



## **PUBLIC DISCLOSURE**

June 23, 2014

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

FirstAtlantic Bank  
Charter Number 716115

1325 Hendricks Avenue  
Jacksonville, FL 32207

Office of the Comptroller of the Currency

8375 Dix Ellis Trail, Suite 403  
Jacksonville, FL 32256

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Outstanding.**

Major factors supporting the institution's rating include:

- *The bank's level of lending, as reflected in the bank's quarterly average net loan-to-deposit ratio, is reasonable given the bank's size, capacity, and performance context factors.*
- *A substantial majority of the business loans that the bank originated and purchased over the evaluation period were inside its assessment area.*
- *Lending activities show reasonable penetration among businesses of different sizes given the performance context.*
- *The geographic distribution of loans reflects an excellent dispersion among the various income geographies throughout the assessment area.*
- *The overall level of community development performance demonstrates excellent responsiveness to needs of its assessment area through community development loans, qualified investments, and community development services, considering the bank's size, capacity, and its performance context.*

## **Scope of Examination**

This Performance Evaluation (PE) assesses the bank's record of meeting the credit needs of the communities in which it operates. We evaluated the bank's performance under the Intermediate Small Bank (ISB) Test using the Interagency Community Reinvestment Act (CRA) procedures, which include a lending test and a community development test. The bank's lending performance is evaluated using the small bank lending test. The community development test evaluates a bank's community development lending, investments, and service activities.

The lending test covers the bank's performance from January 1, 2012 through December 31, 2013. The evaluation period for community development loans, investments and services begins April 28, 2009 and ends June 23, 2014.

Based on discussions with bank management and the volume of loan originations during the evaluation period, we determined the bank's primary loan product is business lending as noted in the table below. During the evaluation period, the bank originated and purchased 321 business loans and 16 home mortgage loans in the assessment area. As such, in evaluating the bank's performance, we will focus on the bank's primary loan product, business lending, as this was more representative of its lending

strategy during the evaluation period. For our examination, we relied on 2012 and 2013 loan origination and purchased reports generated by the bank for all business loans. We performed a data integrity review on these business loans earlier in the year and determined it to be accurate and reliable for use in our lending analysis.

Loan Originations for the time period of 1/1/12-12/31/13		
Loan Type	Number of originations	Percentage (%)
Business Loans	321	95.25%
Home Mortgage Loans	16	4.75%
<b>Total originations</b>	337	100%

Community development loans, investments, and services submitted by bank management were verified to ensure accuracy and that they met the regulatory definition of community development.

## Description of Institution

FirstAtlantic Bank is an intrastate federally chartered stock savings association headquartered in Jacksonville, Florida. The bank is wholly owned by FirstAtlantic Financial Holdings, Inc., a one-bank holding company headquartered in Jacksonville, Florida. The bank began operations on July 20, 2007, the date the holding company purchased the former Paramount Bank of Lexington, Kentucky, renamed the bank to FirstAtlantic, and relocated headquarters to Jacksonville. Since the last CRA examination in April 2009, FirstAtlantic has expanded its operations with the following acquisitions:

- 2011: On July 22, the bank acquired the assets and assumed the deposits of a Synovus Bank branch located in Orange Park, Florida. On December 16, the bank purchased certain assets and assumed all deposits from CenterBank of Jacksonville, N.A.
- 2012: On December 7, the bank acquired the assets and assumed the deposits of a Prosperity Bank branch located in Jacksonville.
- 2013: On April 19, the bank acquired certain assets and assumed all deposits from the failed Heritage Bank of North Florida.

FirstAtlantic operates eight banking offices in the Assessment Area (AA). In February 2014, the bank opened a Small Business Administration (SBA) loan production office (LPO) in Gainesville, Florida.

FirstAtlantic provides many services to its customers and low- to no-cost checking and savings accounts that are considered responsive to the banking needs of low- and

moderate-income individuals and to small businesses. FirstAtlantic also provides a variety of lending programs, including commercial, residential, and consumer products. However, the primary focus in meeting the credit needs of its AAs during the evaluation period is business lending. FirstAtlantic is a certified U.S. SBA lender, which allows the bank to address the lending needs of small businesses in the AA. Since the prior CRA exam in 2009, the bank originated or purchased 50 SBA loans; the majority included in the lending and community development tests.

Refer to the section below titled *Community Development Services* for more details regarding the bank's products and services geared towards low- and moderate-income individuals, families, and small businesses.

As of March 31, 2014, the bank reported total assets of \$386 million and total deposits of \$324 million. Total loans (net of unearned income and allowance), which represent 70 percent of total assets, equaled \$270 million. The loan portfolio, as charted below, consists of 74.5 percent of commercial and commercial real estate secured loans, 24 percent residential real estate secured loans to include business purpose loans, and 1.5 percent in consumer purpose loans.

<b>Composition of the Loan Portfolio as of 3/31/14</b>		
<b>Loan Type</b>	<b>Dollar Amount (000)</b>	<b>Percentage (%)</b>
<b>Commercial and Commercial RE</b>	\$200,940	74.42%
<b>Residential RE</b>	\$65,015	24.08%
<b>Consumer</b>	\$4,056	1.50%
<b>Total Loans</b>	\$270,011	100.00%

There are no financial or legal impediments that would prevent the bank from meeting the credit needs of the community it serves. The preceding CRA evaluation dated April 27, 2009 (lending performance evaluation ended March 31, 2009) indicated the bank received a "Satisfactory" rating.

## Description of Assessment Area

### Description of the Clay, Duval and St. Johns Counties Assessment Area

The AA, which is part of the Jacksonville Metropolitan Statistical Area (MSA) #27260, is located in northeast Florida. The AA consists of 244 census tracts; of all Clay (30 census tracts), Duval (173 census tracts), and St. Johns (41 census tracts) Counties. Jacksonville is the county seat for Duval County; St. Augustine for St. Johns County; and, Green Cove Springs for Clay County. The AA meets the requirements of the regulation and does not arbitrarily exclude low - or moderate-income geographies.

FirstAtlantic has eight full service branch offices located in the AA. Four offices are located in Duval County, two offices in Clay County, and the remaining two are located in St. Johns County. Out of the eight branch locations, one is located in a moderate-income census tract (Duval County); six are located in middle-income census tracts, and one is located in an upper-income tract (St. Johns County). The LPO is located in Gainesville and not considered a branch under CRA. In June 2012, the bank closed its Palencia Office located in St. Augustine. The office was located in a middle-income tract and deposits were transferred to the other office located in St. Augustine, which is also located in a middle-income census tract.

Specific 2010 and 2013 demographic and economic data for the AA are detailed below.

<b>Census 2010 and 2013 Demographic and Economic Characteristics of the Assessment Area</b>			
<b>Population</b>		<b>Geographies</b>	
Total Persons	1,245,167	Number of Census Tracts	244
Number of Households	468,093	% Low-Income Census Tracts (17)	6.97%
<b>Median Family Income (MFI)</b>	\$63,200	% Moderate-Income Census Tracts (59)	24.18%
<i>Based on 2013 MFI</i>		% Middle-Income Census Tracts (100)	40.98%
Low-Income individuals earn	<\$31,600	% Upper-Income Census Tracts (66)	27.05%
Moderate-Income individuals earn	\$31,600-	% NA (2)	0.82%
	\$50,560		
<b>Income Distribution</b>		<b>Non-Farm Businesses</b>	
Number of Families	308,287	Number of Businesses located in the AA	167,100
<b>Families residing in the AA by income category</b>		% of Small Businesses located in the AA	70.11%
% Low-Income Families	20.59%	% of Large Businesses	2.76%
% Moderate-Income Families	17.58%	% of Business with no revenues reported	27.13%
% Middle-Income Families	21.78%	% of Biz in Low-Income Census Tracts	3.78%
% Upper-Income Families	40.05%	% of Biz in Moderate-Income Census Tracts	20.85%
		% of Biz in Middle-Income Census Tracts	40.73%
		% of Biz in Upper-Income Census Tracts	34.64%
<i>Source: 2010 Census, 2013 FFIEC Median Family Income Data and 2013 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the AA has a total population of 1,245,167. Approximately 12 percent of all households in the AA live

below the poverty level. Housing units in the AA total 544,032, with 398,659, or 73.28 percent, classified as 1-4 family units, of which 57.98 percent are owner-occupied. Multifamily housing represents 106,518, or 19.58 percent, and rental housing represents 152,655, or 28.06 percent of total housing units in the AA. Close to 14 percent, or 75,939 housing units, are vacant. Based on 2013 Dunn and Bradstreet demographic data, there are 167,100 non-farm businesses that reported revenues throughout the AA, of which 117,148, or 70.11 percent, are small businesses.

The AA is located in the northeast corner of Florida in an area known as “Florida’s First Coast”. Jacksonville is the largest city in the State of Florida by population and the 12<sup>th</sup> largest in the United States. The AA has always enjoyed a diversified economy with major industry sectors to include manufacturing, aviation, finance and insurance services, information technology, medical products and services, logistics, and distribution. Tourism is also an economic growth factor in the AA with its beaches along the Atlantic Coast, the historic city of St. Augustine, known as the “Nation’s Oldest City”, and golf, where the PGA Tour is headquartered and The Players Championship is held every year. According to *Moody’s Analytics*, Jacksonville’s economy also benefits from competitive living costs and providing a low-cost center for financial services.

The military has the largest economic and stabilizing impact in the AA, as it is the largest employer in Jacksonville. Jacksonville is home to multiple military facilities and has the third largest naval presence in the country. Jacksonville also has the largest deep-water port in the South and a leading port in the U.S. for automobile imports, as well as the leading transportation and distribution hub in the state. The AA is home to three Fortune 500 companies and a wide range of corporate, regional, and divisional headquarters. Major employers in the AA include Naval Air Station Jacksonville, Mayport Naval Station, Duval Public Schools, City of Jacksonville, Publix Supermarkets, Baptist Health System and Bank of America Merrill Lynch. Leading industries include state and local government, restaurants, hospitals, military, and federal government.

As with most metropolitan areas located in the State of Florida and throughout the country, the economy in the AA has been adversely impacted in the last several years due to high unemployment rates, foreclosures, and significant declines in home values. Although economic recovery has been slow, weaknesses that continue for the AA according to *Moody’s Analytics* include susceptibility to downturns in the business cycle and reliance on federal defense spending that is pressured by fiscal shortfalls.

Unemployment rates in the AA during the evaluation period were historically much higher than the national rate. However, the 2014 indicators suggested the AA is starting to exhibit signs of economic recovery as evidenced in the continuous declining trend in the unemployment rate. According to the U.S. Department of Labor, Bureau of Labor Statistics information, the May 2014 unemployment rate (not seasonally adjusted) for Duval, Clay, and St. Johns Counties were 6.2, 5.3, and 4.9 percent, respectively, and compare favorably to the state- and nation-wide rate of 6.1 percent. In addition, the current unemployment rates reflect a significant improvement in comparison to the AA’s December 2009 unemployment rates of 11.3, 10.0, and 9.1 percent, respectively.

The AA has experienced a volatile housing market in the past several years as home values quickly escalated and declined in a short period. According to RealtyTrac, the State of Florida ranked as the top state for foreclosures nationwide for the period 2012 and 2013, with the trend continuing in 2014. With regard to foreclosure rankings, in February 2014, nine of the top ten MSAs (with a population of 200,000 or more) were cities located in Florida, with Jacksonville ranking third with one in every 319 housing units receiving a foreclosure filing. The falling home values may continue as foreclosures and short sales continue in the AA; however, signs of recovery have somewhat improved in the market area. According to data from the National Association of Realtors, the median housing sales price for an existing single-family home in the Jacksonville metropolitan area, as of March 31, 2014, was \$165,000, a 4.6 percent increase from the same period last year. Additionally, according to RealtyTrac, as of May 2014, Duval County is reporting one in every 517 housing units received a foreclosure filing, Clay County reports one in every 557 units, and St. Johns County reports one in every 608 units. All counties are reporting significant declines from the same period last year.

There is significant banking competition for financial services in the AA, consisting of larger regional and national banks. According to the FDIC deposit market share data as of June 30, 2013, there were 36 financial institutions operating in 285 offices within the AA. FirstAtlantic is ranked 11<sup>th</sup> among banks with a 0.73 percent deposit market share. Major competitors include Bank of America, N.A., EverBank, Wells Fargo Bank, N.A. and SunTrust Bank, which combined represent an 84.40 percent deposit market share.

During a CRA evaluation, it is customary for examiners to contact various persons and organizations within the institution's AA to gain insight regarding local economic conditions and credit needs. Existing community contacts conducted by the OCC with locally-based community organizations noted opportunities for economic development exist in the AA. Opportunities for participation by financial institutions include financial literacy, lending for affordable housing and small businesses, to include small-dollar and startup loans.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

The Lending Test analysis that follows evaluates the bank's lending activity as described earlier in the scope section. The factors considered are as follows: (1) Loan-to-Deposit Ratio; (2) Lending in the Assessment Area; (3) Lending to Borrowers of Different Income Levels; (4) Geographic Distribution of Loans; and (5) Response to CRA Complaints.

## LENDING TEST

### Lending Performance

#### Loan-to-Deposit Ratio - Meets the Standard for Satisfactory Performance

- *The bank's level of lending, as reflected in the bank's quarterly average net loan-to-deposit ratio (LTD), is reasonable given the bank's size, capacity and performance context factors.*

The bank's quarterly average LTD ratio since the preceding CRA evaluation (20 quarters beginning with the first quarter of 2009) is 78.89 percent, ranging from a high of 90.99 percent in the second quarter of 2009 to a low of 70.60 percent in the third quarter of 2011. For the same period, FirstAtlantic's quarterly average ratio of 78.89 percent is lower than the 89.39 percent ratio of four similarly situated banks (total assets below \$750 million conducting business throughout the 20 quarters) operating in the bank's AA. The quarterly average high LTD ratio for these four banks was 104.61 percent and the low was 73.77 percent.

The quarterly average LTD ratio for each similarly situated bank located in the AA is depicted in the table below:

<b>Loan-to-Deposit Ratios</b>		
<b>Institution</b>	<b>Total Assets \$ (000's) (As of 12/31/2013)</b>	<b>Average Loan- to-Deposit Ratio</b>
<b>FirstAtlantic Bank</b>	<b>\$387,167</b>	<b>78.89%</b>
American Enterprise Bank of Florida	\$191,670	86.02%
Atlantic Coast Bank	\$735,405	104.61%
Florida Capital Bank, N.A.	\$410,617	73.77%
The Jacksonville Bank	\$506,452	93.14%

*Source: Consolidated Reports of Condition and Income from March 2009 to December 2013.*

#### Lending in AA - Exceeds the Standard for Satisfactory Performance

- *A substantial majority of the bank's business loans originated and purchased over the evaluation period were inside its AA. This conclusion is based on an analysis of all reported business loans (321) originated and purchased in 2012 and 2013. As detailed in the table below, 95.33 percent in number, and 93.22 percent by dollar amount, of originated and purchased loans were inside the AA.*

<b>Business Lending in the Assessment Area</b>										
Loan Type	Number of Loans					Dollars of Loans(000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business Loans	306	95.33%	15	4.67%	321	\$61,097	93.22%	\$4,446	6.78%	\$65,543

Source: Bank business loan origination and purchased reports for 2012 and 2013.

**Lending to Businesses of Different Sizes - Meets the Standard for Satisfactory Performance**

- *Lending activities show reasonable penetration among businesses of different sizes given the performance context.*

Our conclusion is based on an analysis of the same 306 business loans originated and purchased in the AA during the evaluation period. We compared the distribution of lending to small businesses in relation to all small businesses within the AA.

<b>Borrower Distribution of Loans to Businesses in the Assessment Area</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	70.11%	2.76%	27.13%	100%
% of Bank Loans in AA by #	63.40%	31.05%	5.55%	100%
% of Bank Loans in AA by \$	63.78%	33.10%	3.12%	100%

Source: Bank business loan origination and purchased reports for 2012 and 2013 and 2013 Dunn and Bradstreet data.

<b>Borrower Distribution of Loans to Businesses by Loan Size in the Assessment Area</b>				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	148	48.37%	\$7,168,511	11.73%
\$100,001 - \$250,000	79	25.82%	\$13,802,845	22.59%
\$250,001 - \$500,000	47	15.36%	\$17,428,933	28.53%
\$500,001 - \$1,000,000	32	10.45%	\$22,696,665	37.15%
Total	306	100.00%	\$61,096,954	100.00%

Source: Bank business loan origination and purchased reports for 2012 and 2013.

Given the performance context, the bank’s level of lending to small businesses in the AA is reasonable. As shown in the table above, the level of lending is slightly below the percent of such businesses operating in the AA. The bank originated and purchased 63.40 percent of the total number of loans, and 63.78 percent of the total dollar volume of loans, to small businesses (businesses with gross annual revenues of \$1 million or less), which is slightly lower than the percentage of small businesses, 70.11 percent, operating in the AA. In addition, of the 306 business loans originated and purchased in the AA, 48.37 percent were in amounts of \$100,000 or less and 74.19 percent were in

amounts of \$250,000 or less, a further indication that the bank is meeting the credit needs of small businesses in the AA.

**Geographic Distribution of Loans-Exceeds the Standard for Satisfactory Performance**

- *The geographic distribution of loans reflects an excellent dispersion among the various income geographies throughout the assessment area.*

Our analysis was based on the same business loans as discussed in the business distribution analysis above. Although the bank did not lend in all geographies in the AA, we did not identify any conspicuous gaps that could not be explained by the performance context, including the location of branches and the level of competition in the AA.

<b>Geographic Distribution of Loans to Businesses in the Assessment Area</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Businesses	3.78%	5.56%	20.85%	27.45%	40.73%	36.93%	34.64%	30.06%

*Source: Bank business loan origination and purchased reports for 2012 and 2013 and 2013 Dunn and Bradstreet data.*

As shown in the table above, the level of business lending in low-income geographies exceeds the percentage of businesses operating in such geographies. The bank extended 5.56 percent of its business loans to businesses that are located in low-income census tracts. By comparison, businesses operating in these census tracts account for 3.78 percent of all businesses within the AA. In moderate-income geographies, the percentage of the bank’s business lending also exceeds the percentage of businesses operating in such geographies. The bank extended 27.45 percent of its business loans to businesses that are located in moderate-income census tracts. By comparison, businesses operating in these census tracts account for 20.85 percent of all businesses within the AA.

**Response to Complaints**

- There have been no CRA-related complaints received by the bank or our office since the last CRA examination.

## COMMUNITY DEVELOPMENT TEST

The bank’s performance under the Community Development Test is rated “Outstanding”.

The overall level of community development (CD) performance demonstrates excellent responsiveness to needs in its AA through community development loans, qualified investments (QI), and community development services, considering the bank’s size, capacity, and its performance context.

### Community Development Loans

Assessment Area	#	\$ MM
Clay, Duval and St. Johns Counties Assessment Area	47	\$ 24.8
Outside Assessment Area/Inside in a Contiguous County/LPO	3	\$ 7.5
<b>Totals</b>	<b>50</b>	<b>\$ 32.3</b>

FirstAtlantic’s CD loan performance demonstrates excellent responsiveness to community needs. Based on our community contacts made in the AA, these loans addressed: 1) affordable housing, services, and revitalization efforts geared towards low-and moderate-income individuals and families and low- and moderate-income geographies and, 2) lending to small businesses to promote economic development. Both of these types of loans have been identified as important credit needs in the AA. Three community development loans totaling \$7.5 million that originated in a contiguous county to the AA and in the location of the bank’s LPO office, were given consideration due to the bank adequately meeting the CD needs within its AA.

Out of the new (38) and renewed (12) CD loans made to 21 different businesses:

- Twelve CD loans totaling \$13 million helped meet affordable housing needs in the AA. Four loans totaling \$385 thousand were made to St. Johns Housing Partnership, a nonprofit organization engaged in providing affordable housing to low-and moderate-income tenants.
- Thirteen CD loans totaling \$11.9 million helped meet the economic development needs in the AA by providing mainly SBA 504 and 7a loans to small businesses (businesses with gross annual revenues of \$1 million or less). The SBA 504 program is a financing tool for small businesses that promotes economic development and permanent job creation. Included in the 13 CD loans are ten SBA 504 loans totaling \$ 10.9 million originated in conjunction with two SBA Certified Development Companies (CDCs)-Florida Business Development Corporation and Florida First Capital Finance Corporation. CDCs are nonprofit corporations certified and regulated by the SBA that work with participating lenders to provide financing to small businesses.

- Twenty-four CD loans totaling \$5.9 million helped meet revitalization or stabilization efforts in the AA, particularly in low- and moderate-income geographies, by providing loans to businesses operating in Enterprise Zones. An Enterprise Zone is a government-designated area that encourages economic growth and development by attracting and retaining businesses and residents in order to revitalize and stabilize generally a low-or moderate-income geography. Included in the 24 CD loans are two SBA 504 loans originated in conjunction with a local SBA CDC, Business Development Corporation of Northeast Florida.
- One loan totaling \$1.5 million was made to a non-profit organization that provides community services targeted to low- and moderate-income individuals.

## **Number and Amount of Qualified Investments**

Community Development investments represent adequate responsiveness to AA needs, given the bank's size and capacity to provide such investments. In total, FirstAtlantic made five qualified investments totaling \$1,284,050 during the evaluation period and includes:

- The largest investment consisted of a \$1,002,050 investment in a Fannie Mae (FNMA) mortgage-backed security collateralized by a pool of mortgage loans to low-and moderate-income borrowers residing in the AA. Based on our community contacts, affordable housing has been identified as a critical credit need in the AA.
- The bank also invested in one certificate of deposit totaling \$250 thousand to a National Credit Union Association designated as a *Low-Income Credit Union*. The credit union is based in Florida with locations serving the bank's AA.

## **Community Development Services**

The extent to which the bank provides banking services and community development services is adequate given its size and capacity to provide such services.

FirstAtlantic provides products and services that are considered responsive to low-and moderate-income individuals and small businesses. The bank offers low- to no-cost checking and savings accounts. For example, FirstAtlantic offers a business checking account with a \$100 minimum balance to open, no monthly maintenance fee and the first 150 check items are free. Employees of these businesses are also offered checking and savings accounts with a \$100 minimum balance requirement and no monthly maintenance fees. In addition, the bank offers a personal checking account with the ability to avoid a monthly \$7 maintenance fee by meeting two of four qualifiers to include; direct deposit or ACH, sign up for electronic statements, \$100 minimum daily balance, and 15 debit card transactions (excludes ATMs). Account features include a \$100 minimum balance to open, unlimited check writing, and free online banking with bill paying services.

The bank also offers a personal savings account with a \$100 minimum balance to open and no monthly maintenance fee. For the past two years, the bank participated in the America Savings Week, a national campaign that encourages individuals and families to save money and build personal wealth.

FirstAtlantic provides many services to its customers including: check card services, free on-line banking with bill pay, automated teller machines (ATMs) access, and drive-thru facilities at all locations. In addition, cash management services are offered to small businesses to include remote deposit capture. The bank does not charge for ATM transactions conducted at the bank's locations or for any Publix Presto ATM locations.

FirstAtlantic is a certified U.S. SBA lender, which allows the bank to address the lending needs of small businesses throughout the AA. Responsive SBA products offered to assist small businesses include SBA 7(a), 504 and Express loans. The bank also offers Rural Development Agency's Business & Industry Loans. For the past two years, the *Jacksonville Business Journal's* "Book of Lists" ranked FirstAtlantic as one of the top ten SBA lenders in Jacksonville. The bank moved up the list to #5 in 2013, from #10 in 2012. The need for small business lending was mentioned by community contacts.

Bank personnel engage in CD services that are responsive to community needs. During the evaluation period, a total of 14 different officers and employees served organizations whose mission or specific activity meets the definition of community development. In total, 1,682 hours of community services were provided to 13 different organizations located in the AA. Specifically, bank personnel used their financial expertise by serving on various committees and assisting in fund-raising activities to benefit small businesses and low- and moderate-income individuals in the AA. In addition, bank personnel provided mentoring and financial literacy training targeted to low- and moderate-income individuals and to small business owners. These programs include such topics as budgeting, financial planning, first time home buying, financial planning, credit scores, and the importance of saving for the future. Based on our community contacts, financial literacy has been identified as a critical need in the AA.

## **Responsiveness to Community Development Needs**

Considering the bank's size, capacity, and performance context, FirstAtlantic's CD performance demonstrates excellent responsiveness to CD needs mainly through its CD loans. Community development lending is principally helping to meet economic development and affordable housing needs in the AA, a need evidenced by the high unemployment, foreclosure, and bankruptcy rates during the evaluation period. Community development investments include a mortgage-backed security that financed affordable housing for LMI individuals in the AA. Community development services include bank personnel time focused on helping to meet the needs of CD organizations that generally address the needs of small businesses and those service organizations that serve low- and moderate-income individuals. The need for financial literacy was identified by our contact interview.

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

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.