

## FortuneBank

3494 Jeffco Boulevard  
Arnold, MO 63010

- “Invested in Your Community”
- Assets: \$145,100,000
- Owned by Fortune Financial Corporation, of Arnold, MO – a bank holding company that also operates Fortune Insurance and Fortune Investments.
- Regulated by the FDIC
- Fortune Financial received \$3.1 million in TARP funds in April 2009.
- One location in a middle-income census tract in Arnold, in Jefferson County.
- Opened in Dec. 2005.
- According to FDIC statistics for 2009, 1-4 family residential lending represented only 17% of the bank’s portfolio. Commercial real estate was 27%.
- Received Satisfactory on CRA exam in August 2007, the bank’s first exam.
  - Only reviewed commercial loans because that is bank’s primary focus.
  - AA: Jefferson County and portion of St. Louis County.
    - o 70 Census tracts: no low-income, 6 moderate-income, 49 middle-income, and 15 upper.
  - Commercial lending sample: 1 loan within AA to moderate-income census tract, out of 30 loans. Most were to middle-income tracts. Considered reasonable based on the bank’s proximity to moderate-income tracts. Bank demonstrates a willingness to meet the commercial credit needs of businesses in moderate-income geographies.
  - Most commercial loans went to small businesses (under \$1 million in revenue).

Bank	Street	City	State	Zip	County	Census Tract	Income Level	% Minority	% Black
Fortune Bank	3494 Jeffco Blvd.	Arnold	MO	63010	Jefferson	7001.1	Middle	2.4	0.17

### HMDA lending

- Decline in lending over last three years.
- Lending to African American borrowers: only one loan originated in last three years, and was a high cost loan. Five applications from African Americans, three were denied making denial rate of 60%, compared to white denial rate of 7.37%.
- Majority of loans (63.79%) originated to borrowers that are not individuals, responding with NA on Race and Income characteristics.
- Majority of loans are to properties that are not owner occupied (over 88% of all).
- Low-income borrowers received 2.88% of originations in last three years, but share has increased over three years. Originated 6.58% of loans to moderate-income borrowers, which also increased.
- Lending to low and moderate income geographies: total of 13.58% to low-income census tracts and 27.16% to moderate-income census tracts. Lending to low income tracts has declined in last three years.
- Most loans originated to St. Louis County (38.27% of all loans). The City of St. Louis received 25.93% of loans, which is more than loans originated to Jefferson County (24.69%) in the bank’s assessment area.

Originations by Race and Income Characteristics of Borrower and Location of Property

	2007		2008		2009		Total	
	#	%	#	%	#	%	#	%
<b>Total</b>	141		70		32		243	
<i>Race or Ethnicity of Borrower</i>								
<b>White</b>	48	34.04%	27	38.57%	10	31.25%	85	34.98%
<b>Black</b>	0	0%	0	0%	1	3.13%	1	0.41%
<b>Asian</b>	0	0%	1	1.43%	1	3.13%	2	0.82%
<b>Other</b>	93	65.96%	42	60.00%	20	62.50%	155	63.79%
<b>Hispanic</b>	0	0%	0	0%	0	0%	0	0%
<i>Income Characteristics of Borrower</i>								
<b>Low-Income</b>	2	1.42%	3	4.29%	2	6.25%	7	2.88%
<b>Moderate-Income</b>	9	6.38%	4	5.71%	3	9.38%	16	6.58%
<b>Middle-Income</b>	9	6.38%	10	14.29%	6	18.75%	25	10.29%
<b>Upper-Income</b>	26	18.44%	12	17.14%	7	21.88%	45	18.52%
<b>Not Applicable</b>	95	67.38%	41	58.57%	14	43.75%	150	61.73%
<i>Minority population of Property Location</i>								
<b>Less than 10 %</b>	61	43.26%	30	42.86%	13	40.63%	104	42.80%
<b>10 – 19 % minority</b>	10	7.09%	3	4.29%	2	6.25%	15	6.17%
<b>20 - 49 % minority</b>	33	23.40%	18	25.71%	10	31.25%	61	25.10%
<b>50 – 79 % minority</b>	23	16.31%	9	12.86%	7	21.88%	39	16.05%
<b>80 % and higher minority</b>	13	9.22%	9	12.86%	0	0%	22	9.05%
<i>Income Characteristic of property location</i>								
<b>Low-Income CT</b>	21	14.89%	11	15.71%	1	3.13%	33	13.58%
<b>Moderate-Income CT</b>	36	25.53%	22	31.43%	8	25.00%	66	27.16%
<b>Middle-Income CT</b>	72	51.06%	29	41.43%	19	59.38%	120	49.38%
<b>Upper-Income CT</b>	11	7.80%	7	10.00%	4	12.50%	22	9.05%
	1	0.71%	1	1.43%	0	0%	2	0.82%

Originations by County:

St. Louis County – 93 (38.27%)  
 City of St. Louis – 63 (25.93%)  
 Jefferson County – 60 (24.69%)  
 St. Charles County – 7 (2.88%)  
 Franklin, Lincoln, and Washington– each with 1 (0.41%)  
 Outside of MSA – 17 (7%)

High Cost Loans

20 total loans (8.23% of all loans).  
 20% of white borrowers

100% of black borrowers – (1 of 1)  
 50% of Asian borrowers – (1 of 2)

Denial Rates:

Total – 4.80%  
 White borrowers – 7.37%  
 African American borrowers – 60% (5 applications total, 3 were denied, and only 1 originated).  
 Asian borrowers – 0%  
 Other – 1.78%

