

PUBLIC DISCLOSURE

July 29, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Gueydan
06220470

Gueydan, Louisiana

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Bank of Gueydan prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of July 29, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

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

Bank of Gueydan's average loan-to-deposit ratio for the last three quarters was 19.2 percent, which compares favorably with the ratios of other similarly situated institutions in the area. There is very little loan demand in the area. A majority of a sample of the bank's loans were extended inside the assessment area, and the loans were reasonably distributed across different geographies and to borrowers of different income levels. No evidence of discrimination or other illegal credit practices was noted during the examination.

GENERAL INFORMATION (CONTINUED)

The following table indicates the performance level of Bank of Gueydan with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	BANK OF GUEYDAN		
	PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-deposit ratio		X	
Lending in assessment area		X	
Lending to borrowers of different incomes and to businesses of different sizes		X	
Geographic distribution of loans		X	
Response to complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

Bank of Gueydan operates one office in Gueydan, Louisiana. According to the March 31, 1996 Consolidated Reports of Condition and Income, the bank had total assets of \$68.6 million. The March 11, 1996 safety and soundness examination conducted by the State of Louisiana identified no legal or financial impediments that would prevent the bank from meeting the credit needs of its assessment area. The bank offers a variety of credit products. The types of credit offered, as listed in the bank's public file, include single family dwelling loans, home improvement loans, farm loans, small business loans, mobile home loans, community development loans, consumer loans, commercial loans, and noninsured student loans.

The composition of the loan portfolio according to the March 31, 1996 Consolidated Reports of Condition and Income is as follows:

LOAN TYPE	PERCENTAGE
Construction and development	0%
Secured by one- to four-family dwellings	27.6%
Other real estate:	
Farmland	2.1%
Multifamily	0%
Nonfarm nonresidential	2.2%
Loans to finance agricultural production and other loans to farmers	29.2%
Commercial and industrial	33.7%
Loans to individuals	5.0%
All other	0.2%
Total	100%

As illustrated by the above table, a large portion of the bank's portfolio is composed of commercial and industrial loans. However, according to management, the bank's major loan products by number of loans originated are small farm loans and unsecured consumer loans.

DESCRIPTION OF BANK OF GUEYDAN'S ASSESSMENT AREA

Bank of Gueydan is located in Gueydan, Louisiana, in Vermilion Parish, approximately 45 miles southwest of Lafayette, Louisiana. The bank's assessment area consists of block numbering area (BNA) 9502. The BNA is defined as middle-income. The area does not seem to arbitrarily exclude any low- or moderate-income areas.

According to the 1990 Census, the assessment area's population was 3,950. The racial composition of the residents in the assessment area was 93 percent nonminority and 7 percent minority. The assessment area contained 1,685 housing units, of which 69 percent were owner-occupied, 18 percent were rental units, and 13 percent were vacant. Median family income for the area was \$21,576.

The following table shows family income levels in the bank's assessment area according to the 1990 Census:

FAMILY INCOME	NUMBER OF FAMILIES	PERCENTAGE IN ASSESSMENT AREA
Low-income	262	24.4%
Moderate-income	177	16.4%
Middle-income	201	18.7%
Upper-income	435	40.5%
Total	1,075	100%
Below Poverty	233	21.7%

Two community members, a local government official and a real estate broker, were contacted in connection with the examination. The contacts stated that the majority of local employment opportunities are in agriculture, oil drilling and production, and various service and retail positions. The majority of the residents travel to larger towns and cities such as Crowley and Lafayette for employment. According to the 1990 Census, the unemployment rate for the assessment area was 5.7 percent, compared with 9.5 percent for the state of Louisiana and 11.1 percent for the nonmetropolitan areas of the state. The contacts stated that area residents often obtain long-term mortgage financing and other loan products from banks outside the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Bank of Gueydan's average loan-to-deposit ratio for the three quarters ended March 31, 1996, is 19.18 percent. The loan-to-deposit ratios of four other financial institutions in the area were compared with the loan-to-deposit ratio of Bank of Gueydan. Only one institution was similarly situated to the Bank of Gueydan. The bank's loan-to-deposit ratio compared favorably to that institution. There is very little loan demand in the area. The ratio meets standards for satisfactory performance.

The bank is most active in the area of consumer lending and small farm loans. During the examination, 62 unsecured consumer loans and 63 small farm loans were geocoded and analyzed to determine the percentage of loans originated in the assessment area. Of the loans sampled, 50 (81 percent) of the consumer loans and 48 (76 percent) of the small farm loans were extended in the assessment area. Additionally, \$85,826 (77 percent) of the total dollar volume of consumer loans and \$1,408,656 (84 percent) of the total dollar volume of small farm loans were made to individuals residing in the bank's assessment area. The bank meets standards for satisfactory performance in this category.

The bank does not collect income information on most of its loan applicants. The lack of income data prevented an analysis to determine the distribution of loans by borrower income. Therefore, an analysis was performed using loan size to evaluate the bank's distribution of credit. This analysis is based on the assumption that those individuals receiving small dollar loans are likely to have lower incomes. The results of the analysis revealed that of the 62 consumer loans sampled, the loan size ranged from \$105 to \$17,000. 71 percent of the consumer loans were \$2,000 or less. The small farm loans ranged in size from \$600 to \$180,000, and 43 percent were \$10,000 or less. The bank's distribution of credit in the community is reasonable and meets standards for satisfactory performance.

The geographic distribution of loans across the assessment area was reasonable. Bank of Gueydan extended credit throughout the BNA that constitutes its assessment area. The BNA is defined as middle-income.

No complaints relating to CRA have been filed against the bank since the previous examination.

The bank's compliance with the substantive provisions of the antidiscrimination laws and regulations was assessed. No evidence of discrimination or other illegal credit practices was identified.

TO THE INSTITUTION EXAMINED:

THIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION WAS PREPARED BY THE FEDERAL RESERVE BANK OF ATLANTA. THE FOLLOWING ACTIONS MUST BE TAKEN TO FULFILL THE CRA'S REQUIREMENTS.

- C AT A MINIMUM, PLACE THE EVALUATION IN YOUR CRA PUBLIC FILE LOCATED AT YOUR OFFICE NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THE EVALUATION.
- C PROVIDE A COPY OF THE EVALUATION TO THE PUBLIC UPON REQUEST (YOU ARE PERMITTED TO CHARGE A FEE NOT TO EXCEED THE COST OF REPRODUCTION AND MAILING IF APPLICABLE) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THIS LETTER.

FEDERAL RESERVE BANK OF ATLANTA

ASSISTANT VICE PRESIDENT

(Date)

CYNTHIA C. GOODWIN

(Title)

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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TO THE FEDERAL RESERVE BANK OF ATLANTA

A COPY OF THE COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION PREPARED AS OF THE CLOSE OF BUSINESS JULY 29, 1996, BY AN EXAMINER FOR THE FEDERAL RESERVE BANK OF ATLANTA HAS BEEN RECEIVED AND WILL BE MADE AVAILABLE TO THE PUBLIC IN THE MANNER STATED IN THE LETTER WHICH ACCOMPANIED THE EVALUATION.

(Signature of Authorized Officer)

(Title)

BANK OF GUEYDAN

(Name of Bank)

GUEYDAN, LOUISIANA

(Location)

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Board of Directors
Bank of Gueydan
Post Office Box 220
Gueydan, Louisiana 70542

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Michael Broadston using the guidelines established by the Federal Financial Institutions Examination Council. This evaluation was prepared in accordance with the Community Reinvestment Act (CRA), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and must be made available to the public. The following actions must be taken to fulfill the CRA's requirements.

- C At a minimum, place the evaluation in your CRA public file located at your office no later than 30 business days after receiving this letter.
- C Provide a copy of the evaluation to the public upon request (you are permitted to charge a fee not to exceed the cost of reproduction and mailing if applicable) no later than 30 business days after receiving this letter.

Please acknowledge receipt of this evaluation by signing and returning the attached blue form. The format and content of the evaluation should not be altered or abridged in any manner. You may wish to comment on this information detailing actions the bank has taken since the examination to meet its obligations under the CRA. Any written comments concerning the evaluation placed in the public file should also be forwarded to this office. If you believe any of the information included in the public evaluation is proprietary, please contact this Reserve Bank so that the appropriate action can be taken.

Our Community Affairs staff is available to assist you in determining and responding to community credit needs. Please feel free to contact Mr. Courtney Dufries at (404) 589-7226. If you have any questions concerning this report or any other compliance matter, contact Ms. Gale Williams at (404) 589-7223.

Very truly yours,

Cynthia C. Goodwin

Enclosures

PUBLIC DISCLOSURE

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Name of Bank: BANK OF GUEYDAN

City and State: GUEYDAN, LOUISIANA

Date of Examination: JULY 29, 1996