



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

March 16, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Federal Bank of Louisiana
Charter Number 705339

1135 Lake Shore Dr. Lake Charles, LA 70601-5243

Office of the Comptroller of the Currency

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall Community Reinvestment Act (CRA) Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The lending test is rated: Satisfactory.

The community development (CD) test is rated: Satisfactory.

The major factors that support this rating include:

- A more than reasonable loan-to-deposit (LTD) ratio given the bank's size, competition, and economic environment.
- A significant majority of loans being originated in the assessment area (AA).
- A geographic distribution of home mortgage loans within low- and moderate-income census tracts (CTs) that exhibit a reasonable dispersion throughout the bank's AAs.
- A reasonable distribution of loans to individuals of different income levels given performance context and competition in the AA.
- An adequate responsiveness to CD lending, investments, and services in the AAs.
- Management did not receive any complaints in the AAs during the preview period.

LTD Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is more than reasonable. The quarterly LTD ratio since the previous CRA Performance Evaluation (PE) averaged 83.97 percent, with a high of 88.92 percent and a low of 79.16 percent. We compared the bank's LTD ratio to similarly-situated banks (peer group banks) within or near the AA during the same period. The peer group banks' average LTD ratio was 65.52 percent with a high average ratio of 79.95 percent and a low average ratio of 37.04 percent.

Institution	Assets – As of December 31, 2019 (in thousands)	Average LTD
First Federal Bank of Louisiana	897,174	83.97%
Lakeside Bank	216,052	76.43%
City Bank and Trust Co.	262,847	37.04%
Red River Bank	1,988,197	79.95%
First National Bank of Deridder	324,800	68.66%

Source: Call Reports

Lending in AA

A substantial majority of the bank's loans are inside its AAs. The bank originated and purchased 93.6 percent of its total loans by number and 93.8 percent of its total loans by dollar amount inside the bank's

AAs during the evaluation period. This analysis is performed at the bank level, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the AA										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	963	93.6	66	6.4	1,029	\$179,651	93.8	\$11,879	6.2	\$191,530
Total	963	93.6	66	6.4	1,029	\$179,651	93.8	\$11,879	6.2	\$191,530

Source: 2017, 2018 and 2019 HMDA Data

Description of Institution

First Federal Bank of Louisiana (FFBLA) is a \$897 million full-service, federally-chartered, mutual savings thrift headquartered in Lake Charles, LA (parish seat of Calcasieu Parish). Management currently operates with 16 branches in five parishes. Calcasieu Parish is part of the Lake Charles Metropolitan Statistical Area (MSA). In addition to the main branch, there are an additional 8 branches and 15 automated teller machines (ATMs) located in Calcasieu Parish. Management operates with an additional three branches and five ATMs in Rapides Parish, which is part of the Alexandria, LA MSA. The remaining four branches along with an additional four ATMs, are located in Beauregard, Allen, and Natchitoches Parishes. These three Parishes are not part of any MSA.

During the review period, management consolidated two branches located in Rapides Parish. One of the branches was located in an upper-income CT, while the other was located in a middle-income CT. The consolidated new branch is now located in an upper-income CT. Additionally, management opened a new branch in Calcasieu Parish in a middle-income CT.

FFBLA is primarily a residential mortgage lender offering conventional fixed-rate and adjustable-rate mortgage loans for the purposes of construction, purchase, refinance, or home improvement of one- to four-family dwellings. FFBLA services portfolio loans, as well as loans sold to FNMA. Management additionally offers a wide variety of loan products to serve the diverse needs of its communities, including Small Business Administration, conventional, and U.S. Government-sponsored (FHA, VA, and Rural Housing Development) mortgages originated and sold in the secondary market. Other available loan products include secured and unsecured consumer loans, automobile loans, pledge loans, home equity loans, revolving home equity lines of credit, home improvement loans, unsecured lines of credit, small business, small farm, commercial real estate, commercial lines of credit, multi-family mortgages, personal and business credit cards, and CD loans. There has been no change in focus regarding products since the previous CRA examination.

As illustrated in the table below, home mortgage lending remains the bank's primary lending product. Nonfarm/nonresidential loans also are a product line of FFBLA. It is important to note that when analyzed by number, nonfarm/nonresidential loans only comprise 6.23 percent of the bank's overall portfolio. Furthermore, discussions with management confirmed that management's primary loan product is home mortgage lending.

FFBLA's Loan Portfolio		
Loan Category	Dollar (000)	Percentage
Home Mortgage Lending	\$260,478	46.64
Construction (One- To Four-)	\$59,727	10.69
HELOC	\$12,059	2.16
Nonfarm/Nonresidential	\$185,184	33.17
Commercial and Industrial	\$25,498	4.57
Consumer	\$15,468	2.77
Total	\$558,414	100

Source: FFBLA internal documents

Banking hours reasonably meet the community needs with lobby hours Monday through Friday and extended Friday hours, motor banking, and ATMs at all branch locations. Management additionally operates with seven offsite ATMs throughout the bank's AAs. The bank offers a wide range of deposit and loan products, and no significant differences exist between locations. There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs in its AAs. Management did not receive any complaints related to CRA performance during the review period. FFBLA's previous CRA Evaluation was conducted on January 24, 2017 and given an overall rating of "Satisfactory."

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for both the lending test and the CD test is January 1, 2017 through December 31, 2019. The bank is primarily a residential mortgage lender. Therefore, this was the only product analyzed during this evaluation. The home mortgage review included all Home Mortgage Disclosure Act (HMDA) loans originated during the review period. There was a total of 963 home mortgage loans originated in the AA during the review period. We also reviewed all CD activity.

Appendix D contains the data used to conduct our analysis. We combined and analyzed 2017, 2018, 2019 together using the 2011 through 2015 American Community Survey (ACS).

Selection of Areas for Full-Scope Review

FFBLA operates in three AAs: the Lake Charles AA; the Alexandria AA; and the non-MSA AA, all within the state of Louisiana. All three areas received a full-scope review. There are no limited-scope areas.

Ratings

FFBLA's three AAs were rated equally during this PE.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this Evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this PE.

State Rating

State of Louisiana

CRA rating for the State of Louisiana: Satisfactory

The lending test is rated: Satisfactory

The community development test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of home mortgage loans within low- and moderate-income CTs exhibits a reasonable dispersion throughout FFBLA's AAs.
- FFBLA exhibits a reasonable distribution of loans to individuals of different income levels given performance context and competition in the AA.
- FFBLA exhibits adequate responsiveness to CD lending, investments, and services in the AAs.
- Management did not receive any complaints in the AAs during the evaluation period.

Description of Institution's Operations in Louisiana

FFBLA operates within three AAs in Louisiana: Calcasieu Parish; Rapides Parish; and the non-MSA AA, which combines the non-MSA Parishes of Allen, Beauregard and Natchitoches. The CRA regulations allow for the grouping of Non-MSA AAs for analysis purposes. These three AAs are located in five parishes, which are located in two separate MSAs and three non-MSAs.

Calcasieu Parish AA

FFBLA operates with nine branches and 15 ATMs in the Calcasieu Parish AA. The main office, one branch location, and three ATMs are located in moderate-income CTs. The remaining branch locations and ATMs are located in either middle- or upper-income CTs. Calcasieu Parish is part of the Lake Charles MSA, of which Lake Charles is the principle city. This MSA is located in the southwestern corner of the State of Louisiana and borders Texas to the west. The AA complies with the requirements of the CRA regulations and does not arbitrarily exclude low-income and moderate-income areas. There are 44 CTs in this AA, with four being low-income, 12 moderate-income, 14 middle-income, 12 upper-income; and two being not applicable. A CT can be "not applicable" if it was part of the parish at one time but is no longer due to map changes.

Demographic Information of the AA						
AA: Calcasieu Parish AA 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (CTs)	44	9.1	27.3	31.8	27.3	4.5
Population by Geography	195,887	5.0	25.8	36.7	32.5	0.0
Housing Units by Geography	84,954	5.6	25.9	36.1	32.3	0.0
Owner-Occupied Units by Geography	51,678	2.9	18.7	41.5	36.9	0.0
Occupied Rental Units by Geography	23,647	10.7	38.3	24.9	26.2	0.0
Vacant Units by Geography	9,629	8.0	34.1	34.8	23.1	0.0
Businesses by Geography	19,217	5.5	28.1	33.6	32.6	0.2
Farms by Geography	376	3.2	14.9	40.2	41.8	0.0
Family Distribution by Income Level	50,663	23.7	16.8	17.9	41.6	0.0
Household Distribution by Income Level	75,325	25.6	15.6	16.4	42.5	0.0
Median Family Income MSA - 29340 Lake Charles, LA MSA		\$57,200	Median Housing Value			\$126,978
			Median Gross Rent			\$745
			Families Below Poverty Level			13.0%
<i>Source: 2015 ACS Census and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2015 ACS Census reported the total population of the AA at 195,887. Within the AA, there are 50,663 families. There are 84,954 housing units of which, 51,678 or 60.8 percent are owner-occupied. Approximately, 2.9 percent of owner-occupied housing is located in the low-income geographies; 18.7 percent of owner-occupied housing is located in moderate-income geographies; 41.5 percent of owner-occupied housing is located in middle-income geographies; and 36.9 percent are located in upper-income geographies. The median housing cost as of 2019 was \$126,978.

The Federal Financial Institutions Examination Council's (FFIEC's) updated 2019 median family income for the AA was \$57,200. Low-income is defined as less than 50 percent of the median family income. Moderate-income is defined as 50 percent to less than 80 percent of the median family income. Middle-income is defined as 80 percent to less than 119 percent of the median family income. Upper-income is defined as income of 120 percent and over the median family income. The table below depicts income classification categories.

Income Categories – Calcasieu Parish AA			
Low	Moderate	Middle	Upper
<\$28,599	\$28,600 - \$45,759	\$45,760 to <\$68,639	>\$68,640

Source: FFIEC 2019

According to the June 30, 2019 FDIC Summary of Deposit Market Share report, FFBLA's deposit market share within the AA was 10.47 percent, ranking the institution third out of 30 institutions within the AA. FFBLA's primary competitors are JD Bank (11 offices, 12.79 percent market share), JP

Morgan (9 offices, 10.47 percent market share); Iberia Bank (6 offices, 6.98 percent market share), and Pedestal Bank (6 offices, 6.98 percent market share).

The Lake Charles MSA has a diverse economic base that is comprised of a variety of businesses and industries including: gaming, health care services, industrial construction, oil refining, and chemical manufacturing. Prior to 2019, the region experienced tremendous growth with an economic growth boom that inflated home prices for both owner-occupied and renter-occupied units. According to local data, the average home price increased to approximately \$175,000 during this period, significantly more than the average home price when 2019 data is included.

Since 2019, the area has experienced slowing growth and is expected to continue to slow over the next several years. However, some limited growth will be experienced with the expansion of new petrochemical plants and a new LNG terminal. As of 2019, the top employers in the AA were the Calcasieu Parish School System (education); Southwest Louisiana Hospital Association (medical); Lake Charles Memorial Health System (medical); Coushatta Casino Resort (gaming) and Westlake Group (manufacturing). The AA's unemployment rate as of December 31, 2019 was 4.3 percent. This figure compares favorably to a state average of 4.9 percent for the same period.

To help identify needs and opportunities in the Calcasieu AA, the OCC utilized a regulatory agency contact, which is a nonprofit with a mission to revitalize the northern portion of Lake Charles, primarily through affordable homeownership. The contact indicated the following needs of the area include: affordable housing; first-time homebuyer options; alternative ways for down payment assistance and programs for grandmothers attending to parents and/or grandchildren. According to the contact, local banks have been active in helping meet the credit needs of the AA. The contact further stated, dependence on the energy industry is high in Lake Charles, given the number of oil refineries. Individuals come from all over the state to work and are willing to rent houses that are above fair market rents for the area. With that said, it's very difficult for low- and moderate-income families to find available Section 8 housing, because landlords can demand much higher rents than what Section 8 pays.

Rapides Parish AA

FFBLA operates with three branches and five ATMs in the Rapides Parish AA. One ATM is located in a low-income CT and another in a moderate-income CT. Rapides Parish is part of the Alexandria MSA, of which Alexandria is the principle city. This MSA is located in central Louisiana. The AA complies with the requirements of the CRA regulations and does not arbitrarily exclude low-income and moderate-income areas. There are 33 CTs in this AA, with four being low-income; six moderate-income; 14 middle-income; eight upper-income; and one being not applicable. A CT can be "not applicable" if it was part of the parish at one time but is no longer due to map changes.

Demographic Information of theAA						
AA: Rapides Parish AA 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (CTs)	33	12.1	18.2	42.4	24.2	3.0
Population by Geography	132,225	7.9	11.8	45.5	34.8	0.0
Housing Units by Geography	56,740	8.9	13.0	44.0	34.1	0.0
Owner-Occupied Units by Geography	30,052	4.5	8.5	45.0	42.0	0.0
Occupied Rental Units by Geography	17,622	15.4	17.7	41.0	25.9	0.0
Vacant Units by Geography	9,066	10.6	18.9	46.4	24.0	0.0
Businesses by Geography	11,067	10.7	11.2	45.4	32.4	0.4
Farms by Geography	320	1.6	3.8	46.3	48.4	0.0
Family Distribution by Income Level	31,802	23.8	16.4	17.9	41.9	0.0
Household Distribution by Income Level	47,674	26.3	14.7	16.6	42.5	0.0
Median Family Income MSA - 10780 Alexandria, LA MSA		\$57,600	Median Housing Value			\$124,709
			Median Gross Rent			\$731
			Families Below Poverty Level			16.2%
<i>Source: 2015 ACS Census and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The FFIEC's updated 2019 median family income for the AA was \$50,720. Low-income is defined as less than 50 percent of the median family income. Moderate-income is defined as 50 percent to less than 80 percent of the median family income. Middle-income is defined as 80 percent to less than 119 percent of the median family income. Upper-income is defined as income of 120 percent and over the median family income. The table below depicts income classification categories.

Income Categories – Rapides Parish AA			
Low	Moderate	Middle	Upper
<\$28,799	\$28,800 to <\$46,079	\$46,080 to <\$69,119	≥\$69,120

Source: FFIEC, 2019

According to the June 30, 2019 FDIC Summary of Deposit Market Share report, FFBLA's deposit market share was 6.78 percent, ranking the institution fifth out of 24 institutions within the AA. FFBLA's primary competitors are Sabine State Bank & Trust Company (9 offices, 15.25 percent market share); Red River Bank (8 offices, 13.56 percent market share); Southern Heritage Bank (5 offices, 8.47 percent market share); and JP Morgan Chase Bank (4 offices 6.78 percent market share).

As of 2019, the top employers of Rapides Parish were Fort Polk (United States Army); Rapides Parish School Board (education); Grand Casino-Kinder (gaming); Pinecrest State School (education); and CHRISTUS St. Frances Cabrini Hospital (healthcare). The economy in Rapides Parish is not as vibrant as the economy in Calcasieu Parish. As of December 31, 2019, the unemployment rate in Rapides Parish was 5.3 percent compared to the state's unemployment rate of 4.9 percent.

It is important to note that in 2016 one of the major manufacturers in the AA, General Electric, closed its Pineville plant. Since that plant closing, the local economy has remained flat and unable to recover from the loss. Plastipak, a large plastic packaging company, announced an expansion to its Pineville facility in 2017; however, the expansion will result in only 32 new jobs to the area.

To help identify needs and opportunities in the Rapides AA, the OCC utilized a regulatory agency contact, which is a non-profit whose purpose and function is to restore low- and moderate-income neighborhoods through affordable homeownership. The contact indicated that affordable housing was the greatest need in Rapides Parish. According to the contact, there are opportunities for local banks to help meet the needs of the AA, and some are involved; however, most involvement comes from larger, national banks.

Non-MSA AA

The Non-MSA AA is a combination of the parishes of Allen, Beauregard, and Natchitoches, which have been combined for analysis purposes. FFBLA operates with four branches and four ATMs in the Non-MSA AA, with one branch being located in a moderate-income CT. The AA complies with the requirements of the CRA regulations and does not arbitrarily exclude low- and moderate-income areas. There are 21 CTs in this AA, of which three are moderate-; 10 are middle-income; and eight are upper-income. There are no low-income CTs in the Non-MSA AA.

Demographic Information of the AA						
AA: Non-MSA AA 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (CTs)	21	0.0	14.3	47.6	38.1	0.0
Population by Geography	101,242	0.0	15.6	43.0	41.4	0.0
Housing Units by Geography	43,702	0.0	16.5	43.6	39.9	0.0
Owner-Occupied Units by Geography	24,424	0.0	8.4	45.3	46.3	0.0
Occupied Rental Units by Geography	11,211	0.0	34.7	34.3	31.0	0.0
Vacant Units by Geography	8,067	0.0	15.9	51.1	33.0	0.0
Businesses by Geography	8,053	0.0	18.0	41.6	40.4	0.0
Farms by Geography	285	0.0	7.7	43.2	49.1	0.0
Family Distribution by Income Level	23,752	21.5	14.6	17.3	46.7	0.0
Household Distribution by Income Level	35,635	25.0	14.0	14.6	46.4	0.0
Median Family Income Non-MSAs - LA		\$50,000	Median Housing Value			\$101,260
			Median Gross Rent			\$601
			Families Below Poverty Level			17.5%
<i>Source: 2015 ACS Census and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The FFIEC's updated 2019 median family income for the AA was \$50,000. Low-income is defined as less than 50 percent of the median family income. Moderate-income is defined as 50 percent to less than 80 percent of the median family income. Middle-income is defined as 80 percent to less than 119

percent of the median family income. Upper-income is defined as income of 120 percent and over the median family income. The table below depicts income classification categories.

Table 7 – Income Categories – Institution’s AA			
Low	Moderate	Middle	Upper
<\$24,999	\$25,000 to <\$39,999	\$40,000 to <\$59,999	≥\$60,000

Source: FFIEC, 2016

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, First Federal’s deposit market share was 10.26 percent, ranking the institution fourth out of 16 institutions within the AA. FFBLA’s top five competitors are Sabine State Bank and Trust Company (9 offices, 23.08 percent market share); BOM Bank (4 offices, 10.26 percent market share); City Bank and Trust (4 offices, 10.26 percent market share); First National Bank of DeRidder (3 offices, 7.69 percent market share); and Beauregard Federal Savings Bank (2 offices, 5.13 percent market share).

Beauregard Parish’s top employers include manufacturing and military services. Allen Parish’s largest employers are manufacturing and gaming. Natchitoches Parish has a greater diverse economy built around education (university), medical, social services, manufacturing, retail, and tourism.

The AA’s unemployment rates, as of December 31, 2019 were as follows: Allen Parish (6.6 percent), Beauregard Parish (5.5 percent), and Natchitoches Parish (6.3 percent). These figures were higher than the state’s rate of 4.9 percent for the same timeframe.

To help identify needs and opportunities in the Non-MSA AA, the OCC utilized a regulatory agency contact, which is a nonprofit community alliance group focusing on providing support for nonprofit groups. The contact indicated the following needs of the area include: affordable housing and alternative ways for down payment assistance. According to the contact, local banks have been active in helping meet the credit needs of the AA. The contact further stated that there were limited employment opportunities and that the housing market remained flat. Lastly, the contact stated that affordable housing and financial literacy classes remain a need in the community.

Scope of Evaluation in Louisiana

FFBLA operates in three AAs: the Calcasieu Parish AA, Rapides Parish AA, and the Non-MSA AA, all within the State of Louisiana. All three AAs received a full-scope review. There are no limited-scope areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOUISIANA

LENDING TEST

The bank’s performance under the lending test in Louisiana is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s lending performance in the State of Louisiana is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Table O in the State of Louisiana section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Calcasieu Parish AA

FFBLA's geographic distribution of loans in the Calcasieu Parish AA is considered reasonable. Management's lending in the low-income CTs exceeded both the percentage of owner-occupied housing units in those CTs, as well as peer lending, and is considered excellent. Management's lending in the moderate-income CTs is considered reasonable, even though it was slightly less than both the percentage of owner-occupied housing units and peer lending.

Rapides Parish AA

FFBLA's geographic distribution of loans in the Rapides Parish AA is considered reasonable. While management did not make any loans in the low-income CTs, only 2.1 percent of aggregate lending occurred in those CTs, which is less than the percentage of owner-occupied housing units in those CTs. Management's lending in the moderate-income CTs is significantly more than both the demographic comparator and peer data and is therefore considered excellent.

Non-MSA AA

FFBLA's geographic distribution of loans in the Non-MSA AA is considered excellent. As previously discussed, there are no low-income CTs in the AA. Management's lending in the moderate-income CTs exceeds both the demographic comparator as well as peer data.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the State of Louisiana section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Calcasieu Parish AA

FFBLA's distribution of home mortgage loans in Calcasieu Parish AA to low-income borrowers is considered reasonable. While the percentage of bank loans was less than the percent of low-income families in the AA, the bank's percentage of loans was greater than peer lending and is therefore considered satisfactory. Lending to moderate-income borrowers was likewise considered reasonable.

While the percent of bank loans was considerably less than both the percent of moderate-income families and peer lending in the AA, the AA had experienced significant growth during the review period. This growth, coupled with significant competition in the AA, made home ownership difficult for low- and moderate-income borrowers.

Rapides Parish AA

FFBLA's distribution of home mortgage loans in Rapides Parish AA to low-income borrowers is considered poor. The percent of bank loans was considerably less than both the percent of low-income families and peer lending. Home mortgage lending to moderate-income borrowers was likewise considered poor as the percent of bank loans was considerably less than both the percent of moderate-income families and peer lending.

Approximately 24 percent of families in the AA are considered low-income, and make less than \$28,799 annually. Approximately 16 percent of families in the AA are considered moderate-income and make between \$28,800 and \$46,079 annually. With a median housing value of \$124,709 both low- and moderate-income borrowers demonstrate the ability to obtain homeownership. Furthermore, the bank ranks fifth out of 24 institutions in the AA and so has the capacity to make mortgage loans in the AA.

Non-MSA AA

FFBLA's distribution of home mortgage loans in the Non-MSA AA to low-income borrowers is considered reasonable. While the percentage of bank loans was less than the percentage of low-income families in the AA, the bank's percentage of loans was greater than peer lending and is therefore considered satisfactory. Home mortgage lending to moderate-income borrowers was likewise considered reasonable as it was on par with peer lending, even though both the bank's lending and peer lending was less than the percent of low-income families in the AA.

Responses to Complaints

Management did not receive any CRA-related complaints during the evaluation period.

CD TEST

FFBLA's performance under the CD test in the State of Louisiana is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, FFBLA exhibits adequate responsiveness to CD needs in the AAs through loans, qualified investments, and services considering the bank's capacity, and the need and availability of such opportunities for CD in the AAs.

Number and Amount of CD Loans

In total, FFBLA originated eight loans totaling \$1.7 million within its AAs and one loan totaling \$3.16 million outside of its AAs during the evaluation period.

The level of CD loans in the Calcasieu Parish AA represents an adequate level of CD. The bank originated six loans totaling \$1.3 million, with significant lending including a loan to renovate and construct an addition to a commercial property that houses a children’s advocacy center and a counseling center. During 2018, the advocacy center served 354 low- and moderate-income individuals (66 percent of its total clients) while 69 percent of the counseling centers customers were from low- and moderate-income households. Additional lending activity included four lines of credit to build single-family rental dwellings in a designated revitalized area of Lake Charles. Two of the four dwellings were in moderate-income CTs.

The level of CD loans in the Rapides Parish AA represents an adequate level of CD. The bank originated two loans totaling \$420,000. Significant lending included two lines of credit to a homeless coalition located in Alexandria. The coalition is a non-profit, and a “one-stop shop” for homeless needs for people who reside in the central part of Louisiana. The purpose of the coalition is to prevent homelessness and assist in securing affordable housing.

FFBLA did not make any CD loans in the Non-MSA AA during the evaluation period.

In addition to the CD loans that benefit the bank’s AAs, FFBLA originated one qualified CD loan, totaling \$3.16 million, located in the state of Texas. This CD loan originated in the broader regional area had a positive impact on the bank’s CD lending performance. The loan involved the purchase and renovation of an affordable housing complex with low-income tax credits located in Orange, TX. The complex is located in a moderate-income CT that is adjacent to Calcasieu Parish.

Number and Amount of Qualified Investments

FFBLA demonstrated adequate responsiveness to CD needs through qualified investment activities within its AAs during the evaluation period. Investments totaled \$625,000 and comprised of four CRA qualified investments (mutual funds), totaling \$513,000 and 49 donations totaling \$112,000. The qualified CRA investments “earmarked” a portion of two separate FNMA loan pools totaling \$377,000 in Rapides Parish; one loan pool totaling \$70,000 in Calcasieu Parish; and a fourth loan pool totaling \$65,000 in the Non-MSA AA. Each pool includes loans originated to low- and moderate-income individuals.

Extent to Which FFBLA Provides CD Services

FFBLA demonstrated excellent responsiveness to CD needs by offering qualifying services to low- and moderate-income individuals within the AAs during the evaluation period. FFBLA has 16 branches and 24 ATMs located throughout its AAs. Bank officers and employees routinely provide technical assistance and financial services through serving on boards, committees, or as members of organizations providing community services to low- and moderate-income individuals.

Examples of qualifying CD services are as follows:

- FFBLA continues to develop and participate in special loan, down payment assistance, and first-time homebuyer programs that are specifically designed to assist low- and moderate-income borrowers within low- and moderate-income geographies.
- FFBLA maintains an in-house first-time homebuyer program, which features lower down payments and reduced closing costs. During the evaluation period, 10 loans totaling \$1.4 million were originated.
- Home Ownership Promotes Empowerment (HOPE) loan program. The bank services four loans totaling \$277,000.
- As of December 31, 2019, FFBLA originated 10 USDA Rural Housing loans totaling \$1.2 million.
- FFBLA continues to be an FHA/VA direct lender having originated 17 loans, totaling \$3.1 million.
- FFBLA is a participant in various state-wide assistance programs that benefit low- and moderate-income borrowers, such as the Louisiana Housing Corporation, including Mortgage Revenue Bond Programs.
- FFBLA continues to participate in the City of Lake Charles down payment program, which offers \$5,000 in down payment and closing costs assistance to low- and moderate-income, first-time homebuyers.
- FFBLA's consumer loan program offers a loan amount of \$500. There were 100 loans originated through this program of which 68 were to low- and moderate-income borrowers. Overall, the bank originated 685 consumer loans of various loan amounts to low- and moderate-income borrowers during the evaluation period.
- FFBLA offers a secured credit card with a minimum credit card limit of \$300. This product was offered to help people establish or rebuild credit.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSA that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	(01-01/2017 to 12/31/2019)	
Bank Products Reviewed:	-Home mortgage -CD loans, qualified investments, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA	NA	NA
List of AAs and Type of Examination		
Rating and AAs	Type of Exam	Other Information
Calcasieu Parish AA	Full Scope	
Rapides Parish AA	Full Scope	
Non-MSA AA	Full Scope	

Appendix B: Summary of State Ratings

RATINGS First Federal Bank of Louisiana			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
State: Louisiana	Satisfactory	Satisfactory	Satisfactory

(*) The lending test and CD test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

Census Tract (CT): A small, relatively permanent statistical subdivision of a parish delineated by a local committee of census data users for the purpose of presenting data. CTs nest within parishes, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances. CTs ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, 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 non-relatives 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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A CT 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 conduct business or have banking offices in a MSA to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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 (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A CT with a median family income that is less than 50 percent.

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 state/AA.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary parishes that represent an employment center or centers, plus adjacent counties associated with the main/secondary parish or parishes through commuting ties.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central parish or parishes containing the core, plus adjacent outlying parishes having a high degree of social and economic integration with the central parish or parishes as measured through commuting.

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.

Multifamily: Refers to a residential structure that contains five or more units.

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 CD.

Rating Area: A rated area is a state or multi-state MSA. 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 multi-state MSA, the institution will receive a rating for the multi-state MSA.

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) 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.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the 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.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MSAs, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that FFBLA provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30 of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. AA Distribution of Home Mortgage Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. AA Distribution of Home Mortgage Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. AA Distribution of Loans to Small Businesses by Income Category of the Geography -** The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AAs.
- Table R. AA Distribution of Loans to Small Businesses by Gross Annual Revenue -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. AA Distribution of Loans to Farms by Income Category of the Geography -** The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size)

throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AAs.

- Table T. AA Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. AA Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. AA Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

Table O: AA Distribution of Home Mortgage Loans by Income Category of the Geography																				2017-19	
AA:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Calcasieu Parish AA	723	139,337	75.1	5,462	2.9	4.0	2.4	18.7	13.3	17.1	41.5	27.9	39.3	36.9	54.8	41.1	0.0	0.0	0.0		
Rapides Parish AA	134	27,611	13.9	2,833	4.5	0.0	2.1	8.5	14.2	6.6	45.0	34.3	42.8	42.0	51.5	48.6	0.0	0.0	0.0		
Non-MSA AA	106	12,703	11.0	1,749	0.0	0.0	0.0	8.4	9.4	7.0	45.3	44.3	38.9	46.3	46.2	54.1	0.0	0.0			
Total	963	179,651	100.0	10,044	2.7	3.0	1.9	13.5	13.0	12.4	43.4	30.6	40.2	40.5	53.4	45.5	0.0	0.0	0.0		

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: AA Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19	
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
AA:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Calcasieu Parish AA	723	139,337	75.1	5,462	23.7	3.6	3.3	16.8	4.7	10.5	17.9	10.8	19.0	41.6	62.4	45.2	0.0	18.5	22.0	
Rapides Parish AA	134	27,611	19.8	2,833	23.8	1.5	4.1	16.4	8.2	13.4	17.9	8.2	17.9	41.9	36.6	42.4	0.0	45.5	22.2	
Non-MSA AA	106	12,703	29.0	1,749	21.5	3.8	2.5	14.6	8.5	9.8	17.3	10.4	17.0	46.7	71.7	51.1	0.0	5.7	19.6	
Total	963	179,651	100.0	10,044	23.2	3.3	3.4	16.2	5.6	11.2	17.8	10.4	18.4	42.8	59.8	45.4	0.0	20.9	21.7	
<i>Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>																				