

Public Disclosure

October 7, 1996

Community Reinvestment Act Performance Evaluation

**PNC National Bank
Charter Number 17395**

**103 Bellevue Parkway
Wilmington, Delaware 19809**

**Office of the Comptroller of the Currency
1114 Avenue of the Americas, Suite 3900
New York, New York 10036**

Note: This evaluation is not, nor should it 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.

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **PNC National Bank** prepared by **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **October 7, 1996**. The agency evaluates performance in assessment area, as it is delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

Institution's CRA Rating: This institution is rated Satisfactory.

The rating is based on PNC National Bank's community development loans and investments provided to New Castle County low and moderate income families.

Evaluation Period: This evaluation covers the period from April 1995 to September 1996. We reviewed bank prepared reports and found them to be accurate.

Description of Institution

PNC National Bank¹ (PNC NB) is a credit card bank based in Wilmington, Delaware. PNC NB is an \$885 million wholly-owned subsidiary of PNC Bancorp, a \$69 billion financial services holding company headquartered in Pittsburgh, Pennsylvania. The bank markets credit cards throughout the country. Consistent with its size and resources, PNC NB has the ability to help meet the credit needs of their community, including low- and moderate-income neighborhoods and individuals.

Description of Assessment Area

PNC NB has designated all of New Castle County as its assessment area. The assessment area is reasonable and does not arbitrarily exclude low- or moderate-income geographies. Affordable housing is an identified credit need. The assessment area consists of 119 census tracts. Eight percent of the tracts are low-income census tracts, 18% are moderate-income tracts, 52% are middle-income tracts, and 22% are upper-income tracts. The population of the assessment area is 441,000 with the current MSA median family income \$44,332. Owner-occupied housing comprises 65% of total housing and rental housing units comprise 30% of the total. The remaining 5% of total housing units are vacant or boarded up.

¹ PNC National Bank has been designated a limited purpose institution for purposes of the revised Community Reinvestment Act regulation.

Conclusions with Respect to Performance

- **PNC NB is responsive to the needs of the community and has provided a satisfactory level of support to qualified community development programs.**

All of PNC NB's qualified investments and community development loans benefitted the assessment area or the broader regional area. Management has placed emphasis on organizations and programs that target affordable housing, small business and economic development needs of low- and moderate-income individuals and geographies. For the evaluation period, actual outlays through these means totaled approximately \$3.4 million.

Community Development Investments

PNC NB has committed to invest \$500 thousand in the Delaware Equity Fund for Housing, L.P. This fund was established in conjunction with the DCIC and provides equity financing for affordable housing rental properties. The bank's investment has provided equity financing for housing projects that will provide more than 250 reduced rate rental units throughout the State of Delaware. During the evaluation period, the bank invested \$50 thousand in this fund.

PNC NB has committed to invest \$500 thousand in Anthem Capital, L. P., a small business investment company that provides venture capital funding for qualified small businesses. During the evaluation period, the bank invested \$76 thousand in this partnership.

PNC NB has recently entered into an innovative arrangement with local LMI neighborhood civic association. The bank is working with the association to provide technical assistance and grants to improve a low- to moderate-income community located near the bank's main office. The bank has advanced \$5,000 for Habitat for Humanity to acquire and renovate a home to be sold to a first time home buyer in the civic association's neighborhood. In addition, the bank has committed to provide a \$6,000 grant to the association, with matching funds from the State of Delaware, for the purpose of engaging a graduate student at the University of Delaware to assess the needs of the community and the civic association and create a strategic plan.

Qualifying contributions during the evaluation period totaled \$40 thousand.

These contributions were to organizations whose programs and services promote affordable housing or benefit low- and moderate-income families, individuals and small businesses.

Community Development Loans

During the evaluation period, PNC NB purchased thirty-nine community development mortgage loans totaling \$3.2 million from PNC Mortgage Corporation of America. These loans were originated in New Castle County as part of a first-time home buyers program for low- and moderate-income individuals.

PNC NB has a commitment to extend \$500 thousand in loans through the Delaware Community Investment Corporation (DCIC). DCIC operates as a multibank community development corporation to finance the production of affordable housing in Delaware. During the evaluation period, the bank advanced \$105 thousand in DCIC loans.

The CRA examination included a fair lending review. Our review did not identify any violations of the substantive provisions of the antidiscrimination laws and regulations.