size | | Bank Lending & Demographic Data Comparison | | | | | Bank & Aggregate Lending Comparison | | | | | | |
|--------------------------------------|-----------------------------|---|---------------|---------------------|---------------|---------------|-------------------------------------|---------------|---------------|----------------|---------------|---------------|-----|
| | | 2014, 2015 | | | | | 2014 | | | | | | |
| | | Bank | | Total Businesses | | Count | Dollar | | | Count | Dollar | | |
| | | Count | \$ (000s) | \$ (000s) | % | | Bank | Agg | Bank | | Agg | Bank | Agg |
| # | % | \$ | % | % | # | % | % | \$ (000s) | \$ % | \$ % | | | |
| BUSINESS REVENUE | \$1million or Less | 5 | 35.7% | \$758 | 21.2% | 92.4% | 2 | 28.6% | 48.0% | \$125 | 6.1% | 39.7% | |
| | Over \$1 Million | 6 | 42.9% | \$2,007 | 56.2% | 7.3% | 3 | 42.9% | | | | | |
| | <i>Total Rev. available</i> | 11 | 78.6% | \$2,765 | 77.4% | 99.7% | 5 | 71.5% | | | | | |
| | Rev. Not Known | 3 | 21.4% | \$805 | 22.5% | 0.2% | 2 | 28.6% | | | | | |
| | <i>Total</i> | <i>14</i> | <i>100.0%</i> | <i>\$3,570</i> | <i>100.0%</i> | <i>100.0%</i> | <i>7</i> | <i>100.0%</i> | | | | | |
| LOAN SIZE | \$100,000 or Less | 5 | 35.7% | \$178 | 5.0% | | 2 | 28.6% | 90.3% | \$95 | 4.6% | 28.3% | |
| | \$100,001 - \$250,000 | 5 | 35.7% | \$711 | 19.9% | | 3 | 42.9% | 4.7% | \$430 | 20.9% | 17.2% | |
| | \$250,001 - \$1 Million | 4 | 28.6% | \$2,681 | 75.1% | | 2 | 28.6% | 5.0% | \$1,528 | 74.4% | 54.5% | |
| | <i>Total</i> | <i>14</i> | <i>100.0%</i> | <i>\$3,570</i> | <i>100.0%</i> | | <i>7</i> | <i>100.0%</i> | <i>100.0%</i> | <i>\$2,053</i> | <i>100.0%</i> | <i>100.0%</i> | |
| LOAN SIZE Rev \$1 Mill or Less | \$100,000 or Less | 3 | 60.0% | \$53 | 7.0% | | | | | | | | |
| | \$100,001 - \$250,000 | 1 | 20.0% | \$105 | 13.9% | | | | | | | | |
| | \$250,001 - \$1 Million | 1 | 20.0% | \$600 | 79.2% | | | | | | | | |
| | <i>Total</i> | <i>5</i> | <i>100.0%</i> | <i>\$758</i> | <i>100.0%</i> | | | | | | | | |

Originations & Purchases
Aggregate data is unavailable for loans to businesses with revenue over \$1 million or revenue unknown, and for loan size by revenue.
2015 FFIEC Census Data and 2015 D&B Information

APPENDIX C – DEFINITIONS AND GENERAL INFORMATION

Definitions

| | |
|-------|--|
| ATM | Automated Teller Machine |
| CDC | Community Development Corporation |
| CDFI | Community Development Financial Institution |
| CRA | Community Reinvestment Act (Regulation BB) |
| FDIC | Federal Deposit Insurance Corporation |
| FFIEC | Federal Financial Institutions Examination Council |
| HMDA | Home Mortgage Disclosure Act (Regulation C) |
| HUD | Department of Housing and Urban Development |
| LMI | Low- and Moderate-Income |
| LTD | Loan-to-Deposit |
| LTV | Loan-to-Value Ratio |
| MD | Metropolitan Division |
| MSA | Metropolitan Statistical Area |
| OMB | Office of Management and Budget |
| REIS | Regional Economic Information System |
| SBA | Small Business Administration |
| USDA | United States Department of Agriculture |

Rounding Convention

Because the percentages presented in tables were rounded to the nearest tenth in most cases, some columns may not total exactly 100 percent.

APPENDIX C – DEFINITIONS AND GENERAL INFORMATION (Continued)

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 CRA performance of Brand prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of August 29, 2016. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

APPENDIX D – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- I. Low-or moderate-income geographies;
- II. Designated disaster areas; or
- III. Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Effective January 19, 2010, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation revised the definition of community development to include loans, investments, and services by financial institutions that-

- I. Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP);
- II. Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees; and
- III. Benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or areas outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

APPENDIX D – GLOSSARY (Continued)

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, home equity 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 nonrelatives 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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract 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 do 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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 (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 metropolitan area/assessment area.

APPENDIX D – GLOSSARY (Continued)

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: 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 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.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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 community development.

Rated area: A rated area is a state or multistate metropolitan area. 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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) and the Thrift Financial Reporting (TFR) 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 commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (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.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.