

# **PUBLIC DISCLOSURE**

January 16, 1996

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Independence Bank of Florida

06-12-0461

Fort Myers, Florida

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 **First Independence Bank of Florida** prepared by the **Federal Reserve Bank of Atlanta**, the institution's supervisory agency, as of **January 16, 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.

The rating is based on the bank's record as an active community lender, as indicated by a reasonable loan-to-deposit ratio, the high proportion of loan originations within the assessment area, and lending that helps meet small business and housing-related credit needs. The distribution of loans by borrower income is considered reasonable, because it is consistent with the assessment area's demographic makeup with respect to borrower income levels.

**GENERAL INFORMATION (CONTINUED)**

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

SMALL INSTITUTION ASSESSMENT CRITERIA	First Independence Bank of Florida		
	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 previous examination.		

## **DESCRIPTION OF INSTITUTION**

According to the September 30, 1995 Consolidated Reports of Condition and Income, First Independence Bank of Florida had total assets of approximately \$45.5 million. The bank operates three banking offices, with branches located in Fort Myers Beach and Sanibel Island and the main office located nearby in unincorporated Lee County. It is a full-service bank featuring foreign currency exchange facilities and credit for consumer, business, and housing purposes. The retail, service, leisure, and tourist base of the immediate area's economy has proven to be well suited for the growth of small businesses. Approximately 63 percent of the bank's loans are to businesses, and 34 percent of the loans are to individuals for personal, family, or household purposes. The bank is an active lender to the extent that its size will allow, primarily in commercial and residential lending.

The bank serves a generally high-traffic area of the Fort Myers-Cape Coral Metropolitan Statistical Area (MSA). The MSA consists of Lee County, Florida, and is one of the fastest growing communities in the nation. The bank's offices are close to work and recreation for business owners, professionals, employees, and others frequenting the area while residing elsewhere in the MSA.

**DESCRIPTION OF FIRST INDEPENDENCE BANK OF FLORIDA'S ASSESSMENT AREA, CONSISTING OF TWELVE CENSUS TRACTS WITHIN THE FORT MYERS-CAPE CORAL MSA:**

Based on the 1990 Census the Fort Myers-Cape Coral MSA had a population of 335,113 persons. 11.6 percent of the MSA's population is minority, compared to a 26.7 percent state average. In 1990, the MSA's median family income was just above the state average (\$32,212) at \$32,310 annually. The following table summarizes the income characteristics of the MSA in which the assessment area is located:

Income Level Categories	Number of Families	Percentage of Total Families
Low-Income; family income less than 50 percent of MSA median family income	14,089	14.1
Moderate-Income; family income of 50 to 80 percent of MSA median family income	20,778	20.7
Middle-Income; family income of 80 to 120 percent of MSA median family income	24,863	24.8
Upper-Income; family income of 120 percent of MSA median family income or more	40,501	40.4

Of the 93 census tracts within the Fort Myers-Cape Coral MSA, 3.2 percent of all tracts are classified as low-income, 15.1 percent moderate-income, 67.7 percent middle-income, and 14.0 percent upper-income. First Independence Bank of Florida's assessment area is made up of 12 census tracts within the MSA. All 12 are considered either upper- or middle-income census tracts. The low- or moderate-income census tract closest to a First Independence Bank office is more than a 10-mile drive. The bank has identified low- and moderate-income areas within its assessment area; however, the number of low- and moderate-income families and households residing in the bank's assessment area are too few in number to affect the median income for the census tract where they reside.

The Fort Myers-Cape Coral MSA labor force represents 54.8 percent of its total population of 16 or older. The MSA's population is made up of a high percentage of retirees, and much of the area's total income is from sources other than wages and salaries, such as pension, investment, and social security income. Compared with the MSA, the bank's assessment area has a higher percentage of retirees, higher family incomes, and newer housing. Based on data from the U.S. Bureau of Labor Statistics for the MSA, unemployment has remained between 5 and 6 percent since 1993. The 1992 County Business patterns from the U.S. Census data reveal that approximately two-thirds of the MSA's labor force is engaged in retail trade

**DESCRIPTION OF FIRST INDEPENDENCE BANK OF FLORIDA'S ASSESSMENT AREA, CONSISTING OF TWELVE CENSUS TRACTS WITHIN THE FORT MYERS-CAPE CORAL MSA (CONTINUED):**

or services and other occupations. An additional 22.6 percent of the labor force is engaged in construction; transportation and public utilities; or finance, insurance, and real estate. These statistics reflect the sustained growth and development noted by the local trade organization official contacted in connection with the examination. This community contact provided information for the performance context about the daily and seasonal flows of people and resources through the area.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

The bank's average loan-to-deposit ratio for the six quarters since the previous examination is 70.1 percent. When compared with other banks with home offices in Lee County, First Independence Bank of Florida's loan-to-deposit ratio is slightly lower. When compared with other banks with home offices in Lee County, First Independence Bank of Florida's loan-to-deposit ratio is slightly lower.

A sample of 59 business purpose loans originated during 1995 was analyzed to evaluate the distribution of the bank's commercial lending. Loan originations reported for 1994 under the Home Mortgage Disclosure Act (HMDA) were analyzed to evaluate distribution of housing-related credit. Although only 14 originations were reported, they represent an important part of lending because of the bank's growing capacity to originate residential mortgage loans. These two categories represent the majority of the bank's loan originations in total dollars and number of loans. Of the commercial loans sampled, 69 percent of the loans and 46 percent of the total dollars were within the assessment area. The HMDA disclosures reflected that 92.9 percent of loans and 95.3 percent of total dollars originated within the assessment area. The percentage of commercial and housing-related lending within the assessment area meets standards of satisfactory performance.

With regard to census tract characteristics within the assessment area, none of the tracts in the assessment area are low-or moderate-income. The assessment area's distribution of census tracts is 58.3 percent middle-income and 41.7 percent upper-income census tracts. Of the sampled commercial loans within the assessment area, 66 percent were originated in middle-income census tracts and 34 percent in upper-income census tracts, for 71 and 29 percent of total dollars, respectively. Of the HMDA loans within the assessment area, 44.4 percent were originated in middle-income and 55.6 percent in upper-income census tracts. The bank's lending distribution in both primary product classes reviewed generally reflects the census tract characteristics of the assessment area. The distribution of credit by census tract characteristics meets standards of satisfactory performance.

With regard to borrower characteristics, 87.8 percent of the sampled commercial loans in the assessment area were to businesses with annual revenues of less than \$1 million. Approximately half of these small businesses had revenues of less than \$250,000. The sample analysis by borrower characteristics indicated that lending to small businesses accounts for a major part of the bank's business purpose lending. 71.9 percent of the loans sampled were in amounts of less than \$25,000, 21.1 percent for \$25,000 to \$100,000, and the remaining 7.0 percent for \$100,000 or more. The distribution of business purpose loans in terms of the revenue size of the business exceeds standards for satisfactory performance. For HMDA originations,

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)**

29 percent were to low- or moderate-income borrowers (HMDA disclosures combine the two income classes), 21 percent to middle-income borrowers, and 50 percent to upper-income borrowers. The distribution of HMDA originations by borrower income is considered reasonable for the bank's assessment area.

The bank has received no CRA or fair lending complaints since the previous examination.

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified; however, management of the bank should make adequate provisions for training its personnel in relation to fair lending matters, covering every aspect of credit transactions, including inquiries about credit availability and qualifications. A thorough review of adequate samples of approved and denied applications should be a part of a comprehensive internal fair lending review process. The process should allow management to identify any disparate impact of the bank's credit policies and standards, in addition to overt discrimination or disparate treatment.

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 HEAD OFFICE (AND A DESIGNATED OFFICE IN EACH OF YOUR LOCAL COMMUNITIES) 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 JANUARY 16, 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)

FIRST INDEPENDENCE BANK OF FLORIDA

\_\_\_\_\_  
(Name of Bank)

FORT MYERS, FLORIDA

\_\_\_\_\_  
(Location)

# FEDERAL RESERVE BANK OF ATLANTA

**Cynthia C. Goodwin**  
ASSISTANT VICE PRESIDENT

Board of Directors  
First Independence Bank of Florida  
Post Office Box 08009  
Fort Myers, Florida 33908

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Jack Libbe 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 head office (and a designated office in each of your local communities) 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

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PERFORMANCE EVALUATION**

Name of Bank: First Independence Bank of Florida

City and State: Fort Myers, Florida /

Date of Examination: January 16, 1996