

# **PUBLIC DISCLOSURE**

January 6, 1997

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Brand Banking Company  
06131950

Lawrenceville, Georgia

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 The Brand Banking Company, Lawrenceville, Georgia, prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of January 6, 1997. 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 bank's average loan-to-deposit ratio is reasonable given the bank's size and assessment area credit needs. A majority of the loans sampled are within the institution's assessment area. The geographic distribution of loans reflects a reasonable dispersion throughout the bank's assessment area. No complaints were received since the previous examination. A review of the bank's loan policy and procedures found the bank to be in compliance with the substantive provisions of antidiscrimination laws and regulations.

**GENERAL INFORMATION (CONTINUED)**

The following table indicates the performance level of The Brand Banking Company with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	THE BRAND BANKING COMPANY		
	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	Unable to determine.		
Geographic distribution of loans		X	
Response to complaints	No complaints were received since the prior examination.		

## DESCRIPTION OF INSTITUTION

The Brand Banking Company is headquartered in Lawrenceville, Georgia. The bank operates three branch offices: two are located in Lawrenceville, and the third is in Snellville, Georgia. According to the September 30, 1996 Consolidated Reports of Condition and Income, the bank had total assets of \$222.2 million. No legal or financial impediments that would hinder the bank's ability to help meet the credit needs of its assessment area were identified.

The Brand Banking Company offers a variety of credit products to meet the community's credit needs. The types of credit products offered by the bank, as listed in the bank's public file, include such loans as real estate, consumer, small business, commercial, student, and church loans.

The composition of the loan portfolio according to the September 30, 1996 Consolidated Reports of Condition and Income is as follows:

LOAN TYPE	PERCENTAGE
Construction and development	25.8%
Secured by one- to four-family dwellings	31.3%
Other real estate:	
Farmland	0.1%
Nonfarm nonresidential	12.1%
Commercial and industrial	13.2%
Loans to individuals	17.5%
Total	100.0%

As illustrated by the table above, a large portion of the bank's loan portfolio is made up of home mortgage and construction loans. However, according to management, the bank originates a large number of secured and unsecured consumer loans. Small dollar consumer loans are the bank's major loan product and were reviewed for this analysis.

## DESCRIPTION OF THE BRAND BANKING COMPANY'S ASSESSMENT AREA

The bank's assessment area consists of 17 census tracts in Gwinnett County, Georgia, that are included in the Atlanta Metropolitan Statistical Area (MSA). Of the 17 census tracts, none are defined as low- or moderate-income, eight are defined as middle-income, and nine are defined as upper-income. While a moderate-income census tract exists in Gwinnett County contiguous to the assessment area, it is divided by Interstate 85 and the bank could not be expected to serve the entire census tract effectively. The assessment area is bordered to the northeast by Barrow County and to the southeast by Walton County. The assessment area does not seem to arbitrarily exclude any low- or moderate-income geographies.

According to the 1990 Census, the assessment area's population was 161,355. The assessment area contained 57,737 housing units, of which 74.3 percent were owner-occupied, 19.5 percent were rental units, and 6.3 percent were vacant. The median housing age was 14 years, and the median housing value was \$94,562. The median family income for the assessment area was \$48,547 or 118.3 percent of the median family income of the Atlanta MSA.

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

<b>FAMILY INCOME</b>	<b>NUMBER OF FAMILIES</b>	<b>PERCENTAGE IN ASSESSMENT AREA</b>
Low-income	4,020	8.9%
Moderate-income	6,527	14.5%
Middle-income	12,564	27.8%
Upper-income	22,068	48.8%
Total	45,179	100.0%
Below Poverty	1,262	2.8%

The 1993 U.S. Census employment data for county business patterns show a total of 11,698 businesses in Gwinnett County. 10,959 (94 percent) of the businesses have fewer than 50 employees, and the retail trade and service industries are the largest employers in the area. As of December 1996, the unemployment rate for the city of Lawrenceville was 3.4 percent, which was lower than the 3.6 percent unemployment rate for the Atlanta MSA and the 4.3 percent unemployment rate for the state of Georgia.<sup>1</sup>

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<sup>1</sup>State of Georgia Department of Labor.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Loan-to-Deposit Ratio Analysis

The Brand Banking Company's average loan-to-deposit ratio for the five quarters since the previous examination is 59.5 percent. Of the 21 other financial institutions in Gwinnett County, four are comparable in size and branch locations. The range of loan-to-deposit ratios for the most comparable banks during the same time period was 60.1 percent to 69.8 percent. While the bank's average loan-to-deposit ratio does not fall within the range of its competitors, the ratio is increasing. The loan-to-deposit ratio for the quarter ended September 30, 1996, was 61.9 percent and as of December 31, 1996, the ratio had increased to 67.1 percent. The higher ratio is primarily the result of a \$4.6 million increase in consumer installment loans during the fourth quarter. The bank meets the standards for satisfactory performance in this category.

### Lending in Assessment Area

During the examination, 183 consumer loans were geocoded and analyzed to determine the percentage of loans originated in the assessment area. Of the loans sampled, 125 (68 percent) of the consumer loans were extended in the assessment area. Additionally, \$1.4 million (71 percent) of the total dollar volume of consumer loans were extended in the bank's assessment area. The extent of the bank's lending in its assessment area meets the standards for satisfactory performance.

### Lending to Borrowers of Different Incomes

The bank does not require written applications for consumer loans and does not collect income information. Because there was insufficient data to determine whether the bank extended loans to borrowers of different income, this performance criterion could not be rated.

### Geographic Distribution of Loans

As previously mentioned, the bank's assessment area does not include low- and moderate-income census tracts. However, the geographic distribution of loans reflects reasonable dispersion because the bank extended consumer loans in each of the 17 census tracts that constitute its assessment area. The bank meets the standards for satisfactory performance in this category.

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

### Complaints

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

### Compliance with Antidiscrimination Laws

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No evidence of discrimination or the use of illegal credit practices was noted during the review of bank policies and procedures. No practices have the intent or the effect of discouraging applicants.

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 6, 1997, 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)

THE BRAND BANKING COMPANY

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

LAWRENCEVILLE, GEORGIA

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

# FEDERAL RESERVE BANK OF ATLANTA

**Cynthia C. Goodwin**  
ASSISTANT VICE PRESIDENT

Board of Directors  
The Brand Banking Company  
Post Office Box 1110  
Lawrenceville, Georgia 30246

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Phyllis L. Harwell 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

# FEDERAL RESERVE BANK OF ATLANTA

**Cynthia C. Goodwin**  
ASSISTANT VICE PRESIDENT

Ms. Patricia Hartje  
Regional Compliance Manager  
Office of the Comptroller of the Currency  
Marquis One Tower, Suite 600  
245 Peachtree Center Avenue, N.E.  
Atlanta, Georgia 30303

Dear Ms. Hartje:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for The Brand Banking Company, Lawrenceville, Georgia, as of January 6, 1997.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

Enclosures

# FEDERAL RESERVE BANK OF ATLANTA

**Cynthia C. Goodwin**  
ASSISTANT VICE PRESIDENT

Mr. Joel Palmer  
Assistant Director II  
Regional Operations - Compliance  
Office of Thrift Supervision  
1475 Peachtree Street, N.E.  
Atlanta, Georgia 30309

Dear Mr. Palmer:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for The Brand Banking Company, Lawrenceville, Georgia, as of January 6, 1997.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

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# FEDERAL RESERVE BANK OF ATLANTA

**Cynthia C. Goodwin**  
ASSISTANT VICE PRESIDENT

Mr. Jimmy Loyless  
Regional Director  
Federal Deposit Insurance Corporation  
One Atlantic Center, Suite 1600  
1201 West Peachtree Street, N.E.  
Atlanta, Georgia 30309-3449

Dear Mr. Loyless:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for The Brand Banking Company, Lawrenceville, Georgia, as of January 6, 1997.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

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**PUBLIC DISCLOSURE**

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Name of Bank: THE BRAND BANKING COMPANY

City and State: LAWRENCEVILLE, GEORGIA

Date of Examination: JANUARY 6, 1997

**FEDERAL RESERVE BANK OF ATLANTA**