

# FIRST TENNESSEE BANK: SERVING OUR COMMUNITIES

## 2016 Community Reinvestment Plan Update



At First Tennessee Bank (FTB), we know that our success depends on the success of the communities we serve. That means doing everything we can to strengthen the economic fabric for all who live and work in these communities.

We have reached and exceeded the majority of the goals articulated in the current Community Reinvestment Act (CRA) plan. Highlights related to the original plan commitments and results are below:

- We have more than doubled our Community Development Team, which includes the addition of five Community Development Managers (CDMs), whose sole focus is on implementing our community strategies across our entire footprint. Since their deployment, our CDMs they have been extremely active in reaching out to community organizations in their markets. As of January 2016 the CDMs had met with a total of 463 organizations seeking their valuable input and suggestions regarding community needs and opportunities. Some of these have been joint meetings with other FTB lines of businesses discussing lending, investment and service opportunities that have resulted in new partnerships.
- We developed a Mortgage Platform Partnership that allows First Tennessee access to Fannie Mae and Freddie Mac affordable mortgage options. Additionally, the bank has developed an Affordable Mortgage Program that will be implemented in 2017 as the mortgage platform partnership continues to roll out.
- We created a \$50 million Community Development Fund to grant up to \$3 million a year. So far in 2016 \$1.7 million has been distributed into FTB communities, and we will deploy another \$1.3 million by the end of 2016. Examples of our large grants in our markets are listed below:

<p><b>WEST TENNESSEE</b>  <b>Organization:</b> Church Health Center  <b>Amount:</b> \$100,000  <b>Purpose:</b> Provides medical care and treatment for low-income individuals</p>	<p><b>MIDDLE TENNESSEE</b>  <b>Organization:</b> Mayor's Office of Economic Opportunity &amp; Empowerment  <b>Amount:</b> \$100,000  <b>Purpose:</b> Supports the Nashville Financial Empowerment Center's Financial Literacy and Stem Youth Violence programs</p>	<p><b>EAST TENNESSEE</b>                      (Knoxville)  <b>Organization:</b> Eastern Eight Community Development Corp.  <b>Amount:</b> \$100,000  <b>Purpose:</b> Investment directed toward down payment assistance, closing cost assistance and financial assistance programs for home buyers</p>
<p><b>SOUTHEAST TENNESSEE (CHATTANOOGA)</b>  <b>Organization:</b> Partnership for Families, Children and Adults  <b>Amount:</b> \$100,000  <b>Purpose:</b> Investment directed toward down payment assistance program for home buyers</p>	<p><b>MID-ATLANTIC (NORTH CAROLINA)</b>  <b>Organization:</b> DHIC  <b>Amount:</b> \$60,000  <b>Purpose:</b> Provides high-quality affordable housing opportunities for seniors, families and individuals with modest incomes</p>	

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- We Increased our CRA qualified community investments by 30% since plan implementation, including substantial investments into two Community Development Financial Institutions (CDFIs), as shown below. The plan target for investments was \$80 million to \$160 million for the three-year period. As of October 2016 FTB had made \$111 million in qualified investments, with another \$8.3 million pending to close before year end.
  - Pathway Lending – a \$5 million equity investment into the Tennessee Small Business Jobs Opportunity Fund will allow for further capital for small businesses across the state.
  - Tri-State Bank – a \$1.5 million stock purchase allows for a capital infusion into the minority-owned CDFI that also brought a capital match from Treasury that improves the investment position for this institution critical to the Memphis community.
  - As part of our commitment to increase Home Mortgage, Small Business, and Community Development lending, the bank has taken extra efforts to improve practices for making loans to people with low to moderate incomes. Since plan implementation, the bank has:
    - Improved Small Business lending to 32.7% in low- and moderate-income census tracts.
    - Improved Home Mortgage lending to 31% of our overall lending in low- and moderate-income tracts and to low- and moderate-income borrowers.
  - The bank has exceeded its 2016 target of \$240 million in community development loans by a total of \$77 million, having originated 188 loans for a total of \$317 million year to date. These loans have positively affected our markets by providing affordable housing, revitalizing distressed areas, creating jobs by promoting economic development, and benefiting agencies that provide community-related services to low- and moderate-income residents.
  - Set up an employee incentive program for Community Development services and had volunteered 1,783 hours with 499 qualifying events as of September 2016.
  - We have developed new product offerings, such as prepaid cards, that allow us to help credit challenged clients.
  - We developed and deployed specific awareness campaigns in low- to moderate-income areas, including billboard, radio and direct mail, to raise awareness of our home mortgage offerings and bring more attention to our Operation HOPE's Hope Inside free financial counseling.
  - In September 2016 we announced a \$1 million investment in Operation HOPE, which includes our commitment for 15 Hope Inside locations across our footprint by 2017, and curriculum for FTB's new Education & Empowerment Program, which provides financial resources for kids, adults and small businesses.

The First Tennessee Community Development plan is part of our ongoing commitment to serving the communities where we live, work and play.