



PUBLIC DISCLOSURE

February 23, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Beauregard Federal Savings Bank
Charter Number: 705195

522 N. Pine Street
DeRidder, La. 70634

Office of the Comptroller of the Currency

3838 N. Causeway Blvd, Suite 2890
Metairie, La 7002-8105

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.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Satisfactory**.

The Lending Test is rated: **Satisfactory**

The major factors that support this rating include:

- The Lending Test is based on a reasonable loan-to-deposit (LTD) ratio, reasonable borrower distribution to home mortgage borrowers and excellent borrower distribution to consumer borrowers.
- A majority of loans originated were inside Beauregard Federal Savings Bank’s (BFSB) assessment area (AA).
- BFSB has not received any CRA-related complaints during the evaluation period.

LTD Ratio

Considering BFSB’s size and financial condition and the credit needs of the AA, the LTD ratio is reasonable.

The quarterly average LTD ratio since the previous CRA evaluation was 77 percent. During the evaluation period, the quarterly LTD ratio ranged from a low of 60 percent to a high of 87 percent. Our analysis included a comparison with four similarly-situated banks in the area. The comparator banks’ quarterly average LTD ratio was 65 percent for the same period, ranging from a low of 54 percent to a high of 73 percent.

Lending in AA

A majority of BFSB’s loans are inside its AAs.

BFSB originated and purchased 91 percent of its total loans inside its AA during the evaluation period. This analysis is performed at the bank level. The bank only has one AA.

Lending Inside and Outside of the AA										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	60	88.2	8	11.8	68	5,449	81.3	1,255	18.7	6,703
Consumer loans	38	95.0	2	5.0	40	407	94.9	22	5.1	429
Total	98	90.7	10	9.3	108	5,856	82.1	1,277	17.9	7,133

Description of Institution

BFSB is a \$75 million, federally-chartered stock thrift located in DeRidder, Louisiana, and is wholly-owned by Beauregard Bancshares, Inc., a one-bank holding company. BFSB's strategic plan is to serve its AA by primarily originating mortgage loans and, secondarily consumer loans. In addition to the main office, BFSB has one branch office. Both facilities are full-service with traditional operating hours. BFSB does not have any automated teller machines (ATMs), but does have drive-up services at each location. BFSB has not opened any new branches or made changes to its corporate structure, including merger or acquisition activities, since the previous CRA evaluation. BFSB has one AA consisting of the entire Parish of Beauregard and portions of Vernon Parish. Both branches are located within the AA. BFSB provides many types of banking services including residential mortgage, commercial real estate, and consumer lending. BFSB also offers certificates of deposit, funds transfers, and safe deposit boxes. BFSB originates residential loans for the purposes of construction, purchase, and refinance.

Total assets as of September 30, 2021, were \$75 million. Total loans were \$40 million. The loan portfolio is comprised by dollar amount of 61 percent residential real estate, 17 percent commercial loans, 9 percent construction loans, 2 percent multi-family loans, and 10 percent consumer loans. By number of loans, the portfolio is comprised of 35 percent residential real estate, 18 percent commercial loans, 8 percent construction loans, less than 1 percent multi-family loans, and 39 percent consumer loans. The bank's Tier 1 capital is 12 million.

BFSB received an overall Satisfactory rating at the previous CRA evaluation dated August 7, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for lending was from January 1, 2019 through December 31, 2021. The product reviewed was residential home mortgage loans and consumer loans. We performed data integrity during the examination and found the data to be reliable.

We reviewed a sample of 68 home mortgage loans and 40 consumer loans.

BFSB is a Small Bank, therefore, community development (CD) activities are optional. BFSB did not submit any CD activities for our consideration.

Selection of Areas for Full-Scope Review

BFSB only has one AA. This is the DeRidder AA, which consists of all of Beauregard Parish and portions of Vernon Parish. This area received a full-scope review.

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 AA 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 Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that BFSB has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that BFSB engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of BFSB'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.

Description of Institution’s Operations in Louisiana

Table A – Demographic Information						
Non-Metropolitan Statistical Area: DeRidder AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	0.0	50.0	50.0	0.0
Population by Geography	52,026	0.0	0.0	43.9	56.1	0.0
Housing Units by Geography	21,913	0.0	0.0	45.9	54.1	0.0
Owner-Occupied Units by Geography	14,352	0.0	0.0	43.4	56.6	0.0
Occupied Rental Units by Geography	4,347	0.0	0.0	42.4	57.6	0.0
Vacant Units by Geography	3,214	0.0	0.0	61.5	38.5	0.0
Businesses by Geography	4,317	0.0	0.0	48.0	52.0	0.0
Farms by Geography	192	0.0	0.0	44.3	55.7	0.0
Family Distribution by Income Level	13,734	16.5	14.6	17.2	51.6	0.0
Household Distribution by Income Level	18,699	18.1	12.9	15.0	54.0	0.0
Median Family Income MSA – DeRidder AA		46,614	Median Housing Value			105,321
			Median Gross Rent			703
			Families Below Poverty Level			13.9
<i>Source: 2020 ACS Census and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The DeRidder AA is a rural community with two state highways intersecting through the city. These are Louisiana Highway 171 and US Highway 190. The most common industries in DeRidder are accommodation and food service, retail trade, and health care and social assistance. The city borders Leesville, Louisiana which is the home of the Fort Polk Army base. The DeRidder AA has no low- or moderate-income census tracts (CTs). The AA consists of all of Beauregard Parish and CTs 9503, 9508 and 9509 of Vernon Parish. We made two community contacts in the area to a local Chamber of Commerce and a city governmental organization. One contact provided the following information: Fort Polk Army base is located in Vernon Parish and owns 47 percent of the land mass in that parish. Over 50 percent of the persons in this area are military. The housing stock is minimal, with over 62 percent of families living in rental units. This contact also stated the primary need in the area, was small business loans for amounts less than \$50,000. Financial literacy programs for prospective small-business owners to build business plans acceptable to local banks was also identified, as a need in the area. The second contact was to a local government office. There are several opportunities in the area to assist new “start-up” businesses. This includes the local farmers market, The Market on Malone and the First Street School building, which provides low-cost rent to small businesses in the area. The contact also identified a need for Financial Literacy for both small businesses and first-time homebuyers.

Lending Test

BFSB's performance under the Lending Test is rated **Satisfactory**

Based on a full-scope review, BFSB's performance in the DeRidder AA is reasonable.

Distribution of Loans by Income Level of the Geography

The AA does not contain any low- or moderate-income CTs. Therefore, a geographic analysis could not be performed.

Lending Gap Analysis

There were no unexplained lending gaps identified.

Distribution of Loans by Income Level of the Borrower

BFSB exhibits reasonable distribution of loans to low- or moderate-income borrowers for residential real estate loans and excellent distribution to low- or moderate-income borrowers for consumer loans.

Residential Real Estate Loans

Refer to Table P in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of residential real estate loans.

The distribution of BFSB's home mortgage loans to low-income borrowers is reasonable. The proportion of loans was somewhat lower than the percentage of low-income families; however it exceeded the aggregate of peers in the area. The distribution of home mortgage loans to moderate-income families was similar to the low-income performance and considered reasonable.

Consumer Loans

Refer to Table V in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of consumer loans.

The distribution of the bank's consumer loans to low- or moderate-income borrowers is more than reasonable. The proportion of loans to low- or moderate-income borrowers exceeded the percentage of low- or moderate-income households. This represents excellent performance. There is no aggregate peer information available for consumer loans.

Responses to Complaints

BFSB did not receive any CRA-related complaints during the evaluation period.

Appendix A: Scope of Examination

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 MSAs and non-MSAs 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”.

Time Period Reviewed:	01/01/2019 to 12/31/2021	
Bank Products Reviewed:	Residential real estate and consumer	
Affiliate(s)	Affiliate Relationship	Products Reviewed
(Name of Affiliate (Abbreviation)) NA		
List of AA and Type of Examination		
Rating and AA	Type of Exam	Other Information
DeRidder AA	Full-Scope	Residential Real Estate and Consumer

Appendix B: Summary of MMSA and State Ratings

RATINGS	
Overall Bank:	Lending Test Rating
Beauregard Federal Savings Bank	Satisfactory

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a subsidiary is controlled by BFSB and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

Census Tract (CT): A small, relatively permanent statistical subdivision of a parish delineated by a local committee of census data users for the purpose of presenting data. CTs nest within parishes, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, CTs ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate BFSB's record of meeting the credit needs of its entire community, including low- or moderate-income areas, consistent with the safe and sound operation of BFSB, and to take this record into account when evaluating certain corporate applications filed by BFSB.

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, 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-Scope 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 CT 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), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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-Scope 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: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by BFSB as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

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. The median is the point at which half of the families have income above, and half below, a range of incomes. 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, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a parish or group of parishes 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 parishes that represent an employment center or centers, plus adjacent counties associated with the main/secondary parish or parishes through commuting ties.

Metropolitan Statistical Area (MSA): 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 MSA comprises the central parish or parishes containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central parish or parishes 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.

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 CD.

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

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 1 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.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that BFSB provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this evaluation.

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

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

Table P: AA Distribution of Home Mortgage Loans by Income Category of the Borrower																			2019-21		
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
AA:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
DeRidder AA	60	5,449	100%	1,867	16.5	10.0	2.1	14.6	10.0	4.9	17.2	16.7	13.2	51.6	63.3	48.7	0.0	0.0	31.1		
Total	60	5,449	100	1,867	16.5	10.0	2.1	14.6	10.0	4.9	17.2	16.7	13.2	51.6	63.3	48.7	0.0	0.0	31.1		
<i>Source: 2020 ACS Census ; 01/01/2019 - 12/31/2021 Bank Data, Due to rounding, totals may not equal 100.0%</i>																					

Table V - AA Distribution of Consumer Loans by Income Category of the Borrower													2019-21	
AA:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$(000)	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
DeRidder AA	38	407	100-	18.1	18.4	12.9	15.8	15.0	34.2	54.0	31.6	0.0	0.0	
Total	38	407	100-	18.1	18.4	12.9	15.8	15.0	34.2	54.0	31.6	0.0	0.0	

*Source: 2020 ACS Census; 01/01/2019 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%.*

