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# Leeds' Covenant Bank plans full-service branch in Hoover

Birmingham Business Journal - by [Crystal Jarvis](#) Staff

A small, Leeds-based bank plans to embark on new territory and buy in on a piece of the Birmingham's banking action.

**Covenant Bank**, which currently has two locations in Leeds and Moody, plans to establish a full-service branch in Hoover by the first quarter of 2009, said Covenant CEO Hayes Parnell III.

While Covenant is in the process of closing on the lot for the new branch, it is already building its client base with a new loan production office, which opened under its umbrella in July.

The bank launched its mortgage services business by recruiting the owners of **Impact Mortgage Group Inc.**, located at 5336 Stadium Trace Parkway, to work for the bank. The mortgage company now operates under Covenant's name.

Kevin Greene and Gary Eubanks, owners of the former company, will lead the bank's mortgage team, Parnell said.

Greene and Eubanks founded Impact Mortgage Group in 2001. They have closed more than 3,900 residential mortgages totaling more than \$450 million in business, according to Covenant's research.

The bank, which has \$90 million in assets, strategically planned to enter the mortgage business during a time when a number of banking giants have tightened the belts in their mortgage departments, Parnell said.

"We're getting heavy in the residential mortgage business when a number of regional banks are scaling back," he said. "There's plenty of property to be sold and plenty of loans being closed and we want to be a part of it – wherever there's activity, that's where we want to be."

Parnell said the bank plans to take advantage of the opportunities in the Birmingham market as mergers have changed the city's traditional banking market.

"We think there is a great need for community banks like ours with all the merger and acquisition going on with the larger regional banks," he said. "We're trying to expand and not

going anywhere (while) a lot of the other banks are merging and changing their names.”

John D. Harrison, superintendent of banks of the State of Alabama Banking Department, said overall banks in Alabama continued to maintain decent growth this year in “light of the negative environment.”

“Our new de novo banks continued to do well in branches,” Harrison said.

Community banks have especially invested in branches in the Birmingham-Hoover metro area within the past year, he said.

In 2007, banks opened 102 de novo branches across the state and a considerable amount of those locations were in the Birmingham-Hoover market, Harrison said.

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