SONES & WHITE

CONSULTANTS

November 22, 2022

Via Email Only

Ms. Tanya McInnis
Program Manager for the Depository Institutions Initiatives
Community Development Financial Institutions (CDFI) Fund
bea@cdfi.treas.gov

Re: Comments on the Bank Enterprise Award (BEA) Program Application and Other BEA Program-Related Topics and Considerations

Dear Ms. McInnis:

Sones & White Consulting (SWC) respectfully submits the following comments on the BEA Program in response to the CDFI Fund's notice and request for public comment ("Notice"), published in the Federal Register on September 27, 2022 (87 FR 58639). SWC is a consulting firm based in Mississippi. We're writing on behalf of our firm and the more than seventy community banks to which we provide CDFI consulting services across the Southeast and Midwest. Over the last five years, our consultants have assisted banks in preparing over 180 BEA Applications. In 2021, 57 of our clients received BEA grants, and we anticipate that all of our clients will participate in the joint 2022/2023 BEA round.

Since we believe that the BEA Program, in its current form, provides great benefit to banks and the Distressed Communities (DCs) that they serve, we strongly endorse the Fund's recommended action of "extension without change of currently approved collection." Indeed, when the Fund proposed many of the same changes in 2019, SWC submitted a comment letter expressing many of the same sentiments set forth in this letter. SWC also sent a letter in July providing feedback on the proposed Joint 2022/2023 round of BEA. For reference, we've attached both of these letters to the cover email of this letter.

In our view, the BEA Program effectively fulfils the Program's purpose of incentivizing increases in bank activities in DCs. It provides a reasonable and predictable methodology for calculating estimated award amounts; it has a meaningful impact on both the participating banks and the communities that they serve; and it is efficiently administered by the CDFI Fund staff.

Evidence of the Program's effectiveness can be seen in the increase in bank participation and resultant activities in DCs. Over the last 5 years, for instance, participation in the Program has increased from 119 participants in 2018 to 180 expected participants in the joint 2022/2023 round. If the BEA Program continues in its current form, provided funding levels are increased proportionally to the increase in demand, we expect this trend of increased BEA participation to continue. In sum, the BEA Program is working well, and we are not aware of any compelling reason to substantively alter it.

As discussed below, many of the changes outlined in the Notice would significantly increase the burden on Applicants. Without a corresponding increase in the size of the average award, this increased burden would almost certainly lead to a decrease in participation in the Program.

In terms of structure, pursuant to the Notice this letter will provide comments on the BEA Application itself and then separate comments on other BEA Program-related topics and considerations. As an initial matter, however, we thought it would be helpful to briefly describe our clients' processes for preparing a BEA Application under the current Program rules to provide insight as to the burden for Applicants.

I. OVERVIEW OF CURRENT BEA APPLICATION PREPARATION PROCESS

On average, each BEA Application that we assist in preparing requires approximately eighty (80) hours of work to complete, which is 20 more hours than the Fund's estimate of 60 hours. A brief summary of our clients' Application preparation processes and corresponding time estimates are provided below:

Review of Notice of Funds Availability (NOFA) and CDFI Fund Guidance. Each year, the NOFA sets forth the particular rules, timing, and funding level for the BEA Program round. The CDFI Fund likewise issues detailed (and very helpful) guidance in various forms to help banks navigate the Application process. The NOFA and CDFI guidance documents totaled hundreds of pages of material to review and interpret in connection with the FY 2021 BEA funding round. Including attendance of associated Q&A webinars, this review and interpretation process collectively requires an estimated 20 hours for the average BEA applicant.

SF-424. Preparation, review, and submission of the SF-424 in Grants.gov requires approximately two (2) hours of personnel time. This does *not* take into account the SAM.gov and Grants.gov registration process, which is very time consuming for new applicants as well as applicants whose existing registrations must be updated due to changes in the business. All in all, the SF-424 requires five (5) hours of time for the average applicant.

Preparation of Loan Reports. Nearly all of our bank clients have historically relied on Distressed Community Financing Activities (DCFA) for at least part of their award Application. To complete an Application based on DCFA, the Applicant must, among other things, categorize every loan originated in the baseline and assessment periods. To properly categorize each loan, our clients generate loan reports based on loan data inputs previously loaded into their loan platform software at the time of loan origination. However, because BEA rules are very specific in defining which loans may be considered BEA qualified activities, most banks are routinely compelled to manually collect and enter additional information into their existing loan reports (*e.g*., replacing P.O. Boxes with physical addresses, adding collateral addresses, and the like).

The actual number of hours required for banks to modify their loan reports so that they will contain the information required to analyze the loans under current BEA Program rules varies from bank to bank; a few banks are able to generate reports that are so thorough that no manual change is needed, while others spend several days of personnel time scrubbing and expanding their reports. Based on our experience, obtaining and entering the loan-specific information required to properly analyze the loan report requires approximately 15 personnel hours for the typical CDFI bank.

Analysis of Loan Originations. Utilization of DCFA in accordance with BEA Program rules requires the applicant to review all loan originations in the baseline and assessment periods to ensure its DCFA calculations are correct in each and every loan type. There are a wide variety of issues involved in analyzing bank loan reports for the baseline and assessment periods. These include geocoding each loan to determine whether the borrower or collateral address is located in a Distressed Community, analyzing every Distressed Community loan to determine whether it fits into one of the DCFA loan types, determining the appropriate address and census tract to assign to each loan (*i.e.*, borrower or collateral) based on the applicable loan type, excluding renewals and refinances where no new principal was advanced, and comparing loans from the baseline period and the assessment period to determine if there is an increase in each loan type. Some clients are required to analyze a few hundred loan originations for this purpose, while others are required to analyze many thousands. On average, analysis of all loan originations requires approximately 25 personnel hours to complete.

Collection, Analysis, and Redaction of Supporting Documentation. Under current BEA Program rules, banks are required to submit loan documentation for all DCFA of $250,000 or greater. This documentation must, among other things, evidence the borrower's signature, the amount and purpose of the loan, payment to unaffiliated institutions (if applicable), and any participation agreements. This supporting documentation is often at least ten (10) pages per loan. Our average BEA applicant reports eight (8) DCFA transactions requiring supporting documentation, and some applicants report as many as 50 such transactions; moreover, there are many other transactions for which the supporting documentation is collected and processed but ultimately not submitted in AMIS, either because the transaction is found to be ineligible or because applicant elects to avoid the burden of further document review and data entry. Within the supporting documentation, furthermore, there is Personally Identifiable Information (PII) regarding borrowers and guarantors that must be manually redacted. The Fund has indicated that it will not consider loans in which the supporting documentation contains PII that has not been redacted; as a result, the redaction process is painstaking and requires an added layer of quality control to ensure the applicant does not inadvertently disqualify its DCFA by leaving PII unredacted. On average, to collect, assemble, review, and redact supporting documentation requires ten (10) hours per Application.

Data Entry. On average, each Application contains ~60 loans that are reported. For personnel who are experienced with BEA data entry in AMIS, the average loan requires one (1) minute to manually enter into the Application. The average Application therefore requires one (1) hour of manual data entry for DCFA transactions alone. One must also account for DCFA supporting documents that must be attached; transactions that must be reported within other categories (such as CDFI Related Activities and Service Activities); and the non-transactional portions of the AMIS Application (such as Organization Information, Application Contacts, Environmental Review, Baseline and Assessment Totals, Projected Use of Award, and Total Estimated Hours to Complete). When all of these considerations are taken into account, AMIS data entry alone requires three (3) hours of personnel time for the average BEA applicant.

And of course, for applicants who report several hundred DCFA transactions, this number can balloon to as high as eight (8) hours. Because data entry of DCFA transactions in particular is very time consuming, the majority of applicants elect not to report the transactions in certain DCFA loan types, despite having a reportable increase, simply to avoid the cost in personnel time associated with data entry. If these additional transactions were reported, the average hours of data entry per applicant would increase substantially.

Review and Submission. Once an applicant has reviewed the NOFA and all applicable guidance for the funding round; submitted its SF-424; prepared its loan report; completed a thorough review of its activities in the baseline and assessment periods; determined which activities constitute BEA qualified activities; collected, reviewed, and redacted all required supporting documentation; and completed AMIS Application data entry, the Application must be reviewed for accuracy and correctness and, finally, submitted. This final review and submission process requires about one (1) hour for the average applicant.

II. COMMENTS ON BEA APPLICATION

We provide comments below on the particular issues and questions concerning the Application raised by the Fund in the Notice, and we suggest minor modifications to ease the burden on Applicants. But our general comment is that the Application should remain substantially the same.

A. Necessity of Information Collected by Agency

We think the information collected by the Fund for the BEA Program is, in general, appropriate for the proper performance of the functions of the agency.

B. Accuracy of Agency's Estimate of Burden on Collection of Information

The Fund's estimate of 60 hours to collect the necessary information and prepare a BEA Application is, in our view, too low. As described above, in our experience the average BEA Application requires more than eighty (80) hours of personnel time. Based on recent maximum Award amounts of between $170,000 and $230,000, banks are able to justify the time spent on these Applications; however, any increase in burden would almost certainly result in a decrease in BEA participation.

C. Ways to Enhance Quality, Utility, and Clarity of Information Collected

Because the BEA Application in its current form produces a robust collection of data, we have no comment on ways to enhance the quality, utility, and clarity of the information collected.

D. Ways to Minimize Burden of Collection

We respectfully submit that the Fund could reduce the burden of Applicants in two ways. First, allowing Applicants to report all transactions by uploading a single .csv file, instead of requiring manual field-by-field data entry of each transaction in AMIS, would significantly reduce the personnel time associated with Application data entry. Moreover, a .csv upload would eliminate the dilemma many clients face in having to make a cost-benefit decision of whether a particular BEA qualified activity increase justifies the burden of additional data entry.

Second, requiring supporting documentation only for loans of $500,000 and greater, rather than for loans of $250,000 and greater, would substantially reduce the personnel hours associated with collection, processing, and review of supporting documentation. This change would also result in time savings for CDFI Fund staff tasked with Application review.

E. Cost Estimate for Providing Information

The primary cost for providing the information required to prepare a BEA Application is the wages, fees, and opportunity costs associated with the time that applicants' staff and independent contractors spend collecting and organizing the requested information. As described above, an average applicant's staff and/or independent contractors spend 80 hours collecting and organizing this information.

F. *General Questions about BEA Program Application*

1. Is the data and information that is proposed to be collected by the BEA Program Application necessary and appropriate for the CDFI Fund to consider for the purpose of making award decisions?

   Yes.

2. In general, does the data and information requested in the BEA Program Application allow an applicant to demonstrate its lending, investment, and service activities in BEA Program Distressed Communities or to CDFIs?

   Yes.

3. Are certain data fields, questions, or tables redundant or unnecessary?

   As discussed above, (1) field-by-field manual data entry of transactions is unnecessary and overly burdensome, and we would advocate the uploading of all transactions in a single .csv file, and (2) we believe submission of supporting documentation for loan transactions under $500,000 is unnecessary and would advocate raising the dollar amount threshold for DCFA supporting documentation.

4. Should any data fields, questions or tables be added to ensure collection of relevant information?

   No.

5. Are there any data fields, questions or tables that are particularly difficult or burdensome to answer?

   Please see our detailed discussions above regarding the burden associated with (1) field-by-field manual data entry and (2) supporting documentation.

6. The Fund is considering requiring Applicants to provide information on their most recent independent audit, their most recent Community Reinvestment Act (CRA) Rating, and information on any enforcement actions. We do not believe it is appropriate for applicants to take on this information collection burden, and there are reasons why the Fund should not request such information from applicants. First, the information that the Fund already obtains from the FRB, FDIC, and OCC should be sufficient to assess the safety and soundness of the

applicant for purposes of eligibility in the BEA Program. Second, the information regarding enforcement actions is either formal and publicly available (*e.g.*, consent order), so that there is no need to request it from applicants, or else informal and intended to be kept confidential (*e.g.*, Memorandum of Understanding), resulting in confusion on the part of applicants as to what they are required or permitted to disclose.

7. The Fund is considering adding *Business Description* and *Impact* text entry fields. We strongly oppose adding either text entry field. We estimate that adding both fields would increase the time burden on Applicants by over 60 hours in some cases. While standardizing and effectively reporting impact data is important, we believe the burden imposed by these fields, as set forth below, outweighs the likely benefits. The *Business Description* data field would require Applicants, for every Commercial Loan reported, to provide a "brief description of the entity or business that received the loan or investments." The example provided, however, described both the business *and* the specific *purpose* of the loan; it is unclear whether the Fund contemplates also adding an additional purpose description requirement. Requiring Applicants to draft a narrative description of each business or entity that received a reported Commercial Loan would dramatically increase the Applicant's burden on two fronts. In the first place, it would require additional time to review the underlying loan documents or conduct research to determine the specific industry or type of business or entity receiving the loan or investment. And second, it would increase the data entry burden for every Commercial Loan that is reported. For example, one of our clients reported over 250 Commercial Loans in a recent Application. Even assuming that it would only take an additional 10 minutes per loan to identify the type of business or entity that received the loan and then draft the description—which is an optimistic estimate—this additional requirement would have added 44 hours to the Application preparation process.

   The utility of the business descriptions to the Fund, moreover, is doubtful. Each Applicant will describe the businesses or entities using its own categories and language. It will thus be difficult for the Fund to aggregate and utilize the descriptions in any meaningful way. Thus, we believe adding a business description field is not justified under any reasonable cost-benefit analysis.

   The *Impact Description* data field that the Fund is considering would be a picklist or text entry box to more particularly describe the nature of the loan. The additional burden on applicants from this field would be immense. Like the business description field, it would increase the applicant's burden in terms of both data collection and entry. In many cases, it would require a manual review of the loan documentation for each loan to determine the appropriate sub-category that should be selected in the picklist. The purpose codes in typical loan reports, for example, do not identify whether a business loan was for startup, or expansion, or fixed capital. In the case of an applicant like our client who reported over 250 Commercial Loans, even an additional burden of 5 minutes per transaction—which is also very optimistic—results in an additional 22 hours of work to complete the BEA Application.

In sum, adding either (or both) of these text entry fields would substantially increase the burden on most applicants. For some applicants, these fields alone would likely require more than 60 hours of additional work. Without an equally significant increase in the amount of the annual average award, adding these fields would almost certainly lead to a reduction in participation in the BEA Program.

8. The Fund is considering adding the following fields to collect information about the affordability of loans reported by applicants: interest rate, interest type, term, origination fees, and points. We respectfully suggest that the Fund should not add these fields to the Application. As with the fields for tracking impact, adding fields for this affordability information would impose a significant burden on the applicant. This affordability information is not contained in the typical loan reports that are generated in the bank's ordinary course of business. Providing this information would therefore require a review of the loan documentation for each loan reported on the BEA Application. The information would then have to be entered for each transaction. Even using optimistic assumptions regarding the time, it would take an Applicant to provide this information, this field would still add several hours to most Applications, and potentially 20 or more hours for applicants with numerous transactions to report.

   We believe that there are less burdensome and more helpful ways for the Fund to obtain information on the affordability of loans made by applicants. For instance, the Fund could require applicants to provide this affordability information based on the applicant's standard rates and current loan policies instead of the particular loans reported in the Application. This would provide the Fund with a broader view of the affordability of applicants' products.

   Another option would be to have applicants attest that their loans generally satisfy certain affordability criteria determined by the Fund. This would give the Fund assurance that the applicants' loans were affordable, as defined by the Fund, without requiring the applicants to collect and submit loan-specific data and without requiring the Fund to collate that data. If the Fund were to go this route, however, we suggest that the Fund not seek further comment from the industry regarding "affordable" loan terms for each type of loan; for example, Small Dollar Consumer Loans generally involve higher interest rates and are still less profitable to CDFI banks thank other loan types.

A third option would be to only require the affordability information on loans for which supporting documentation is already required (currently $250,000 and greater). This would still impose a burden on many applicants, but the burden would at least be mitigated to a degree because the applicants would already have to collect and review the loan documentation for those loans.

III. OTHER BEA PROGRAM-RELATED TOPICS AND CONSIDERATIONS

A. BEA Program Categories

1. New Qualified Activities

   a. Are there any loan, investment or service activities not currently considered BEA Program Qualified Activities that the CDFI Fund should consider adding?

We would ask that the Fund consider adding loan purchases in which the commitment to purchase the loan was made at or prior to the time of origination. Such a loan purchase is analogous to, and indeed the functional equivalent of, a qualified loan participation that is made at the time of origination. It would therefore provide many of the same benefits to CDFIs, residents, and businesses in DCs.

   b. Should the CDFI Fund consider introducing a new Qualified Activity type specifically for working capital or equipment loans for businesses located in Distressed Communities that do not meet the criteria for a Small Business Loans?

We do not oppose the Fund adding a category for working capital or equipment loans, but do not see a compelling reason to add such categories.

   c. Should the CDFI Fund consider introducing reverse mortgages as a new Qualified Activity type or consider revising the definition of Affordable Housing Loan to include reverse mortgages?

We advocate neither adding a category for reverse mortgages nor revising the definition of AHL to include them. In our experience, few if any CDFI banks offer this product. Moreover, as highlighted in a June 13, 2019 op-ed by the Editorial Board of the USA Today newspaper, reverse mortgages have long been known for their high costs and hidden fees, and the reverse mortgage industry has been marred by predatory lending. It may well be that certain CDFI banks are extending reverse mortgage loans with borrower-friendly terms that meet the financing needs of seniors and other population segments; however, we do not see a compelling reason to ensure such loans have BEA Qualified Activity status.

2. Existing Qualified Activities

    a. Should the CDFI Fund update the definition of any qualified activity?

Yes. We propose revisions to the definitions of Small Business Loans (SBL) and Small Dollar Loans (SDL). First, we respectfully submit that the definition of SBL should be revised to eliminate the size requirement for businesses that are integrally involved in one or more Distressed Communities. Any business loan made to a business that predominantly employs DC residents or provides goods or services within DCs should qualify for purposes of BEA, no matter the size of the business. With respect to the definition of SDL, we question the need for a minimum loan amount (currently $500) and would advocate the inclusion of smaller loans for those CDFI banks who make them. Moreover, we would propose a maximum amount of $10,000, instead of the current $5,000 maximum.

    b. Are there any loans, investments, or service activities that are currently considered BEA Program Qualified Activities that the CDFI Fund should consider eliminating?

No. Each of the existing Qualified Activities incentivizes banks to increase their investments and financing activities in ways that are beneficial to DCs in a variety of ways, either in terms of meeting consumer needs, housing needs, job creation needs, or economic development needs.

    c. Should the CDFI Fund consider other eligibility criteria for Small Business Loans?

Yes. The CDFI Fund should consider eliminating the size requirement altogether for loans to businesses that are integrally involved in DCs. We encourage the Fund to incentivize all types of business lending that benefits DCs, even lending to large businesses that benefit DCs by employing DC residents or provides goods or services to DCs.

    d. Should the CDFI Fund update the valuation of the administrative cost of providing certain Financial Services?

We do not have a comment on this issue.

B. Award Selection Process

The Fund has posed several questions regarding potential modifications to the award selection process. We provide comments below on those specific questions, some of which we have combined and restated, but our general comment is that the process should not be changed, since it is effectively furthering the Fund's goal of incentivizing increased investments and financing activities that benefit DCs. The process is transparent, predictable, reasonable, and efficient. As a direct result, participation in the program has increased. The number of applicants has grown from 119 in 2018 to an expected 180 in the joint 2022/2023 round. If overall BEA funding increases proportionally, then we expect continued growth in the number of new participants year over year.

a. Award Amount

(1) Should the CDFI Fund award a higher award amount to Applicants who demonstrate an increase in more than one BEA category?

We do not advocate awarding higher award amounts to Applicants merely because they demonstrate increases in more than one category. Doing so would introduce uncertainty into the process and would not be likely to lead to an increase in Qualified Activities in DCs. In this scenario, an applicant who otherwise qualified for the maximum award amount based on an increase in one category would potentially receive a lower award in order that an applicant who demonstrated an increase in multiple categories could receive a higher award. This creates uncertainty as to the range of award an applicant is likely to receive.

Applicants seeking to serve Distressed Communities currently have a reasonable basis for predicting the estimated award based on the governing formula, funding level, and historic number of applicants; the same is not true if multi-category applicants receive a higher award. An applicant would have no way of ascertaining how many other applicants would demonstrate an increase in multiple categories or how the extra awards to those multi-category applicants would affect the awards for single-category applicants. This uncertainty would likely lead to a decrease in participation in the BEA Program.

In addition, giving higher awards for demonstrating an increase in more than one category is not likely to provide added incentive to increase Qualified Activities in DCs. Because they are doing a high volume of lending in multiple Distressed Communities and the BEA loan type definitions are very specific and do not align with Call Code categories, most BEA applicants typically do not—and as a practical matter, cannot—track their activities by loan type during the year. It is only during the Application process that the bank learns whether there was an increase in a particular category from the baseline to the assessment period. Banks, therefore, do not usually know which category they are "increasing" in and are therefore already seeking to achieve a volume of Distressed Community activities in each category. Giving an extra award will thus not provide extra incentive.

Finally, it is not clear that an applicant who achieves increases in more than one category is necessarily creating a greater positive impact in Distressed Communities than an applicant who achieves an increase in a single category. Rather, the precise nature and extent of the impact is largely dependent on the particular circumstances of each investment, loan, or service provided. Mathematical precision and objective predictability have been hallmarks of the BEA Program for many years, enabling CDFI banks who faithfully serve Distressed Communities to make a business case for continuing and expanding this service to DCs by incorporating an annual BEA Application into their strategic planning. The uncertainty created by giving higher awards based on multi-category increases would make such planning more difficult, thus disincentivizing investment in DCs.

(2) Should the CDFI Fund establish minimum or maximum awards for Distressed Community Financing Activities (DCFA), CDFI Related Activities, or Service Activities?

The Fund should not establish separate minimum or maximum awards for DCFA, CDFI Related Activities, or Service Activities. Each serves an important function in providing incentives to banks to increase activities in qualified tracts, and an increase in any of these categories should serve as an independent basis for receiving the overall maximum award. We are not aware of any outcome of the current award process that would warrant establishing separate minimum or maximum awards.

(3) Should the CDFI Fund abandon the existing award calculation formula?

We do not advocate abandoning the existing award calculation formula. The existing formula is equitable, predictable, and appropriate for an award based on past conduct. The calculation is equitable because it rightly gives priority to certified CDFIs; to smaller banks, who oftentimes need the award more than larger banks in order to continue to increase their lending in qualified tracts; and to certain categories of Qualified Activities, for which the Fund wants to provide extra incentive.
The predictability of the calculation formula, moreover, is an essential component of the process. It allows banks to have a reasonable expectation of what their award will be if they commit the resources necessary to both increase their Qualified Activities and then prepare a BEA Application.

Lastly, a transparent and predictable award formula is appropriate for a backwards-facing program like BEA. It makes sense for there to be a subjective component to the award process for the Fund's other programs in which the award is based on promised future performance. In the Financial Assistance (FA) program, for example, the Fund needs to determine whether the institution's leadership and financial track record makes it likely that it will be able to meet its proposed Performance Goal and Measures. In the BEA Program, by contrast, the good work is already done. The award is really a *re*ward. There is no need to analyze whether the bank is capable of performing; either it has or has not performed already. An objective, formula-based process like the current one is therefore appropriate.

b. Award Calculation

(1) Should the CDFI Fund consider additional criteria?

No. For all the reasons discussed above, the Fund should not consider any additional criteria.

C. Cap on Qualified Activity Amount

a. What information should the Applicant provide to aid the CDFI Fund in assessing the community benefit of transactions over $10 million?

It is difficult for us to comment on this because we are unsure as to why the cap exists and which community benefits the Fund believes would be sufficient. Our view with respect to a CRE loan is that the commercial property's mere presence in a DC is enough of a community benefit to be considered a Qualified Activity, even if the transaction exceeds $10MM. A simple statement that the building is currently, or will be, occupied by a commercial enterprise should therefore be sufficient for the transaction to be a Qualified Activity. As for CDFI Related Activities, we likewise believe that an investment in a CDFI that is integrally involved in a DC is in itself a sufficient community benefit for the transaction to be Qualified even if the transaction exceeds $10MM.

D. Integral Involvement

We thank the Fund for providing a variety of mechanisms by which a certified CDFI may demonstrate that it is Integrally Involved in a Distressed Community and do not think there is a compelling reason for the Fund to revise the definition of Integrally Involved for this purpose. However, as discussed above, we would advocate that the Fund consider adding a new definition of Integrally Involved that would apply to business borrowers that do not meet the SBA size eligibility standards. If the Fund considers this suggestion, we would request that the industry be given further opportunity for comment as the precise nature and extent of involvement in DCs that should be required for business borrowers.

In conclusion, Sones & White Consulting greatly appreciates the opportunity to provide comments and feedback from the perspective of this firm and its many CDFI bank clients, and we look forward to further discussion of these issues.

If you have any questions, or if we may be of further assistance, please do not hesitate to contact Ben Sones or Everett White at 601.790.1500 or bsones@soneswhite.com and ewhite@soneswhite.com.

With kindest regards,

SONES & WHITE CONSULTING, LLC

Ben Sones, Member

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