



## **PUBLIC DISCLOSURE**

February 4, 2019

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First FS&LA of Valdosta  
Charter Number 703019

411 N Patterson St  
Valdosta, GA 31601-4605

Office of the Comptroller of the Currency  
Tampa Field Office  
4042 Park Oaks Blvd, Ste 240  
Tampa, FL 33610

**NOTE:** This document is an evaluation of this 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. This evaluation is not, and should not 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.

## Table of Contents

<b>OVERALL CRA RATING .....</b>	<b>3</b>
<b>DEFINITIONS AND COMMON ABBREVIATIONS .....</b>	<b>4</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>8</b>
<b>SCOPE OF THE EVALUATION.....</b>	<b>9</b>
<b>DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....</b>	<b>10</b>
<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....</b>	<b>11</b>
<b>LENDING TEST .....</b>	<b>11</b>
<b>APPENDIX A: SCOPE OF EXAMINATION.....</b>	<b>A-1</b>
<b>APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS.....</b>	<b>B-1</b>
<b>APPENDIX C: TABLES OF PERFORMANCE DATA .....</b>	<b>C-1</b>

## Overall CRA Rating

**This institution is rated: Outstanding.**

**The Lending Test is rated: Excellent.**

- The bank's level of lending, as reflected in the quarterly average net loan-to deposit (LTD) ratio, is more than reasonable given the bank's size and performance context considerations.
- A substantial majority of the bank's home mortgage lending originated over the evaluation period was within its assessment area.
- Based on the data in the tables and performance context factors described in appendix B, the overall borrower distribution of loans is more than reasonable.
- Based on the data in the tables and performance context factors described in appendix B, the overall geographic distribution of loans is reasonable.
- Overall, First FS&LA of Valdosta's level of Community Development loans, donations/grants, services and alternative delivery systems, were responsive in meeting the credit needs of the community and are consistent with the bank's capacity and financial expertise.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor

vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Description of Institution

First Federal Savings and Loan Association of Valdosta (FFSLA) is a \$183.4 million mutual savings bank, with three branch locations located in Valdosta, Georgia and one branch located in Lake Park, Georgia. The bank was established by a group of businessmen in 1934, after the depression era, to encourage home ownership. The thrift was chartered as a mutual savings and loan institution to best serve the local community within Lowndes County. Since 1960, as the bank continued to grow and prosper, the bank opened additional branches to expand growth and provide home ownership in the Valdosta/Lowndes County.

FFSLA remains a mutual association that promotes thrift and home ownership to all areas of Valdosta/Lowndes County. The bank continues to operate as a traditional mutual thrift, and remains loyal to its 85 year history and mission of gathering deposits locally and making home loans and consumer loans available to all income groups. The bank does not sell loans and prefers to develop borrower/ homeowner relationships. The bank values the mutual thrift charter, so it can fully serve the area.

The bank continues to operate under its initial mission and the thrift charter, providing home ownership and full banking services through four full service branches that include automated teller machines and safe deposit rentals, as well as online banking. FFSLA provides both fixed and variable rate loans to finance residential home purchases, home equity loans, construction, consumer, and as needed, commercial real estate and business loans. Loans are funded primarily by local deposits. The bank offers both personal and business checking accounts, savings accounts, certificates of deposit, and individual retirement accounts. As of September 30, 2018, 88.3 percent of the \$155.4 million loan portfolio is comprised of loans secured by 1-4 family residential properties; 8.3 percent of loans are Commercial Real Estate, which include construction lending and multifamily residential properties; and 2.7 percent of loans are Consumer loans.

Valdosta's economy is experiencing a slow recovery since the 2008 financial crisis, however remains stable for key military and educational employers. There are no financial or legal obstacles that would affect the bank's ability to meet the credit needs of the Valdosta community. The bank received a "Satisfactory" rating at the 2014 CRA Evaluation dated October 13, 2014, and prior to that Evaluation, the bank received an "Outstanding" in August 25, 2008.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This Performance Evaluation (PE) assesses the bank's record of meeting the credit needs of the community in which it operates. We used the Small Bank Community Reinvestment Act (CRA) examination procedures, which evaluates the bank's record of meeting the credit needs of its assessment area through its lending activities. In addition, as an option for the bank, management requested consideration of their Community Development (CD) investments and services for to enhance the overall lending performance rating. The CD test evaluates the bank's responsiveness to CD needs in its assessment area through qualified investments and services.

The evaluation period is January 1, 2015, through December 31, 2017, for lending activities and October 13, 2014, through December 31, 2017, for qualified CD activities. The bank's lending test for the years 2015 and 2016 were evaluated on a combined basis. Due to the 2015 census changes effective in 2017, lending performance for 2017 was evaluated separately.

The bank's lending strategy remains focused on originating home mortgage loans during the evaluation period. For the period of January 1, 2015 through December 31, 2017, the primary loan product was home mortgage loans with 464 originations totaling \$63.7 million. Therefore the bank's lending performance analysis focused on home mortgage lending. Other loan products originated during the same time period include 147 consumer loans totaling \$7.7 million and 134 business loans totaling \$15.9 million.

### **Data Integrity**

Loan data reported by the bank on its 2015-2017 Home Mortgage Disclosure Act Loan Application Register (HMDA) was tested for accuracy during the data integrity examination. The review concluded that the data was accurate and could be relied upon for analysis. We also reviewed all the bank's CD loans, investments and services during the evaluation period. All CD transactions and activities included in the performance evaluation were validated as meeting CD regulatory definitions.

### **Selection of Areas for Full-Scope Review**

The Lowndes County Assessment Area received the full-scope review.

### **Ratings**

The bank's overall rating is based on the full scope review of the Assessment Area.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution [or any affiliate whose loans have been considered as part of the institution's lending performance] has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Conclusions with Respect to Performance Tests

### LENDING TEST

Based on the data in the Tables, the bank's size and performance context considerations, the bank's performance under the Lending Test is excellent.

#### Loan-to-Deposit Ratio

Based on the bank's quarterly average net loan to deposit ("LTD") ratio, the bank's level of lending is more than reasonable based on the bank's asset size and performance context considerations. The bank's quarterly average net LTD ratio since the preceding CRA evaluation (14 quarters starting September 2014 and ending December 2017) was 117.8 percent. The bank's LTD ratio was significantly higher than the 80.3 percent ratio of three similarly situated banks operating in the bank's assessment area. The quarterly average high net LTD ratio for these three banks was 86.7 percent and the low was 74.2 percent. Peer banks used in the analysis reported total assets less than \$410 million and offered similar loan and deposit products.

#### Lending in Assessment Area

<b>Table D - Lending Inside and Outside of the Assessment Area</b>											
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)	
	Inside		Outside			Inside		Outside			
	#	%	#	%		\$	%	\$	%		
Home Mortgage											
2015	134	86.5	21	13.5	155	16,752	84.7	3,037	15.3	19,789	
2016	134	88.7	17	11.3	151	18,260	89.5	2,147	10.5	20,407	
2017	138	87.3	20	12.7	158	20,324	86.5	3,172	13.5	23,496	
<b>Total</b>	<b>406</b>	<b>87.5</b>	<b>58</b>	<b>12.5</b>	<b>464</b>	<b>55,336</b>	<b>86.9</b>	<b>8,356</b>	<b>13.1</b>	<b>63,692</b>	
<small>Source: HMDA Data 1/1/2015 - 12/31/2017 Due to rounding, totals may not equal 100.0</small>											

A substantial majority of the bank's home mortgage lending originated over the evaluation period was within its assessment area. This conclusion is based on an analysis of HMDA loans originated during the period January 1, 2015 through December 31, 2017. As detailed in Table D above, the bank originated 406 home mortgage loans totaling \$55.3 million, which represented 87.5 percent and 86.9 percent, respectively, of all loan originations within the bank's assessment area during the three year review period.

## **Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

Based on the data in Table P, Distribution of Home Mortgage Loans by Income Category, and performance context considerations discussed below and in appendix B, the bank's lending to borrowers of different income levels reflects more than reasonable distribution. The analysis was based on 406 home mortgage loans originated in the assessment area during the period of January 1, 2015 through December 31, 2017. FFSLA originated 268 home mortgage loans in 2015-2016 combined and 138 home mortgage loans in 2017.

### **Home Mortgage Loans**

- For the two-year period, 2015-2016, the bank's distribution of loans to low-income borrowers was below the proportion of low-income families residing in the assessment area, but exceeds the aggregate distribution of loans to low-income families. The distribution of loans to moderate-income borrowers is aligned with the distribution of loans to moderate-income families residing in the assessment area, and significantly exceeds the aggregate distribution of loans to moderate-income families.
- For 2017, the bank's distribution of loans to low-income borrowers is below the proportion of low-income families residing in the assessment area, but exceeds the aggregate distribution of loans to those borrowers. The distribution of loans to moderate-income families exceeds the proportion of moderate-income families residing in the assessment area, and significantly exceeds the aggregate distribution of loans to those borrowers.
- The higher costs of homes in the bank's MSA limits homeownership affordability to low- and moderate-income borrowers. Based on the 2015 Census, the MSA's median housing value was \$124,338. Based on FFIEC's 2017 median family income, the maximum income level for low-income borrowers was under \$22,950 making the median housing 5.4 times over the maximum low-income level. To a lesser extent, the maximum income level for moderate-income borrowers was under \$36,720 making the median housing value three times over the maximum moderate-income level. In addition, as noted in the performance context, the competition is intense for borrowers and mortgage loans with a total of 22 lenders operating 40 branches in Lowndes County.

### **Geographic Distribution of Loans**

Based on the data in Table O, Distribution of Home Mortgage Loans by Income Category of the Geography, and the performance context considerations discussed below and in Appendix B, the geographic distribution of the bank's home mortgage loan originations across geographies of different income levels reflects reasonable distribution. We used the same sample for the analysis of the geographic distribution of loans as for the analysis of lending to borrowers of different incomes.

## Home Mortgage Loans

- For 2015-2016 combined, the bank's distribution of loans originated in low-income geographies in the assessment area was lower than percentage of owner-occupied housing units located in these geographies, which is considered reasonable as there are limited opportunities to lend with only 3.8 percent owner-occupied units in low-income geographies. The bank's aggregate distribution of loans in low-income geographies exceeds the proportion of aggregate distribution of loans in those geographies. The distribution of loans originated in moderate-income geographies in the assessment area is similar to the percentage of owner-occupied units located in moderate-income geographies. The bank's aggregate home mortgage lending in moderate-income geographies exceeds the proportion of aggregate lending in those geographies.
- For 2017, the bank's distribution of loans originated in low-income geographies within the assessment area was lower than the percentage of owner-occupied units located in low-income geographies, which is considered reasonable as there are few opportunities to lend with only 6.2 percent of owner-occupied housing units in low-income geographies. The bank's distribution of loans originated in moderate-income geographies is similar to the percentage of owner-occupied units located in moderate-income geographies within the assessment area. The bank's aggregate home mortgage lending in low- and moderate-income geographies was similar to the proportion of aggregate lending in those geographies.
- Based on the 2015 Census (ACS) demographic data, there were limited lending opportunities in low- and moderate-income geographies in the assessment area due to a limited supply of affordable housing units in those geographies, and higher housing costs for low- and moderate-income persons. Out of the 45,399 housing units, 10.4 percent of units are located in low-income geographies, 6.2 percent are owner-occupied units, 14.2 percent are occupied rentals, and 12.4 percent are vacant units. Only 9.6 percent of the population in the assessment area reside in low-income geographies. For moderate-income geographies, 30.8 percent of units are located in moderate-income geographies, 17.0 percent are owner-occupied units, 44.7 percent are occupied rentals and 32.8 percent are vacant units. Through the community contact interview, existing affordable housing inventory is aged and in deteriorating condition, resulting in a limited supply of adequate available affordable housing in the assessment area coupled with competition by the banks for borrowers and lending opportunities

## Qualified Community Development Activities

The bank opted to provide information to the examiners related to their Community Development (CD) activities, and due to the favorable results of FFSLA's lending

performance in the assessment area, we expanded our analysis to include the bank's performance relating to Community Development (CD) activities.

- Overall, FFSLA's level of CD loans, donations/grants, services, and alternative delivery systems, were responsive in meeting the credit needs of the community and are consistent with the bank's capacity and financial expertise.

### **CD Loan**

- During the evaluation period, the bank originated one qualified CD loan totaling \$200,000 to one nonprofit community-based service organization. The proceeds were used to support current operating cash flow shortfalls until receipt of grants and donations. The organization, which is located in the bank's assessment area, provides temporary housing and other basic services to abuse victims.

### **CD Donations/Grants**

- The bank was responsive in providing qualified donations/grants to help meet the community credit needs. Over the evaluation period from October 13, 2014 through December 31, 2017, FFSLA contributed 37 donations totaling \$32,159 to ten nonprofit community-based organizations located in the bank's assessment area. All donations, with the exception of four, were made to community-based service organizations that predominately serve low- and moderate-income persons. These organizations provide free meals, health, education, mentoring and counseling services as well as basic housing needs for the homeless, abused, and at-risk families. Grant monies also funded college scholarships for at risk low-income students. Donations were also provided to four Title 1 Lowndes County schools to fund various youth programs, which provide free and/or reduced price lunches for a majority of students.

### **CD Services**

- Overall, FFSLA's level of CD services and alternative delivery systems, were responsive in meeting the credit needs of the community and are consistent with the bank's capacity and financial expertise.
- During the evaluation period, bank personnel provided leadership roles and financial literacy training with two nonprofit community-based CD service organizations and two Title 1 schools, all located in the bank's assessment area. Since 1990, the President of First Federal has served on the Board of a local university's nonprofit CD service organization that is operated by students and supported by educators and businesses in the county. FFSLA provides financial expertise as well as ongoing financial support to the nonprofit organization. The bank spearheaded the fundraising drive to build a center located in an affordable housing development to provide mentoring and financial literacy, as well as other valuable life skills, to low-income children and other low and moderate-income

persons. The nonprofit organization also provides financial literacy training to a local homeless shelter. In 2015, a bank employee provided their financial expertise and assisted with fundraising efforts by serving on the Board of this homeless shelter, which is a nonprofit CD service organization. In 2016 and 2017, four bank employees provided financial literacy training to two Title 1 schools, where the majority of students are from low and moderate-income families. Financial literacy training has been identified by our community contact as a crucial credit need.

- First Federal's delivery systems are accessible within the assessment area. The bank operates four branches that provide ATM access and drive-up facilities. The four branches are open Monday to Friday, and Saturday drive-up availability for the Norman Drive location. Of the four branches, one branch is located in a low-income geography and another branch is in a moderate-income geography. The bank offers alternative delivery systems to include ATM/debit cards free of charge for ATM transactions at the branches. Other no-cost alternative delivery systems for checking accounts include 24-hour online internet, mobile, telephone banking, online bill pay. These systems provide additional availability and access to banking services for low- and moderate-income persons and small businesses.

The bank also provides a wide array of loan products and services typical for a community bank. The bank offers deposit products that are attractive to low- and moderate-income persons and small businesses. For example, the bank offers personal checking that features a \$50 minimum opening deposit, unlimited check writing privileges and no monthly service charge. The bank also offers checking accounts with no monthly service charge and a \$200 minimum deposit to nonprofit organizations.

### **Responses to Complaints**

The bank received no complaints related to its CRA performance during the evaluation period.

# Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): (01/01/15 to 12/31/17) CD Activity: (10/13/14 to 12/31/17)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First FS&LA of Valdosta, Valdosta, GA	Home Mortgage Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Lowndes County, GA	Full-Scope	Refer to Appx B

# Appendix B: Community Profiles for Full-Scope Areas

**Table A – 2010 Demographic Information of the Assessment Area**  
**Assessment Area: FFSLA Valdosta AA-Lowndes**

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	8.0	32.0	20.0	40.0	0.0
Population by Geography	109,233	5.4	32.7	22.0	39.9	0.0
Housing Units by Geography	42,519	6.2	32.6	21.5	39.6	0.0
Owner-Occupied Units by Geography	22,665	3.8	18.7	27.7	49.8	0.0
Occupied Rental Units by Geography	15,693	9.3	49.3	13.9	27.5	0.0
Vacant Units by Geography	4,161	7.8	46.0	16.6	29.6	0.0
Businesses by Geography	6,728	5.6	37.6	13.9	42.9	0.0
Farms by Geography	224	0.9	17.4	22.3	59.4	0.0
Family Distribution by Income Level	25,490	22.1	18.0	17.9	42.0	0.0
Household Distribution by Income Level	38,358	23.9	16.5	17.0	42.6	0.0
Median Family Income MSA - 46660 Valdosta, GA MSA		\$47,027	Median Housing Value			\$124,929
			Median Gross Rent			\$700
			Families Below Poverty Level			15.3%

Source: 2010 U.S. Census and 2016 D&B Data

Due to rounding, totals may not equal 100.0

(\*) The NA category consists of geographies that have not been assigned an income classification.

**Table A – 2017 Demographic Information of the Assessment Area**

**Assessment Area: FFSLA Valdosta AA-Lowndes**

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	12.0	28.0	24.0	36.0	0.0
Population by Geography	113,203	9.6	28.8	26.4	35.2	0.0
Housing Units by Geography	45,399	10.4	30.8	25.0	33.9	0.0
Owner-Occupied Units by Geography	20,190	6.2	17.0	29.9	46.9	0.0
Occupied Rental Units by Geography	19,138	14.2	44.7	18.8	22.4	0.0
Vacant Units by Geography	6,071	12.4	32.8	27.9	26.9	0.0
Businesses by Geography	6,865	11.0	32.2	19.1	37.7	0.0
Farms by Geography	225	5.8	17.3	25.8	51.1	0.0
Family Distribution by Income Level	24,591	23.9	16.3	16.8	42.9	0.0
Household Distribution by Income Level	39,328	25.1	15.7	16.1	43.1	0.0
Median Family Income MSA - 46660 Valdosta, GA MSA		\$47,592	Median Housing Value			\$124,338
			Median Gross Rent			\$751
			Families Below Poverty Level			18.8%

Source: 2015 ACS Census and 2017 D&B Data

Due to rounding, totals may not equal 100.0

(\*) The NA category consists of geographies that have not been assigned an income classification.

The bank's assessment area consists of the city of Valdosta and Lowndes County. The MSA meets the requirements of the CRA regulation and does not arbitrarily exclude low and moderate-income geographies.

First FS&LA of Valdosta is a mutual owned thrift that was established in 1934 to provide home ownership to the Valdosta community. Lowndes County was established in 1825 and the city of Valdosta was incorporated in 1886 and is the county seat of Lowndes County. Lowndes County consists of 25 census tracts, of which 17 of the census tracts comprise the city of Valdosta, and the towns of Barretts, Hahira, Naylor and Lake Park. There are nine (9), six (6) and seven (7) census tracts designated as upper-, moderate- and middle-income areas, respectively, and three (3) tracts located in low-income areas and within the City of Valdosta. The thrift's lending area is Lowndes County Assessment Area, and primarily Valdosta, with three full service branches in Valdosta and one branch in Lake Park.

As of the 2015 ACS Census, the population of Lowndes County was 113,203. Ninety six percent of the Valdosta AA-Lowndes ethnic demographic profile is comprised primarily of Caucasians and Black, representing 54.8 percent and 35.7 percent, respectively, and 5.4 percent Hispanic. The median household income for the county was \$47,592.

Based on the FDIC Deposit Market Share Report, there are 22 national, regional and community banks with 40 branches within the Valdosta AA for 2017. FFSLA ranked sixth with total deposits of \$119.1 million or 5.5 percent of the total deposit market share and 100 percent of these deposits obtained within the bank's market. The top five major banking competitors within the AA and by rank, include Synovus Bank, Guardian Bank, Southeastern Credit Union, Bank of America, NA and the Bank of the Ozarks aggregating \$1.2 billion or 55.7 percent of total local market deposits.

#### *Employment and Economic Data*

Valdosta's economy is experiencing a slow recovery since the 2008 financial crisis, but is stable for key military and educational employers. The Bureau of Labor Statistics ("BLS") indicate that the unemployment rate for Valdosta declined from 6.6 percent at January 2015 to 4.3 percent at December 2017, and generally compares to the Georgia state and national unemployment rates of 4.7 percent and 4.4 percent, respectively, at December 2017.

The military and educational employers are the backbone of the Valdosta economy. According to Moody's Analytics, Valdosta's economy has entered a 'rough patch' due to job losses through 2017 in the metropolitan area, with higher cutbacks in retail than expected. Traditional retail stores are struggling nationally in the era of e-commerce. Education is stable despite rising freshmen enrollment in 2017 by 17 percent from the 2015 low point, at Valdosta State University, the increase is offset by an equal number of students transferring out. This impacted the limited growth in state government employment. However, the future is optimistic for Moody Air Force Base, Valdosta's largest employer. Under President Trump's Administration, increases to military spending and the federal passage of \$716 billion National Defense Authorization Act for fiscal 2019, included the biggest pay increases for the military in nine years, and promises a more secure future for Moody Air Force Base. Furthermore, under the current Administration's defense budgeting, which included \$65 million for re-winging the base's fleet of A-10 aircraft, lowers the odds of any base reductions or closures during his term.

### *Housing*

According to the 2015 census, there are 45,399 housing units in the Valdosta, Lowndes County AA, of which 20,190 units, or 44.5 percent are owner occupied, 19,138 units, or 42.2 percent are rentals, and 6,071 units, or 13.4 percent are vacant. The median home price is 124,338 and according to Neighborhoodscout.com the median home value is \$88,613, with 37 percent of the homes priced between \$102 thousand and \$204 thousand; 33 percent of the homes priced between \$51 thousand and \$102 thousand, and 16 percent of the homes priced at less than \$51 thousand. Since 2000, homes have appreciated by 18 percent. This is a relatively stable community, and growth is nominal.

Only 20 percent of the housing stock is from 2000 or newer; 53 percent of homes were built between 1970 and 1999; and 27 percent built in 1969 and prior. Composition of the Valdosta housing market consists of primarily single family homes and apartment complexes representing 64 percent and 23 percent, respectively, 11 percent of small apartment buildings, and 2 percent townhomes. Valdosta is primarily a rental community, with 64 percent of renters, with an average market rent of \$1,005 monthly, and reflects the student population attending the local colleges and universities; and 37 percent of home ownership, and 14 percent vacant homes.

# Appendix C: Tables of Performance Data

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## Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data is compiled by the FDIC and is available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables included in each set:

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** – Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents aggregate peer data for the years the data is available.

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2015-16**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Lowndes County	268	35,012	100.0	4,538	3.8	1.5	1.3	18.7	17.5	14.6	27.7	27.6	23.3	49.8	53.4	60.8	0.0	0.0	0.0

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2017**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Lowndes County	138	20,324	100.0	4,355	6.2	2.9	3.4	17.0	15.2	15.3	29.9	38.4	27.5	46.9	43.5	53.8	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2015-16**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Lowndes County	268	35,012	100.0	4538	22.1	5.6	3.1	18.0	16.8	9.5	17.9	19.8	19.1	42.0	52.2	37.8	0.0	5.6	30.5

Source: 2010 U.S. Census ; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2017**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Lowndes County	138	20,324	100.0	4,355	23.9	4.3	2.0	16.3	17.4	9.1	16.8	18.8	16.0	42.9	50.7	45.0	0.0	8.7	28.0

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0