

# **PUBLIC DISCLOSURE**

August 29, 2016

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Columbia Bank & Trust Co.  
Certificate Number: 686

232 East Street  
Bloomsburg, Pennsylvania 17815

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
New York Regional Office

350 Fifth Avenue, Suite 1200  
New York, New York 10118

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, 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.

# TABLE OF CONTENTS

Institution Rating .....	1
Scope of Evaluation .....	2
Description of Institution .....	4
Description of Assessment Area.....	6
Conclusions on Performance Criteria .....	10
Discriminatory or Other Illegal Credit Practices Review .....	19
Glossary .....	20

## INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

First Columbia Bank and Trust Co.'s (FCBT) satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test and Community Development Test performance.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank originated a substantial majority of home mortgage and small business loans in the assessment area during the review period.
- The distribution of borrowers reflects excellent penetration of loans among individuals of different income levels and businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

**The Community Development Test is rated Satisfactory.**

- The institution demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

The following table outlines the number and dollar volume of community development loans by year and purpose.

Community Development Lending												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
5/20/2013 to 12/31/2013	0	0	0	0	1	350	0	0	0	0	1	350
2014	0	0	0	0	1	100	0	0	0	0	1	100
2015	0	0	2	300	2	117	0	0	0	0	4	417
YTD 2016	1	500	0	0	1	125	0	0	0	0	2	625
<b>Total</b>	<b>1</b>	<b>500</b>	<b>2</b>	<b>300</b>	<b>5</b>	<b>692</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>1,492</b>

*Source: Bank Records*

In 2016, FCBT originated a \$500,000 loan to an organization that provides a program supporting low- and moderate-income seniors residing in a senior living facility in Danville (Montour County). The loan was secured by an investment in the Community Reinvestment Act Qualified Investment fund. The loan proceeds provide affordable housing for approximately 172 residents.

In 2015 and 2016, FCBT originated two Federal Home Loan Bank of Pittsburgh’s Banking on Business (BOB) loans totaling \$141,600 to small businesses in Columbia County. The BOB program enables financial institutions to make loans to small businesses that would otherwise potentially not be granted credit. Member financial institutions must show that the loan would not have been made without the BOB funding and provide a loan of at least 40 percent of the total project costs. The program helps small businesses with start-up and expansion costs. These loans promote economic development by supporting permanent job creation and retention.

In 2015, FCBT originated a \$200,000 line of credit and renewed a \$100,000 line of credit to an organization that provides shelter and support to women and children who are victims of domestic and sexual violence in Columbia and Montour Counties. The lines will be used to supplement working capital, pending the receipt of grant monies. These lines provide community services targeted to low- and moderate-income individuals.

In 2013, FCBT renewed a \$350,000 line of credit to an economic development agency dedicated to providing programs and services that actively promote increased and improved business attraction, creation, retention, and expansion in the Columbia-Montour County region. The line was used to cover carrying costs related to a newly constructed industrial/business park in Bloomsburg (Columbia County). In both 2014 and 2015, FCBT renewed a \$100,000 line of credit to the same organization. These lines promote economic development by supporting permanent job creation and retention.

**Qualified Investments**

FCBT’s new and existing qualified investments total \$1.7 million, which represents 1.0 percent of total securities and 0.2 percent of total assets. FCBT maintains \$838,393 in low-income housing tax credits (Trinity House Associates, L.P. and Central Court Associates, L.P.) purchased prior to the