NATIONAL COMMUNITY REINVESTMENT COALITION NCRC

Research

The CRA and Fair Lending Performance of Major Banks in New Orleans

Produced by the National Community Reinvestment Coalition

for the Louisiana Disaster Recovery Foundation

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National Community Reinvestment Coalition (NCRC)

NCRC is an association of more than 600 community-based organizations that promote access to basic banking services, including credit and savings, to create and sustain affordable housing, job development, and vibrant communities for America's working families. Our members include community reinvestment organizations, community development corporations, local and state government agencies, faith-based institutions, community organizing and civil rights groups, minority and women-owned business associations, and local and social service providers from across the nation.

The Board of Directors would like to express their appreciation to the NCRC professional staff who contributed to this publication and serve as a resource to all of us in the public, nonprofit, and private sector who are committed to responsible lending:

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NATIONAL COMMUNITY REINVESTMENT COALITION NCRC

CRA and Fair Lending Performance of Major Lenders in New Orleans

1. Executive Summary

The National Community Reinvestment Coalition (NCRC) has conducted an analysis of the Community Reinvestment Act (CRA) and the fair lending performance of major lenders in New Orleans for the Louisiana Disaster Recovery Foundation (LDRF). LDRF contracted with NCRC to tap into NCRC's extensive knowledge of fair lending issues. In the wake of the devastation of Hurricane Katrina, the City of New Orleans and the Gulf region will need banks to assume a major role in offering loans and investments for rebuilding housing and financing economic and community development. This report assesses the extent to which major local and regional lenders have assumed this critical role.

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For this report, NCRC focused on major lenders with direct CRA responsibilities in New Orleans. Under CRA, all banks and thrifts are required to serve the credit needs of communities, including low- and moderate-income neighborhoods. However, the banks and thrifts that are most likely to be responsive to local needs are those with branch presences in the locality and those whose CRA exams scrutinize and rate performance in the New Orleans area. For this report, NCRC identified the following lenders that had direct CRA responsibilities in the New Orleans area and that had made a relatively high number of loans in New Orleans:

Capital One
Fifth District Savings and Loans
First Bank and Trust
Gulf Coast Bank and Trust
Hancock Bank of Louisiana
Iberiabank
Liberty FS
Omni Bank
Regions FC
Whitney NB

NATIONAL COMMUNITY REINVESTMENT COALITION NCRC

Our major findings include the following:

Racial Disparities in Lending: Significant disparities exist by race in access to prime rate loans. African-Americans were 2.59 times more likely to receive high-cost home loans than whites in the City of New Orleans during 2006, the most recent year for which data is available. Forty-one percent of all home loans received by African-Americans were high cost, compared to just 16 percent of loans received by whites. Also, African-Americans were 2.2 times more likely to be denied loans than whites in the City of New Orleans. Similar racial disparities were observed in the New Orleans metropolitan area. While this report could not control for creditworthiness due to limitations in the publicly available data, disparities in access to credit remain worrisome. Responsible subprime lending serves credit needs, but a disproportionate amount of subprime lending to a group of borrowers raises concerns about the possibilities of price gouging and predatory lending in the context of limited competition and reduced product choice.

Home Loan Rankings: NCRC ranked the banks listed above on a series of CRA and fair lending performance indicators, such as the percentage of loans to minorities, women, and low- and moderate-income borrowers and communities. Regions, Capital One, and Fifth District Savings & Loans are to be commended for ranking close together in the top three in the City. Rankings for the City and the Metropolitan Statistical Area (MSA) were similar. Regions and Capital One were first and second in both the City and the MSA. Whitney and Gulf Coast lagged behind their peers in both geographical areas.

Need for Improvement in Home Lending: All lenders in our ranking analysis could use improvement. On the majority of indicators, most of the lenders were behind all lenders, as a group. For example, all lenders, as a group, issued 25.7 percent of their prime home loans to African-Americans in the City of New Orleans during 2006. By contrast, the highest ranked bank in our study issued just 22 percent of its prime loans to African-Americans. Similar results occurred when considering the percent of loans to low- and moderate-income borrowers, loans in minority neighborhoods, and loans in low- and moderate-income census tracts.

Potential for Lessening Disparities: The eight banks in the home loan analysis issued about one fifth of the prime loans in the City and metropolitan area. If these banks bolstered their prime lending to traditionally underserved populations, then overall disparities in lending could lessen since these banks had a significant share of the overall market. The banks in our study had about the same market

share in small business lending, meaning that they can also influence overall access to credit for small businesses.

Small Business Ranking: Capital One and First Bank and Trust performed at the top of our small business ranking, while Iberiabank and Hancock Bank of Louisiana trailed their peers.

Performance in Small Business Lending Mixed: The banks in our study could use improvement in lending to small businesses in low- and moderate-income census tracts. Just two of the six banks in the study exceeded the percentage of loans issued by all lenders, as a group, in low- and moderate-income census tracts. By contrast, all the banks in the study were more successful in reaching small businesses with revenues of under $1 million, surpassing the percentage of loans issued by all lenders, as a group, to small businesses with revenues under $1 million.

Branches and Success in Lending to Working Class and Minority Communities: Bank branch presence in low- to moderate-income (LMI) and minority communities does not necessarily translate into a greater ability to make home and small business loans to traditionally underserved communities. It appears that a bank must also have a product mix at its branches that can be effectively used by LMI and minority communities.

Branching Patterns of Lenders Analyzed: Capital One and Liberty Bank & Trust are the two lenders with significant branch presence in LMI and/or minority communities that also perform well in terms of making home and small business loans in these communities. However, there were some other banks in our analysis that had good branch presence in LMI and minority communities, but whose home and small business lending in these communities was not commensurate with their branch presence.

Community Development Lending and Investing: This report also analyzed banks' level of community development lending and investment. Community development financing provides affordable housing, promotes economic development, supports community services, and revitalizes distressed rural areas, low- and moderate-income neighborhoods, and areas afflicted by natural disasters. Liberty Bank, First Bank and Trust, and Whitney National Bank were banks devoting high amounts of community development financing in relation to their assets. This report also found that the banks analyzed made about $474 million in community development financing available to New Orleans every 2.5 years. CRA-related community development financing is therefore a valuable resource for New Orleans; efforts should be made to increase this financing as the post-Katrina rebuilding process continues.

Recommendations

Building off of the report's findings, NCRC recommends the following steps:

- **Consumers – Shopping for a Loan:** This report documents significant racial disparities in high-cost lending. The national foreclosure crisis illustrates how many of the high-cost loans and adjustable rate loans in the last few years were issued with ill-advised underwriting standards. All consumers, and especially minorities, modest income borrowers, and consumers not familiar with the lending process, must shop for loans very carefully and compare loan costs and terms among several offers. Consumers should also consult with public agencies, nonprofit organizations, and reputable counseling agencies before accepting loan offers.

- **Borrowers in Financial Distress**: If a borrower is financially distressed and delinquent on a loan, the borrower should consult immediately with either the lender and/or a reputable counseling agency to seek modification of the loan and/or other workout arrangements. The lending industry has pledged voluntary efforts to resolve loan delinquencies while Congress is considering broader foreclosure prevention efforts. This heightened attention to unfair and deceptive lending and foreclosures will hopefully assist borrowers in obtaining relief from problematic loans.

- **Lending Institutions:** Lending institutions analyzed in this report should build upon their strengths in lending and branching, but should also address areas of deficiencies in a particular type of lending and/or in serving a specific group of borrowers. Lending institutions should maintain and expand their branch presence in minority and LMI communities and should assess whether the products offered in the branches can effectively serve the credit and deposit needs of community residents. Finally, expanding programmatic partnerships with nonprofit agencies and local government agencies is important for developing and enhancing products, marketing approaches, and counseling services.

- **Nonprofit Community Organizations:** Nonprofit community organizations should regularly engage banks in discussions about how to more effectively meet community credit needs. Community organizations should review CRA performance using CRA exams and publicly available data and should comment on CRA performance during merger applications and CRA exams. Finally, and importantly, community organizations should seek out and expand programmatic partnerships with banks.

- **Local public agencies:** The City of New Orleans should consider establishing CRA goals and strategic plan requirements. Modeled after the Philadelphia

approach, the City should require banks receiving municipal deposits to establish annual CRA goals and strategic plans describing the number of loans, investments, and services they will offer to minority and low- and moderate-income borrowers and communities. The strategic plans will describe the programmatic approaches and products that the banks believe will effectively serve minority and low- and moderate-income borrowers. In addition, the plans should describe how the lending institutions will meet and exceed the performance thresholds described in this report. The City should also conduct annual evaluations, using publicly available data and other resources, to assess whether the banks have met their CRA goals.

Based on NCRC's experience working with the City of Philadelphia, the CRA goal process will bolster the lending, investment, and services of banks receiving municipal deposits. If banks receiving City deposits bolster their lending, investments, and services, the rest of the market will probably do so as well, since banks receiving municipal deposits generally have a significant share of the market.

2. Aggregate Home Lending Analysis for the City of New Orleans

In order to illustrate overall lending trends in the City of New Orleans, the National Community Reinvestment Coalition (NCRC) conducted a portfolio and market share analysis using the 2006 Home Mortgage Disclosure Act (HMDA). The 2006 data is the most recent data that is publicly available. All single-family loans include loans for home purchase, home improvement, and refinances. For additional specifications, please refer to the methodology section at the end of this analysis.

For the portfolio share analysis, NCRC evaluated market-rate and high-cost lending trends by race of borrower (White, African-American, Hispanic, or Asian); income level of borrower (low- and moderate-income and middle- and upper-income); and gender of borrower. Lending patterns were then compared to the demographics of the metropolitan area to illustrate potential lending disparities.

In the market share analysis, NCRC compared the proportion of high-cost loans made to a particular borrower group to all loans (prime plus high-cost loans) made to that same borrower group. A disparity ratio illustrates how often lenders made high-cost loans to one borrower group (e.g., Whites) compared to another group (e.g., African-Americans).

Market-rate loans are loans made at prevailing interest rates to borrowers with good credit histories. High-cost loans, in contrast, are loans with rates higher than prevailing rates made to borrowers with credit imperfections. The higher rates compensate lenders for the added risks of lending to borrowers with credit blemishes. While responsible high-cost lending serves legitimate credit needs, public policy concerns arise when certain groups in the population receive a disproportionate amount of high-cost loans. When high-cost lending crowds out market-rate lending in traditionally underserved communities, price discrimination and other predatory practices become more likely, as residents face fewer product choices.

Portfolio Share Analysis of All Single-Family Lending in the City of New Orleans

The demographic landscape of the City of New Orleans has changed dramatically as a result of the devastation of Hurricane Katrina in 2005. To account for these changes in the demographic composition of households, our analysis presents demographic data from both Census 2000 and the 2006 American Community Survey (ACS).

African-Americans headed over 60 percent of all households in the City of New Orleans in the year 2000. In 2006, the proportion of African-American households has significantly decreased to just below 50 percent of all households in the City of New Orleans. However, when considering the portion of market-rate loans received by this borrower group, African-American households have received a disproportionately small

share of prime loans as compared to their share of the City's households. Namely, only 25.7 percent of all prime single-family loans were issued to African-American householders, while their share of the household population in the City of New Orleans was 60.8 and 49.8 percent for 2000 and 2006, respectively (see Table 2.1a and Chart 2.1a).

With regard to the portion of high-cost loans, African-American householders received 55.9 percent of all high-cost loans in the City of New Orleans in 2006. Thus, African-Americans received a higher proportion of high-cost loans in 2006 than was their share of the City's households in 2006.

As a comparison, White householders received over 71 percent of all prime loans in the City of New Orleans in 2006, while their share of the City's households were 35.1 and 47.4 percent for 2000 and 2006, respectively. Thus, White households have received a much higher proportion of prime loans than was their share of the household population, and a share of high-cost loans that was proportional to their share of the population in 2006 (i.e., 41.6 percent of all high-cost loans were issued to White households in the City of New Orleans in 2006). (see Table 2.1a and Chart 2.1a)

Hispanic or Latino borrowers also received a higher percentage of high-cost loans compared to their share of both the 2000 and 2006 household population. Hispanics comprised 2.8 percent of the households in 2000 and 3.7 percent of the households in 2006, while receiving 4.5 percent of all high-cost loans in the City of New Orleans.

Low- to moderate-income (LMI) borrowers received a low portion of loans compared to their proportion of the City of New Orleans' households. LMI borrowers accounted for 42 percent of all households in the City in 2006, yet this group of borrowers received 14.4 percent of all single-family prime loans and 21.2 percent of high-cost loans. Middle- and upper-income (MUI) borrowers, on the other hand, comprised 58 percent of the City of New Orleans' households, while receiving 79.2 percent of prime and 78.8 percent of all single-family high-cost loans in the City of New Orleans in 2006 (see Table 2.2a, Chart 2.2a & Chart 2.2d).

Most of the disparity by income is accounted for by lending trends to low-income borrowers. Table 2a, for example, shows that low-income borrowers were 26.6 percent of the City's households in 2006 but received only 3.3 percent and 5.2 percent of the prime and high-cost loans, respectively. By contrast, lending to moderate-income households was proportional to the share of households that were moderate income.

Table 2.3 displays an analysis of lending patterns to females and males.

Market Share Analysis of All Single-Family Home Lending in the City of New Orleans

Consistent with the above observations, African-American borrowers were 2.6 times more likely to receive high-cost loans, as compared to White borrowers. In other words,

41.3 percent of the loans to African-Americans were high-cost, while a little less than 16 percent of the loans to Whites were high cost. Furthermore, African-Americans were less likely to receive prime loans than were White borrowers, with 58.7 percent of the loans to African-Americans being prime versus 84 percent of the loans to Whites being prime (see Table 2.1b and Chart 2.1b).

Similar trends were observed with regard to Hispanic borrowers, who were 2.3 times more likely to receive high-cost loans than were White borrowers. Nearly 37 percent of all loans to Hispanics were high-cost, compared to only 16 percent of loans to Whites that were high cost.

Low- and moderate-income (LMI) borrowers in the City of New Orleans were almost one-and-a-half times more likely to receive high-cost loans than were middle- and upper-income (MUI) borrowers (see Table 2.2b and Chart 2.2b & 2.2e). Furthermore, when considering low-, moderate-, and middle-income borrower groups separately, all three groups were more than one-and-a-half times more likely to receive high-cost loans compared to upper-income borrowers.

Denial Disparity Analysis of All Single-Family Home Lending in the City of New Orleans

African-American borrowers were more than twice as likely to be denied single-family loans as White borrowers. Furthermore, Hispanics were 1.83 times more likely to be denied single-family loans than White applicants. About 34.5 percent and 28.5 percent of all African-American and Hispanic loan applications, respectively, were denied in the City of New Orleans in 2006 (see Table 2.1c and Chart 2.1c).

LMI applicants were also more likely to be denied single-family loans than MUI borrowers. LMI borrowers were denied loans 1.73 times more often than more affluent borrowers (Table 2.2c and Chart 2.2c).

Table 2.1. All Single Family Lending to Owner-Occupants, City of New Orleans, 2006
By Race of Borrower

Table 2a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Races (Portfolio Share)			Households (as of 2000)		Households* (as of 2006)	
	Prime	High-Cost	All	Prime	High-Cost	All	Count	Percent	Count	Percent
Borrower Race										
White	1,985	377	2,362	71.07%	41.57%	63.84%	56,569	35.06%	34,847	47.40%
Black or African American	719	507	1,226	25.74%	55.90%	33.14%	98,031	60.76%	36,611	49.80%
Hispanic or Latino	71	41	112	2.50%	4.50%	2.99%	4,532	2.81%	2,720	3.70%
Asian	51	13	64	1.83%	1.43%	1.73%	2,815	1.74%	1,103	1.50%
Total[1]	3,049	1,021	4,070	100.00%	100.00%	100.00%	161,338	100.00%	73,516	100.00%

Table 2.1b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Race (Market Share)		Ratio of that Race to White (Market Share Ratio)	
	Prime	High-Cost	All	Prime	High-Cost	Prime	High-Cost
Borrower Race							
White	1,985	377	2,362	84.04%	15.96%	1.00	1.00
Black or African American	719	507	1,226	58.65%	41.35%	0.70	2.59
Hispanic or Latino	71	41	112	63.39%	36.61%	0.75	2.29
Asian	51	13	64	79.69%	20.31%	0.95	1.27
Total[1]	3,049	1,021	4,070	74.91%	25.09%	0.89	1.57

Table 2.1c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Race to White (Denial Ratio)
	Applications	Denials	Percentage	
Borrower Race				
White	3,696	575	15.56%	1.00
Black or African American	3,041	1,048	34.46%	2.22
Hispanic or Latino	239	68	28.45%	1.83
Asian	139	37	26.62%	1.71
Total[1]	8,178	2,029	24.81%	1.59

NOTES

[1]"Total" refers to total of all races, which includes races in addition to the four included in this analysis. Thus, the number in "total" may not necessarily equal the sum of "White," "Black or African American," "Hispanic or Latino," and "Asian." This note holds true for both the lending analysis and number of households.

* Source: U.S. Census Bureau, 2006 American Community Survey

Chart 2.1a. Percent of Loans Compared to Percent of Households by Race

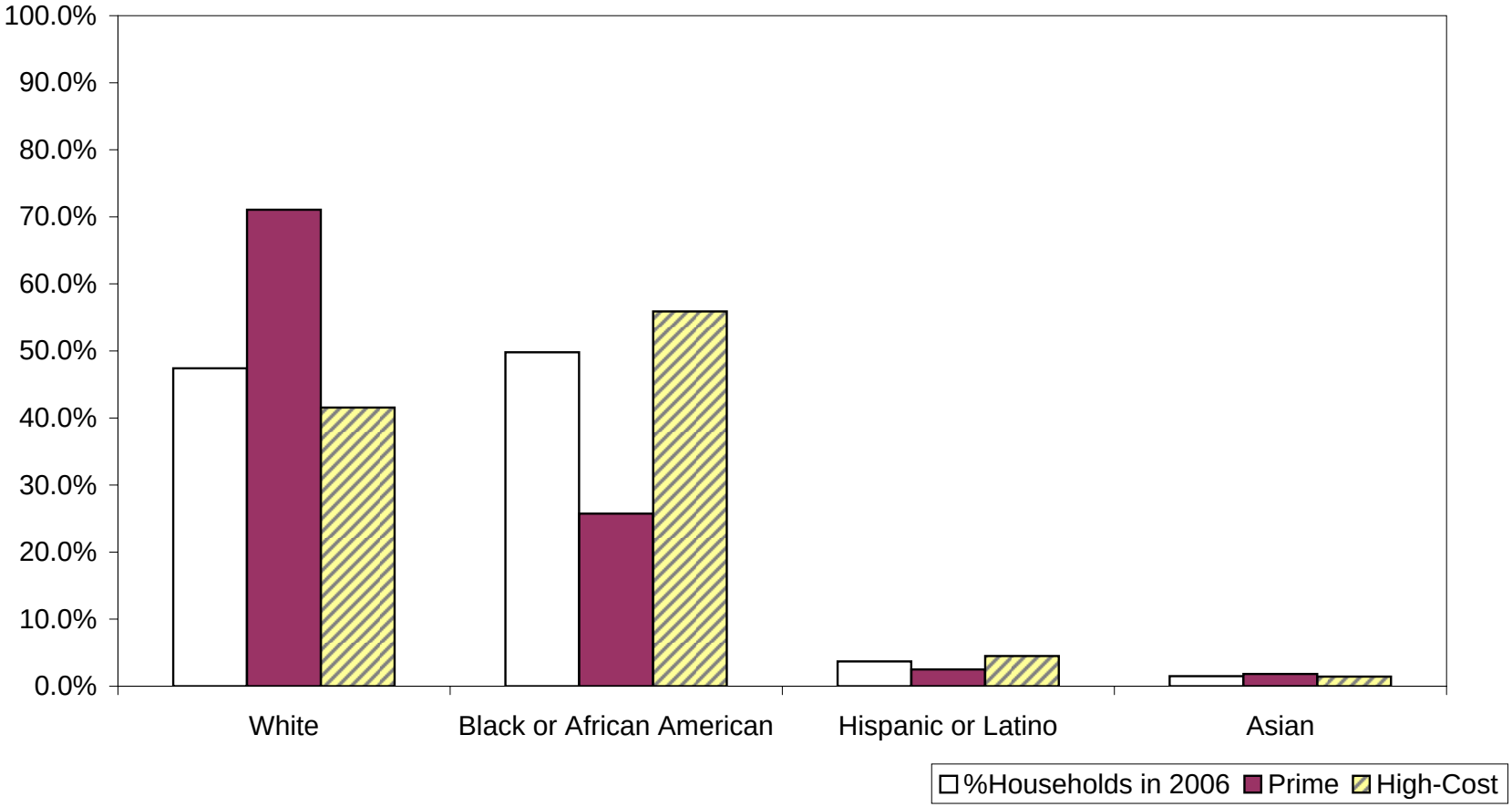
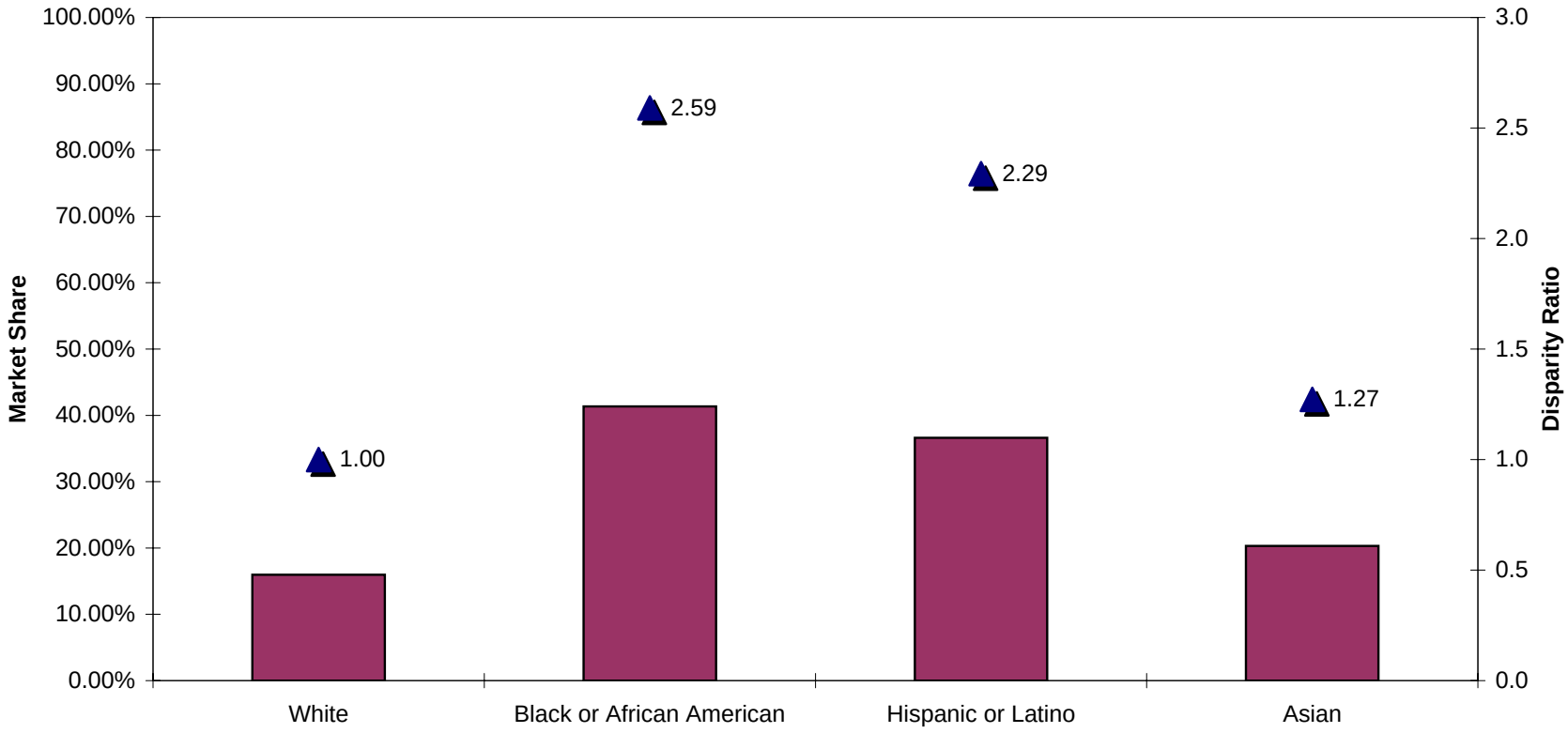
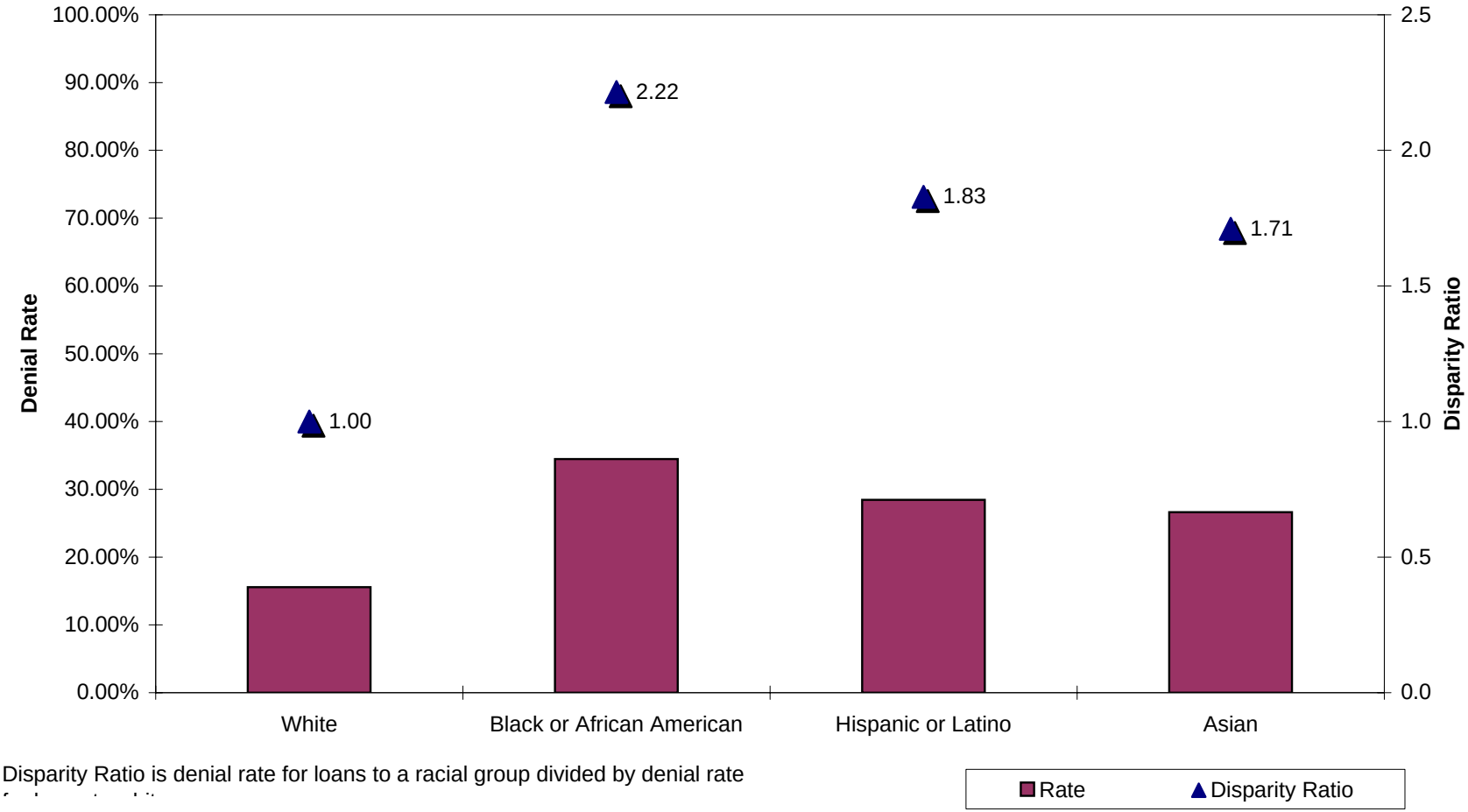


Chart 2.1b. High-Cost Market Share of Loans by Race



Disparity Ratio is high-cost market share of loans to a racial group divided by high-cost market share of loans to whites

Chart 2.1c. Denial Rates and Disparity Ratios by Race



Disparity Ratio is denial rate for loans to a racial group divided by denial rate

Table 2.2. All Single Family Lending to Owner-Occupants, City of New Orleans, 2006

By Income Level of Borrower

Table 2.2a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to all Income Levels (Portfolio Share)			Households* (as of 2006)		Ratio of Prime Portfolio Share to Percent of Households	Ratio of High Cost Portfolio Share to Percent of Households
	Prime	High-Cost	All	Prime	High-Cost	All	Count	Percent		
Income Level										
Low (<50% MSA Income)	96	50	146	3.31%	5.15%	3.77%	9,926	26.63%	0.12	0.19
Moderate (50-79.99% MSA Income)	321	156	477	11.06%	16.07%	12.31%	5,744	15.41%	0.72	1.04
Middle (80-119.99% MSA Income)	605	292	897	20.84%	30.07%	23.15%	5,651	15.16%	1.37	1.98
Upper (120% or More MSA Income)	1,881	473	2,354	64.80%	48.71%	60.76%	15,953	42.80%	1.51	1.14
LMI (<79.99% MSA Income)	417	206	623	14.36%	21.22%	16.08%	15,670	42.04%	0.34	0.50
MUI (>80% MSA Income)	2,298	765	3,251	79.16%	78.78%	83.92%	21,604	57.96%	1.37	1.36
Total[2]	3,049	1,021	4,070	100.00%	100.00%	100.00%	37,273	100.00%		

Table 2.2b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Income Level (Market Share)		Ratio of that Income Level to Upper-Income (Market Share Ratio)[3]	
	Prime	High-Cost	All	Prime	High-Cost	Prime	High-Cost
Income Level							
Low (<50% MSA Income)	96	50	146	65.75%	34.25%	0.82	1.70
Moderate (50-79.99% MSA Income)	321	156	477	67.30%	32.70%	0.84	1.63
Middle (80-119.99% MSA Income)	605	292	897	67.45%	32.55%	0.84	1.62
Upper (120% or More MSA Income)	1,881	473	2,354	79.91%	20.09%	1.00	1.00
LMI (<79.99% MSA Income)	417	206	623	66.93%	33.07%	0.95	1.41
MUI (>80% MSA Income)	2,298	765	3,251	70.69%	23.53%	1.00	1.00
Total[2]	3,049	1,021	4,070	74.91%	25.09%	0.94	1.25

Table 2.2c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Income Level to Upper-Income (Denial Ratio)
	Applications	Denials	Percentage	
Income Level				
Low (<50% MSA Income)	562	262	46.62%	2.52
Moderate (50-79.99% MSA Income)	1,219	396	32.49%	1.76
Middle (80-119.99% MSA Income)	1,941	531	27.36%	1.48
Upper (120% or More MSA Income)	4,035	746	18.49%	1.00
LMI (<79.99% MSA Income)	1,781	658	36.95%	1.73
MUI (>80% MSA Income)	5,976	1,277	21.37%	1.00
Total[2]	8,178	2,029	24.81%	1.34

NOTES

[2]"Total" refers to total loans to all persons, including those applications with "income not available" reported. Thus, "total" may be a slightly larger number than the sum of "Low," "Middle," "Moderate," and "Upper." [3]These four categories form a mutually exclusive group; likewise, "LMI" and "MUI" form a mutually exclusive group independent of "Low," "Middle," "Moderate," and Upper."
In the case of "Low," "Moderate," "Middle," and "Upper," the index for this ratio (that is, the denominator of the ratio) is "Upper." In the case of "LMI" and "MUI," the index is "MUI."

***** Source: U.S. Census Bureau, 2006 American Community Survey

Chart 2.2a. Percent of Loans Compared to Percent of Households by Income Level
LMI compared to MUI

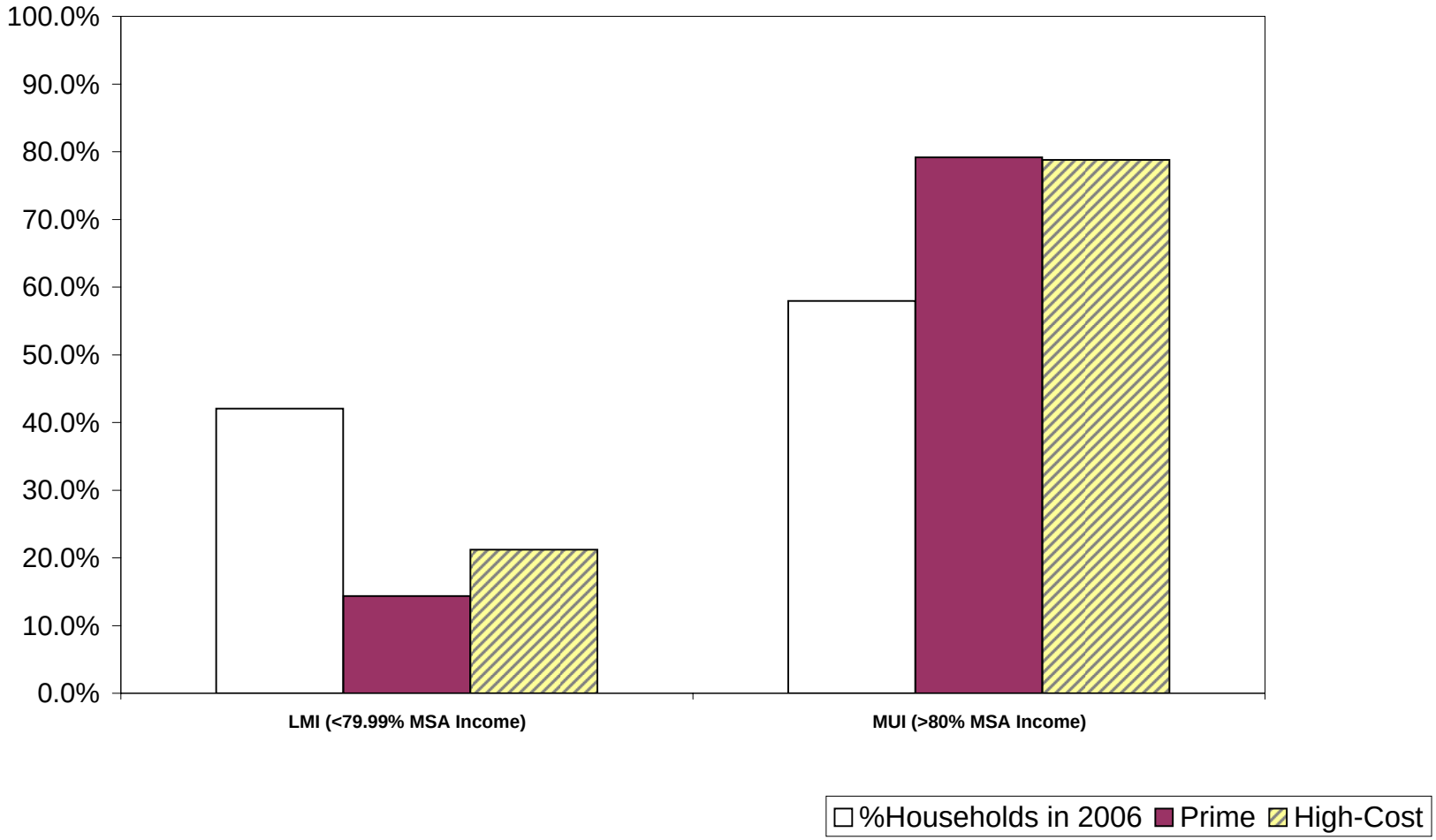
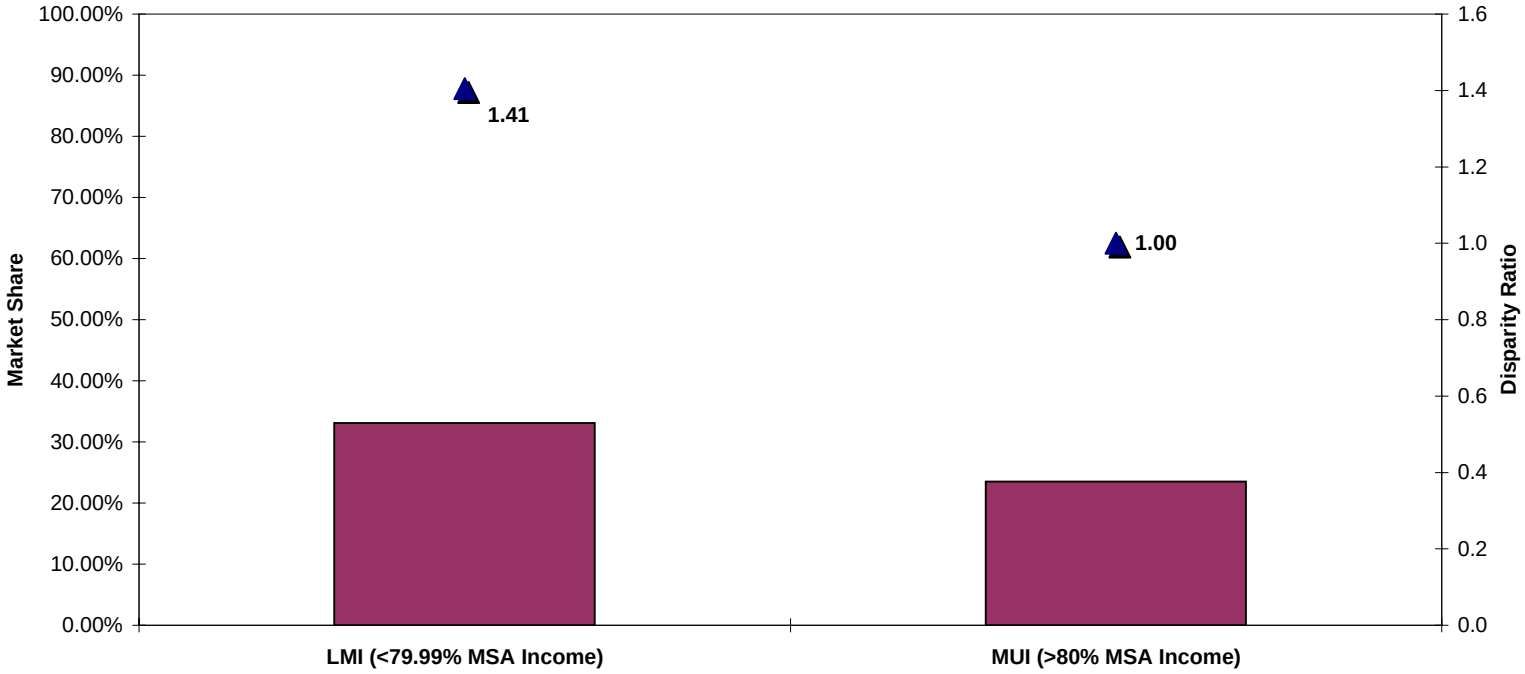
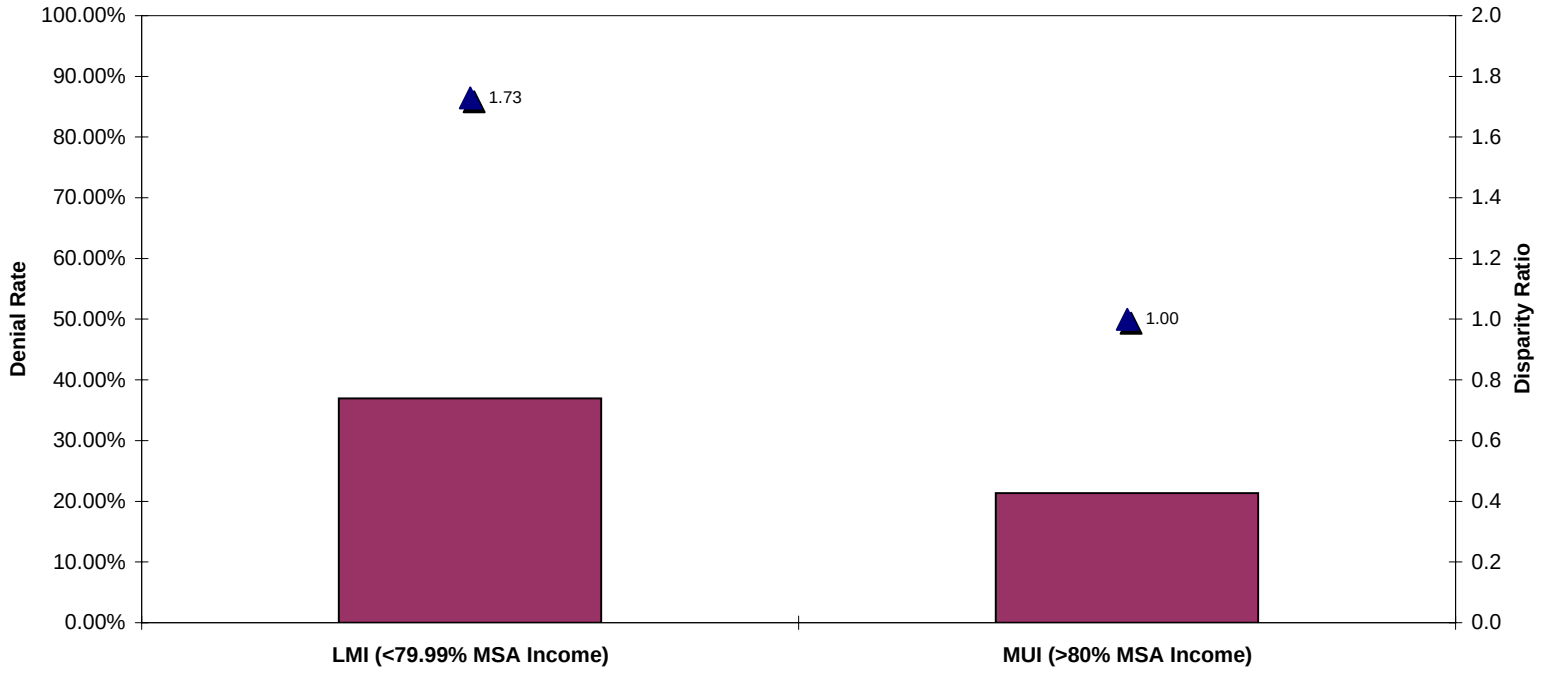


Chart 2.2b. High-Cost Market Share of Loans by Income Level
LMI compared to MUI



Disparity Ratio is high-cost market share of loans to LMI borrowers divided by high-cost market share of loans to MUI borrowers

Chart 2.2c. Denial Rates and Disparity Ratios by Income Level
LMI compared to MUI



Disparity Ratio is denial rate for loans to an income group divided by denial rate for loans to Upper or MUI

Chart 2.2d. Percent of Loans Compared to Percent of Households by Income Level

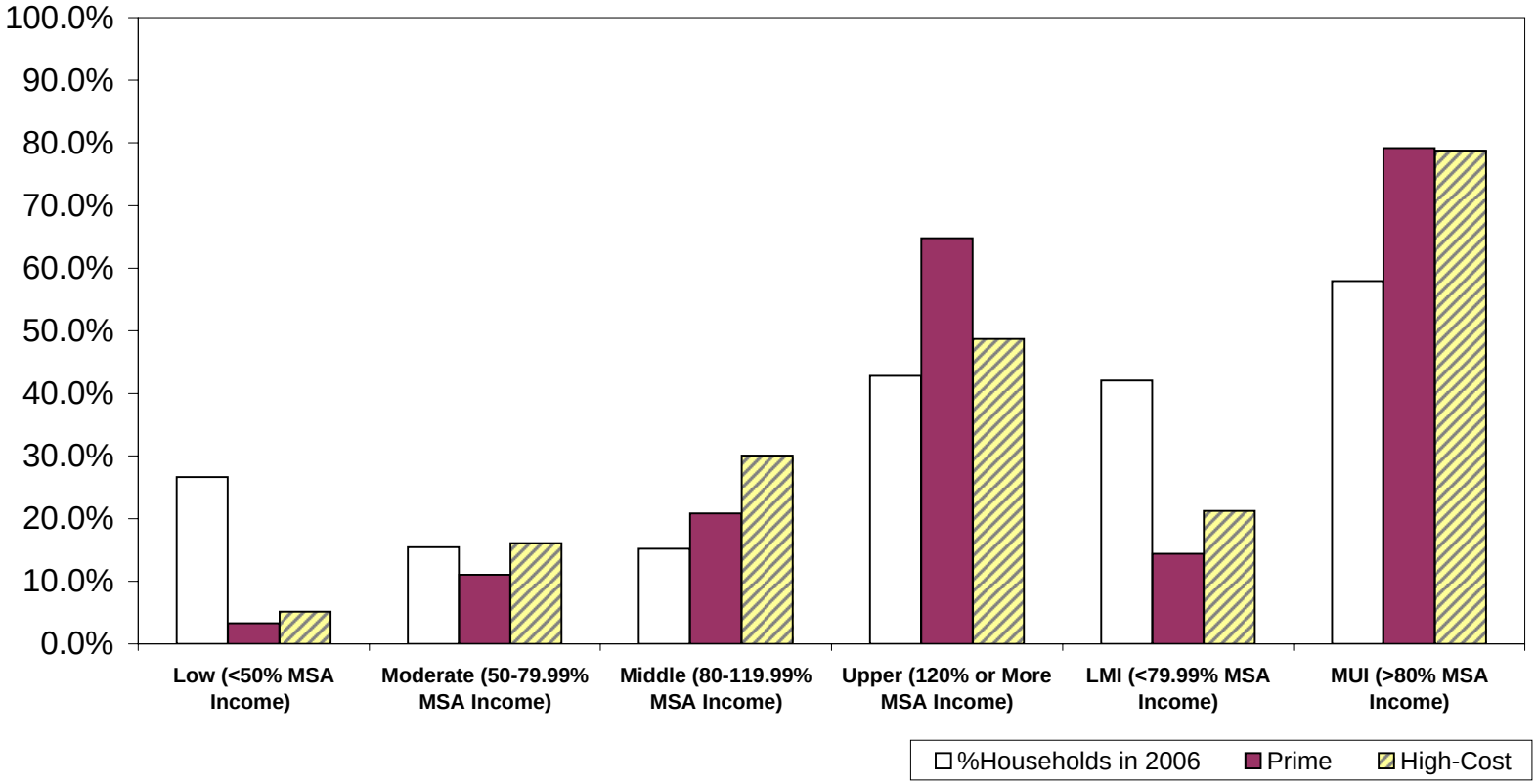
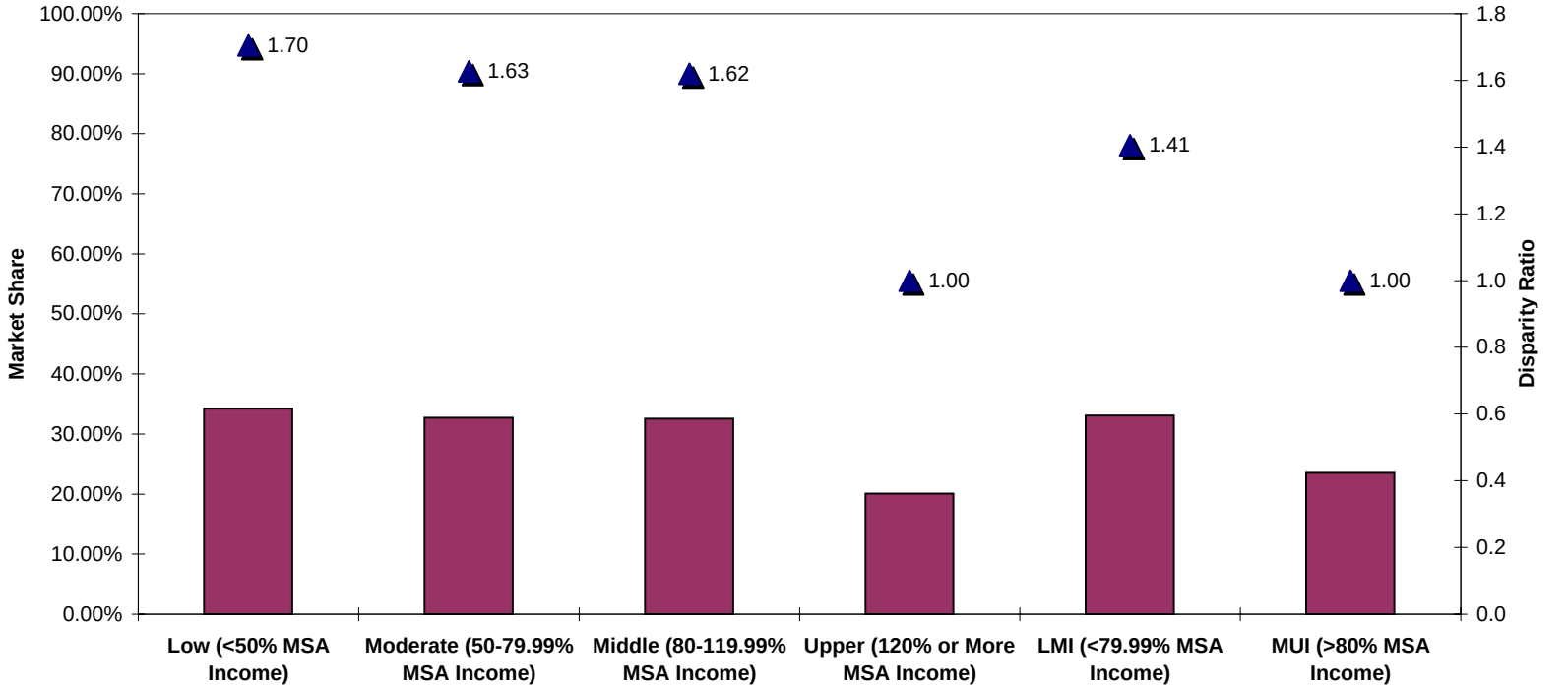
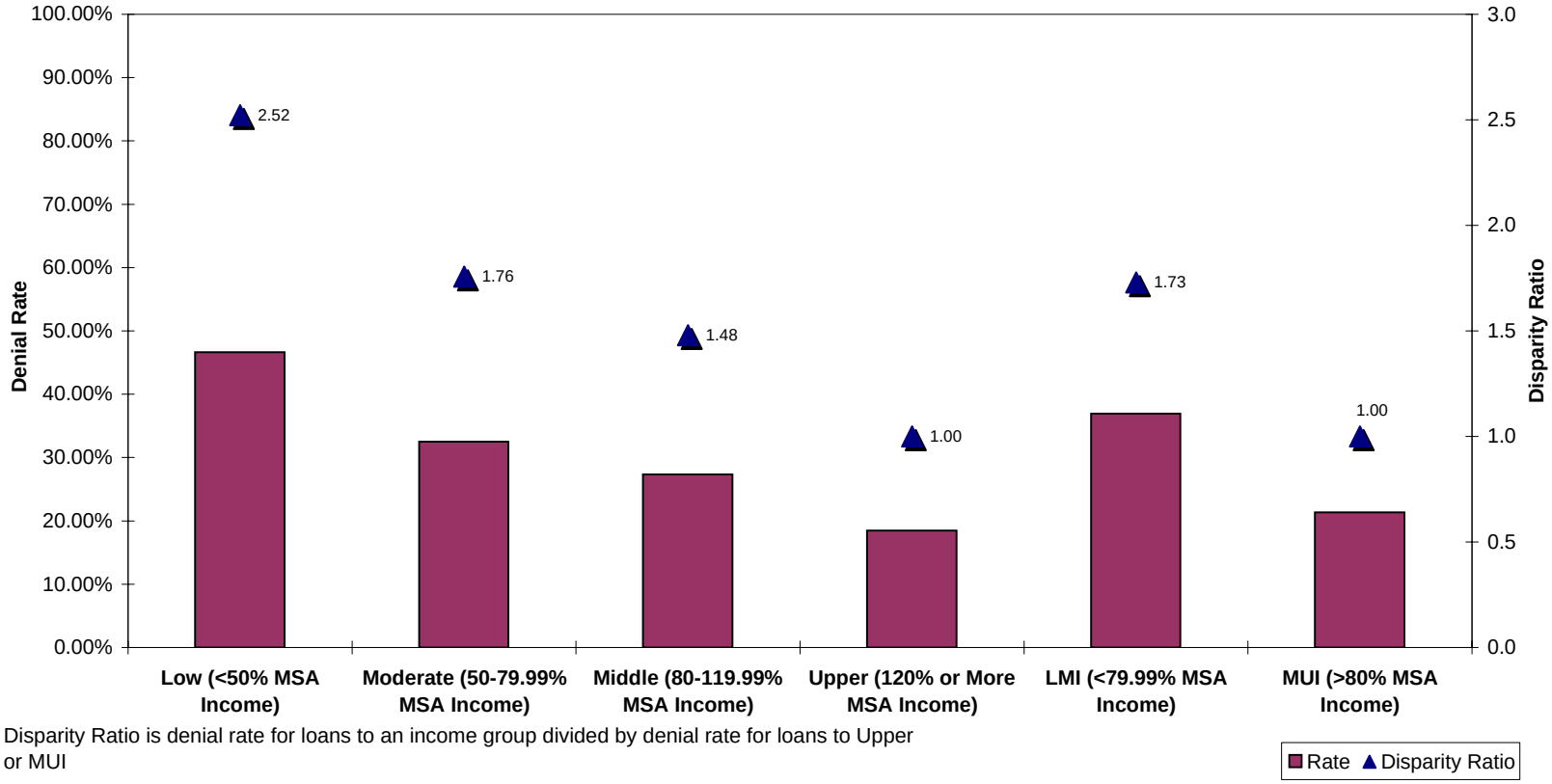


Chart 2.2e. High-Cost Market Share of Loans by Income Level



Disparity Ratio is high-cost market share of loans to an income group divided by high-cost market share of loans to Upper or MUI

Chart 2.2f. Denial Rates and Disparity Ratios by Income Level



Disparity Ratio is denial rate for loans to an income group divided by denial rate for loans to Upper or MUI

Table 2.3. All Single Family Lending to Owner-Occupants, City of New Orleans, 2006

By Gender of Borrower

Table 2.3a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Genders(Portfolio Share)		
	Prime	High-Cost	All	Prime	High-Cost	All
Gender						
Male	1,070	438	1,508	36.35%	45.20%	38.54%
Female	807	320	1,127	27.41%	33.02%	28.80%
Joint(Male/Female)	1,067	211	1,278	36.24%	21.78%	32.66%
Total[2]	3,049	1,021	4,070	100.00%	100.00%	100.00%

Table 2.3b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Gender (Market Share)		Ratio of that Gender to Female (Market Share Ratio)	
	Prime	High-Cost	All	Prime	High-Cost	Prime	High-Cost
Gender							
Male	1,070	438	1,508	70.95%	29.05%	0.99	1.02
Female	807	320	1,127	71.61%	28.39%	1.00	1.00
Joint(Male/Female)	1,067	211	1,278	83.49%	16.51%	1.17	0.58
Total[2]	3,049	1,021	4,070	74.91%	25.09%	1.05	0.88

Table 2.3c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Gender to Female (Denial Ratio)
	Applications	Denials	Percentage	
Gender				
Male	3,090.00	837.00	27.09%	1.01
Female	2,334.00	624.00	26.74%	1.00
Joint(Male/Female)	2,140.00	394.00	18.41%	0.69
Total[2]	8,178.00	2,029.00	24.81%	0.93

[2] "Total" refers to total loans to all persons, including those applications with "gender not available" reported. Thus, "total" may be a slightly larger number than the sum of male and female applications

3. Aggregate Home Lending Analysis for the New Orleans MSA

Portfolio Share Analysis of All Single-Family Lending in the New Orleans MSA

As was the case in the City of New Orleans, the demographic landscape of the New Orleans MSA has changed significantly as a result of the devastation of Hurricane Katrina in 2005.

The most dramatic change in household population was observed with respect to African-American households. African-Americans headed about 33 percent of all households in the New Orleans MSA in the year 2000, but this proportion was reduced to less than 27 percent in 2006. The portion of market-rate loans received by African-American households (13.5 percent) was much smaller than their share of New Orleans' households in both 2000 and 2006. On the other hand, this borrower group received a portion of high-cost loans (34 percent) that was significantly larger than their share of New Orleans' population in 2006 (see Table 3.1a and Chart 3.1a).

As a comparison, White households received about 83 percent of all prime loans in the New Orleans MSA in 2006, while their share of the area's households was 62.2 percent in the year 2000 and 68.8 percent in 2006. Thus, White households received a much higher proportion of prime loans than was proportional to their share of the household population. By contrast, their share of high-cost loans was proportional to their share of the population (i.e., 63.2 percent of all high-cost loans were issued to White households in the City of New Orleans in 2006) (see Table 3.1a and Chart 3.1a).

Low- to moderate-income (LMI) borrowers received a low portion of both prime and high-cost loans compared to their proportion of New Orleans' households. LMI borrowers accounted for 39 percent of all households in the area in 2006, yet this group of borrowers received 19.1 percent of all single-family prime loans and 23.2 percent of high-cost loans (see Table 3.2a, Chart 3.2a & Chart 3.2d).

Market Share Analysis of All Single-Family Home Lending in the New Orleans MSA

Consistent with the above observations, African-American borrowers were 2.3 times more likely to receive high-cost loans than White borrowers. In other words, 43.8 percent of the loans to African-Americans were high cost, while only 19 percent of the loans to Whites were high cost (see Table 3.1b and Chart 3.1b).

Low- and moderate-income (LMI) borrowers in the New Orleans MSA were 1.2 times more likely to receive high-cost loans than were middle- and upper-income (MUI) borrowers (see Table 3.2b). Furthermore, when considering low-, moderate-, and middle-income borrower groups separately, all three groups were more likely to receive high-cost loans compared to upper-income borrowers.

Denial Disparity Analysis of All Single-Family Home Lending in the New Orleans MSA

African-American borrowers were almost twice as likely to be denied single-family loans as were White borrowers. Furthermore, Hispanics were 1.58 times more likely to be denied single-family loans than White applicants. About 31.7 percent and 25.1 percent of all African-American and Hispanic loan applications, respectively, were denied in the New Orleans MSA in 2006 (see Table 3.1c and Chart 3.1c).

LMI applicants were also more likely to be denied single-family loans than MUI borrowers. LMI borrowers were denied loans 1.53 times more often than more affluent borrowers (Table 3.2c and Chart 3.2c).

Table 3.1. All Single Family Lending to Owner-Occupants, Metairie-Kenner-New Orleans MSA, 2006 By Race of Borrower										
Table 3.1a. Portfolio Share Analysis	**Count of Loans**			**As a Percent of Loans to All Races (Portfolio Share)**			**Households** (as of 2000)		**Households*** (as of 2006)	
	Prime	High-Cost	All	Prime	High-Cost	All	Count	Percent	Count	Percent
Borrower Race										
White	15,857	3,727	19,584	82.90%	63.20%	78.26%	310,036	62.16%	243,130	68.80%
Black or African American	2,578	2,009	4,587	13.48%	34.07%	18.33%	166,013	33.28%	94,001	26.60%
Hispanic or Latino	733	442	1,175	3.78%	7.36%	4.62%	20,131	4.04%	18,729	5.30%
Asian	448	88	536	2.34%	1.49%	3.57%	8,443	1.69%	7,068	2.00%
Total[1]	21,001	6,784	27,785	100.00%	100.00%	100.00%	498,779	100.00%	353,386	100.00%

Table 3.1b. Market Share Analysis	**Count of Loans**			**As a Percent of Loans to that Race (Market Share)**		**Ratio of that Race to White (Market Share Ratio)**	
	Prime	High-Cost	All	Prime	High-Cost	Prime	High-Cost
Borrower Race							
White	15,857	3,727	19,584	80.97%	19.03%	1.00	1.00
Black or African American	2,578	2,009	4,587	56.20%	43.80%	0.69	2.30
Hispanic or Latino	733	442	1,175	62.38%	37.62%	0.77	1.98
Asian	448	88	536	83.58%	16.42%	1.03	0.86
Total[1]	21,001	6,784	27,785	75.58%	24.42%	0.93	1.28

Table 3.1c. Loan Denial Disparity Ratios	**Denial Rate**			**Ratio of that Race to White (Denial Ratio)**
	Applications	Denials	Percentage	
Borrower Race				
White	31,071	4,953	15.94%	1.00
Black or African American	10,761	3,416	31.74%	1.99
Hispanic or Latino	2,260	568	25.13%	1.58
Asian	934	187	20.02%	1.26
Total[1]	51,393	10,780	20.98%	1.32

NOTES

1"Total" refers to total of all races, which includes races in addition to the four included in this analysis. Thus, the number in "total" may not necessarily equal the sum of "White," "Black or African American," "Hispanic or Latino," and "Asian." This note holds true for both the lending analysis and number of households.

***** Source: U.S. Census Bureau, 2006 American Community Survey

Chart 3.1a. Percent of Loans Compared to Percent of Households by Race

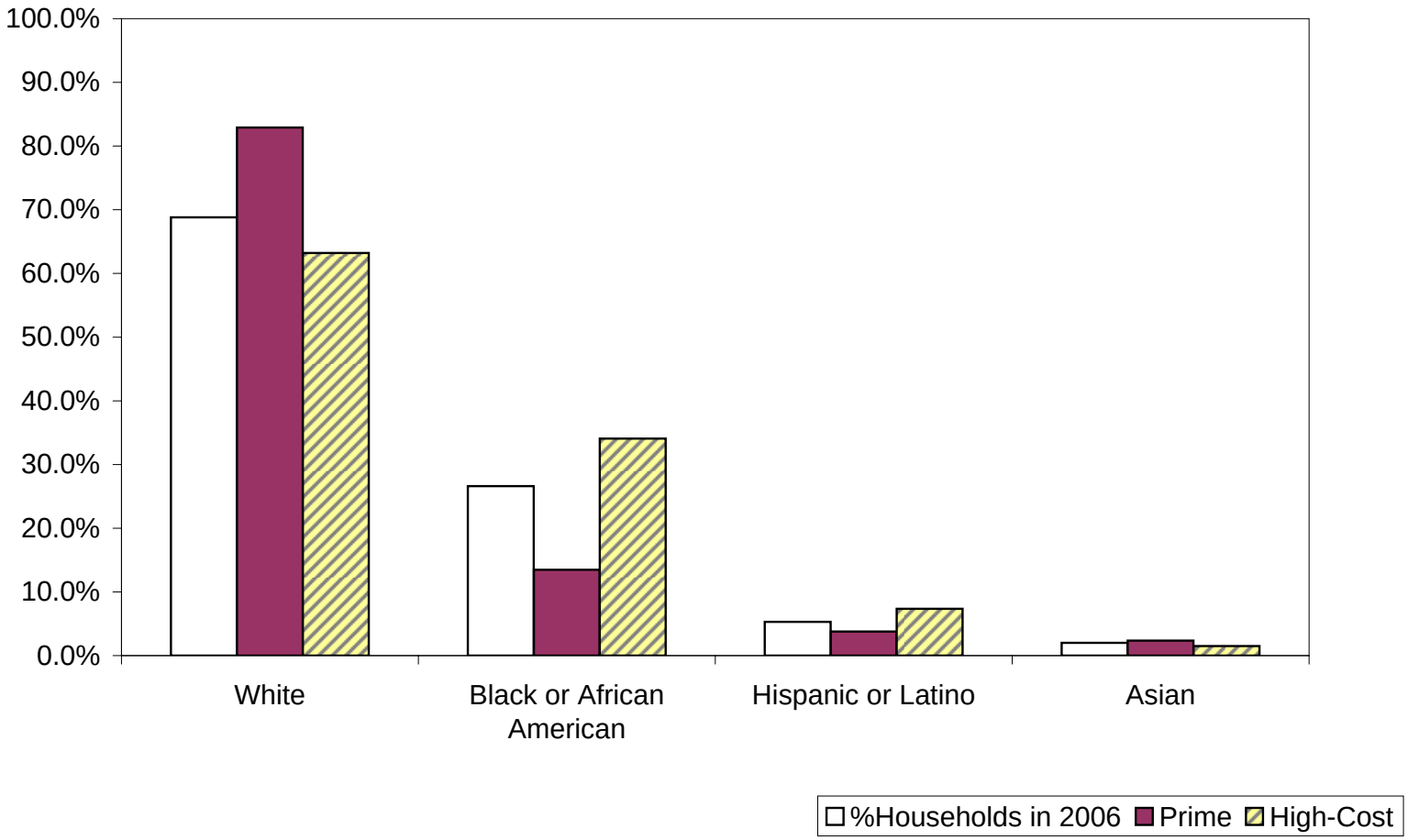
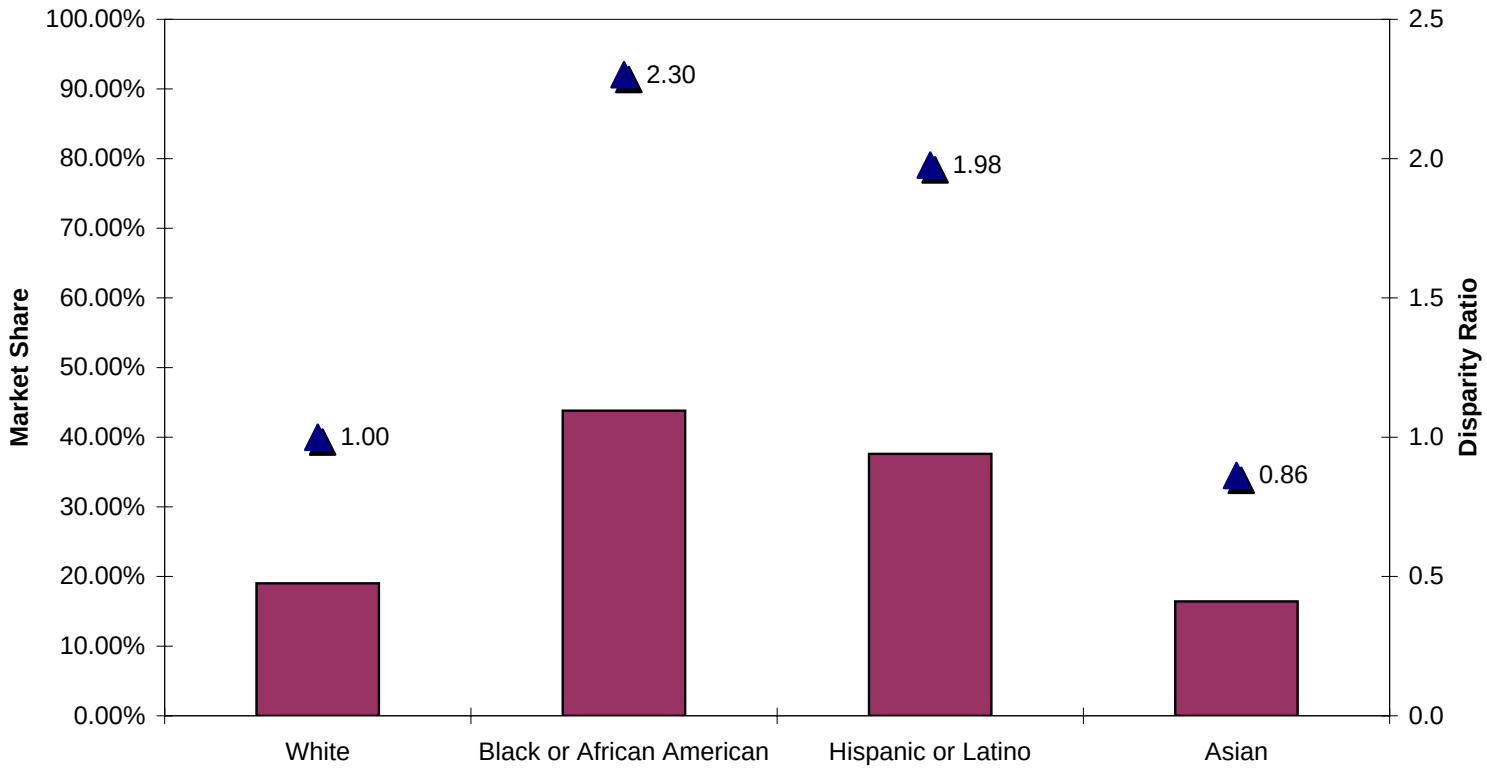
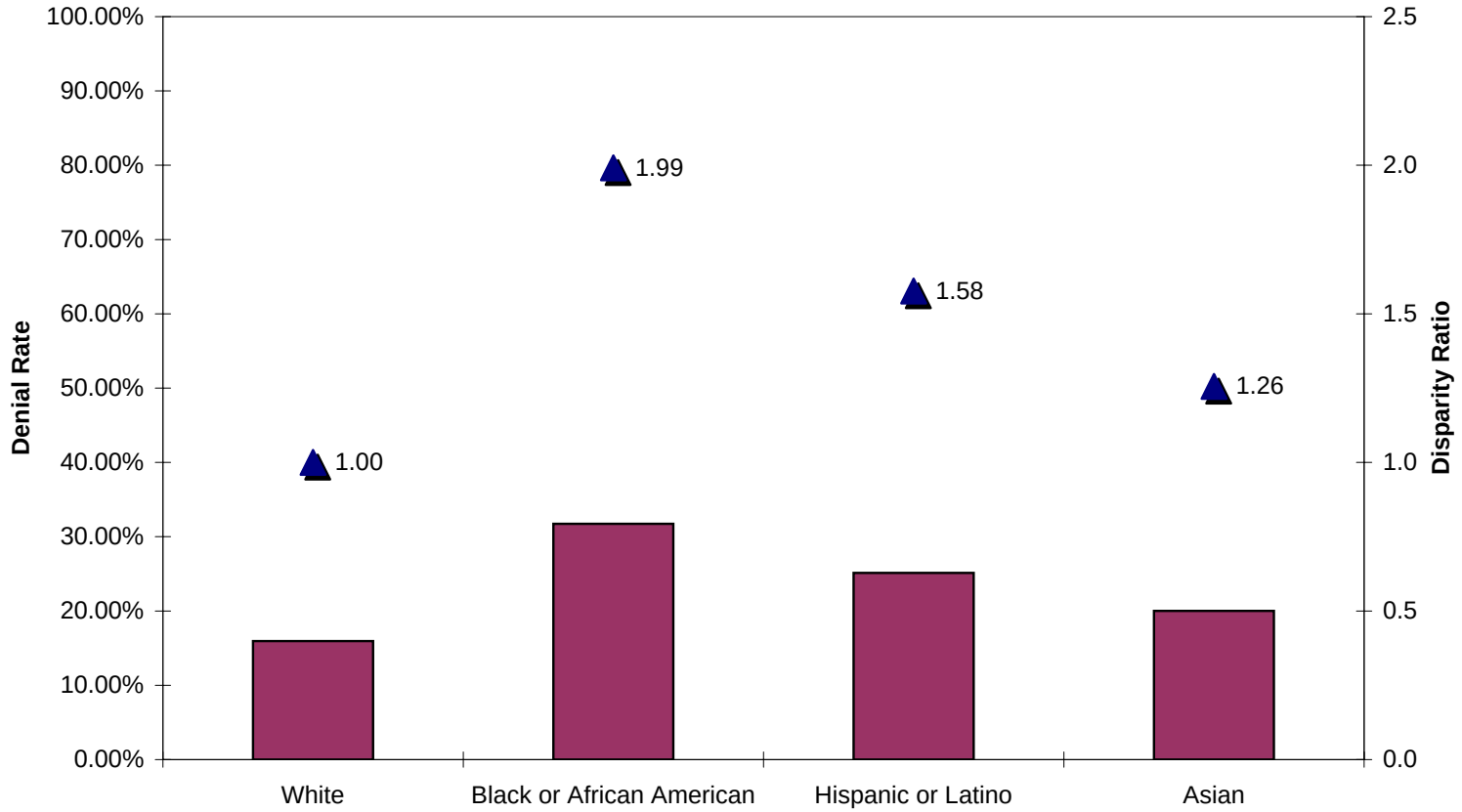


Chart 3.1b. High-Cost Market Share of Loans by Race



Disparity Ratio is high-cost market share of loans to a racial group divided by high-cost market share of loans to whites

Chart 3.1c. Denial Rates and Disparity Ratios by Race



Disparity Ratio is denial rate for loans to a racial group divided by denial rate for loans to whites

Table3. 2. All Single Family Lending to Owner-Occupants, Metairie-Kenner-New Orleans MSA, 2006

By Income Level of Borrower

Table 3.2a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to all Income Levels (Portfolio Share)			Households* (as of 2006)		Ratio of Prime Portfolio Share to Percent of Households	Ratio of Subprime Portfolio Share to Percent of Households
	Prime	Subprime	All	Prime	Subprime	All	Count	Percent		
Income Level										
Low (<50% MSA Income)	858	315	1,173	4.25%	4.83%	4.39%	57,940	24.00%	0.18	0.20
Moderate (50-79.99% MSA Income)	2,995	1,199	4,194	14.84%	18.40%	15.71%	36,333	15.05%	0.99	1.22
Middle (80-119.99% MSA Income)	5,368	2,162	7,530	26.59%	33.17%	28.20%	48,162	19.95%	1.33	1.66
Upper (120% or More MSA Income)	10,966	2,841	13,807	54.32%	43.59%	51.70%	98,980	41.00%	1.32	1.06
LMI (<79.99% MSA Income)	3,853	1,514	5,367	19.09%	23.23%	20.10%	94,273	39.05%	0.49	0.59
MUI (>80% MSA Income)	14,819	5,003	21,337	73.41%	76.77%	79.90%	147,142	60.95%	1.20	1.26
Total[2]	21,001	6,784	27,785	100.00%	100.00%	100.00%	241,415	100.00%		

Table 3.2b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Income Level (Market Share)		Ratio of that Income Level to Upper-Income (Market Share Ratio)[3]	
	Prime	Subprime	All	Prime	Subprime	Prime	Subprime
Income Level							
Low (<50% MSA Income)	858	315	1,173	73.15%	26.85%	0.92	1.31
Moderate (50-79.99% MSA Income)	2,995	1,199	4,194	71.41%	28.59%	0.90	1.39
Middle (80-119.99% MSA Income)	5,368	2,162	7,530	71.29%	28.71%	0.90	1.40
Upper (120% or More MSA Income)	10,966	2,841	13,807	79.42%	20.58%	1.00	1.00
LMI (<79.99% MSA Income)	3,853	1,514	5,367	71.79%	28.21%	1.03	1.20
MUI (>80% MSA Income)	14,819	5,003	21,337	69.45%	23.45%	1.00	1.00
Total[2]	21,001	6,784	27,785	75.58%	24.42%	0.95	1.19

Table 3.2c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Income Level to Upper-Income (Denial Ratio)
	Applications	Denials	Percentage	
Income Level				
Low (<50% MSA Income)	3197	1153	36.07%	2.11
Moderate (50-79.99% MSA Income)	8,491	2182	25.70%	1.50
Middle (80-119.99% MSA Income)	14,024	2966	21.15%	1.23
Upper (120% or More MSA Income)	23,267	3986	17.13%	1.00
LMI (<79.99% MSA Income)	11,688	3,335	28.53%	1.53
MUI (>80% MSA Income)	37,291	6,952	18.64%	1.00
Total[2]	51,393	10,780	20.98%	1.22

NOTES

2"Total" refers to total loans to all persons, including those applications with "income not available" reported. Thus, "total" may be a slightly larger number than the sum of "Low," "Middle," "Moderate," and "Upper."

3These four categories form a mutually exclusive group; likewise, "LMI" and "MUI" form a mutually exclusive group independent of "Low," "Middle," "Moderate," and Upper."

In the case of "Low," "Moderate," "Middle," and "Upper," the index for this ratio (that is, the denominator of the ratio) is "Upper." In the case of "LMI" and "MUI," the index is "MUI."

***** Source: U.S. Census Bureau, 2005 American Community Survey

Chart 3.2a. Percent of Loans Compared to Percent of Households by Income Level
LMI compared to MUI

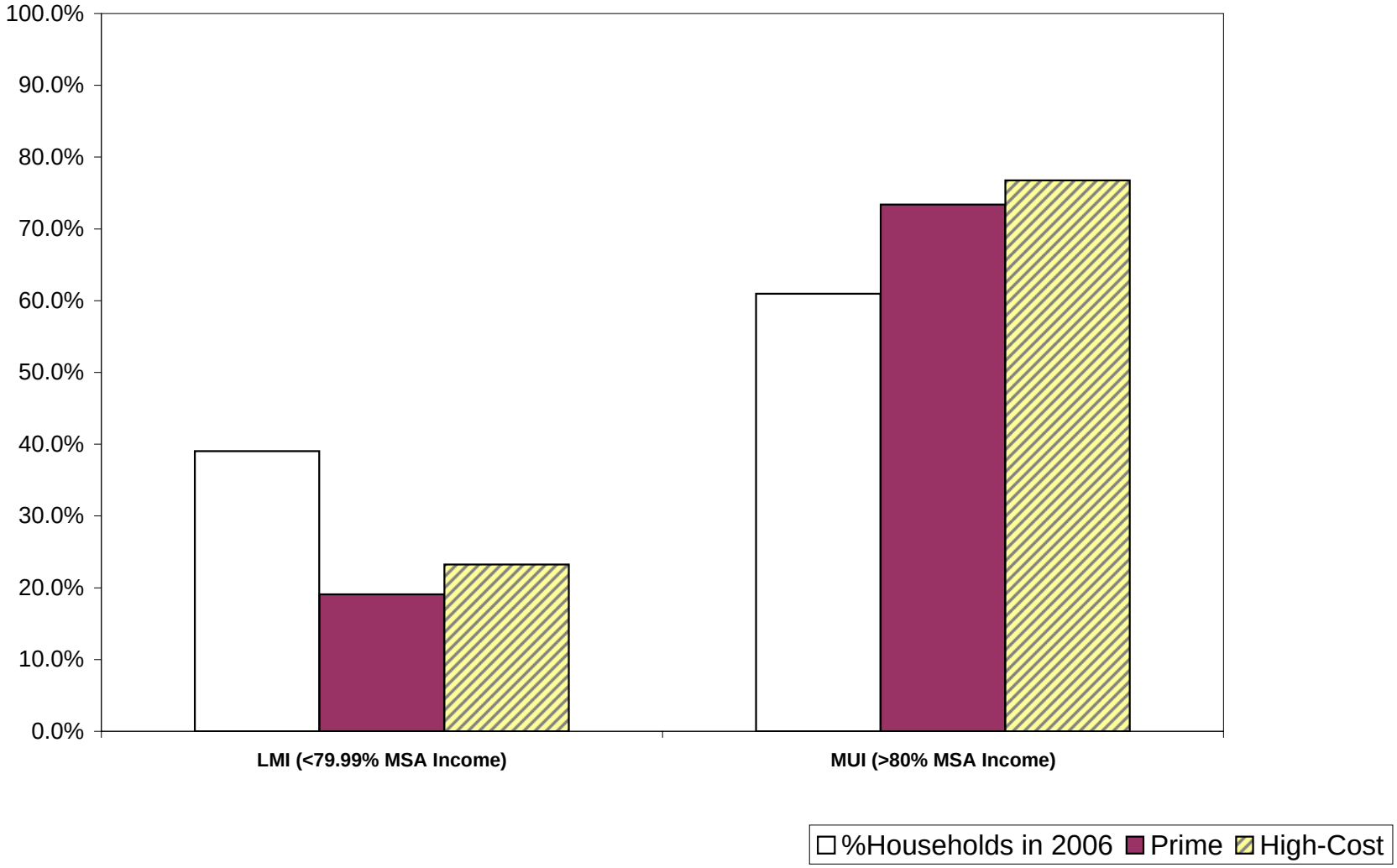
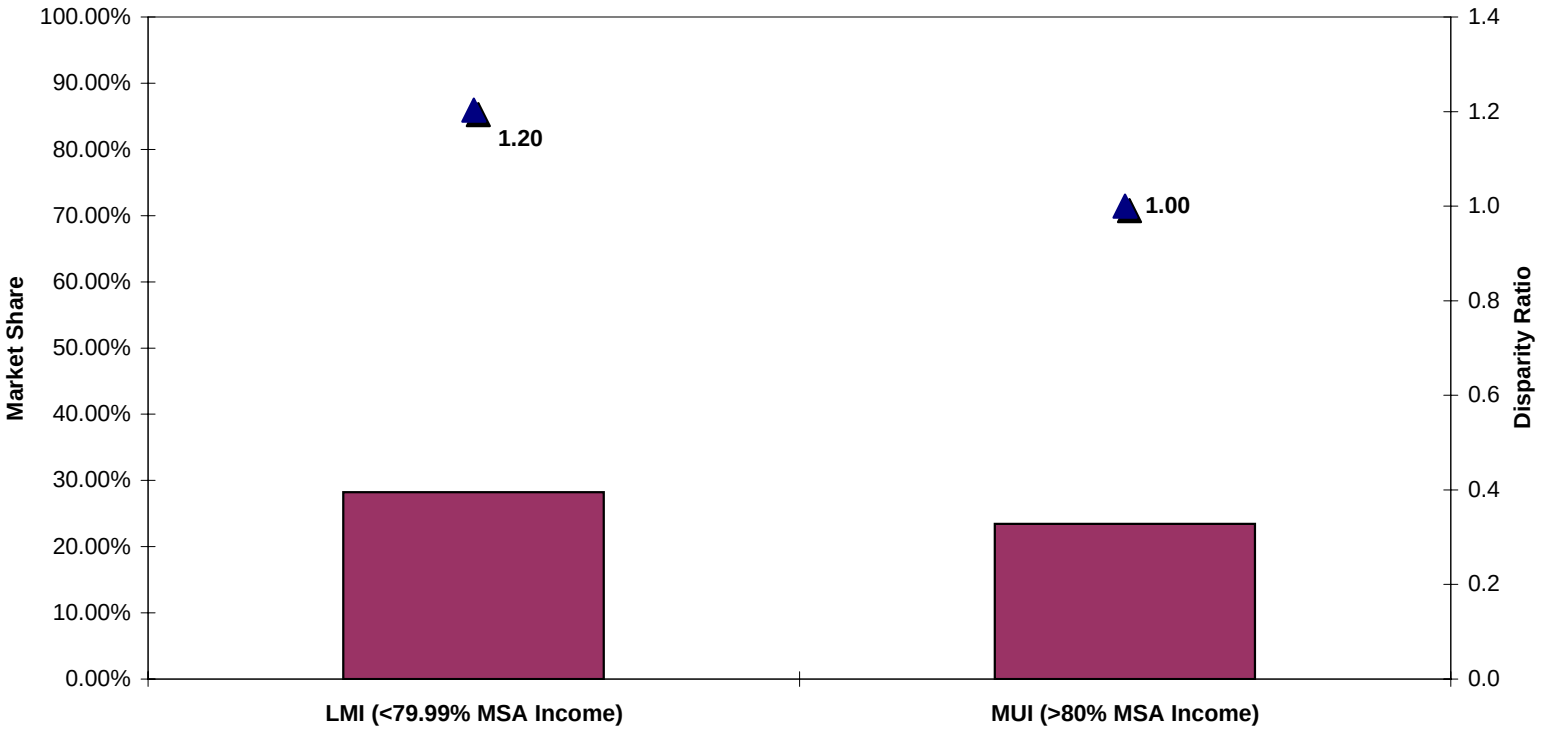
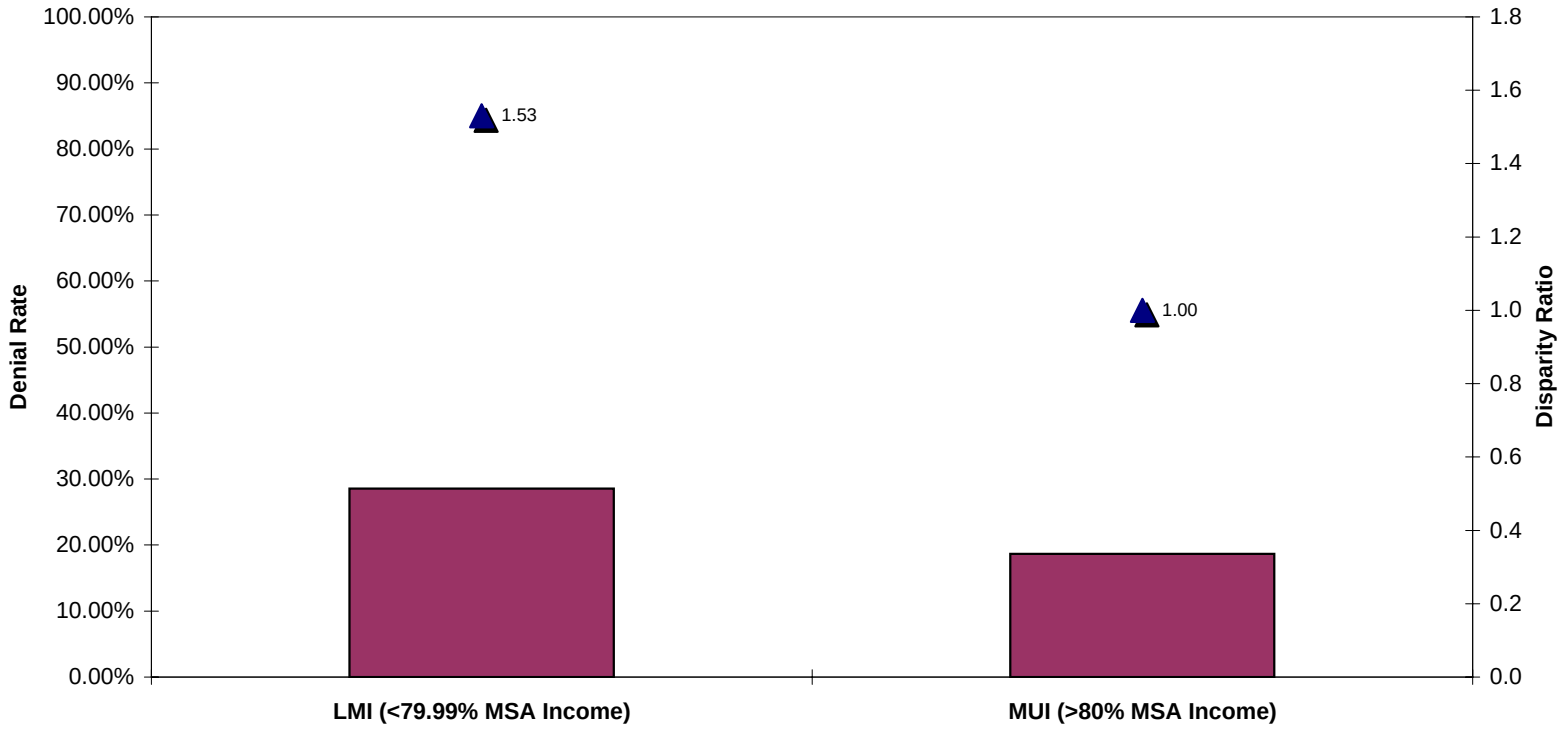


Chart 3.2b. High-Cost Market Share of Loans by Income Level
LMI compared to MUI



Disparity Ratio is high-cost market share of loans to LMI borrowers divided by high-cost market share of loans to MUI borrowers

Chart 3.2c. Denial Rates and Disparity Ratios by Income Level
LMI compared to MUI



Disparity Ratio is denial rate for loans to an income group divided by denial rate for loans to Upper or MUI

Chart 3.2d. Percent of Loans Compared to Percent of Households by Income Level

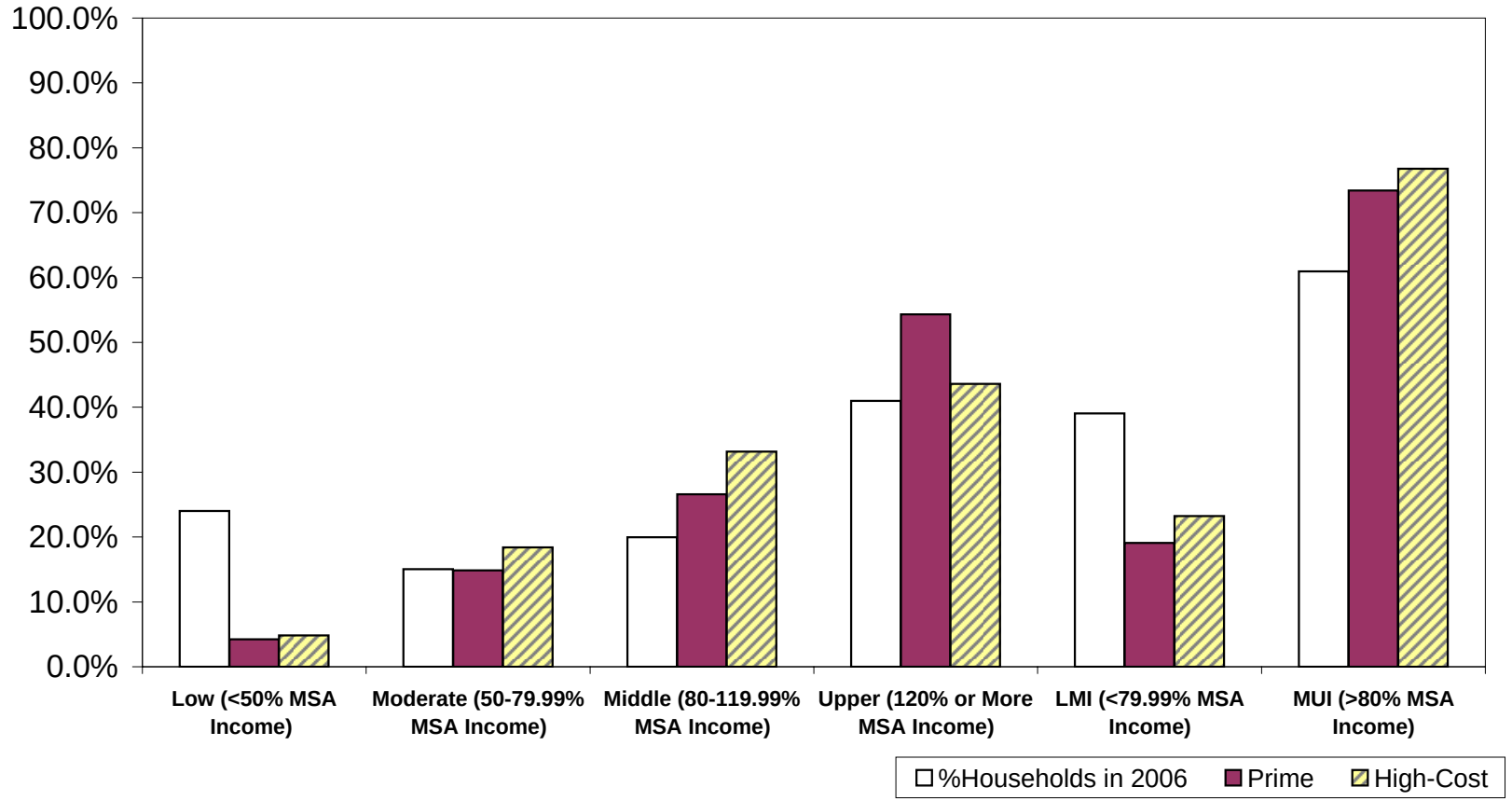
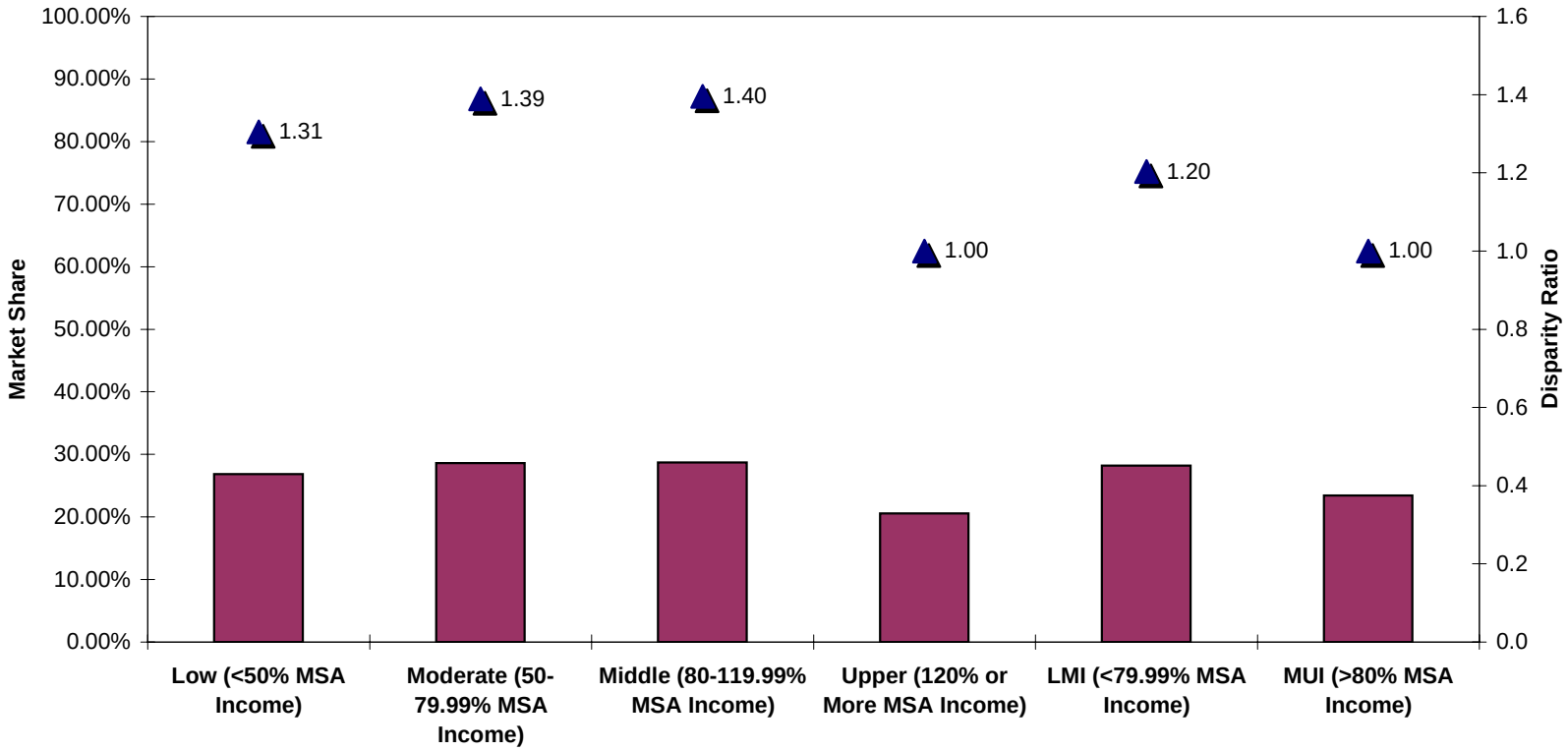
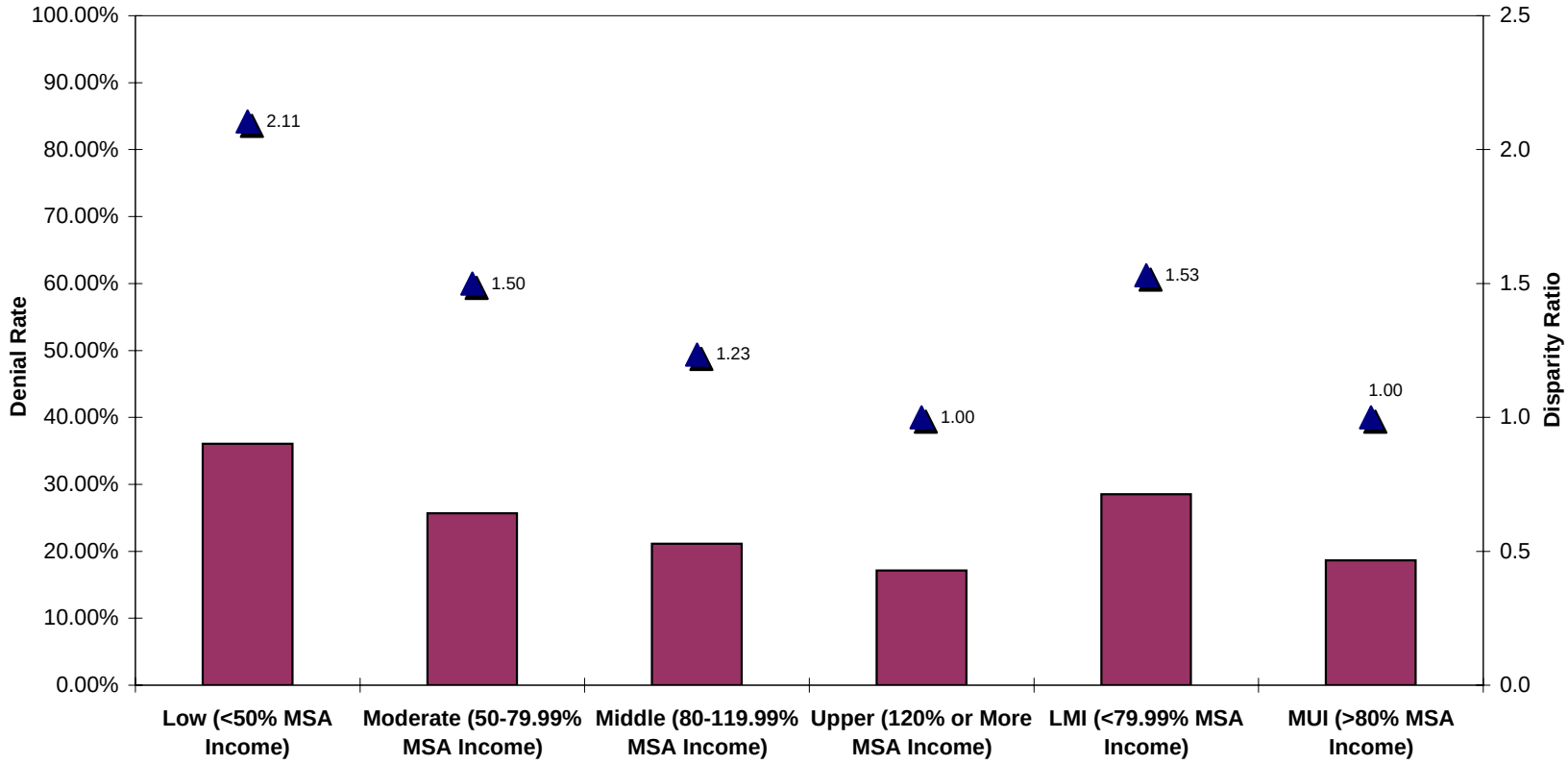


Chart 3.2e. High-Cost Market Share of Loans by Income Level



Disparity Ratio is high-cost market share of loans to an income group divided by high-cost market share of loans to Upper or MUI

Chart 3.2f. Denial Rates and Disparity Ratios by Income Level



Disparity Ratio is denial rate for loans to an income group divided by denial rate for loans to Upper or MUI

Table 3.3. All Single Family Lending to Owner-Occupants, Metairie-Kenner-New Orleans MSA, 2006

By Gender of Borrower

Table 3.3a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Genders (Portfolio Share)		
	Prime	High-Cost	All	Prime	High-Cost	All
Gender						
Male	6,281	2,641	8,922	31.11%	40.84%	33.47%
Female	4,968	1,925	6,893	24.61%	29.77%	25.86%
Joint(Male/Female)	8,941	1,900	10,841	44.28%	29.38%	40.67%
Total[2]	21,001	6,784	27,785	100.00%	100.00%	100.00%

Table 3.3b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Gender (Market Share)		Ratio of that Gender to Female (Market Share Ratio)	
	Prime	High-Cost	All	Prime	High-Cost	Prime	High-Cost
Gender							
Male	6,281	2,641	8,922	70.40%	29.60%	0.98	1.06
Female	4,968	1,925	6,893	72.07%	27.93%	1.00	1.00
Joint(Male/Female)	8,941	1,900	10,841	82.47%	17.53%	1.14	0.63
Total[2]	21,001	6,784	27,785	75.58%	24.42%	1.05	0.87

Table 3.3c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Gender to Female (Denial Ratio)
	Applications	Denials	Percentage	
Gender				
Male	16,938	3,729	22.02%	0.95
Female	12,936	3,001	23.20%	1.00
Joint(Male/Female)	17,824	3,089	17.33%	0.75
Total[2]	51,393	10,780	20.98%	0.90

4. Home Loan Ranking Analysis

Introduction

This analysis provides an overview of the Community Reinvestment Act (CRA) and the fair lending performance of major lenders in two assessment areas, the New Orleans metropolitan statistical area (MSA) and the City of New Orleans, in 2006. The most recent publicly available Home Mortgage Disclosure Act (HMDA) data is for the year 2006. NCRC uses CRA Wiz, a software program produced by Wolters Kluwer Financial Services, to analyze HMDA data. CRA Wiz is widely used across the mortgage industry for tracking and submitting HMDA data.

The National Community Reinvestment Coalition (NCRC) has ranked lending institutions based on their lending performance. The analysis considers all single-family lending together (which includes home purchase, refinance, and home improvement loans). This analysis is conducted for prime lending in the two assessment areas, namely, the City of New Orleans and the New Orleans metropolitan statistical area.

Method

Lending Institutions

Eight prime major lending institutions and their affiliates that operate in New Orleans were identified and included in this report. Only lending institutions that had the New Orleans MSA as a geographical area scrutinized by their CRA exams were included in this analysis. NCRC identified other large banks with a national presence that also issued considerable numbers of loans in New Orleans. However, these banks' CRA exams did not analyze their performance in New Orleans. This report focuses on banks that have New Orleans or Louisiana on their CRA exams, since these banks may be most receptive to input and comments on their CRA performance.

Measures of Lending Performance

Lending institutions were ranked based on 12 indicators of lending performance. These measures of performance fall into the following four main categories:

1) Portfolio Share Indicators – Six indicators, such as percent of loans to various groups of borrowers (that is, minorities and low- and moderate-income borrowers), as well as percent of loans that went to predominantly minority and low- and moderate-income neighborhoods.

2) Denial Disparity Ratio – One indicator that compared the denial rates of African-Americans to White denial rates.

3) Approval Disparity Ratio - One indicator that compared the approval rates of African-Americans to White approval rates.

4) Market Share Indicators – These indicators measured a lending institution's share of all the loans made by all financial institutions in a certain geographical area to a specific demographic group of traditionally underserved borrowers (e.g., African-Americans) compared to the institution's share of loans to the control group of borrowers (e.g., Whites).

For a detailed description of the 12 lending performance indicators used in this analysis, please see below.

Ranking Lenders on Their Performance

Two separate ranking analyses were conducted for all single-family lending in the City of New Orleans and the New Orleans MSA. The lower the score of a lending institution, the better they have performed on our analysis. A rank of "1" indicates that the lender has performed best on a measure of performance, such as percent of loans in minority neighborhoods. Correspondingly, the last place (that is, highest number) is assigned when a bank lagged all the other lenders on an indicator.

Note that the lowest rank may vary from one indicator to another, as a few banks could not be ranked on each indicator. This is to say that while the lowest rank for our prime lending analysis is usually 8,[1] this number varies according to the total number of lenders that were ranked on a specific indicator (for example, if only 5 banks are ranked on a certain indicator of performance, the lowest rank assigned would be 5).

In a case of an insufficient number of loan originations for a ranking analysis to be meaningful, a lending institution was assigned no rank. The threshold for assigning a rank to a lending institution was 50 loan originations. Any lending institution that has originated less than 50 loans was not ranked, but its lending activity is still displayed in our analysis.[2]

[1] There were 8 lending institutions in the prime ranking analysis.
[2] The Federal Reserve commonly uses a threshold of 100 before conducting a statistical analysis of a lending institution. A threshold of 50 is another commonly used threshold.

A. The City of New Orleans

All Single-Family Lending

NCRC chose institutions that were among the leaders in terms of their total number of single-family originations in the City of New Orleans during 2006 (single-family lending refers to home purchase, refinance, and home improvement lending combined). If they had more than 50 loans, banks were also ranked in the analysis. Of the 8 prime lending institutions included in this study, Capital One, Regions Financial Corporation, and Whitney National Bank were the three institutions originating the greatest number of prime single-family loans (215, 156, and 129 originations, respectively) in the City of New Orleans during 2006. Omni Bank, Liberty Bank, and Iberiabank, on the other hand, were the three lending institutions that made less than 50 prime loan originations (18, 32, and 37 originations, respectively) in the City of New Orleans during 2006. Thus, the latter three banks were not ranked, but their lending performance is still displayed in our analysis. Institutions that made more than 50 loans but less than a 100 included Gulf Coast Bank & Trust and Fifth District Savings & Loans.

The table below displays the results of NCRC's home loan ranking analysis.

Prime Single Family Lending Ranking, City of New Orleans		
	Score	Ranking
Regions FC	27.33	1
Capital One	29.08	2
Fifth District Savings & Loans	30.17	3
Gulf Coast Bank & Trust	37.25	4
Whitney NB	42.42	5
Iberiabank	N/A	N/A
Liberty FS	N/A	N/A
Omni Bank	N/A	N/A

Single-Family Lending to Minorities

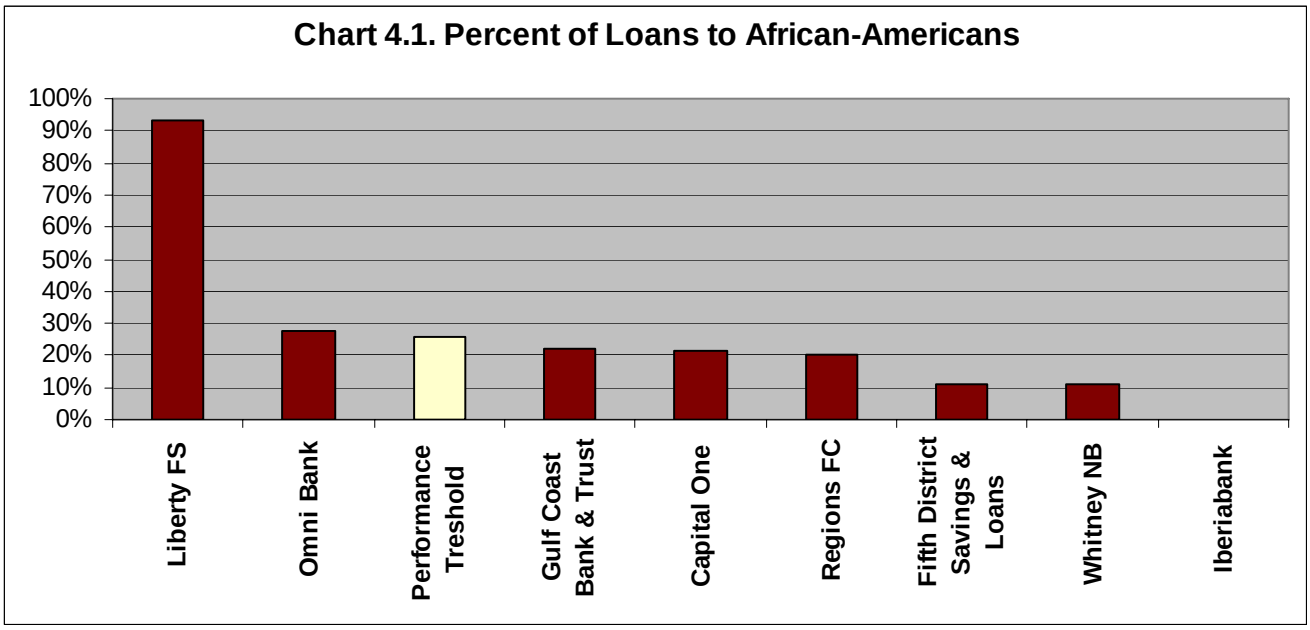
Gulf Coast Bank and Capital One performed best regarding the proportion of their loans to African-Americans in the City of New Orleans during 2006. Gulf Coast and Capital One issued, respectively, 22 and 21.5 percent of their loans to African-Americans in the City of New Orleans in 2006. However, the performance of these two banks did not match the performance of all lenders, as a group, who made 25.7 percent of their prime loans to African-Americans (see Table 4.1 at the end of this chapter and Chart 4.1). Regions Bank ranked third with regard to the percentage of prime loans made to African-American borrowers, with 20.5 percent of their loans issued to African-Americans.

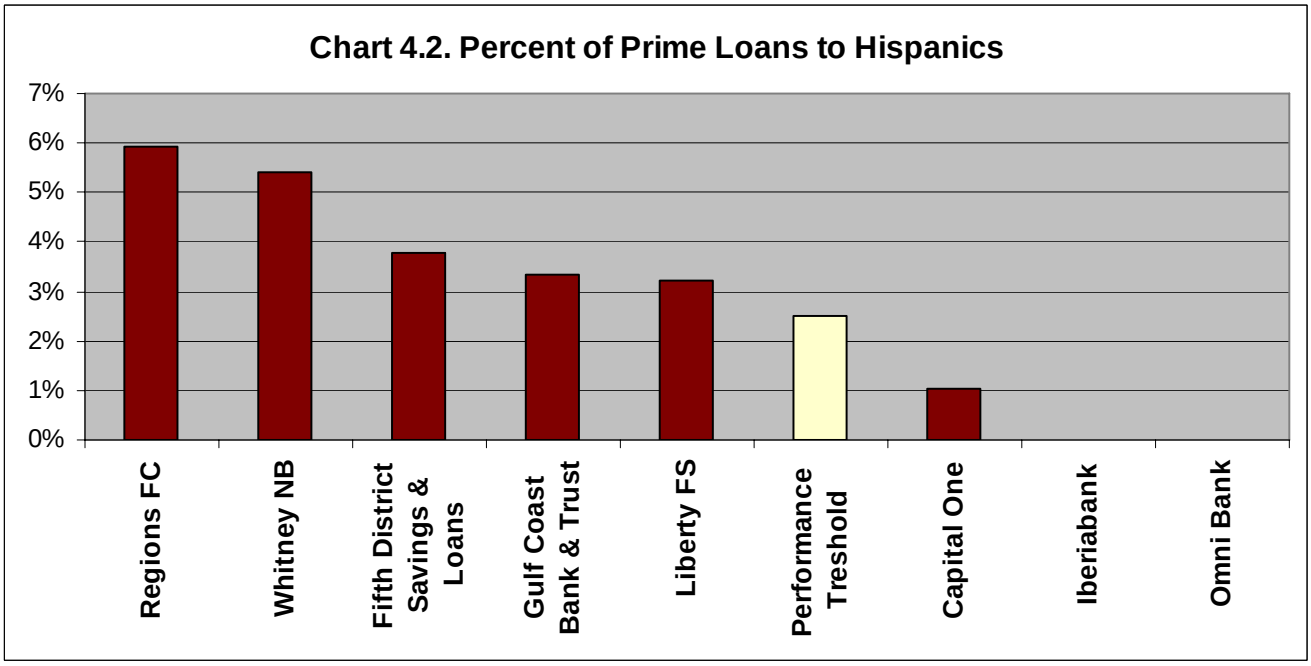
On the other end of the scale, Whitney NB and Fifth District Savings & Loans were the two institutions that did not perform as well in terms of their lending activity to African-American borrowers (with 10.9 percent and 11.3 percent, respectively, of prime loans to African-Americans). The only two banks that surpassed the performance of all lenders, as a group, regarding loans to African-Americans were Liberty and Omni Bank, but these two institutions received no rank due to their relatively small number of loans originated in the City of New Orleans in 2006.

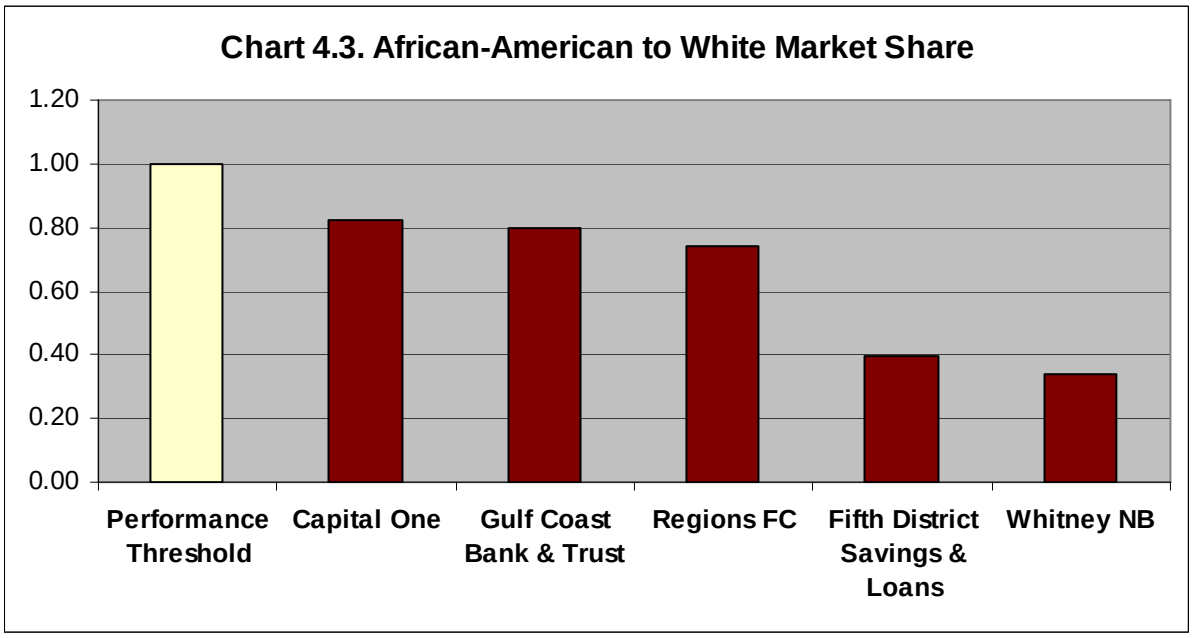
The lending performance of Omni Bank and Iberiabank could be analyzed only on an MSA level, as the two institutions have not surpassed the threshold of 50 loan originations in the City of New Orleans. Moreover, for the same reason, Liberty FS was not assigned a rank on either the MSA or the city analysis. For analysis on the MSA level, please refer to the next section.

When considering prime loans made to Hispanic borrowers in the City of New Orleans in 2006, all ranked banks but one surpassed the all lenders, as a group, threshold. Regions and Whitney Bank performed best on this indicator, issuing 5.9 and 5.4 percent of their prime loans, respectively, to this borrower group. By way of comparison, all lenders, as a group, made just 2.5 percent of their loans to Hispanics (see Table 4.1 and Chart 4.2). Conversely, Capital One and Gulf Coast were the two lending institutions at the low end of our ranking analysis in terms of prime loans to Hispanics, issuing about 1 and 3.3 percent of their prime loans, respectively, to this borrower group.

Another measure of a bank's lending performance is comparing the lender's market share of prime loans made to African-Americans to its market share of prime loans made to White borrowers. In other words, what is a lender's share of all loans made in the City of New Orleans to African-Americans compared to its share of all loans made to Whites? Capital One, Gulf Coast, and Regions FC ranked best on this indicator. The performance threshold for this indicator was a ratio of 1, indicating that a lender's market share of loans to African-Americans was equal to its market share of loans to Whites. Capital One and Gulf Coast were first and second on this indicator, and came closest to the threshold with ratios of 0.82 and 0.8, respectively. Regions FC was ranked third with its share of prime loans made to African-Americans 0.74 times smaller than its share of loans to Whites. The corresponding ratio for Whitney and Fifth District Savings & Loans was 0.34 and 0.39, respectively, placing these two banks in fourth and fifth place on this indicator (see Table 4.1 and Chart 4.3).


Chart 4.1. Percent of Loans to African-Americans
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Liberty FS
Omni Bank
Performance Treshold
Gulf Coast Bank & Trust
Capital One
Regions FC
Fifth District Savings & Loans
Whitney NB
Iberiabank

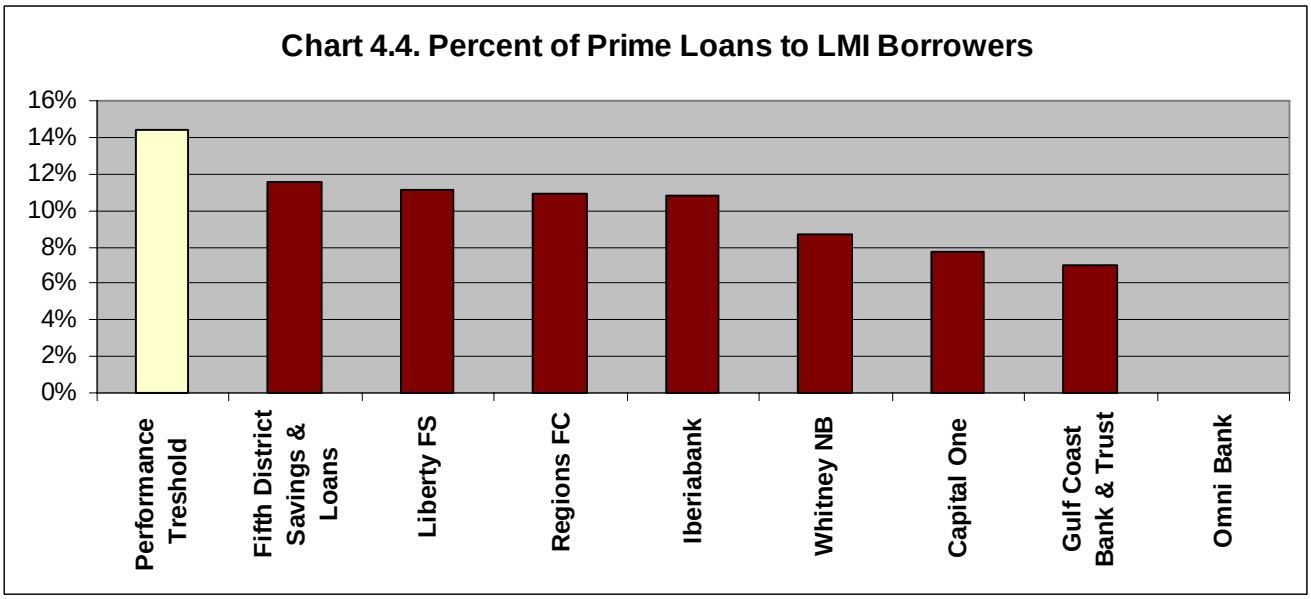

Chart 4.2. Percent of Prime Loans to Hispanics
7%
6%
5%
4%
3%
2%
1%
0%
Regions FC
Whitney NB
Fifth District Savings & Loans
Gulf Coast Bank & Trust
Liberty FS
Performance Treshold
Capital One
Iberiabank
Omni Bank

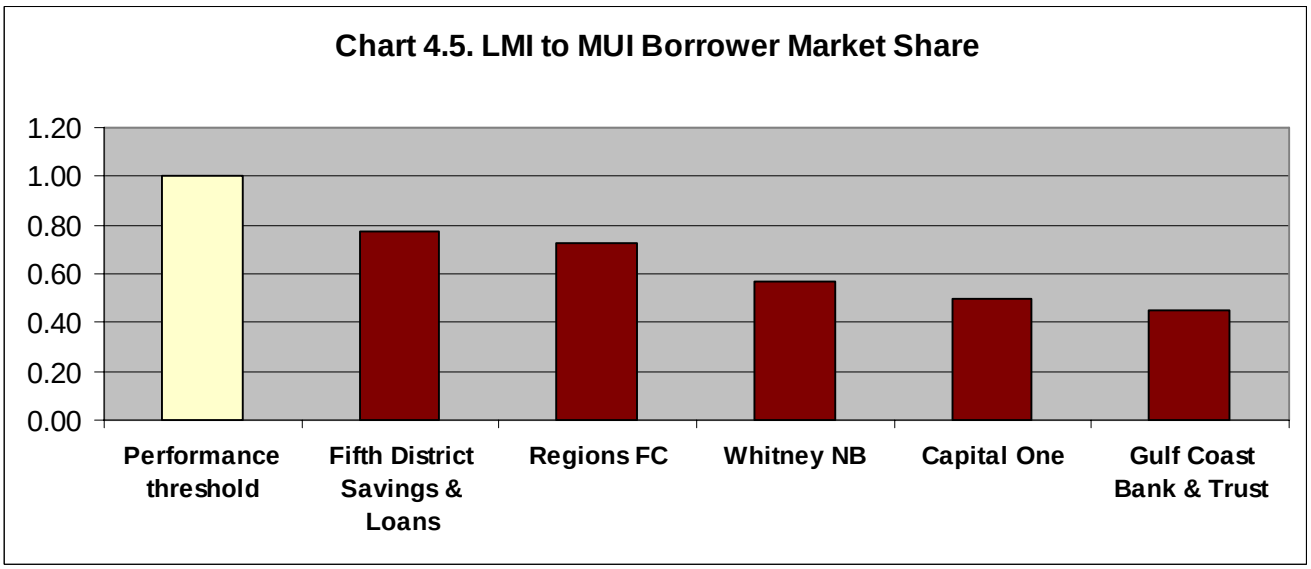


Single-Family Lending to Low- and Moderate-Income Borrowers

All lenders, as a group, made about 14.4 percent of their prime loans to low- and moderate-income (LMI) borrowers in the City of New Orleans in 2006. None of the banks included in this analysis exceeded the performance of all lenders, as a group, on this indicator. Only four banks issued over 10 percent of their loans to LMI borrowers. Fifth District Savings & Loans and Regions FC were ranked best on this indicator of lending performance, issuing 11.5 percent and 10.9 percent of their prime loans to LMI borrowers, respectively (see Table 4.1 and Chart 4.4). On the other end of the ranking performance were Gulf Coast and Capital One, each with about 7 percent of their prime loans issued to this borrower group.

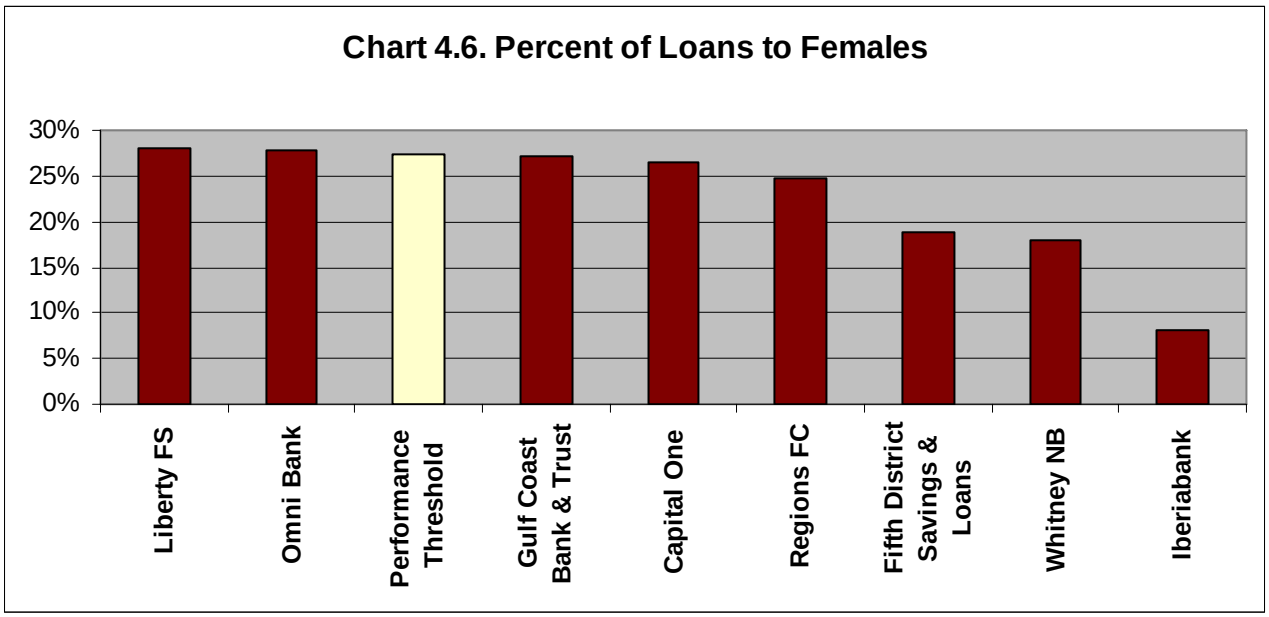
The LMI-to-MUI market share indicator assesses a bank's lending performance with regard to its market share of prime loans made to LMI borrowers compared to its market share of loans made to middle- and upper-income (MUI) borrowers. Once again, Fifth District Savings & Loans and Regions FC were ranked best on this indicator for the City of New Orleans. The share of prime loans made to LMI borrowers by these two banks was, respectively, 0.78 and 0.73 times their share of loans to MUI borrowers (see Table 4.1 and Chart 4.5). Further, none of the 8 banks included in this analysis exceeded the threshold ratio of 1, which indicates that a bank's market share of loans made to LMI borrowers equals its market share of loans to MUI borrowers.





Single-Family Lending to Women

All lenders, as a group, issued just above 27 percent of their prime loans to female borrowers in the City of New Orleans in 2006. None of the banks who issued a sufficient number of loans in the City of New Orleans in order to be ranked in this analysis exceeded the threshold level of all lenders, as a group, on this indicator. Gulf Coast and Capital One led the performance on this indicator, issuing 27.1 percent and 26.6 percent, respectively, of their prime loans to female borrowers (see Table 4.1 and Chart 4.6). The two institutions that did not perform as well were Whitney and Fifth District Savings & Loans, issuing 18 percent and 18.9 percent, respectively, of their prime loans to females.



Single-Family Lending to Minority and Low- and Moderate-Income Neighborhoods

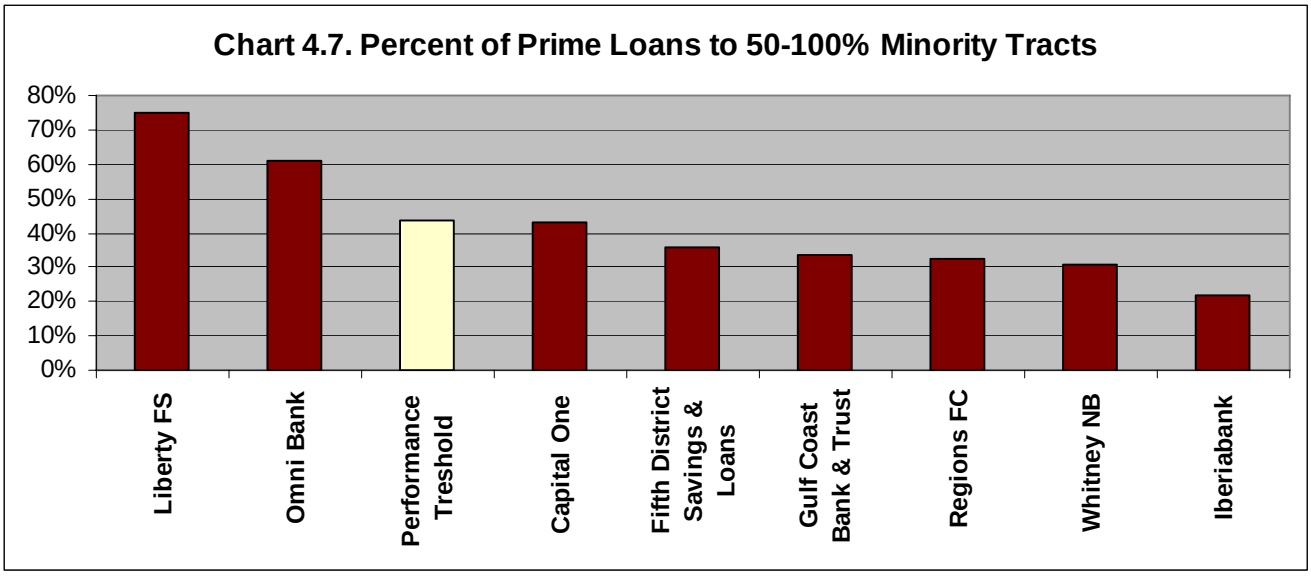
Borrowers in substantially minority census tracts in the City of New Orleans received almost 44 percent of all prime single-family loans made by all lenders, as a group, during 2006[3] (see Table 4.1 and Chart 4.7). However, only Liberty and Omni Bank, who were not ranked in our analysis due to the small number of loans issued in the City of New Orleans, exceeded the performance threshold of all lenders, as a group. Of the ranked institutions, Capital One, Fifth District Savings & Loans, and Gulf Coast Bank & Trust were ranked best on this indicator, issuing 43.3, 35.8, and 33.3 percent, respectively, of their prime loans to residents of minority tracts. It is worth noting that the fourth and fifth performers on this indicator, Whitney and Regions, have also issued over 30 percent of their prime loans to this borrower group, thus closely following the performance of the top three banks.

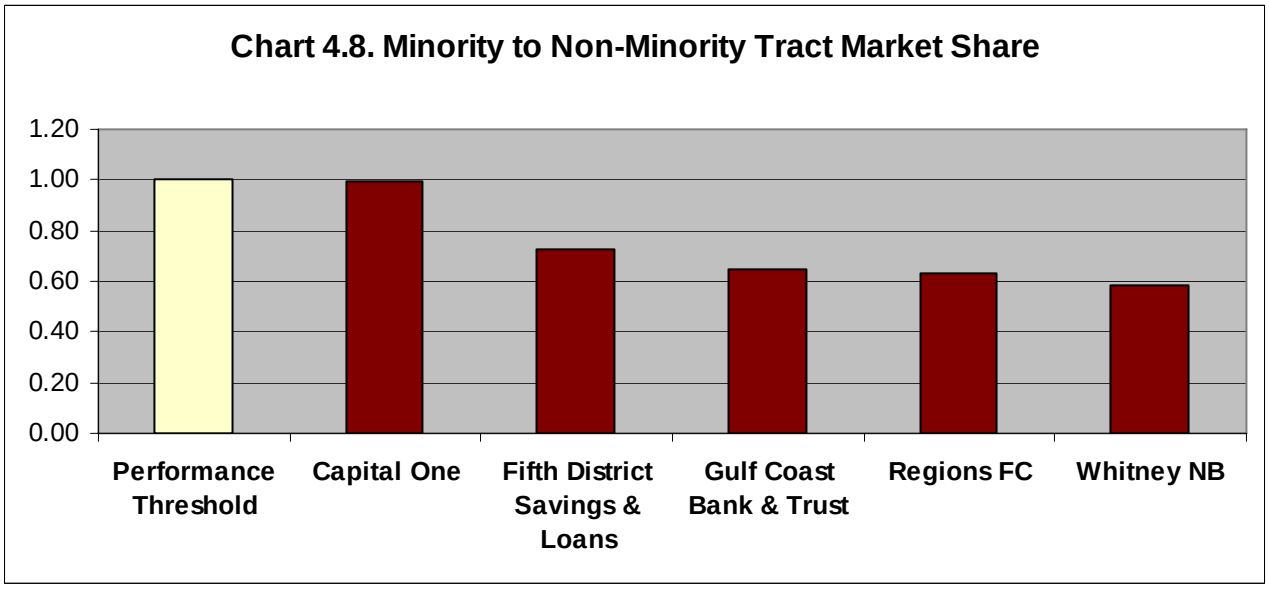
In the City of New Orleans, Capital One also emerged as a leader on the minority tract market share indicator, coming closest to the threshold of 1 (see Table 4.1 and Chart 4.8). At the opposite end of the ranking scale, Whitney Bank had a market share in minority tracts that was just above half of their market share in predominantly White tracts.

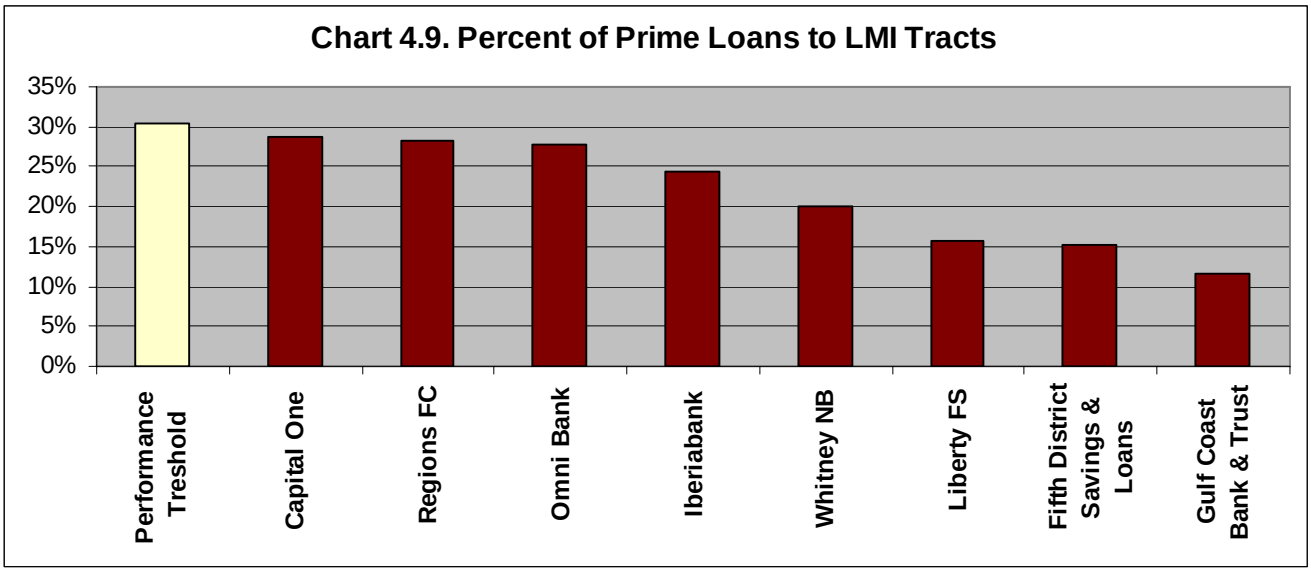
Capital One and Regions FC were ranked first and second, respectively, in terms of the percentage of their prime single-family lending in LMI neighborhoods. The two banks made, respectively, 28.8 percent and 28.2 percent of their prime loans to borrowers residing in LMI tracts (see Table 4.1 and Chart 4.9). On the other end of the spectrum, Gulf Coast and Fifth District Savings & Loans have issued about 12 and 15 percent, respectively, of their prime loans to this borrower group, compared to all lenders, as a group, which have issued over 30 percent of their prime single-family loans to residents of LMI neighborhoods.

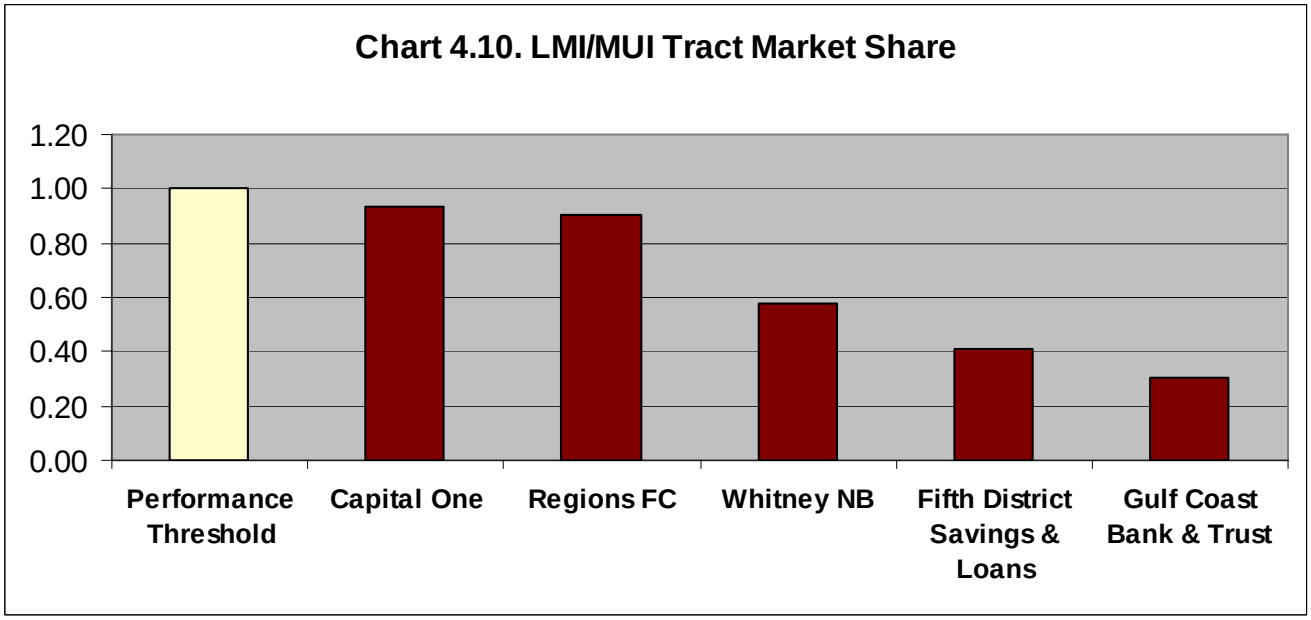
[3] Substantially minority tracts are those in which more than 50% of the residents are of a race that is non-White and/or of Hispanic or Latino ethnicity.

Finally, on the LMI-to-MUI tract market share indicator that compares the market share of all prime loans made to LMI tracts to the market share of prime loans to MUI tracts, Capital One and Regions came closest to the performance threshold of 1 for the City of New Orleans (see Table 4.1 and Chart 4.10). Gulf Coast and Fifth District Savings & Loans, on the other hand, had a significantly greater market share of prime single-family loans to MUI neighborhoods than for LMI ones.







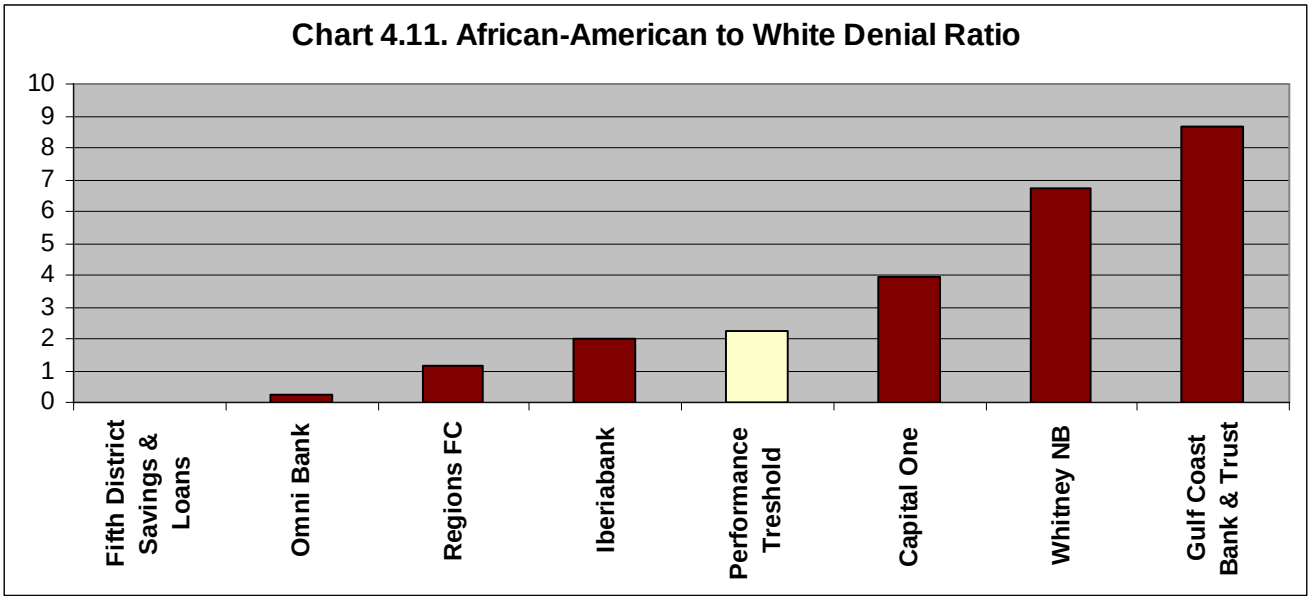


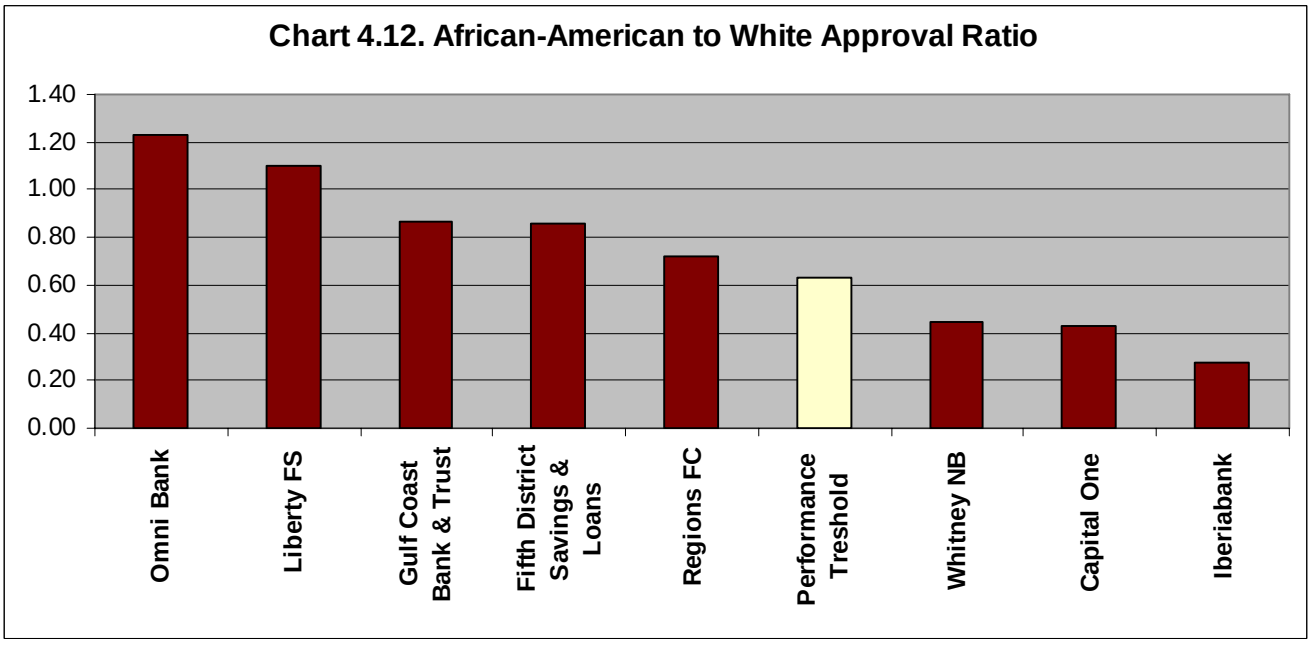
Denial and Approval Disparity Ratios

The denial disparity ratio included in this analysis compares the African-American denial rates to the denial rates of White borrowers. In the City of New Orleans, African-Americans were denied prime single-family loans by all lenders, as a group, more than twice as often as Whites (see Table 4.1 and Chart 4.11). Whitney Bank was on the lower end of the performance scale on this indicator, denying prime single-family loans to African-Americans 6.7 times more often than to White borrowers. Fifth District Savings & Loans was the only bank to have zero denials of prime loans to African-Americans; thus, it is ranked first on this indicator.

The last performance indicator in our analysis, the African-American to White approval disparity ratio, compares African-American approval rates to the approval rates of White borrowers. Gulf Coast and Fifth District Savings & Loans performed best on this indicator for the City of New Orleans, with

African-American approval rates close to nine-tenths of White approval rates (see Table 4.1 and Chart 4.12).





Prime and High-Cost Lending by the Banks

This ranking analysis considered prime lending only. The reason for focusing our analysis on prime lending is that most of the banks included in this study are prime loan specialists and, as such, issued rather small numbers of high-cost loans in the City of New Orleans in 2006 (see table 4.2 immediately below). Also, NCRC believes that traditional banks should be encouraged to increase their prime lending to working-class and minority communities, which often experience limited product choice. By focusing on prime lending, this analysis aims to bolster prime lending in traditionally underserved areas.

Omni Bank is the only lending institution in our analysis that made a considerable number of high-cost loans (87.9 percent of their single-family loans issued in the City of New Orleans in 2006 were high-cost). All of the remaining lending institutions issued a percentage of high-cost loans that was smaller than the portion of high-cost loans issued by all lenders, as a group.

Table 4.2. Prime and High-Cost Lending, City of New Orleans, 2006

Lender	All Loans	Prime Loans		High-Cost Loans	
		Count	Percentage	Count	Percentage
Omni Bank	149	18	12.08%	131	87.92%
Regions FC	208	156	75.00%	52	25.00%
Capital One	238	215	90.34%	23	9.66%
Gulf Coast Bank & Trust	68	60	88.24%	8	11.76%
Liberty FS	39	32	82.05%	7	17.95%
Iberiabank	39	37	94.87%	2	5.13%
Whitney NB	130	129	99.23%	1	0.77%
Fifth District Savings & Loans	53	53	100.00%	0	0.00%
All Lenders	4,070	3,049	74.91%	1,021	25.09%

B. The New Orleans Metropolitan Statistical Area

All Single-Family Lending

Of the 8 lending institutions included in this study, Capital One, Regions Financial Corporation, and Whitney National Bank were the three institutions originating the greatest number of prime single-family loans (2,103, 904, and 709 originations, respectively) in the New Orleans MSA during 2006. Liberty Bank, on the other hand, was the only lending institution to make less than 50 prime loan originations (i.e., 44) in the New Orleans MSA during that year. Thus, the latter institution was not ranked, but its lending performance is still displayed in our analysis. Institutions that made more than 200 but less than 400 loans included Fifth District Savings & Loans, Gulf Coast Bank & Trust, and Iberiabank.

The table below displays the results of NCRC's home loan ranking analysis for the New Orleans MSA.

Prime Single Family Lending Ranking, New Orleans MSA		
	Score	Ranking
Regions FC	29.50	1
Capital One	31.17	2
Omni Bank	35.08	3
Fifth District Savings & Loans	48.42	4
Gulf Coast Bank & Trust	50.25	5
Whitney NB	50.33	6
Iberiabank	65.58	7
Liberty FS	N/A	N/A

Single-Family Lending to Minorities

With regard to the New Orleans MSA, two of the top performing lenders on the percentage of loans to African-Americans indicator remained Capital One and Regions Bank (ranked first and third, respectively). Omni Bank ranked second on this same indicator, with 9.2 percent of its loans issued to African-Americans. Yet again, in the New Orleans MSA as in the City of New Orleans, none of the three leading lending institutions on this indicator surpassed the all lenders, as a group, threshold of 13.5 percent of prime loans to African-Americans. Also, similar to the City of New Orleans analysis, Fifth District Savings & Loans and Whitney Bank lagged in their performance (ranking sixth and fifth, respectively), joined by Iberiabank, which ranked seventh on its loans to African-Americans indicator for the New Orleans MSA (see Table 4.3).

When considering prime loans made to Hispanic borrowers, Omni Bank was the leading lending institution on an MSA level, followed by Regions and Whitney Bank. All three of these banks outperformed all lenders, as a group (see Table 4.3 at the end of this chapter).

The market share indicator that assesses a lender's share of all loans made in the New Orleans MSA to African-Americans compared to its share of all loans made to Whites revealed results similar to the City analysis. On an MSA level, Capital One remained the leader regarding its market share of prime loans made to African-Americans, closely followed by Omni Bank (the ratio of African-American to White market share of prime loans was 0.7 for Capital One and 0.68 for Omni Bank). It is worth noting that Liberty FS, while not ranked in our analysis, was the only bank to exceed the performance threshold of 1 on this indicator. Liberty's market share of prime loans made to African-Americans was 40 times greater than its share of loans to Whites in the City of New Orleans in 2006, and its corresponding number for the New Orleans MSA was 45.5 (see Table 4.1 and Table 4.3).

Single-Family Lending to Low- and Moderate-Income Borrowers

Regions and Whitney Bank were the only two banks to exceed the performance of all lenders, as a group, issuing, respectively, 20.3 and 19.8 percent of their prime loans to LMI borrowers in the New Orleans MSA in 2006.

While none of the studied banks in the City of New Orleans exceeded the ratio of 1 on the LMI-to-MUI market share indicator, two out of the eight banks exceeded the performance threshold of 1 in the New Orleans MSA. Namely, Regions FC and Whitney Bank had a market share of prime loans made to LMI borrowers, respectively, 1.08 and 1.05 times greater than their share of loans to MUI borrowers (see Table 4.3).

Single-Family Lending to Females

In the MSA, all lenders, as a group, issued just below 25 percent of their prime loans to females, and only two banks exceeded this performance threshold (i.e., Liberty and Gulf Coast). Fifth District Savings & Loans was on the lower end of the ranking scale, followed by Iberiabank (the two institutions issued, respectively, 14.5 and 19.1 percent of their prime loans to females).

Single-Family Lending to Minority and Low- and Moderate-Income Neighborhoods

Borrowers in substantially minority census tracts in the New Orleans MSA received a little less than 15 percent of all prime single-family loans made by all lenders, as a group, during 2006. Leading the way on the MSA level were Omni and Capital One, which issued about 14 and 12 percent, respectively, of their prime single-family loans to predominantly minority neighborhoods. On the other end of the scale was Iberiabank, with 9.7 percent of its prime loans issued to residents of predominantly minority tracts.

In terms of the percentage of their prime single-family loans in LMI neighborhoods, Regions, Capital One, and Fifth District Savings & Loans took the lead in our ranking analysis, surpassing the performance threshold of all lenders, as a group, of 11.5 percent of loans to borrowers in LMI tracts.

Denial and Approval Disparity Ratios

Similar to the City of New Orleans, African-Americans were denied prime single-family loans by all lenders, as a group, almost twice as often as Whites in the New Orleans MSA (see Table 4.3). Once again, Fifth District Savings & Loans performed best on this indicator, with zero prime loan denials to this borrower group in the New Orleans MSA. Omni Bank ranked second best, denying prime loans to African-Americans as often as Whites. Gulf Coast and Whitney Bank were, once again, at the opposite end of the performance scale, denying loans to African-Americans, respectively, 8 and 6 times more often than Whites.

As mentioned above, the last performance indicator in our analysis, the African-American to White approval disparity ratio, compares African-American approval rates to the approval rates of White borrowers. In the New Orleans MSA, once again, Omni Bank and Gulf Coast took the lead with regard to their approval rates to African-Americans versus Whites (see Table 4.3). Iberiabank, Whitney Bank, and Capital One were on the opposite end of the performance scale on this indicator, with approval disparity ratios of 0.49, 0.6, and 0.62, respectively.

Conclusions for Home Loan Ranking

- Regions, Capital One, and Fifth District Savings & Loans are to be commended for finishing in the top three in the City of New Orleans and for being ranked relatively close to each other.

- All lenders in our ranking analysis could use improvement. On the majority of indicators, most of the lenders were behind all lenders, as a group, and also behind the performance threshold of 1 on the market share indicators in the City of New Orleans.

- Rankings for the City of New Orleans and the MSA were similar. Regions and Capital One were first and second in both the City and the MSA. Whitney and Gulf Coast lagged behind their peers in both geographical areas.

NATIONAL COMMUNITY REINVESTMENT COALITION NCRC

Additional Tables

Table 4.1. Home Lending Ranking Analysis: Prime All Single Family Loans, City of New Orleans, 2006													
Institution	All Applications	All Prime Loan Originations	Percent of Loans to African American Borrowers		Percent of Loans to Hispanics		Percent of Loans to LMI Borrowers		Percent of Loans to Female Borrowers		Percent of Loans in 50-100% Minority Tracts		Percent of Loans in LMI Tracts	
				Rank		Rank		Rank		Rank		Rank		Rank
Capital One	540	215	21.50%	2	1.02%	5	7.69%	4	26.60%	2	43.3%	1	28.84%	1
Fifth District Savings & Loans	62	53	11.32%	4	3.77%	3	11.54%	1	18.87%	4	35.8%	2	15.09%	4
Gulf Coast Bank & Trust	74	60	22.03%	1	3.33%	4	7.0%	5	27.12%	1	33.3%	3	11.67%	5
Iberiabank	60	37	0.00%	N/A	0.00%	N/A	10.8%	N/A	8.11%	N/A	21.6%	N/A	24.32%	N/A
Liberty FS	53	32	93.55%	N/A	3.23%	N/A	11.1%	N/A	28.13%	N/A	75.0%	N/A	15.63%	N/A
Omni Bank**	180	18	27.78%	N/A	0.00%	N/A	0.0%	N/A	27.78%	N/A	61.1%	N/A	27.78%	N/A
Regions FC	419	156	20.53%	3	5.92%	1	10.9%	2	24.84%	3	32.7%	4	28.21%	2
Whitney NB	235	129	10.85%	5	5.43%	2	8.7%	3	17.97%	5	31.0%	5	20.16%	3
All Lenders	8,178	3,049	25.74%		2.50%		14.36%		27.41%		43.5%		30.31%	

Institution	All Applications	All Denials	African-American to White Denial Disparity Ratio		African-American to White Approval Disparity Ratio		LMI/MUI Borrower Market Share		African-American Borrower Mkt Share/White Borrower Mkt share		LMI Tract/MUI Tract Market Share		Minority Tract Mkt share / Non-Minority tract Mkt share	
				Rank		Rank		Rank		Rank		Rank		Rank
Capital One	540	164	3.96	3	0.43	5	0.50	4	0.82	1	0.93	1	0.99	1
Fifth District Savings & Loans	62	3	0.00	1	0.86	2	0.78	1	0.39	4	0.41	4	0.73	2
Gulf Coast Bank & Trust	74	4	8.67	5	0.87	1	0.45	5	0.80	2	0.30	5	0.65	3
Iberiabank	60	39	2.00	N/A	0.28	N/A	0.72	N/A	0.00	N/A	0.74	N/A	0.36	N/A
Liberty FS	53	7	N/A	N/A	1.10	N/A	0.75	N/A	40.03	N/A	0.43	N/A	3.90	N/A
Omni Bank**	180	11	0.26	N/A	1.23	N/A	0.00	N/A	1.38	N/A	0.88	N/A	2.04	N/A
Regions FC	419	93	1.18	2	0.72	3	0.73	2	0.74	3	0.90	2	0.63	4
Whitney NB	235	43	6.72	4	0.45	4	0.57	3	0.34	5	0.58	3	0.58	5
All Lenders	8,178	2,029	2.22		0.63									

Note: The light green color indicated that the bank is receiving City deposits.

* both numerator and denominator are zero.

** Omni Bank issued signifficantly more subprime than prime loans.

Table 4.1. (Continued)		
	Score	Ranking
Capital One	29.08	2
Fifth District Savings & Loans	30.17	3
Gulf Coast Bank & Trust	37.25	4
Iberiabank	N/A	N/A
Liberty FS	N/A	N/A
Omni Bank	N/A	N/A
Regions FC	27.33	1
Whitney NB	42.42	5

Table 4.3. Home Lending Ranking Analysis: Prime All Single Family Loans, New Orleans MSA, 2006													
Institution	All Applications	All Prime Loan Originations	Percent of Loans to African American Borrowers		Percent of Loans to Hispanics		Percent of Loans to LMI Borrowers		Percent of Loans to Female Borrowers		Percent of Loans in 50-100% Minority Tracts		Percent of Loans in LMI Tracts	
				Rank		Rank		Rank		Rank		Rank		Rank
Capital One	3,736	2,103	9.78%	1	3.15%	4	18.52%	3	23.1%	3	12.2%	2	11.7%	2
Fifth District Savings & Loans	342	303	4.62%	6	1.65%	6	17.3%	4	14.5%	7	11.2%	5	11.6%	3
Gulf Coast Bank & Trust	377	296	8.19%	4	2.70%	5	15.8%	5	26.8%	1	11.5%	3	8.8%	7
Iberiabank	305	207	1.48%	7	1.47%	7	14.5%	6	19.1%	6	9.7%	7	10.8%	4
Liberty FS	71	44	86.05%	N/A	2.33%	N/A	8.1%	N/A	27.3%	N/A	61.4%	N/A	11.4%	N/A
Omni Bank**	540	99	9.18%	2	8.16%	1	11.0%	7	24.5%	2	14.1%	1	10.1%	5
Regions FC	2,272	904	8.55%	3	6.42%	2	20.27%	1	22.7%	4	11.1%	6	11.7%	1
Whitney NB	1,108	709	5.96%	5	5.84%	3	19.8%	2	22.5%	5	11.4%	4	9.0%	6
All Lenders	51,393	21,001	13.48%		3.78%		19.09%		24.6%		14.9%		11.5%	

Institution	All Applications	All Denials	African-American to White Denial Disparity Ratio		African-American to White Approval Disparity Ratio		LMI/MUI Borrower Market Share		African-American Borrower Mkt Share/White Borrower Mkt share		LMI Tract/MUI Tract Market Share		Minority Tract Mkt share / Non-Minority tract Mkt share	
				Rank		Rank		Rank		Rank		Rank		Rank
Capital One	3,736	690	3.44	5	0.62	5	0.96	3	0.70	1	1.01	2	0.80	2
Fifth District Savings & Loans	342	8	0.00	1	0.82	3	0.89	4	0.32	6	1.00	3	0.72	5
Gulf Coast Bank & Trust	377	11	8.41	7	0.94	2	0.80	5	0.57	4	0.74	7	0.74	3
Iberiabank	305	13	2.51	4	0.49	7	0.72	6	0.09	7	0.93	4	0.62	7
Liberty FS	71	7	N/A	N/A	1.05	N/A	0.37	N/A	45.52	N/A	0.98	N/A	9.08	N/A
Omni Bank**	540	37	1.00	2	1.06	1	0.52	7	0.68	2	0.86	5	0.94	1
Regions FC	2,272	403	1.31	3	0.70	4	1.08	1	0.59	3	1.02	1	0.71	6
Whitney NB	1,108	108	5.91	6	0.60	6	1.05	2	0.40	5	0.76	6	0.74	4
All Lenders	51,393	10,780	1.99		0.68									

Note: The light green color indicated that the bank is receiving City deposits.

* both numerator and denominator are zero.

** Omni Bank issued signifficantly more subprime than prime loans.

Table 4.3. (Continued)		
	Score	Ranking
Capital One	31.17	2
Fifth District Savings & Loans	48.42	4
Gulf Coast Bank & Trust	50.25	5
Iberiabank	65.58	7
Liberty FS	N/A	N/A
Omni Bank	35.08	3
Regions FC	29.50	1
Whitney NB	50.33	6

Detailed Description of Methodology

The following is a detailed description of the NCRC methodology. NCRC used Home Mortgage Disclosure Act (HMDA) data for the year 2006, which is the most recent year for which data is publicly available. As noted above, the analysis considered a loan to be high-cost if the HMDA data indicated that a loan had pricing information. For first lien loans considered by this study, HMDA has pricing information when the Annual Percentage Rate (APR) on the loan is three percentage points greater than the rate of Treasury securities of comparable maturities.

The following specifications were used when analyzing the HMDA data:

- Property type: traditional site-built, single-family units; manufactured homes and multi-family homes excluded from the analysis.
- Loan type: conventional and government-insured loans were included.
- Occupancy: owner-occupied only.
- Lien status: first lien only.

For each major lending institution, NCRC analyzed performance on the following twelve indicators:

1. Percent of loans to African-Americans: This indicator measures the percent of a financial institution's loans that are made to African-Americans. Another way to think about this indicator is the portion of the institution's loan portfolio devoted to African-Americans.

2. Percent of loans to Hispanics: This indicator measures the percent of a financial institution's loans that are made to Hispanics.

3. Percent of loans to Low- and Moderate-Income (LMI) borrowers: This indicator measures the percent of a financial institution's loans that is made to LMI borrowers. Low- and moderate-income definitions conform to CRA definitions; in other words, LMI borrowers have incomes up to 80 percent of an area's median income.

4. Percent of loans to women: This indicator measures the percent of a financial institution's loans that are made to women.

5. Percent of loans to substantially minority tracts: This indicator measures the percent of a financial institution's loans that are made to residents of substantially minority census tracts. A census tract is defined as substantially minority if more than 50 percent of the residents are of a race that is non-White and/or of Hispanic or Latino ethnicity.

6. Percent of loans to LMI tracts: This indicator measures the percent of a financial institution's loans that are made to residents of LMI census tracts.

7. African-American/White denial disparity ratio: This indicator divides the African-American denial rate by the White denial rate. Higher ratios, which indicate that a lender is denying African-Americans at higher rates relative to Whites, are worse.

8. African-American/White approval disparity ratio: This indicator divides the African-American approval rate by the White approval rate. The higher the ratio the better the performance. Higher ratios indicate that a lender is approving African-Americans at higher rates relative to Whites.

9. Ratio of LMI-to-MUI market share to borrowers: Market share measures an institution's share of all the loans made by all financial institutions in a geographical area to a certain demographic group. The LMI-to-MUI market share ratio indicator measures the ratio of the institution's share of all loans made to LMI borrowers divided by the institution's share of all loans made to MUI borrowers. If an institution's share of the LMI market is larger than its share to the MUI market, the institution is making more of an effort to lend to LMI borrowers than MUI borrowers. The LMI-to-MUI market share ratio indicator will then be greater than one. By contrast, if an institution is making a greater effort to lend to MUI borrowers than LMI borrowers, this market share ratio indicator will be less than one.

10. Ratio of African-American to White market share: This indicator measures the ratio of the institution's share of loans made to African-American borrowers divided by its share of loans made to White borrowers.

11. Ratio of LMI-to-MUI market share by tracts: This indicator measures the institution's share of all the loans made by all financial institutions in a geographical area to a certain census tract category. The LMI-to-MUI market share ratio indicator measures the ratio of the institution's share of all loans made to LMI census tracts divided by the institution's share of all loans made to MUI census tracts.

12. Ratio of market share in minority and white tracts: This indicator is a ratio of a bank's market share in minority tracts divided by its market share in white tracts.

A lender receives a score on each CRA and fair lending indicator. The best possible score is one, and the lowest possible score is the number of lenders in the ranking analysis. For example, since the prime single-family ranking in this study included 8 lenders, the lowest possible score on an indicator was 8. However, it is possible for a lender not to be ranked on an indicator if, for example, there is a denial disparity ratio indicator. If a lender has not denied any loans to Whites, the denial rate to Whites is zero, and it is not possible to divide a minority denial rate by a White denial rate. Therefore, for each lender, NCRC totals the scores on all the indicators for which it is possible to assign a score. NCRC then divides each sum by the number of indicators for which it is possible to assign a score. The average score for each lender is then sorted from lowest to highest, with the lowest average score being the best ranking.

In the case of an insufficient number of loan originations for a ranking analysis to be meaningful, a lending institution is assigned no rank. The threshold for assigning a rank to a lending institution is 50 loan originations. Any lending institution that has originated less than 50 prime loans was not ranked, yet its lending activity is still displayed in our analysis.[4]

[4] The Federal Reserve commonly uses a threshold of 100 before conducting a statistical analysis of a lending institution. A threshold of 50 is another commonly used threshold.

C. List of Banks and Their Affiliates

A financial institution often has more than one affiliated company. Banks are usually organized as holding companies, with a parent holding company owning banks and mortgage companies. For each financial institution in the analysis, NCRC endeavored to locate all of their affiliates as of the end of 2006 using Federal agency websites and the websites of the financial institutions. Below is a list of the lending institutions and their affiliates.[5] The same list of affiliates is used for the other analyses in this report.

Capital One
- Capital One, F.S.B. (0000013181)
- Capital One Home Loans, LLC (20-2096530)
- Capital One, NA (0000013688)
- North Fork Bank (0000015985)

Omni Bank (0000027397)

Whitney National Bank (0000014977)

Gulf Coast Bank and Trust Company (0000032974)

Fifth District Savings Bank (0000000133)

FirstTrust Corporation
- Peoples Bank of Louisiana (0000025720)
- First Bank and Trust of Mississippi (0000031867)
- First Bank and Trust (0000033405)

Hancock Holding Company
- Hancock bank (0000012441)
- Hancock Bank of Louisiana (0000033029)
- Hancock Bank of Florida (0000057819)

Liberty Bank and Trust Company (0000020856)

Iberiabank (0000808176)

Regions Financial Corporation
- Regions Bank (0000233031)
- Equifirst Corporation (0002752527)
- Amsouth Bank (0000245333)

[5] The number next to each affiliate's name is a HMDA reporting identifier.

5. Small Business Lending Ranking Analysis

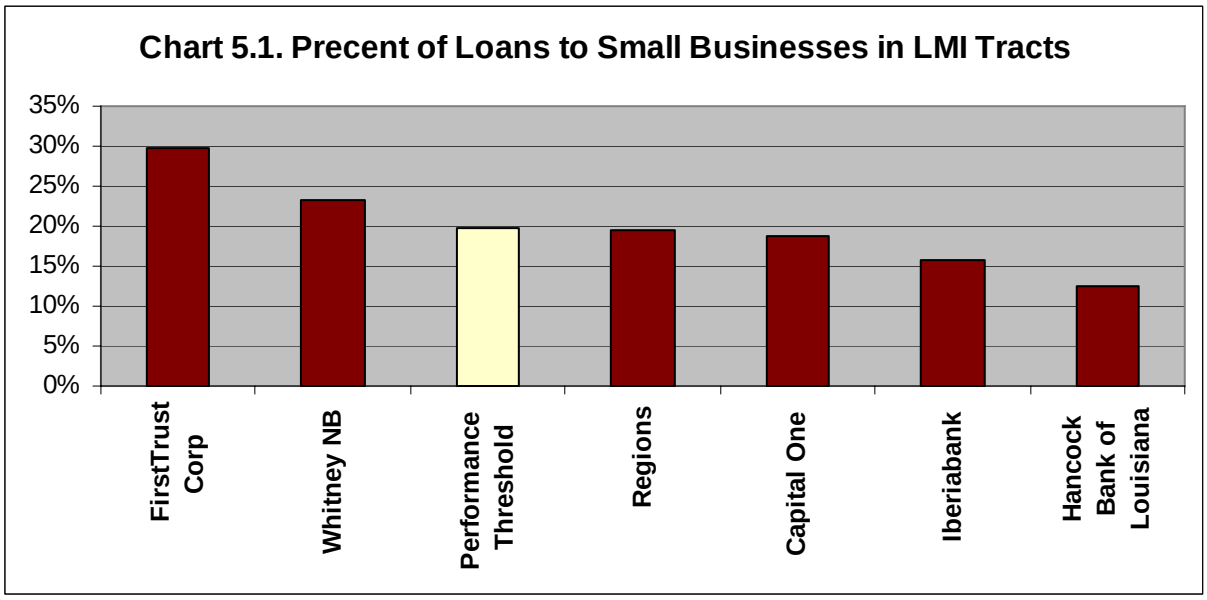
NCRC used five different performance measures regarding small business lending in 2006 to rank six major banks. These banks were Capital One, First Bank & Trust, Hancock Bank of Louisiana, Iberiabank, Regions, and Whitney National Bank. The banks were ranked for every criterion, and then an overall rank was created based on the sum of the five different rankings (see the Table 5.1 at the end of this chapter).

The table below displays the banks' ranking in small business lending.

Small Bussiness Lending Ranking, New Orleans MSA		
	Score	Ranking
FirstTrust Corp	8	1
Capital One	13	2
Regions	16	3
Whitney NB	19	4
Iberiabank	21	5
Hancock Bank of Louisiana	28	6

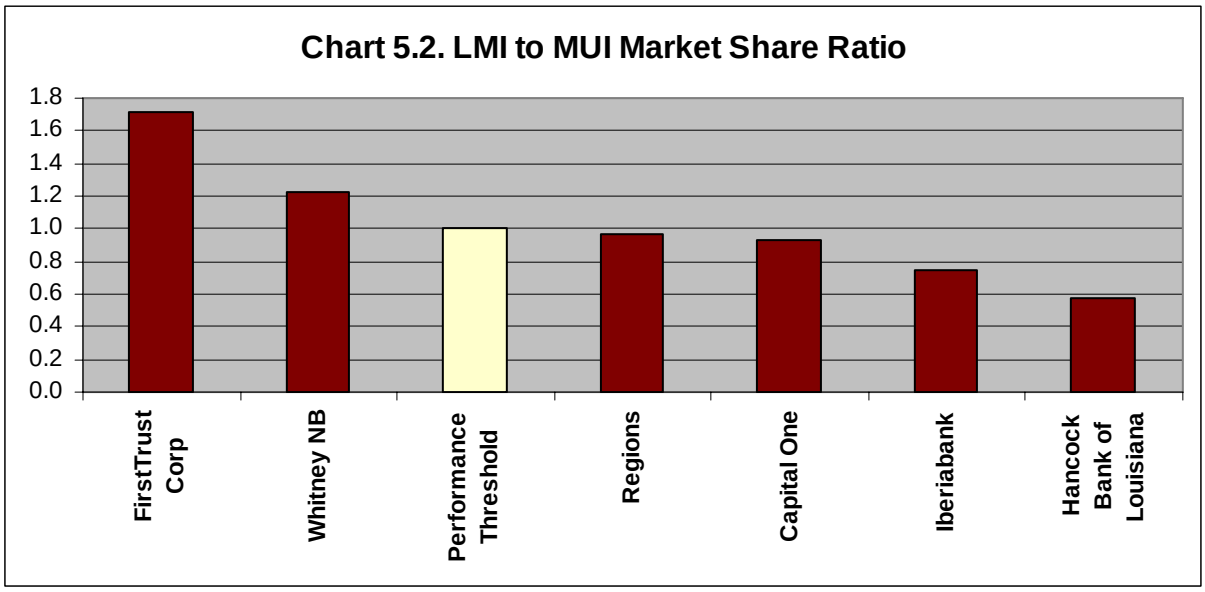
The first criterion was the percent of each lender's total small business loans that went to small businesses in low-and moderate-income (LMI) census tracts. For all lenders, the percent of all small business loans that went to small businesses in LMI tracts was about 19.9 percent. Just two of the lenders we analyzed made a greater portion of their loans to businesses in LMI tracts.

Leading the way, First Bank & Trust and Whitney Bank exceeded the all-lenders threshold, issuing, respectively, 29.8 and 23.4 percent of their loans to small businesses in LMI tracts. Hancock Bank of Louisiana and Iberiabank, on the other hand, lagged in their performance on this indicator, with 12.5 and 15.7 percent of their loans, respectively, going to small businesses in LMI tracts (see Table 5.1 and Chart 5.1).

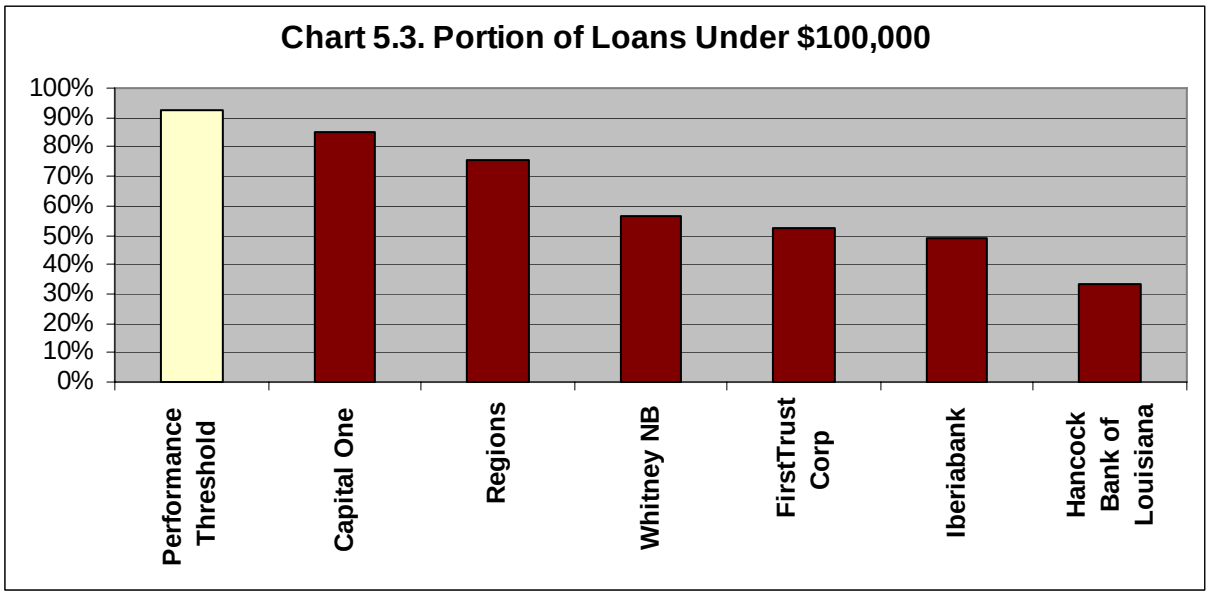


The second criterion was the LMI-to-MUI market share ratio. This measures the ratio of the institution's share of all small business loans made in LMI census tracts divided by the institution's share of all small business loans made in MUI census tracts. If the ratio is greater than 1, the institution is making more of an effort to lend to businesses in LMI tracts than MUI tracts. If the ratio is less than 1, the institution is focusing its efforts more on businesses in MUI tracts than LMI tracts.

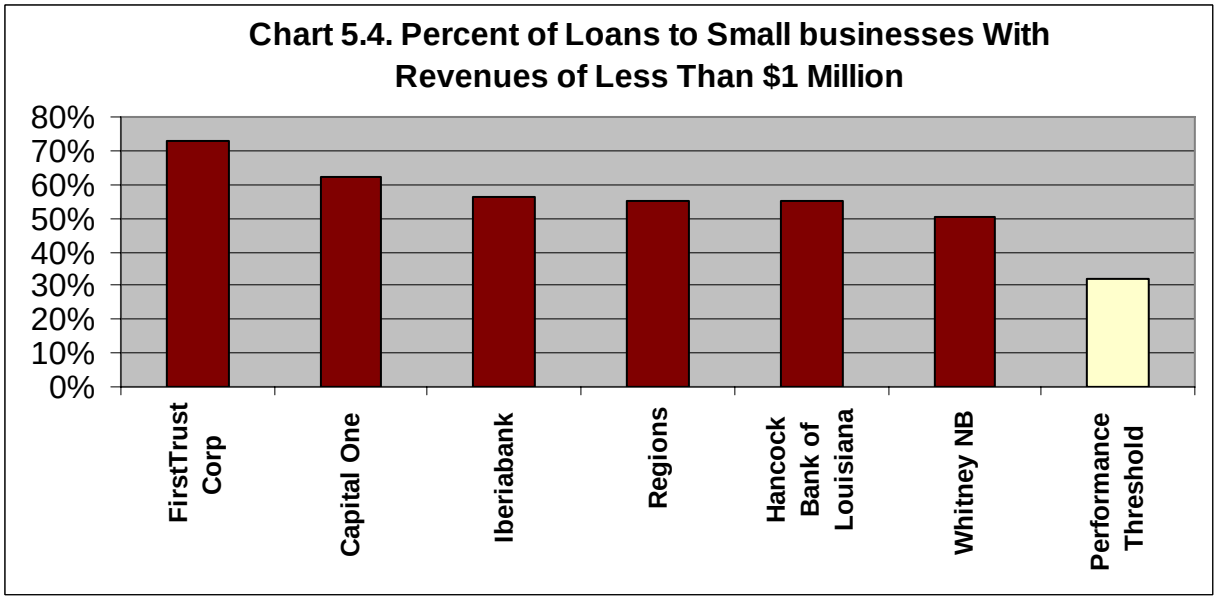
Once again, First Bank & Trust and Whitney Bank took the lead on this indicator, being the only two banks in our analysis to exceed the threshold of one. First Bank & Trust, for example, had an LMI-to-MUI ratio of 1.71. In other words, First Bank & Trust issued 2.66 percent of all the loans in LMI tracts and just 1.55 percent of the loans in MUI tracts. Dividing 2.66 percent by 1.55 percent yields the LMI-to-MUI ratio of 1.71. All of the remaining four banks in our analysis lagged behind the ratio of 1, with Hancock Bank of Louisiana having a LMI-to-MUI market share ratio of only 0.57.



NCRC used the percent of all small business loans made by the institution that were less than $100,000 in size as the third performance measure. Since these types of loans are often made to the smallest businesses, this performance measure was included as a means of testing an institution's record of reaching the smallest businesses. About 93 percent of the loans issued by banks and thrifts in the New Orleans MSA in 2006 were in amounts under $100,000. Only 33.4 percent of Hancock's loans and 48.9 percent of Iberiabank's loans were of $100,000 or less, placing these two institutions at the lower end of our ranking scale. Lenders in the middle of the pack on this indicator were Whitney at 56.5 percent and First Bank & Trust at 52.4 percent. On the upper end of the scale, Capital One and Regions excelled in making loans under $100,000, issuing, respectively, nearly 85 and 76 percent of their small business loans of $100,000 or less (see Table 5.1 and Chart 5.3).

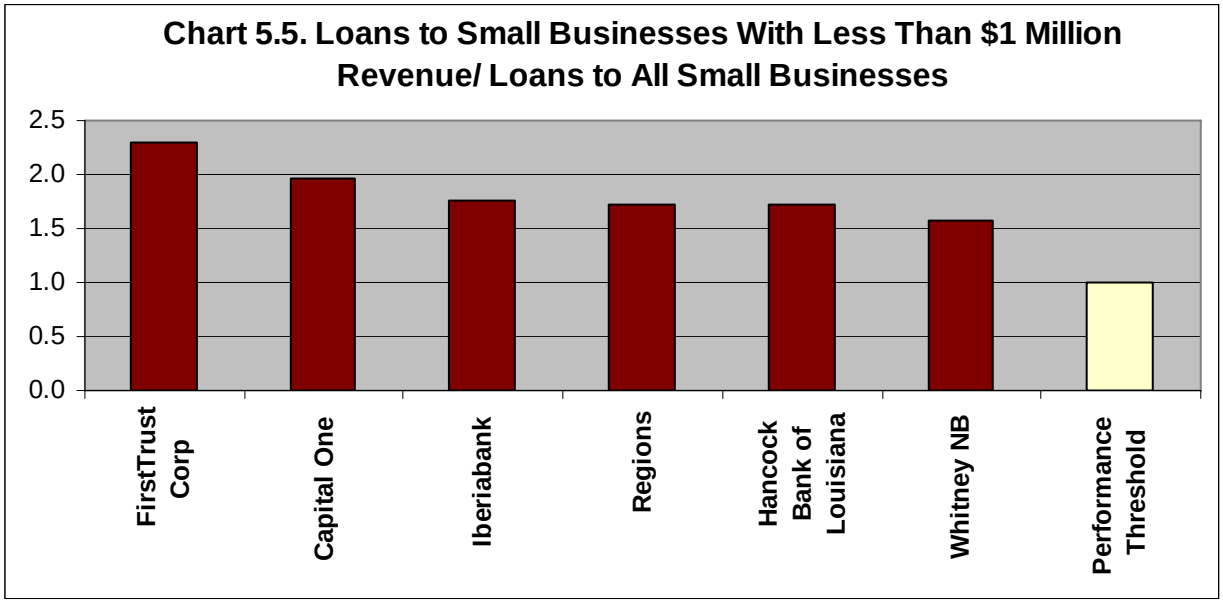


The fourth criterion for the ranking analysis was the percent of a bank's small business loans that went to small businesses with less than $1 million in revenues, which are typically the smallest of the small businesses. In the New Orleans MSA, the percent of all small business loans that went to small businesses with less than $1 million in revenues was 31.8 percent (see Table 5.1). All six banks included in this analysis exceeded this percentage of loans made by all lenders, as a group. Taking the lead were First Bank & Trust and Capital One, making, respectively, 73 and 62 percent of their loans to businesses with less than $1 million in revenues. The remaining four banks followed, making more than 50 percent of their small business loans to businesses with revenues of less than $1 million (see Chart 5.4).



Similar to the LMI-to-MUI market share ratio, NCRC used a market share ratio comparing an institution's market share of loans to small businesses with revenues of less than $1 million to the institution's market share of loans to all small businesses. If this ratio is greater than 1, the institution is making more of an effort to lend to businesses with less than $1 million in revenues than all types of small businesses. If the ratio is less than 1, the institution is focusing its efforts more generally on all small businesses.

All banks included in this analysis exceeded the ratio of one, indicating that they were making more of an effort to lend to businesses with less than $1 million in revenues than all types of small businesses. First Bank & Trust led the way with a ratio of 2.3, closely followed by Capital One with a ratio of 1.95 (see Table 5.1 and Chart 5.5).



Conclusion of Lender Rankings

- The banks could improve on lending in LMI tracts. Only two of six banks exceeded the performance threshold on the indicator percent of loans in LMI tracts. Furthermore, only two exceeded the performance threshold on the LMI-to-MUI market share ratio.

- Banks did better on serving businesses with revenues under $1 million. All of them, for example, exceeded the performance threshold on the indicator measuring percent of loans to small businesses with revenues less that $1 million. NCRC cautions, however, that data limitations preclude a more detailed analysis of the extent to which even smaller businesses with revenues under half a million are served.

Table 5.1. Small Business Lending Ranking Analysis, New Orleans MSA, 2006

Percent of Loans in LMI Census Tracts

Institution	Number of loans to LMI Census Tracts	Number of Total Loans	Percent to LMI	Rank
Capital One	650	3,467	18.75%	4
FirstTrust Corp	221	741	29.82%	1
Hancock Bank of Louisiana	82	658	12.46%	6
Iberiabank	28	178	15.73%	5
Regions	187	962	19.44%	3
Whitney NB	615	2,634	23.35%	2
All lenders	**8,300**	**41,769**	**19.87%**	

Ratio of LMI/MUI Market Share

Institution	LMI Marketshare	MUI Marketshare	Ratio: LMI/MUI	Rank
Capital One	7.83%	8.42%	0.93	4
FirstTrust Corp	2.66%	1.55%	1.71	1
Hancock Bank of Louisiana	0.99%	1.72%	0.57	6
Iberiabank	0.34%	0.45%	0.75	5
Regions	2.25%	2.32%	0.97	3
Whitney NB	7.41%	6.03%	1.23	2
All lenders	**100.00%**	**100.00%**	**1.00**	

Percent of Small Business Loans under $100,000

Institution	Number of loans under $100,000	Number of Total Loans	Percent of loans under $100,000	Rank
Capital One	2,942	3,467	84.86%	1
FirstTrust Corp	388	741	52.36%	4
Hancock Bank of Louisiana	220	658	33.43%	6
Iberiabank	87	178	48.88%	5
Regions	727	962	75.57%	2
Whitney NB	1,489	2,634	56.53%	3
All lenders	**38,668**	**41,769**	**92.58%**	

Percent of Small Business Loans made to Small Businesses with Revenues <$1 Million

Institution	Number of loans to SB w/ Rev < $1 mil	Number of Total Loans	Percent of loans to SB w/ Rev < $1 mil	Rank
Capital One	2,153	3,467	62.10%	2
FirstTrust Corp	541	741	73.01%	1
Hancock Bank of Louisiana	361	658	54.86%	5
Iberiabank	100	178	56.18%	3
Regions	528	962	54.89%	4
Whitney NB	1,325	2,634	50.30%	6
All lenders	**13,276**	**41,769**	**31.78%**	

Ratio of Loans to SB w/ Revenues <$1 Million / Loans to All SB

Institution	Market Share: No. of loans to SB w/ Rev <$1mil	Market Share: Loans to All Small Business	Ratio	Rank
Capital One	16.22%	8.30%	1.95	2
FirstTrust Corp	4.08%	1.77%	2.30	1
Hancock Bank of Louisiana	2.72%	1.58%	1.73	5
Iberiabank	0.75%	0.43%	1.77	3
Regions	3.98%	2.30%	1.73	4
Whitney NB	9.98%	6.31%	1.58	6
All lenders	**100.00%**	**100.00%**	**1.00**	

Institution	Score	Overall Rank
Capital One	13	2
FirstTrust Corp	8	1
Hancock Bank of Louisiana	28	6
Iberiabank	21	5
Regions	16	3
Whitney NB	19	4

6. *Branching Analysis*

In addition to ranking banks on their performance in home lending and small business lending, NCRC performed an analysis of banks' branch locations. We were interested in determining whether a direct relationship existed between the percentage of branches a bank has in low- and moderate-income (LMI) and predominantly minority tracts and the bank's small business and home lending performance. Branch location is hypothesized to be particularly related to a banks' small business lending performance due to the nature of obtaining small business loans directly from the bank rather than through brokers or other mortgage companies.

Branching Analysis for the City of New Orleans

Table 6.1 and 6.2 below display the number of branches in the City of New Orleans for each bank included in this analysis, as well as the total number of branches in the city.

Table 6.1. Bank Branches by Income Level of Tract, City of New Orleans

Bank Name	Number of Branches in LMI Tracts	% Branches in LMI Tracts	Number of Branches in MUI Tracts	Total Number of Branches
Liberty Bank & Trust Company	6	66.67%	3	9
Whitney National Bank	6	40.00%	9	15
Capital One	5	27.78%	13	18
Regions Financial Corporation	2	22.22%	7	9
Omni Bank	0	0.00%	2	2
Gulf Coast Bank & Trust	0	0.00%	2	2
Fifth District Savings Bank	0	0.00%	2	2
First Bank & Trust	0	0.00%	2	2
Iberiabank	0	0.00%	2	2
Hancock Holding Company	0	0.00%	0	0
TOTAL	32	31.07%	71	103

Table 6.2. Bank Branches by Minority Level of Tract, City of New Orleans				
Bank Name	Number of Branches in Minority Tracts	% Branches in Minority Tracts	Number of Branches in Non-Minority Tracts	Total Number of Branches
Liberty Bank & Trust Company	8	88.89%	1	9
Capital One	9	50.00%	9	18
Whitney National Bank	7	46.67%	8	15
Regions Financial Corporation	2	22.22%	7	9
Omni Bank	0	0.00%	2	2
Gulf Coast Bank & Trust	0	0.00%	2	2
Fifth District Savings Bank	0	0.00%	2	2
First Bank & Trust	0	0.00%	2	2
Iberiabank	0	0.00%	2	2
Hancock Holding Company	0	0.00%	0	0
TOTAL	43	41.75%	60	103

Liberty Bank & Trust Company led the way in terms of its percentage of branches that are located in LMI neighborhoods (66.7 percent) and predominantly minority tracts (88.9 percent). By comparison, of the 103 branches located in the city, only 31.1 percent were located in LMI tracts and 41.8 were located in predominantly minority tracts. Unfortunately, Liberty Bank & Trust is not required to collect and publicly report small business loan data due to changes in the CRA requirements. Hence, it was not included in our small business analysis. Moreover, the bank did not receive a rank in our home lending analysis due to the relatively small number of home loans that it issued in the city in 2006. Still, Liberty Bank & Trust's data shows that it excelled in home lending to African-Americans and minority communities, consistent with its branch placements.

Whitney National Bank ranked second in terms of its percentage of bank branches located in LMI tracts and third in terms of branches located in minority tracts. This good branch location performance, however, does not seem to correspond to Whitney's home lending performance, where the bank was ranked fifth. Furthermore, Whitney's small business lending performance placed the bank in the fourth position (out of a total of six banks), thus not showing a direct relation between the bank's favorable branch locations and its lending activity to small businesses.

Capital One, on the other hand, scored second in our analysis on both home lending and small business lending, while also doing well in terms of locating its branches in underserved neighborhoods. Capital One was second after Liberty Bank & Trust in terms of percentage of bank branches in predominantly minority tracts (i.e., 50 percent of the bank's branches were located in minority neighborhoods). Furthermore, Capital One has located 27.8 percent of its branches in LMI tracts, which placed the bank third after Liberty and Whitney with regard to percentage of branches in LMI neighborhoods. This good performance in our branching analysis corresponds well to Capital One's performance on home lending and small business lending.

Regions Financial Corporation was the only remaining institution that had a sufficient number of branches in the City of New Orleans for us to comment meaningfully on its performance. Two out of its 9 branches (or 22.2 percent) were located in LMI or minority tracts, and its performance on our home lending analysis was solid (the bank ranked first on our single-family home lending analysis). Moreover, Regions was in the third position when considering the bank's small business activity.

On the other end of the scale, Hancock lagged behind all other banks in terms of its small business lending activity in the New Orleans MSA[6], and it was also the only bank in this analysis to have no branches in the City of New Orleans.

Branching Analysis for the New Orleans MSA

Table 6.3 and 6.4 below display the number of branches in the New Orleans MSA for each bank included in this analysis, as well as the total number of branches in the metropolitan statistical area.

Table 6.3. Bank Branches by Income Level of Tract, New Orleans MSA

Bank Name	Number of Branches in LMI Tracts	% Branches in LMI Tracts	Number of Branches in MUI Tracts	Total Number of Branches
Liberty Bank & Trust Company	6	66.67%	3	9
Whitney National Bank	11	27.50%	29	40
Capital One	12	19.05%	51	63
Omni Bank	2	16.67%	10	12
Fifth District Savings Bank	1	16.67%	5	6
Regions Financial Corporation	6	13.64%	38	44*
Iberiabank	1	10.00%	9	10
Gulf Coast Bank & Trust	0	0.00%	9	9
First Bank & Trust	0	0.00%	6	6
Hancock Holding Company	0	0.00%	7	7
TOTAL	65	17.43%	308	373

***** Information about the income level of one of the tracts is missing

[6] Small business lending analysis could only be performed on an MSA level due to the nature of data reporting.

Table 6.4. Bank Branches by Minority Level of Tract, New Orleans MSA				
Bank Name	Number of Branches in Minority Tracts	% Branches in Minority Tracts	Number of Branches in Non-Minority Tracts	Total Number of Branches
Liberty Bank & Trust Company	8	88.89%	1	9
Whitney National Bank	9	22.50%	31	40
Capital One	14	22.22%	49	63
Omni Bank	2	16.67%	10	12
First Bank & Trust	1	16.67%	5	6
Iberiabank	1	10.00%	9	10
Regions Financial Corporation	4	8.89%	41	45
Gulf Coast Bank & Trust	0	0.00%	9	9
Fifth District Savings Bank	0	0.00%	6	6
Hancock Holding Company	0	0.00%	7	7
TOTAL	63	16.89%	310	373

As was the case in the City of New Orleans, Liberty Bank & Trust led the way in terms of percentage of branches located in LMI and minority tracts in the New Orleans MSA. The bank had 9 branches, 8 of which were located in minority tracts and 6 of which were located in LMI neighborhoods.

Capital One, Regions, and Whitney were the banks with the greatest number of branches in the New Orleans MSA, with 63, 45, and 40 branches, respectively. Whitney and Capital One were second and third, respectively, with regard to locating their branches in underserved neighborhoods (i.e., LMI and predominantly minority tracts). Once again, the relationship between number and branch location and the bank's performance in our analysis was not straightforward, as Capital One ranked second in our home lending analysis, while Whitney ranked sixth. The same holds true for our small business analysis, where Capital One ranked second and Whitney ranked fourth of the six banks assessed.

Regions, as the bank with the second greatest number of branches in the New Orleans MSA, located a relatively small number of its branches in LMI tracts (6 out of 44)[7] and minority neighborhoods (4 out of 45). However, Regions was ranked first on its single-family home lending performance and was right in the middle of the performance scale in our small business analysis.

First Bank & Trust, on the other hand, was ranked first in our small business analysis while having a relatively small number of branches (i.e., 6 for the whole MSA), none of which were located in LMI tracts and only one of which was located in a minority neighborhood.

[7] Note that information about the income level of tract was missing for one of the tracts, hence the total number of branches is 44 instead of 45.

Conclusions of Branching Analysis

- Bank branch presence does not necessarily translate into a greater ability to make home and small business loans to traditionally underserved borrowers and communities. It appears that a bank must also have a product mix at its branches that can be effectively used by LMI and minority communities.

- Capital One and Liberty Bank & Trust are the two lenders with significant branch presence in LMI and/or minority communities while also performing well in terms of making home and small business loans in these communities. However, there were some other banks in our analysis that had good branch presence in LMI and minority communities, but whose home and small business lending in these communities was not commensurate with their branch presence.

7. *Community Development Lending and Investment*

In an attempt to conduct a comprehensive review of the lending activity of major lenders in New Orleans, NCRC has reviewed the latest available CRA exams for each bank included in this analysis. This section provides an overview of the community development (CD) lending and investment performance of banks.

Community development (CD) lending is an important part of an institution's CRA exam. In the CRA regulation, the term "community development" involves a number of activities, such as affordable housing and services geared towards low- and moderate-income (LMI) individuals, loans and investments that promote economic development (such as small business and farm lending), and activities that contribute to the rehabilitation of LMI, distressed, and underserved neighborhoods. To account for these vital activities, NCRC has reviewed the CD lending and investment section of the CRA exam of each bank included in this analysis. Table 7 at the end of this section provides a more comprehensive overview of each bank's CD investment and lending activities.

While the institutions included in this analysis had New Orleans or Louisiana as an assessment area on their latest CRA exams, not all of the CRA exams provided information about the CD lending and investment in the New Orleans area separately.

The total assets of banks included in this study were $144.3 billion. As Regions Bank acquired AmSouth in October 2006, this joint institution emerges as the bank with the largest asset size in our analysis. Other large institutions with assets greater than $1 billion were Capital One, Whitney, Iberiabank, and Hancock.

To account for the CD performance of each bank with regard to its overall asset size, we calculated a ratio of CD lending and investment to the total of each institution's assets. Liberty Bank & Trust took the lead on this indicator, allocating 22.6 percent of its assets to CD lending and investment activities. FirstTrust Corporation and Whitney Bank followed this lead, allocating, respectively, 9.7 and 4.8 percent of their assets to community development activities.

Moreover, NCRC has computed an indicator that assesses CD lending and investment with regard to the time frame for which CD activity was reported. This was necessary because the time frame over which CD lending and investment are analyzed by a CRA exam differs from one bank to another. For example, while Whitney Bank reported the largest amount of CD financing (over $275 million in the New Orleans area), this number represents the cumulative CD lending and investment activities of the bank over a four-year period. The CRA exam of Regions Bank, on the other hand, reported over $34 million in the New Orleans area over a period of just two years.

Rather than only considering the sheer dollar volume of CD lending and investment of each bank, we have included the above time component into our assessment of the banks' CD lending performance. For this purpose, NCRC created a ratio of CD investment and lending to total assets, controlling for the time period of the CRA exam. Liberty Bank & Trust has allocated, on

average, 7.5 percent of its assets to community development activities each year. Following Liberty, FirstTrust Corporation has allocated an average of 4.8 percent of its total assets to CD lending and investment on an annual basis. Whitney Bank had the third highest yearly CD-to-assets ratio of 1.2 percent. On the other end of the scale, Iberiabank had an annual CD-to-assets ratio of four tenths of one percent.

Among the banks that had separate CD lending and investment sections for the New Orleans area in their CRA exam, Whitney, Regions, and Hancock Bank emerged as major CD financers. The total amount of CD loans and investments allocated to the New Orleans area was $474 million.[8] In other words, banks in this analysis have provided almost half a billion of CD financing to the New Orleans area every 2.6 years.[9] Since the banks in this study are a subset of all banks active in New Orleans, it is clear that CRA is a major source of community reinvestment and development financing.

Banks that have allocated a 100 percent of their total CD financing to the New Orleans area included Fifth District Savings & Loans, Omni Bank, and Gulf Coast. Note that the latter banks had New Orleans as their only CRA exam assessment area, thus NCRC is commenting on the distribution of their CD activities rather than making a judgment about their performance based on the portion of their CD activity devoted to New Orleans. Furthermore, Whitney and Iberiabank were the only two institutions to allocate more than half of their CD financing to the New Orleans area.

[8] The actual amount of community development loans and investments is larger, as not all CD loans and investments in the New Orleans area were provided in the CRA exams.
[9] Two and a half years was the median time period of CRA exams for banks in this analysis.

NATIONAL COMMUNITY REINVESTMENT COALITION NCRC

Table7. Community Development Lending and Investment in New Orleans MSA													
Bank	Regulator	CRA Exam Date	CD Time in Years	Assets	CD Lend & Invest	CD Lend & Inv in NO	% of CD in NO	CD to Assets Ratio	CD/Assets Yr	CD Lending Overall	CD Lending in NO	CD Investments Overall	CD Investment in NO
Liberty Bank and Trust Company	FDIC	8/20/2007	3.00	$321,000,000	$72,531,806	NA	NA	22.6%	7.5%	$6,188,329	N/A	$66,343,477	N/A
FirstTrust Corporation	FDIC	7/18/2005	2.00	$669,000,000	$64,594,476	$12,320,995	19.1%	9.7%	4.8%	$57,956,481	$5,683,000	$6,637,995	$6,637,995
Amsouth	FRBA	7/12/2004	2.00	$48,200,000,000	$1,730,920,000	NA	NA	3.6%	1.8%	$1,700,000,000	N/A	$30,920,000	N/A
Whitney National Bank	OCC	2/7/2007	4.08	$10,200,000,000	$493,000,000	$275,200,000	55.8%	4.8%	1.2%	468,000,000	$273,000,000	$25,000,000	$2,200,000
Gulf Coast	FDIC	8/10/2005	2.00	$524,000,000	$7,400,000	$7,400,000	100.0%	1.4%	0.7%	$5,600,000	$5,600,000	$1,800,000	$1,800,000
Omni Bank	FDIC	1/31/2005	3.00	$465,219,000	$8,309,200	$8,309,200	100.0%	1.8%	0.6%	$8,200,000	$8,200,000	$109,200	$109,200
Hancock Bank of Louisiana	FDIC	9/18/2006	3.00	$2,357,483,000	$40,000,000	$24,408,185	61.0%	1.7%	0.6%	$8,000,000	$775,000	$32,000,000	$23,633,185
Regions Bank	FRBA	10/20/2003	2.00	$45,400,000,000	$458,100,000	$34,660,443	7.6%	1.0%	0.5%	$294,700,000	$1,300,000	$163,400,000	$33,360,443
Capital One, FSB	OTS	7/18/2005	2.17	$14,100,000,000	$135,216,000	NA	NA	1.0%	0.4%	$15,800,000	N/A	119,416,000	N/A
Fifth District Savings	OTS	10/31/2006	4.00	$376,000,000	$6,019,000	$6,019,000	100.0%	1.6%	0.4%	$5,000,000	$5,000,000	$1,019,000	$1,019,000
Iberirabank	FRBA	5/14/2007	2.00	$3,200,000,000	$25,000,000	$14,217,984	56.9%	0.8%	0.4%	$17,600,000	$13,000,000	$7,400,000	$1,217,984
Hibernia National Bank	OCC	1/12/2004	4.17	$18,500,000,000	$249,073,000	$92,000,000	36.9%	1.3%	0.3%	$187,283,000	$75,000,000	$61,790,000	$17,000,000
TOTAL			2.59	$144,312,702,000	$3,290,163,482					$2,774,327,810		$515,835,672	

FDIC = Federal Deposit Insurance Corporation
FRBA = Federal Reserve Bank of Atlanta
OTS = Office of Thrift Supervision

8. CRA Exams Analysis

This section reviews the most recent CRA exams of the lenders in NCRC's analysis. The review captures the official regulatory descriptions of the banks' performance. For instance, when a CRA examiner reports that a bank's distribution of loans to LMI borrowers is "adequate," the word "adequate" corresponds to performance that would earn a "Low Satisfactory" rating on that criterion. Likewise, "good" performance corresponds to a "High Satisfactory" rating on that criterion.

This section compares the CRA exams' findings with NCRC's analyses. Areas of consistency and inconsistency between the CRA exam and NCRC's analyses will be noted. Since the CRA exams generally used older data than NCRC's ranking analyses, the CRA exam analysis combined with NCRC ranking analyses provides a longitudinal look at the banks' performance. Finally, this section will highlight specific instances of community development activity undertaken by the banks.

The following is a review of the banks' CRA exams in alphabetical order.

Fifth District Savings Bank – OTS – October 2006

Assets: $376 million
Area of specialization – Residential mortgage lender

Fair Lending Review – No evidence of discrimination

Overall rating – Satisfactory

It is difficult to compare NCRC's analysis with Fifth District Savings Bank's CRA exam. The examiner reports that Fifth District's lending to LMI borrowers is comparable to other lenders and that the geographical distribution of loans is reasonable. The adjectives in the performance evaluation do not correspond to the adjectives in the regulation, which denote a specific level of performance.

Notable community development investment activities consist of a $500,000 investment in a mutual fund that supports low-income housing, job training, and healthcare. The thrift invested $100,000 in a consortium that provides financial assistance to first time homebuyers.

First Bank and Trust – FDIC – July 2005

Assets - $669 million
Area of specialization – Small business lending

Fair Lending Review – No evidence of discrimination

Overall Rating – Outstanding
Lending Test – Outstanding
Investment Test – Outstanding
Service Test – Low Satisfactory

Lending Activity

First Bank and Trust's distribution of small business lending to LMI tracts in New Orleans was excellent, corresponding to Outstanding performance according on the exam. The bank's percentage of small business loans in moderate-income tracts, 24.77 percent, was higher than all lenders, as a group (19.64 percent), and the portion of businesses in these tracts (21.55 percent). The exam also reports that First Bank issued a significantly higher percentage of its loans to small businesses with revenues less than $1 million than all lenders, as a group. The bank's strong performance on its CRA exam of lending to small businesses was mirrored on NCRC's small business ranking analysis.

Community Development

The exam reports an excellent level of community development lending. The exam reports that the bank has a solid level of investments. The bank has a CDC that has financed affordable housing through Low Income Housing Tax Credits and historic tax credits. The CDC has created 350 units of affordable housing in total and 138 during the evaluation time period.

Gulf Coast Bank and Trust – FDIC – August 2005

Assets - $524 million

Fair Lending Review – No violations of anti-discrimination laws

Overall Rating – Satisfactory
Lending Test – Low Satisfactory
Investment Test – High Satisfactory
Service Test – High Satisfactory

Lending Activity

Gulf Coast Bank and Trust's assessment area was New Orleans. Gulf Coast was ranked 4th in the NCRC home loan ranking analysis, which is consistent with a Low Satisfactory rating on the Lending Test. The CRA exam found that the geographical distribution of home loans was adequate, corresponding to Low Satisfactory performance. In some categories of loans, such as home purchase and home improvement, the exam reports that the distribution of loans to LMI census tracts was poor. By contrast, the exam states that the bank's distribution of loans to LMI borrowers was good, which corresponds to High Satisfactory performance. NCRC's analysis shows Gulf Coast in 4th place in the two indicators measuring lending to LMI borrowers, which suggests that Gulf Coast's lending to LMI borrowers may have slipped since its last CRA exam.

Community Development Activities

Gulf Coast has a good level of community development lending according to the CRA exam. It made 19 loans for $5.6 million to finance the rehabilitation and acquisition of multi-family housing in LMI areas. The bank purchased a bond of about $500,000 to finance a nursing home located in a moderate-income census tract.

Hancock Bank of Louisiana – FDIC – September 2006

Assets – $6.2 billion
Area of specialization – Commercial, mortgage, and consumer loans

Fair Lending Review – No evidence of discrimination

Overall Rating - Satisfactory
Lending – High Satisfactory
Investment – Outstanding
Service – High Satisfactory

Lending Activity

According to the exam, Hancock Bank of Louisiana's geographical distribution of small business lending was adequate, which corresponds to Low Satisfactory level of performance. For example, Hancock issued 4.8 percent of its loans to small businesses in moderate-income tracts while all lenders, as a group, made 12.8 percent of their loans to this census tract income category in the New Orleans MSA. The exam's analysis was consistent with NCRC's analysis, which revealed Hancock lagging its peers in small business lending.

Community Development Activity

The exam reports that the level of community development lending had improved to $8 million since the last evaluation, responding to needs after Hurricanes Katrina and Rita. According to the exam, investment levels were excellent, reaching $32 million and providing much financing for affordable housing.

According to the exam, the bank purchased $20,000,000 in Louisiana's General Obligation Gulf Tax Credit Bonds. The bonds will allow 13 local governments in the New Orleans area to pay debt service on outstanding bonds. The exam reports that the bonds will aid the communities in their revitalization and stabilization process after the hurricanes. The bank also purchased $2,800,000 of Jefferson Parish, LA, Finance Authority Single-Family Mortgage Revenue Bonds. As a result of Hurricane Katrina, the bonds have been designated "Qualified Gulf Opportunity Zone Bonds." The proceeds will be used to provide mortgage loans and down-payment assistance.

Hibernia National Bank – OCC – January 2004 – now renamed Capital One, NA

Assets - $18.5 billion
Area of specialization – Home lending is weighted more in the CRA exam since it is the bank's primary product focus. Small business lending not weighted as much as home lending.

Fair Lending Review – No evidence of discrimination

Overall Rating – Satisfactory
Lending Test – High Satisfactory
Investment Test – High Satisfactory
Service Test - Outstanding

State of Louisiana - Satisfactory
Lending Test – High Satisfactory
Investment Test – High Satisfactory
Service Test - Outstanding

Lending in Louisiana:

The CRA exam reports that Hibernia National Bank's geographical distribution of lending is adequate, which corresponds to Low Satisfactory performance. The exam reports that the distribution of lending to borrowers is good, which corresponds to High Satisfactory performance. In New Orleans, the geographic distribution of home loans was adequate, while the distribution of small business loans was excellent, corresponding to Outstanding performance.

The distribution of home loans to LMI borrowers in New Orleans was adequate, which corresponds to Low Satisfactory performance. The distribution of loans to small businesses of different sizes, such as small businesses with revenues of less than $1 million, was excellent in New Orleans, corresponding to Outstanding performance.

There were some inconsistencies between the exam's evaluation and NCRC's analyses. Particularly in the area of home lending, the exam was reporting Low Satisfactory performance along significant measures of performance. NCRC rated Hibernia (now Capital One) in second place in home lending, which suggests better than Low Satisfactory performance in the City of New Orleans. However, while Hibernia did well in lending to LMI census tracts, it lagged in lending to LMI borrowers in the NCRC ranking analysis. For lending to LMI borrowers, Hibernia still appears to have room for improvement.

For small business lending, the CRA exam reported Outstanding performance for Hibernia. The NCRC analysis shows the Hibernia was ranked second in small businesses in the New Orleans MSA, but could improve in small business lending in LMI census tracts.

Community Development Activities

The Louisiana SEED Capital Fund promotes economic development by financing small businesses. Hibernia's investment represents a 9% partnership interest in the Fund. The Seed Fund has given approximately $3 million in loans and investments to Louisiana small businesses, including an estimated $750,000 during the CRA evaluation period.

Hibernia also made 23 community development loans, totaling $20 million in affordable housing in the New Orleans metropolitan area. Hibernia had 102 customers in IDA accounts in New Orleans; the customers started with an initial deposit of $25 and were able to save $723, on average.

Iberiabank – May 2007 – Federal Reserve Bank of Atlanta

Assets - $3.2 billion
Area of specialization – The bank's loan portfolio consists primarily of home loans and nonresidential real estate loans.

Fair Lending Review – No evidence of discrimination

Overall Rating - Satisfactory
Lending Test – High Satisfactory
Investment Test – High Satisfactory
Service Test – High Satisfactory

Lending Activity

The CRA exam reports adequate performance, corresponding to a Low Satisfactory rating, in lending to LMI census tracts and borrowers. Iberiabank has a number of assessment areas in Louisiana; the New Orleans area received a cursory "limited scope" review. The review of New Orleans indicated that the Lending Test performance was not consistent with performance in other areas and, in fact, lagged performance in other areas. This was consistent with NCRC's home and small business ranking analysis.

Community Development Activities

The exam reports a relatively high level of community development lending and a significant level of community development investments.

Liberty Bank – August 2007 - FDIC

Assets: $321 million
Area of specialization: Residential real estate loans; the bank is a Community Development Financial Institution (CDFI), and it is the largest African-American owned bank in the country. It focuses on traditionally underserved communities of color.

Fair Lending Review – No evidence of discrimination

Overall Rating - Outstanding
Lending Test – Satisfactory
Community Development – Outstanding

Lending Activity

The New Orleans area is one of Liberty Bank's assessment areas. The exam reports that the bank achieved an excellent distribution of loans to LMI census tracts. Although the NCRC analysis did not rank Liberty due to relatively small loan volumes, the data in NCRC's analysis on the MSA level is consistent with the CRA exam findings. The exam reports that Liberty had Satisfactory levels of lending to LMI borrowers; it came close to offering the same percentage of loans that all lenders, as a group, made to low-income borrowers but trailed all lenders, as a group, to a considerable extent in making loans to moderate-income borrowers.

The bank trailed in lending to LMI borrowers at the MSA level in NCRC's analysis, which was consistent with the CRA exam. The exam notes that Liberty originates loans in another lender's name, and this lender can offer more flexible terms for reaching LMI borrowers. Liberty processed 100 such loans for this other lender, but the other lender's data does not show up as Liberty's HMDA data.

NCRC's analysis shows excellent results for lending to African-Americans and minority communities by Liberty. CRA exams do not explicitly evaluate and rate lending to minority borrowers and communities.

Community Development Activity

Liberty Bank invested considerable sums for community development. The CRA exam reports that the bank invested $66 million, which represents 20 percent of its assets. The great majority of these investments involve the New Markets Tax Credit program, which has supported small business financing and the development and rehabilitation of real estate.

Below is an extended description from the CRA exam of a bridge loan program for homeowners rehabilitating their homes in the wake of the hurricanes.

One New Orleans Road Home Fast Track Program: This is the City of New Orleans' two-year pilot program, in partnership with Liberty Bank and JPMorgan Chase Bank, NA, targeting 1,000 Orleans Parish homeowners registered with the Louisiana Road Home Corporation. This program is designed to assist citizens, who are returning home, with gutting, demolition, and gap financing in an effort to accelerate neighborhood revitalization through recovery and rebuilding. Applicants may receive bridge loans in amounts up to $50,000 interest-free for six months. The City of New Orleans pays the closing costs and interests for each loan, and the loan is paid by the homeowner upon receipt of his Louisiana Road Home award. Thus far, Liberty Bank has originated 79 loans totaling $2,981,835 under the program, with 16 of these loans totaling $533,931 made to low- and moderate-income borrowers. The Road Home program is the largest single housing recovery program in United States' history. The program's objective is to help eligible Louisiana homeowners affected by Hurricanes Katrina or Rita get back into their homes as quickly as possible. The program provides homeowners up to $150,000 in compensation for their losses, and it is funded by the U.S. Department of Housing and Urban Development (HUD).

Omni Bank – January 2005 - FDIC

Assets: $465 billion
Area of specialization: Commercial and residential lending

Fair Lending Review – No evidence of discrimination was found.

Overall Rating: Satisfactory
Lending Test: High Satisfactory
Investment Test: Needs to Improve
Service Test: High Satisfactory

Lending Activity

The assessment area for Omni Bank consists of the New Orleans area. The exam reports strong performance in lending to LMI census tracts and notes adequate, or Low Satisfactory, performance in lending to LMI borrowers. In home purchase lending, for example, the bank issued 11.9 percent of its loans to moderate-income borrowers compared to 19.9 percent for all lenders, as a group. Omni Bank was in the middle of NCRC's rankings in home lending in the New Orleans MSA. Inconsistent performance reported on the exam is consistent with a lender that is in the middle of the pack on a ranking analysis.

Community Development Activity

The exam reports a good record of community development lending and records that Omni issued $8.2 million in community development lending to support affordable housing for LMI families. However, the bank's level of community development investment was low and only consisted of grants and donations. Hence, the bank received a Needs to Improve on its Investment Test.

Regions Bank – Federal Reserve Bank of Atlanta – October 2003

Assets - $45.4 billion
Area of Specialization – Residential and commercial lending

Fair Lending Review – The bank self-discovered a violation of Regulation B that implements the Equal Credit Opportunity Act. The bank subsequently discontinued the product that caused the Regulation B violation.

Overall Rating - Satisfactory
Lending Test – High Satisfactory
Investment Test - Outstanding
Service Test – High Satisfactory

Louisiana Rating – Satisfactory
Lending Test – Low Satisfactory
Investment Test – Outstanding
Service Test – Low Satisfactory

Lending Activity

The CRA exam reports that Regions had an adequate distribution of home and small business loans to LMI census tracts in the New Orleans metro area, corresponding to a Low Satisfactory performance. The distribution of lending to LMI borrowers is good, corresponding to High Satisfactory performance.

Regions acquired AmSouth Bank during 2006. AmSouth's last exam was conducted in 2004 by the Federal Reserve Bank of Atlanta. On this exam, AmSouth received an Outstanding for its performance in the State of Louisiana and a High Satisfactory on its lending test in Louisiana. The exam used a limited scope review for the New Orleans metropolitan area and found that the bank's lending performance in New Orleans was not consistent with its performance in the rest of the state.

Surprisingly, AmSouth's and Regions' performance on their CRA exams do not match NCRC's ranking analysis. In the home ranking analysis, Regions was the top ranked performer, and on the small business analysis, it was in the middle of the pack. By contrast, the CRA exams placed the banks' lending records in New Orleans in the Low Satisfactory range. It is possible that Regions has bolstered its lending to LMI borrowers and communities in the years since the CRA exams.

Whitney National Bank – OCC – February 2007

Assets: $10.2 billion
Area of specialization – Prominent commercial lender, preferred SBA lender

Fair Lending Review – No evidence of discrimination

Overall Rating - Outstanding
Lending Test – Outstanding
Investment Test – Outstanding
Service Test – Outstanding

State of Louisiana - Outstanding
Lending Test – Outstanding
Investment Test – Outstanding
Service Test – Outstanding

Lending in Louisiana:

The exam reports good distribution of loans to LMI census tracts and borrowers, which corresponds to High Satisfactory. Whitney National Bank's level of community development lending, which the exam called excellent, could have tipped the lending test into Outstanding.

Small business lending is rated higher than home lending, which is consistent with NCRC's findings in our ranking analysis. The exam notes very good lending to small businesses with revenues less than $1 million. The exam reports that, in Louisiana, the geographical distribution of small business loans is good (corresponding to High Satisfactory performance) while the geographical distribution of home loans is adequate (corresponding to Low Satisfactory performance).

A sampling of Low Satisfactory performance in home lending includes the following:

- From 2004 through 2006, the bank had a market share of 2.09 percent overall in home purchase lending but had a market share of just 1.34 percent in low-income census tracts in the New Orleans assessment area.
- Likewise, the bank had a market share of 14.2 percent overall in home improvement lending but a lower market share of 10 percent in moderate-income tracts in New Orleans during 2004 through 2006.
- The bank issued 11.6% of its home improvement loans in moderate-income tracts, but moderate-income tracts contained 15.6% of the owner-occupied housing units.

The exam reports that the distribution of home and small business loans to borrowers is good (corresponding to High Satisfactory performance). Again, the performance is not quite as good in home lending, as the bank's distribution of refinance loans to borrowers was adequate (corresponding to Low Satisfactory performance).

Community Development Activities:

Whitney bank issued a total of 299 community development loans, totaling $399.5 million in the state of Louisiana. In the New Orleans assessment area, Whitney originated 155 CD loans totaling $273 million. Examples of community development lending include $30.7 million to nonprofit organizations to finance the development and rehabilitation of single-family residences. The bank also loaned $9 million for multifamily housing in areas impacted by Hurricane Katrina. The bank loaned $2.4 million to renovate a hospital in the 9th ward. An illustration of a community development investment was a $4.5 million investment in a SBIC (Small Business Investment Company) serving the Gulf Coast region.

Whitney works with the IDA Collaborative of Louisiana (IDACL). The IDACL helps low-income families by providing matching funds to accumulate down payments for home purchase loans, as well as small grants for education or business purposes. The bank opened 118 IDA savings accounts and originated 16 related residential mortgage loans totaling $1.2 million during the CRA exam period.