

PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

AMERIFIRST BANK, NATIONAL ASSOCIATION
Charter # 12962

Post Office Box 570
Union Springs, Alabama 36089

Office of the Comptroller of the Currency

Southeast District
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, NE
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 this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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 **AmeriFirst Bank, National Association** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of March 2, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A of 12 CFR Part 25.*

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

The rating is based on the following:

- ◆ A majority of the loans were made in the bank's assessment area (AA).
- ◆ The geographic distribution of consumer and 1 - 4 family residential loans reflect a very good penetration of moderate-income areas.
- ◆ Lending patterns indicate a good distribution of loans among borrowers of different income levels.
- ◆ The quarterly loan to deposit ratio is reasonable considering the bank's size and market share.
- ◆ The fair lending review did not reveal any evidence of disparate treatment and the bank has not received any CRA related complaints.

The following table indicates the performance level of *AmeriFirst Bank, National Association* with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>AMERIFIRST BANK, NA</u> 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

AmeriFirst Bank, National Association (ABNA) is located in Union Springs, Alabama. The town is located approximately 48 miles southwest of Montgomery, Alabama in the south central area of the state. On May 30, 1997, the merger of American National Bank of Union Springs (ANB) and First National Bank of Union Springs (FNB) created this locally owned and operated bank with total assets of \$94,562,000 as of 12/31/97. The bank's operations include the main office (the old FNB building) located at 212 North Prairie Street and one branch (the old ANB building) at 104 East Hardaway Avenue. Both offices are located in the downtown area of town. Union Springs is in a moderate income block numbering area (BNA). The bank operates a loan production office in Montgomery, Alabama and has a branch office under construction in the city which is expected to open in June 1998. ABNA's primary business focus is in commercial real estate lending. As of 12-31-97, the bank's net loan portfolio of \$48,934,000 million consists primarily of real estate (69%), consumer (14%), commercial (14%), and agricultural (3%).

As of this examination date, there were no legal or regulatory impediments that would impact the bank's lending capacity or ability to help meet the credit needs of the assessment area. The bank's local competitor is a state-charter bank with total assets of \$30,000,000 as of its most recent CRA evaluation.

DESCRIPTION OF THE ASSESSMENT AREA

The bank's assessment area consists of Bullock County, Alabama. Based upon 1990 US Census information, this county contains two moderate income BNAs (Midway Division-BNA 9521, and Union Springs Division-BNA 9522) and two middle income BNAs (Fitzpatrick Division-BNA 9523 and Inverness Division-BNA 9524). Total population of Bullock County is 11,042. The population within each BNA is the following: Midway Division 1,909 (17%), Union Springs Division 6,371 (58%), Fitzpatrick Division 995 (9%), and Inverness Division 1,767 (16%).

According to the 1990 US Census, the median family income for the county was \$17,505. And 37% of the households in the assessment area have incomes below the poverty level. The U.S. Department of Housing and Urban Development (HUD) 1997 updated median family income for the state of Alabama is \$31,500. Thirty-five percent of total households receive social security. And 20% of the total households receive public assistance.

Seventy-three percent of households reside in the moderate income BNAs. The average age of housing is 27 years. Sixty-one percent of the total housing units are owner-occupied. Twenty-six percent of the housing units are rentals with 82% of the renter occupied units in the moderate income BNAs.

The local economy is centered in poultry manufacturing and nursery operations. The largest employers are Wayne Farms (poultry operations providing 600 jobs), Bonnie Plant Farm (nursery), and Columbus Mills (carpet yarn operations).

The local unemployment rate is 27% compared to the state's 4.5% as of February 1998.

According to management, the high unemployment rate is skewed by the seasonality of the nursery operations. Many truckers and other nursery employees will apply for unemployment compensation during the off-season. Management states the unemployment rate averages approximately 22%.

According to a local community contact, the most beneficial types of credit for the low and moderate income areas are low rate home purchase loans and unsecured loans less than \$2,000. The contact person also identified the need for recreational facilities for young people. The contact person also believes local financial institutions can better serve the low and moderate income areas by initiating efforts to understand the credit needs in these communities and providing financial counseling seminars.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

This performance assessment was based on information obtained from the December 31, 1997 Uniform Bank Performance Report, in-house geo-coded reports, and 1990 US Census data for Bullock County. In addition, other information was obtained from management reports, community contacts, and discussions with bank management. Information obtained from management prepared reports was reviewed and tested for accuracy.

LOAN TO DEPOSIT RATIO ANALYSIS

AmeriFirst Bank's quarterly average loan to deposit ratio meets the standards for satisfactory CRA performance.

Based on information obtained from Uniform Bank Performance Reports, the quarterly average loan to deposit (LTD) ratio for the three periods (June 1, 1997 - December 31, 1997) after the merger was 64.52%. Prior to the merger, the quarterly average loan to deposit ratios for American National Bank and First National Bank were 55% and 55.6% since the last CRA examination dated October 15, 1994. The bank's (LTD) ratio appears reasonable considering the bank's size, competition, economic conditions, and loan demand in the local market.

COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE THE ASSESSMENT AREA

- The majority of the number of loans are made in the assessment area and meets the criteria for satisfactory performance.

The following table illustrates the percentage of loans (originated during the period from 1-1-97 to 12-31-97) by number and dollar amount inside and outside of the bank's assessment area. In regards to consumer loans, approximately 58.62% of the total number and 40.03% of the total dollar amount of loans originated within the bank's assessment area. In regard to 1 - 4 family

residential loans, 63% of the total number and 48.43% of the total dollar amount of loans originated within the assessment area.

Consumer Loans Originated in 1997

BNA	# OF LOANS IN BNA	% OF TOTAL # LOANS	\$ AMOUNT OF LOANS	% OF TOTAL \$ AMT LOANS
9521	81	6.91%	\$221,277	3.08%
9522	512	43.69%	\$2,124,610	29.54%
9523	34	2.90%	\$185,024	2.57%
9524	60	5.12%	\$348,084	4.84%
OTHERS	485	41.38%	\$4,313,152	59.97%
TOTAL	1172	100.00%	\$7,192,147	100.00%
INSIDE AA	687	58.62%	\$2,878,995	40.03%
OUTSIDE AA	485	41.38%	\$4,313,152	59.97%

1 - 4 Family Real Estate Originated in 1997

BNA	# OF LOANS IN BNA	% OF TOTAL # LOANS	\$ AMOUNT OF LOANS	% OF TOTAL \$ AMT LOANS
9521	1	10.00%	\$7,131	4.75%
9522	4	40.00%	\$48,035	32.03%
9523	1	10.00%	\$10,050	6.70%
9524	0	0.00%	\$0	0.00%
OTHERS	4	40.00%	\$84,757	56.52%
TOTAL	10	100.00%	\$149,973	100.00%
INSIDE AA	6	60.00%	\$65,216	43.48%
OUTSIDE AA	4	40.00%	\$84,757	56.52%

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

- The distribution of consumer, small business, and farm loans reflects very good dispersion of lending to different borrower income levels and businesses of different sizes. The dispersion of 1 - 4 family residential loans needs improvement. However this is mitigated due to the small number of 1 - 4 family residential loan originations.

The following distribution analysis of consumer and 1 - 4 family residential loans is based upon an in-house generated geo-code report of loans originating between January 1, 1997 to December 31, 1997. As illustrated in the Consumer Loan table below, consumer loan dispersion exceeds the criteria for satisfactory performance. Sixty-four percent of the total number of consumer loans were made to low and moderate-income borrowers who represent 58.77% of the assessment area. On the other hand, the 1 - 4 Family Real Estate table illustrates low penetration of 1 - 4 family real estate loans to low income and moderate income families. Only ten percent of the total number of loans originated to low income families representing 33.99% of the AA. And there were no loans originated with moderate income families representing 20.78% of the AA.

1 - 4 Family Real Estate Originated in 1997

FAMILY INCOME LEVEL	# LOANS	\$ LOANS (000)	% # LOANS	% \$ LOANS	% FAM. INC. LEVEL IN AA
LOW	1	\$10,384	10.00%	6.92%	33.99%
MODERATE	0	\$0	0.00%	0.00%	20.78%
MIDDLE	4	\$23,629	40.00%	38.62%	17.31%
UPPER	3	\$8,174	30.00%	13.36%	28.03%
*UNKNOWN	2	\$19,000	20.00%	31.05%	NA
GRAND TOTAL	10	\$61,187	100.00%	100.00%	100.00%

*UNKNOWN: Income information was unavailable.

Consumer Loans Originated in 1997 within the AA

FAMILY INCOME LEVEL	# LOANS	\$ LOANS (000)	% # LOANS	% \$ LOANS	% FAM. INC. LEVEL IN AA
LOW	234	\$347,534	37.74%	12.07%	33.99%
MODERATE	163	\$398,724	26.29%	13.85%	20.78%
MIDDLE	100	\$300,940	16.13%	10.45%	17.31%
UPPER	104	\$1,723,231	16.77%	59.86%	28.03%
UNKNOWN	19	\$108,562	3.06%	3.77%	NA
GRAND TOTAL	620	\$2,878,991	100.00%	100.00%	100.00%

- The bank has demonstrated a good effort in lending to small businesses.

The distribution of small business and small farm loans based on the revenue size of the business or farm is good. Of the 183 business loans made in 1997, 148 or 81% of these loans were made to small businesses. However, the dollar amount represents only 47%. The number of loans compares favorably to the Census Report's business demographics of 74%. Of the 35 farm loans made in 1997, 32 or 91% of these were made to small farms which compare well to the demographics of the assessment area.

Business Loans

	# Small Bus. Lns	# of Bus. Lns.	% of Small Bus.	\$ AMOUNT	% of \$ AMOUNT
1990 Census Report	145	195	74%	NA	NA
1997 Bank Originations	148	183	81.00%	\$4,209,000	47.00%

Source: CRA WIZ Business Demographic Data (from 1990 Census Report) and Bank Reports

Farm Loans

	# Small Farm Lns.	# of Farm Lns.	% of Small Farm	\$ AMOUNT	% OF \$ AMOUNT
1990 Census Report	9	11	82%	NA	NA
1997 Bank Originations	32	35	91%	\$1,162,000	76.00%

Source: CRA WIZ Business Demographic Data (from 1990 Census Report) and Bank Reports

In addition, the bank made two loans (Fairview Apartments and Pleasant Springs Apartments) totaling \$643,000 to The South Central Alabama Regional Housing Authority to permanently finance low-income housing projects. The Fairview Apartments, a 32-unit complex located in City of Union Springs, is funded with a loan for \$247,500.

GEOGRAPHIC DISTRIBUTION OF LOANS

- AmeriFirst Bank’s geographic distribution of consumer and 1 -4 family real estate loans is very good and reflects significantly above average penetration of moderate-income BNAs.

As illustrated in the charts below, 86.32% of the total number and 81.49% of the total dollar amount of consumer loans originated in the moderate income BNAs that represent 50% of the BNAs in the assessment area. And 86.84% of the total number and 84.58% of the total dollar amount of 1 - 4 family real estate loans originated in the moderate BNAs.

Consumer Loans Originated in 1997 within the AA

BNA	% OF TOTAL BNAs	# OF LOANS IN BNA	% OF TOTAL # LOANS	\$ AMOUNT OF LOANS	% OF TOTAL \$ AMT LOANS
9521 (mod)	25.00%	81	11.79%	\$221,279	7.69%
9522 (mod)	25.00%	512	74.53%	\$2,124,610	73.80%
9523 (mid)	25.00%	34	4.95%	\$185,022	6.43%
9524 (mid)	25.00%	60	8.73%	\$348,080	12.09%
TOTAL	100.00%	687	100.00%	\$2,878,991	100.00%
TOTALS FOR MODs	50.00%	593	86.32%	\$2,345,889	81.49%

1 - 4 Family Real Estate Originated in 1997 within the AA

BNA	% OF TOTAL BNAs	# OF LOANS IN BNA	% OF TOTAL # LOANS	\$ AMOUNT OF LOANS	% OF TOTAL \$ AMT LOANS
9521 (mod)	25.00%	1	16.67%	\$7,131	10.93%
9522 (mod)	25.00%	4	66.67%	\$48,034	73.65%
9523 (mid)	25.00%	1	16.67%	\$10,050	15.41%
9524 (mid)	25.00%	0	0.00%	\$0	0.00%
TOTAL	100.00%	6	100.00%	\$65,215	100.00%
TOTALS FOR MODs	50.00%	5	83.84%	\$55,165	84.58%

Response to Complaints

- No CRA-related complaints were received from the public since the prior examination.

No evidence of discrimination or other illegal credit practices was noted during this examination.