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**Office of the Comptroller of the Currency  
Administrator of National Banks**

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**PUBLIC DISCLOSURE**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**May 31, 1997**

**First Union National Bank of Florida  
214 North Hogan Street  
Jacksonville, FL 32202**

**Charter Number 17695**

**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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **First Union National Bank of Florida**, prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency.

The evaluation represents the agency's current assessment and rating of the institution's CRA performance based on an examination conducted as of **May 31, 1997**. It does not reflect any CRA related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U.S.C. §2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with the examination of a financial institution, each federal financial supervisory agency will (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve the application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the agencies to make public certain portions of their CRA performance assessments of financial institutions.

### **Basis for the Rating**

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based upon a review of twelve assessment factors, which are grouped together under five performance categories, as detailed in the following section of this evaluation.

## ASSIGNMENT OF RATING

### Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

#### **Outstanding record of meeting community credit needs.**

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

#### **Satisfactory record of meeting community credit needs.**

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

#### **Needs to improve record of meeting community credit needs.**

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

#### **Substantial noncompliance in meeting community credit needs.**

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

## DESCRIPTION OF CONTENTS

The balance of this document contains information presented in four sections. The sections are: **Performance Context, Summary of Institution's Performance, Discussion of Institution's Performance** and **Additional Information**.

The **Performance Context** section provides data about the bank, its direct and indirect (through affiliates) lending structure, and its delineated communities. The **Summary of Institution's Performance** presents the bank's rating and performance highlights which are further discussed relative to the 12 assessment factors grouped under five performance categories (refer to **General Information**).

### **Performance Context**

- Bank Profile
- Community Profile

### **Summary of Institution's Performance**

- Institution's Rating
- Performance Highlights

### **Discussion of Institution's Performance**

- Ascertainment of Community Credit Needs
- Marketing and Types of Credit Offered and Extended
- Geographic Distribution and Record of Opening and Closing Offices
- Discrimination and Other Illegal Credit Practices
- Community Development

**Additional Information** - Corporate and Local CRA Programs

## PERFORMANCE CONTEXT

### Bank Profile

**First Union National Bank of Florida (FUNB-FL)** is the largest banking subsidiary, based upon total assets, of **First Union Corporation (First Union)**, a multi-bank holding company headquartered in Charlotte, North Carolina. First Union is the nation's sixth largest banking corporation with total assets of **\$140 billion** as of year-end 1996. The corporation owns ten national banks based in the District of Columbia, Florida, Georgia, Maryland, North Carolina, Pennsylvania, South Carolina, Tennessee, and Virginia.

With total assets of **\$39 billion** as of December 31, 1996, FUNB-FL is the largest bank in the state. The bank operates 498 full service branches, 47 specialty and limited service branches, 14 motor banks, and 80 stand-alone automated teller machines (ATMs) throughout the state. The bank offers a full range of loans and services in all of its markets. These FUNB-FL markets reflect reasonable community delineations which do not arbitrarily exclude any low- or moderate-income (LMI) areas. Refer to the **Community Profile** section for more information.

Lending by affiliates helps FUNB-FL identify and address community credit needs. For the First Union subsidiary banks, including this one, residential mortgage lending is largely consolidated at **First Union Mortgage Corporation (FUMC)**. FUMC processes mortgage loan applications and subsequently sells originations to First Union national bank affiliates or the secondary market. Another subsidiary of the holding company, **First Union Home Equity Bank, N.A.**, provides home equity financing in 35 states, including Florida.

#### **Notes:**

**LMI** denotes low-and moderate-income (LMI). This means an individual or borrower income that is less than 80% of the area median income or, in the case of a geography, a median family income that is less than 80% of the respective MSA.

The **population statistics and income information** reflects data obtained from the 1990 Census and the United States Department of Housing and Urban Development (HUD).

**Evaluation Period** - The bank's previous CRA Performance Evaluation is dated April 11, 1994, when the bank had total assets of \$27 billion; now it has grown about 44% to \$39 billion. This current Performance Evaluation reflects the bank's performance assessed since then through May 31, 1997, based primarily upon data for 1995 and 1996.

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The following tables reflect the bank's distribution of assets and loans as of December 31, 1996.

<b>Asset Description</b>	<b>Dollars (millions)</b>	<b>Percent of Total Assets</b>
Cash and Other Liquid Assets	\$4,938	13%
Investment Securities	4,113	10
Net Loan and Lease Receivables	27,639	70
Fixed and Other Assets	2,569	7
<b>Total Assets</b>	<b>\$39,259</b>	<b>100%</b>

<b>Loan Type</b>	<b>Dollars (millions)</b>	<b>Percent of Gross Loans</b>
Loans Secured by 1-4 family residential properties	\$12,678	45%
Consumer Loans to Individuals (includes Credit Cards)	5,831	21
Commercial and Industrial Loans	2,604	9
Construction and Land Development Loans	629	2
Loans Secured by multifamily residential properties	426	2
Loans Secured by Farmland	135	less than 1
Loans to Finance Agricultural Production	112	less than 1
Other Loans	5,677	20
<b>Gross Loans</b>	<b>\$28,092</b>	<b>100%</b>

**Community Profile**

Florida is a large and diverse state with 20 Metropolitan Statistical Areas (MSAs), 67 counties and 2,448 census tracts and block numbering areas (BNAs). Due in large part to the climate, Florida continues to attract new residents and is second only to Texas in population growth. From 1980 to 1990, Florida experienced population growth of 33%, from 10 million to 13 million residents. During the same time frame, the population doubled in most urban areas and showed modest increases in rural communities.

For FUNB-FL, the delineated communities include 2,276 of the Florida geographies. Within this group, 25% are designated as LMI areas. The following table shows the distribution by income level of these geographies and families.

<b>Income Level</b>	<b>Geographies *</b>	<b>Percent of Total</b>	<b>Families</b>	<b>Percent of Total</b>
Low	126	5%	644,939	19%
Moderate	452	20	635,555	19
Middle	1,157	50	769,614	23
Upper	541	23	1,336,357	39
<b>Total</b>	<b>2,276</b>	<b>100%</b>	<b>3,386,465</b>	<b>100%</b>

\* Geographies = census tracts and block numbering areas (BNAs).  
 BNAs = statistical subdivisions of counties in which census tracts have not been established by the U.S. Bureau of the Census.

As of the 1990 Census, 94% of the geographies and 95% of the families in the bank’s communities are in MSAs. Similarly, all low-income census tracts and 98% of the moderate-income tracts are within MSAs.

According to a 1996 map depicting office locations, FUNB-FL operates in 19 of the 20 MSAs in the state of Florida. These 19 MSAs include 33 counties and account for 93% of Florida’s population. In addition, the bank’s delineated communities include 17 counties or portions of counties which are not in a MSA.

The five most populated MSAs where the bank operates are: Jacksonville (state headquarters), Ft. Lauderdale, Miami, Palm Beach, and Tampa. These MSAs account for 54% of the state population. Demographic information on these major markets follows in the balance of this section.

Jacksonville MSA/Duval County

The Jacksonville MSA consists of Clay, Duval, Nassau, and St. Johns counties. The most populated counties are Duval (672,971 residents) and Clay (105,986 residents) followed by St. Johns and Nassau. Approximately 173 census tracts are in the MSA. Tract designations are: 46 LMI, 83 middle-income, 37 upper-income, and seven unpopulated. The bank's delineation includes all of the MSA except for two census tracts, neither of which are designated as low- or moderate-income.

Approximately 243,636 families reside in the MSA with 38% of the families classified as low-and moderate-income, 23% middle-income and 39% upper-income. The 1996 HUD median family income is \$43,000. The median housing value is \$61,400 however, the housing stock is old as the average house was built in 1967. Approximately 38% of the housing units are rental. Major employers in the area are the U.S. Navy, a school board, and financial services.

The following credit needs were identified by the regulatory agencies through community contacts: revitalization of targeted neighborhoods, affordable housing, and small business loans.

Fort Lauderdale MSA/Broward County

Fort Lauderdale is geographically situated on the southeast coast of Florida just north of Miami in Broward County. Broward County is comprised of 164 census tracts designated as follows: 41 low-and moderate-income, 77 middle-income, 42 upper-income and 4 unpopulated. The bank's delineation includes all of Broward County except one census tract which is not considered a LMI area. The county population is 1,255,488. Major industries are tourism, services, and manufacturing.

The 1996 HUD median family income is \$46,600. According to 1990 census information, 337,284 families reside in the county. Of this total, 38% of the families are low- and moderate-income, 22% middle-income and 40% upper-income.

The following credit needs were identified in Broward County by the regulatory agencies through community contacts: home improvement financing, small business loans, and technical assistance for minority businesses.



Miami MSA - Dade County

The entire Miami MSA consists of Dade County which includes 267 census tracts. The distribution reflects 36 low-income, 57 moderate-income, 96 middle-income, 75 upper-income, and three census tracts which were unpopulated as of the 1990 census.

FUNB-FL designated all but two tracts as its delineated communities. Neither of these tracts are considered LMI. HUD estimated 1996 median family income is \$38,300. Median Housing value is \$81,600.

Dade County is located on the southeastern coast of Florida, making it an important hub of international trade and commerce. The county's moderate climate and attractive beach areas draw substantial domestic and foreign tourist business. The economy is stable. Dade County has the second largest financial center in the country, but also includes the country's fourth poorest city (Miami). While regional employment has grown 21 percent in the last decade, unemployment among the young exceeds 20 percent.

As of the 1990 census, there were 485,191 families in the county. The distribution includes 23% low-income, 17% moderate-income, 19% middle-income and 41% upper-income families.

The dominant credit need within the area identified by the regulatory agencies is funding for the purchase and rehabilitation of low-and moderate-income housing. Other important needs include small business and trade finance lending.

Palm Beach-Boca Raton MSA/Palm Beach County

Palm Beach County is located on the southeast coast of the state. It is the largest of the 67 counties in the state and has the third largest population (863,518 residents). Since 1980, the county's population increased by 50% and is considered one of the fastest growing in the country as a result of immigration. The county's population continues to age as the elderly population (age 65 and over) accounts for 24% of the population. The county's most important industries are agriculture, tourism, and manufacturing. The county is one of the nation's leading agricultural areas.

Palm Beach County is comprised of 211 census tracts designated as: 55 low- and moderate-income, 87 middle-income, 65 upper-income and four unpopulated. The bank's delineation includes all of Palm Beach County except one census tract which is not designated as LMI. The 1996 HUD median family income for Palm Beach County is \$48,000. Approximately 244,633 families reside in the county. Of this total, 38% of the families are categorized as low- and moderate-income, 23% middle-income and 39% upper-income.

Tampa-St. Petersburg-Clearwater MSA

This MSA includes Hernando, Hillsborough, Pasco and Pinellas counties. The MSA includes 413 census tracts designated as: 109 low- and moderate-income, 194 middle-income, 103 upper-income and seven unpopulated. The bank's delineation includes the entire MSA except eight census tracts, none of which are LMI areas.

The population of the MSA is 2 million. Of the four counties, Pinellas is the most populated with 851,659 individuals closely followed by Hillsborough with a population of 834,054. While the counties have long been known for tourist trade, services and light manufacturing are strong and fast growing sectors of the local economies. These counties have historically enjoyed a relatively low unemployment rate compared to other parts of the U.S.

Approximately 579,152 families reside in the MSA. Of this total, 38% are low- and moderate-income, 23% middle-income and 39% upper-income. Median housing value is 67,400. The housing stock is somewhat stagnant as the average house was built in 1972.

## SUMMARY OF INSTITUTION'S PERFORMANCE

### **Institution's Rating:**

Based upon the findings presented below, this institution is rated: **“Outstanding record of meeting community credit needs.”**

### **Performance Highlights:**

- o With support from its parent company and affiliates, FUNB-FL has demonstrated strong efforts to comply, throughout the evaluation period, with the legal requirements and spirit of CRA. The Board of Directors and senior management have actively contributed to the processes that help plan, implement, and monitor the bank's CRA related performance.
- o FUNB-FL has maintained ongoing, meaningful contacts with a broad range of community representatives to determine credit needs and the products and services that can help meet those needs. The bank has modified or established products, services and programs to respond to the identified credit needs.
- o FUNB-FL is visible throughout the communities in non-traditional ways. As of December of 1996, FUNB-FL has placed 191 computer-based financial training modules in high schools throughout the state. Also, the bank has school savings programs in 36 schools that serve 11 communities.
- o In response to a need for credit education in the communities, FUNB-FL formed partnerships with numerous organizations. Approximately 92 partnerships formed with county, city and community-based organizations throughout the state provide assistance to potential small business owners and low-and moderate-income home buyers.
- o The bank has received credit applications from areas located throughout the delineated communities. The actions taken reflect a reasonable distribution of loan originations and denials throughout the communities.
- o FUNB-FL has shown substantial compliance with the anti-discrimination laws and regulations.
- o FUNB-FL actively participates in government insured, guaranteed and subsidized lending programs which has also helped the bank better serve the low- and moderate-income individuals and communities. During 1995 and 1996, FUNB-FL originated over 22 thousand government insured and subsidized loans totaling \$272 million.

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- o The bank's residential real estate lending is greater than the level reflected by its primary competitors and exceeds the average reported by all Florida commercial banks. For the year ending 10-31-96, FUNB-FL, originated over \$2 billion in residential mortgage and rehabilitation loans. In addition, the bank extended \$96 million in small business loans.
- o To help meet community credit needs, FUNB-FL promoted economic revitalization and growth, often in a leadership role. FUNB-FL has continued to demonstrate a willingness to apply its human and financial resources to help the communities it serves. While financial support has often been provided to various community activities, bank personnel have shared technical expertise with consumers, business owners, and community-based organizations.
- o FUNB-FL is a leader in several programs/projects designed to develop and revitalize communities throughout the state. The bank has helped construct or renovate multi-family units utilizing low income housing tax credits, formed public and private partnerships that promote affordable housing, invested in nonprofit organizations involved in economic development, and participated in other community development activities. Specific examples of the bank's participation follows:
  - FUNB-FL leads other institutions in investments in low-income housing tax credits. During 1995 and 1996, FUNB-FL total tax credits for low income housing was \$131 million. This participation impacted the construction or renovation of 20 projects or 2,891 housing units.
  - FUNB-FL is a state leader in establishing partnerships that promote affordable housing. As of October 31, 1996, the bank has formed 92 partnerships with governmental organizations and committed \$122 million. An example of the bank's leadership role is its participation in the Interest Subsidy Program. Since the inception of the program, FUNB-FL has been the major financial lender and funded 118 of 159 loans made under the program. The program is designed to eliminate blight and encourage economic development in Community Redevelopment Zones. During 1995 and 1996, the bank originated 17 loans totaling \$311 thousand.

## DISCUSSION OF INSTITUTION'S PERFORMANCE

### I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

**Assessment Factor A** - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

- o FUNB-FL has effectively determined the credit needs of its communities and has developed products and/or services to help meet those needs. This also includes efforts to address the needs of low- and moderate-income areas.**
- o Lending products have been modified and service oriented programs have been instituted.**

FUNB-FL uses a two-tier approach to ascertain the credit needs of its communities. This approach includes external surveys supplemented with active participation by directors and employees in various civic, government, non-profit, and community organizations throughout the communities. As a result, FUNB-FL has maintained ongoing, meaningful contacts with a full range of community representatives (individuals and groups).

During this evaluation period, one internal and two external surveys were conducted to determine credit needs. The two thousand individuals contacted included leaders, members and representatives of :

- churches,
- non-profit organizations,
- community development corporations,
- housing advocacy groups,
- small- and minority-owned businesses, and
- government offices (city, county, federal).

Directors and employees are actively involved in numerous community, civic, governmental, and housing related organizations throughout the state. Examples of such organizations include:

- Consortium for Affordable Home Financing,
- Economic Development Council,
- Black Business Investment Corporation,
- Economic Revitalization Committee,
- Florida Housing Coalition, and
- Homeless No More Inc.

The bank has demonstrated several types of participation with these and other organizations. As a result, FUNB-FL has been able to reach various segments of the communities and recognize a broad spectrum on community needs. Through these ascertainment efforts, FUNB-FL identified the following five major credit needs:

- affordable housing loans,
- affordable home improvement loans,
- small business loans
- small farm loans, and
- down payment assistance programs.

The board and senior management were very responsive in addressing these needs by developing products such as the affordable home mortgage, special mortgage, and special home improvement loan programs. In addition, the bank established a small business division and participates in the Small Business Administration and Rural Housing Service (Farmers Home Administration) loan programs.

These community credit needs were confirmed during our examination and were found to be similar throughout all of the bank's delineated communities. This confirmation was obtained through reviews of regulatory activities including community contacts, HUD consolidated plans, community profiles generated by the Federal Reserve, and other economic and demographic data.

Management also identified the need for consumer, small business and small farm credit education in the communities. In response, FUNB-FL formed partnerships with numerous organizations to address those education needs. Approximately 92 partnerships have been formed with county, city and community-based organizations throughout the state to provide assistance to potential small business owners and low-and moderate-income home buyers. Through loan programs associated with these partnerships, applicants receive information on:

- how to establish a business,
- the personal or mortgage loan process,
- the responsibilities of home ownership,
- assistance available for down payment and closing costs, and
- a variety of loan types (home improvement, rehabilitation, and small business, including micro-loans).

**Assessment Factor C** - The extent of participation by the institution's Board of Directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

- o CRA is an integral part of the Board's planning process and banking philosophy.**
- o The Board and senior management are actively involved in planning, implementing and monitoring the bank's CRA activities.**
- o The Board and senior management support CRA training for bank and corporate personnel.**

Currently, there are two main committees that direct CRA program activities at the board and management levels. The Self Assessment Committee meets quarterly and is responsible for overseeing and directing the CRA process. The committee consists of the Chief Executive Officer and Chairman and Vice Chairman of the board. Also included on the committee are area presidents, the CRA Coordinator, the state Community Development Lending Director and individuals who report to executive management. The audit committee meets quarterly and reviews CRA results. All CRA matters that are discussed by these committees are presented quarterly to the corporate CRA Steering Committee.

The Board of Directors has approved a formalized CRA program which includes CRA goals, objectives, methodology, and analyses. The CRA program provides a methodology for an annual self assessment and CRA action plans are developed to ensure that corporate goals and directives are met. The Board of Directors receives quarterly progress reports of CRA activities.

Goals for the sale of special products are established annually for each delineated community. Also, annual lending goals are established for each priority tract identified. A priority tract represents any census tract or block numbering area with less than 80% of the bank's average loan penetration in a delineated community. The primary purpose of this process is to improve the bank's overall lending performance with particular emphasis on low-and moderate-income census tracts. Management's efforts to meet these goals are monitored quarterly and are reported to the Self Assessment Committee at its regular meetings.

Employee training for CRA is good. Classroom and computer-based CRA training were available to all employees during 1996.

## II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

**Assessment Factor B** - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

- o **FUNB-FL has implemented sound marketing and advertising programs.**
- o **These programs inform all segments of the bank's delineated communities of available loan products and services, including those developed to meet identified credit needs.**

In conjunction with the corporate marketing department, the bank prepared marketing initiatives designed to respond to identified community credit needs. FUNB-FL advertises specific credit products through local newspapers, direct mail campaigns, radio, and telemarketing to reach all segments of the delineated communities. Several of the bank's advertisements are specifically targeted to low- and moderate-income areas and individuals. For example, the home equity and automobile loan programs were marketed through direct mail solicitations to individuals residing in low- and moderate-income census tracts. The bank uses market penetration reports and audience profiles to determine which advertising medium to use to promote a certain product. Marketing and advertising records are maintained.

FUNB-FL also markets its credit products when sponsoring credit seminars. The seminars respond to identified needs and allow personnel to routinely assist individuals and groups with various credit related matters. The seminars include subjects which help community members better understand credit, how to apply for credit, how to improve/repair credit history, and they provide information about home ownership. During this evaluation period, FUNB-FL made active use of these forums through 727 seminars which were attended by 27,708 individuals.

The bank has also been visible in the communities in non-traditional ways. As of December of 1996, FUNB-FL has placed 191 computer-based financial training modules ("Choices and Decisions") in high schools throughout the state. Also, the bank had school savings programs in 36 schools that served 11 communities.

- Choices and Decisions: Taking Charge of Your Life - This represents an educational program developed by the VISA, U.S.A. Corporation in cooperation with the United States Office of Consumer Affairs and the National Consumers League. This module teaches personal financial management skills to students (high school seniors) throughout the state. It helps students learn to make better financial decisions by addressing subjects such as: budgeting, financial planning, the importance of credit, and how to make good credit decisions.
- School Savings Banks - FUNB-FL offers this service in partnership with elementary and middle schools throughout the state. Students operate the banks with assistance from bank



employees. The bank pays the regular savings account interest rate for these deposits and it provides a quarterly statement to each student customer. As the students operate these banks, they learn:

- the importance of saving money,
- how to handle money carefully and responsibly,
- customer service skills, and
- how to manage a business.

**Assessment Factor I** - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community.

- o **FUNB-FL has been highly responsive to identified credit needs in its communities.**
- o **The volume of residential mortgage, small business and other lending in the communities reflects exceptional responsiveness to the most pressing community credit needs.**

The volume of residential mortgage (including home improvement), housing rehabilitation, small business and small farm loans in the communities is significant. In addition, for the 12 months ended October 31, 1996, approximately 23% of the number and 19% of the dollar volume of such loans were to borrowers in low- and moderate-income geographies.

To better address the credit needs of small businesses, First Union developed a **Small Business Banking Division (SBB)** which also serves the Florida markets. The SBB targets businesses with annual revenues of \$5 million or less. This Division addresses loan requests for \$25,000 to \$350,000 and was established to expedite the loan process for small businesses. The table entitled **Loan Originations** includes the consumer portion of these loans.

FUNB-FL made 8,935 loans (\$1.2 billion) to small businesses in 1996. About half of that number (3,694) represent loans to businesses with gross annual revenues of \$1 million or less for \$136 million.

Results of the bank's lending are reflected in the following two tables.

<b>Residential Mortgage, Housing Rehabilitation and Small Business Lending</b>						
	<b>Residential Mortgage</b>		<b>Housing Rehabilitation</b>		<b>Small Business</b>	
	<b>Originations by Number</b>	<b>Originations by Dollars (000)</b>	<b>Originations by Number</b>	<b>Originations by Dollars (000)</b>	<b>Originations by Number</b>	<b>Originations by Dollars (000)</b>
10 Months Ended 10/31/95	16,786	\$601,826	9	\$520	NA	NA
12 Months Ended 10/31/96	26,062	\$1,778,376	7	\$253	3,186	\$95,553
<b>Total</b>	<b>42,848</b>	<b>\$2,380,202</b>	<b>16</b>	<b>\$773</b>	<b>3,186</b>	<b>\$95,553</b>

As of December 31, 1996, the FUNB-FL loan portfolio comprises a greater than average proportion of total assets when compared to other banks in the state. Furthermore, the proportion of 1-4 family residential real estate and consumer loans is larger than the level reflected by the primary competitors (large, statewide banking institutions) and exceeds the average reported by all Florida commercial banks.

<b>COMPARATIVE DATA</b>			
<b>Ratio Description</b>	<b>FUNB-FL</b>	<b>Primary Competition</b>	<b>All Florida Banks</b>
Net Loans to Total Assets	72%	68%	69%
Net Loans to Total Deposits	87%	81%	83%
1-4 Family Real Estate Loans to Gross Loans	45%	36%	39%
Secured by Farm Property or For Farm Production	1%	Less than 1%	1%
Consumer Loans to Gross Loans	21%	17%	14%

**Assessment Factor J** - The institution's participation in government-insured, guaranteed or subsidized loan programs for housing, small business, or small farms.

- o FUNB-FL has taken a leadership role in government insured, guaranteed or subsidized loan programs.**
- o The bank's innovative activities have contributed to a significant improvement in the availability of credit in the communities.**

FUNB-FL has been an active participant in government insured, guaranteed and subsidized lending. The bank has been particularly active in programs targeted to help meet the needs of those unable to qualify for more conventional financing and those whose income precludes the unsubsidized purchase of quality housing. FUNB-FL is the state's largest participant in the federal tax credit purchase program. In addition to contributing equity to low- and moderate-income projects, the bank is a significant provider of construction and permanent financing.

<b>GOVERNMENT INSURED AND SUBSIDIZED LOAN ORIGINATIONS</b>		
<b>Loan Type</b>	<b>Numbers</b>	<b>Dollars (000)</b>
Federally Subsidized Multi-Family Housing Programs	1,796	\$44,514
Federal, State, and Locally Subsidized Single Family Housing	535	27,017
Federal Housing Administration Guarantee	630	61,033
Veterans Administration Guarantee	486	44,893
Small Business Administration Guarantee	55	20,455
Student Loan Guarantee	18,876	73,405
<b>Totals</b>	<b>22,323</b>	<b>\$271,317</b>

First Union began offering loans to small businesses on a corporate level through the centralized SBBD during the second quarter of 1995. The division is designed to provide prompt and efficient service by telephone within a 24-hour response time. The program's success indicates an ability to help meet customer needs and helps to explain the slight decline in SBA guaranteed loans.

### III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

#### Reasonableness of Delineated Communities

**o The delineated communities of FUNB-FL reflect areas which the bank can reasonably serve, including low- and moderate-income areas.**

The bank delineated 28 communities which include 2,276 geographies or 93% of all geographies in the state using MSA and county boundaries. These delineations conform to the technical requirements and intent of the Community Reinvestment Act.

Assessment Factor E - The geographic distribution of the institution's credit extensions, credit applications, and credit denials.

**o The bank's credit applications, originations and denials reflect a reasonable distribution throughout all segments of the delineated communities.**

Since October of 1995, FUNB-FL has actively monitored the distribution of its mortgage, commercial and consumer loans in its delineated communities. Each year, the bank identifies areas which reflect a need for focused attention. These "priority tracts" represent any census tract or block numbering area with less than 80% of the bank's average penetration in a delineated county. Management sets goals for reducing the number of low- and moderate-income "priority tracts" in each community. Annually, management assesses performance against these goals.

Our review of mortgage activity in 1995 and the "priority tracts" identified in October, 1996, revealed a reasonable distribution throughout all communities, including low- and moderate-income areas. While there are geographies with lower than average penetration, community and competitive characteristics explain the variances noted. Primary factors affecting penetration in these areas include:

- a very high proportion of rental occupancy or multi-family housing, providing little opportunity for most types of home mortgage lending;

- areas with exceptionally low median family income levels relative to median housing value, providing little opportunity for home mortgage lending;
- areas with little or no population, also limiting the opportunities for the bank to make home mortgage loans; and
- areas where competing institutions are more conveniently located than the nearest FUNB-FL offices.

The next table reflects the distribution of mortgage, consumer, small business and commercial originations and denials in low- and moderate-income geographies. As shown by the percentages, the bank's results in each income category are reasonably consistent with the geographic distribution in the delineated communities.

<b>Mortgage, Consumer, Small Business and Commercial Lending 12 Months Ended 10/31/96</b>								
<b>Income Level</b>	<b>Geographies in the Communities</b>		<b>FUNB-FL Originations by # of Loans</b>		<b>FUNB-FL Originations by Dollars (000)</b>		<b>FUNB-FL Denials by # of Applications*</b>	
<b>Low</b>	126	5%	5,717	2%	\$283,738	3%	11,009	5%
<b>Moderate</b>	452	20%	49,768	21%	\$1,739,449	16%	62,865	27%
<b>Middle</b>	1,157	50%	125,524	52%	\$6,074,152	53%	121,883	52%
<b>Upper</b>	541	23%	58,855	25%	\$3,104,450	28%	38,423	16%
<b>Total</b>	2,276	98%	239,864	100%	\$11,201,789	100%	234,180	100%

\* Denial statistics do not include commercial loans. Information for denied commercial loans was not readily available.

We also analyzed the 1995 HMDA reportable mortgage loan origination trend by borrower income. The data indicates that lending to low- and moderate-income borrowers is also reasonably consistent with the distribution of such borrowers in the bank’s delineated communities.

Home Mortgage Lending (1995)						
Income Level	Families in the Communities		Distribution by Number of Loans*		Distribution by Dollars* (000)	
Low	644,939	19%	1,402	10%	30,963	4%
Moderate	635,555	19%	3,176	22%	104,696	13%
Middle	769,614	23%	3,379	23%	131,762	17%
Upper	1,336,357	39%	6,387	45%	512,493	66%
<b>Total</b>	<b>3,386,465</b>	<b>100%</b>	<b>14,344</b>	<b>100%</b>	<b>779,914</b>	<b>100%</b>

\* Includes only loans in MSA portions of the bank’s communities. Does not include loans made in non-MSA areas or outside of delineated communities.

**Assessment Factor G** - The institution's record of opening and closing offices and providing services at offices.

- o The number and distribution of banking facilities provides a reasonable level of access, service, and convenience to all segments of the FUNB-FL communities.**
- o The bank’s record of opening and closing offices has not adversely affected the level of services available in low- and moderate-income areas.**

The bank operates 498 full service branches, 47 specialty and limited service branches, 14 motor banks and 80 stand alone automated teller machines (ATM) throughout the state. The bank offers a full range of loans and services in all its markets. In some cases, extended banking hours are provided to help meet the needs of specific communities.

FUNB-FL continues to operate with a policy that addresses branch closings, consolidations, and reductions in service. The policy requires a detailed analysis of the impact that proposed closings may have upon low- or moderate-income areas. Prior to reaching a final decision to close a branch, FUNB-FL considers input received from members of the affected communities.

For 1995 and 1996, the bank closed 98 branches, primarily in conjunction with acquisitions and mergers. The bank applied established procedures for all branch closures. Overall branch closings did not significantly impact service to the FUNB-FL communities. Twenty-six of the closed branches were located in low- or moderate-income neighborhoods. However, in all cases where the closed branch was in a low- or moderate-income area, duplicate service was provided by other, similarly convenient offices.

The **“Branch Closings, Consolidations and Reductions in Service”** policy provides guidelines for :

- branch closures,
- branch consolidations,
- branch relocations,
- reductions in service, and
- branch/ATM divestitures.

A review of the policy shows that First Union has adopted a strategy to reduce the number of branch facilities while improving the overall level of service to its customers. The corporation has pledged to adopt effective written policies and procedures that minimize any adverse impact such actions may have on the communities served.

The First Union policy requires each bank to:

- objectively determine those branches which should be closed, consolidated, or have services reduced;
- consider alternative solutions such as adjusting branch hours and services, including the use of ATMs;
- identify and examine options that minimize potential adverse effects on, and inconvenience to, the communities; and
- communicate anticipated changes to affected customers and communities with sufficient advance notice to minimize adverse effects and inconvenience and to consider alternatives to the actual closings.

Before taking action, each bank evaluates several factors outlined in the policy. If the bank decides to proceed, management completes the appropriate forms to obtain final approval from the bank President and Board of Directors. The CRA Coordinator receives copies of the forms. When an action impacts a low- and moderate-income community, the policy outlines that one or more of the following steps be taken as appropriate:

- complete an analysis,
- make community contacts, and/or
- review the credit need ascertainment calls.

These steps help to identify other alternatives and to more fully evaluate the issues. Bank management receives input from various sources including the Marketing Division, the Real Estate

Division, and the State CRA Coordinator. FUNB-FL uses this input to explore potential remedial actions to address any identified recommendations.

#### IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES

**Assessment Factor D)** Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).

- o The bank solicits credit applications from all segments of the communities, including low- and moderate-income areas.**
  
- o We did not find any practices intended to discourage credit applications on a prohibited basis.**

FUNB-FL actively solicits applications from all segments of its delineated communities including low- and moderate-income areas. The Board and management have developed a number of programs to ensure compliance with fair lending laws and provide equal access to credit.

Management committees have been formed to oversee the bank's fair lending initiatives. Major departments of the bank are represented on these committees, including a corporate department which was created to manage the overall fair lending activities of the company.

Detailed, formal policies, procedures and training programs have been developed to help ensure the institution does not illegally discourage or pre-screen applicants. First Union has developed and provided a fair lending training program for its employees to ensure they understand the legal requirements as well as bank policies and procedures. The company uses videos, formal training sessions, and on-the-job training to ensure employees become familiar with the fair lending laws and regulations. In addition, the bank conducts diversity training sessions for its employees.

FUNB-FL has established several processes to ensure applicants are treated fairly. These processes include, but are not limited to, a "second review" program and a comparative analysis of loan files. The bank conducts a second review on proposed denials of loans subject to HMDA. This review occurs prior to the issuance of a denial or adverse action notice to the applicant(s). The comparative loan review process, applied on a regular basis, enables the bank to monitor compliance with fair lending laws and to assess the effectiveness of its fair lending programs. The process includes activities to evaluate actions for fair treatment of all applicants.



Assessment Factor F) Evidence of prohibited discrimination or other illegal credit practices.

**o No evidence was noted of discrimination or other illegal credit practices.**

We performed an examination for compliance with the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA) in conjunction with this CRA examination. We reviewed the bank's policies and procedures for conformance with these laws and regulations, and conducted tests to check for any areas of noncompliance. Our comparative file analyses for racial and gender discrimination did not detect any instances of illegal disparate treatment or discrimination.

The comparative file review of HMDA applications received during 1995 tested First Union actions to determine if any instances of racial discrimination occurred. We reviewed and compared 368 denied minority transactions to 645 approvals for white applicants sampled from all national banks within First Union plus its mortgage company. The above total includes 315 minority denials and 502 white approvals originated by all of the individual banks. The remaining applications represented 53 minority denials and 143 white approvals received by First Union Mortgage Corporation. In accordance with OCC procedures, minorities selected for comparison purposes represented American Indian, African American, and Hispanic applicants.

The other aspect of our testing included a comparative file review for gender discrimination. For automobile loans through one of the corporation's significant lending units, we reviewed and compared 124 denied female applicants to 226 approved male applicants.

## V. COMMUNITY DEVELOPMENT

Assessment Factor H) The institution's participation, including investment, in local community development and redevelopment projects or programs.

**o FUNB-FL has maintained, through ongoing efforts, a high level of participation in development and redevelopment programs throughout its delineated communities, often in a leadership role.**

FUNB-FL has been a major force in developing and revitalizing Florida's communities. The bank accomplishes its community development goals by:

- helping construct or renovate multifamily units utilizing low income housing tax credits.
- forming public and private partnerships that promote affordable housing,
- investing in nonprofit organizations involved in economic development, and
- participating in other community development activities.

## **Construction and Renovation of Multi-family Housing through Low-income Housing Tax Credits**

In Florida, this bank leads the financial institutions with investments in low-income housing tax credits and with loans to developers who qualify for these tax credits. Through these instruments, a form of federal subsidy, FUNB-FL has made a significant number of low-income housing rental units available throughout the state.

The bank's participation in the tax credit program represents the largest volume of any financial institution in the state. During 1995 and 1996, direct lending and investments for low-income tax credits by FUNB-FL totaled \$45 million and \$86 million, respectively. As a result of the bank's participation, 20 projects impact the construction or renovation of 2,891 units.

Examples of partnerships which qualify for federal low-income housing tax credits include:

- Creative Choice Homes X, Ltd. (\$2 million equity investment to finance, acquire, develop, construct, manage, and rent housing to low- and moderate-income persons in Riviera Beach, Florida).
- TWC Ninety-Two, Ltd. (\$4 million equity investment to finance, acquire, develop, construct, manage, and rent housing to low- and moderate-income persons in Plant City).
- TWC Ninety-Six, Ltd. (\$4 million equity investment to finance, acquire, develop, construct, manage, and rent housing primarily for low- and moderate-income persons in St. Augustine).
- VCP-Alderman Park Partners, Ltd (\$620 thousand equity investment to renovate 101 units of rental housing in Duval County to be reserved for low- and moderate-income persons).
- VCP-SB Associates, Ltd. (\$6 million equity investment to finance, acquire, develop, construct, manage, and rent housing to low- and moderate-income persons in Jacksonville).
- Vestcor-WR Associates, Ltd. (\$3 million equity investment to construct and operate 202 rental units that will address the shortage of affordable rental housing for low- and moderate-income residents in Clay County - also approved for state funding).

## **Public and Private Partnerships that Promote Affordable Housing**

FUNB-FL is a state leader in establishing and implementing community-based programs for affordable housing and community development. The bank has been innovative in selecting a diverse mixture of programs and in piloting programs that provide alternate delivery of products. After a program is established, its performance is evaluated. Programs that do not meet expectations are modified to achieve better results. As of October 31, 1996, 92 partnerships had been formed with governmental organizations in 39 of Florida's 67 counties. A total of \$122 million has been committed. There are presently 1,539 loans outstanding

totaling \$50.5 million. Eighty-five percent (85%) of the programs receive some form of government subsidy. The table below shows the breakdown of loans made through community development partnerships:

<b>LOAN ORIGINATIONS VIA COMMUNITY DEVELOPMENT PARTNERSHIPS</b>				
<b>Loan Type</b>	<b>1995</b>		<b>1996</b>	
	<b>Numbers</b>	<b>Dollars (000)</b>	<b>Numbers</b>	<b>Dollars (000)</b>
Housing	266	\$13,464	264	\$13,337
Rehabilitation	9	520	7	253
Business	14	320	7	160
<b>Totals</b>	<b>289</b>	<b>\$14,304</b>	<b>278</b>	<b>\$13,750</b>

The following five public or private partnerships are examples of FUNB-FL’s leadership role.

- Rural Housing Service (RHS) Lender Participation Program**  
 The Lender Participation Program is for low- and moderate-income home buyers who do not qualify for conventional housing loans. In late 1996, FUNB-FL made a 1 year, \$3 million commitment to this program. Since that time, the bank has financed 23 low- and moderate-income homes. FUNB-FL assumed a leadership role in introducing an innovative partnership arrangement with RHS. FUNB-FL is the first and only bank in Florida to enter into a partnership agreement to deliver the program on a statewide basis, effectively using RHS offices as alternate delivery sources in areas where FUNB-FL does not have branches.
- Community Financing Consortium, Inc., Palm Beach County (CFC)**  
 FUNB-FL and two other banks were original banking partners that helped organize CFC in 1990. CFC was organized to assist in the financing of single and multifamily affordable housing in low- and moderate-income communities. Since its origination, the consortium has grown to include 16 banks. FUNB-FL continues to be the lead institution, funding \$11.6 million or 19% of all the organization’s projects. In 1995 and 1996, FUNB-FL originated 26 loans aggregating \$1.5 million.
- Interest Subsidy Program of Delray Beach (Palm Beach County), Florida**  
 This program’s primary goal is to eliminate blight and encourage economic development in a designated Community Redevelopment Zone. Property owners can borrow money at a reduced rate for the renovation of residential and commercial properties. FUNB-FL has been a leader in this program since its 1991 inception. The bank funded 118 of the 159 loans made

under the program. FUNB-FL presently has a one year renewable commitment for \$750 thousand. During 1995 and 1996, FUNB-FL originated 17 loans aggregating \$311 thousand.

- **Value Homes I and II Programs, Jacksonville (Duval County), Florida**

FUNB-FL took a leadership role in committing funds to, and implementing, the first of these subsidized, affordable housing programs for low and moderate income individuals in Duval County, Florida. The program started in 1993 and financed approximately 120 homes. Seven banks in Duval County initially committed total funds of \$5.3 million. FUNB-FL was responsible for approximately half of the commitment amount and funded approximately half of the 120 loans made under the original program. In 1995, FUNB-FL continued its leadership role through the significantly expanded, 3 year, Value Homes II Program. Under this program, seven banks committed a total of \$20 million. An additional \$3 million in matching state funds is committed to the program. FUNB-FL's commitment of \$10.5 million again represents more than half of the total banks funding. The Value Homes II Program will provide approximately 200 homes for first- time home buyers. During 1995 and 1996, FUNB-FL made 42 loans aggregating \$2.3 million.

- **Clay County Commissioner's Home Program**

This program was developed by FUNB-FL in 1995 and became operational in early 1996. It provides reduced rate financing for the purchase of affordable housing to applicants who have not owned a home in the previous 3 years. FUNB-FL is the sole bank partner under the program. The bank has an annually renewable \$850 thousand commitment for loans under the program. During 1996, 8 loans totaling \$339 thousand were made.

### Investments in Non-Profit Organizations Involved in Economic Development

FUNB-FL is the largest investor in several nonprofit, community development organizations. In addition to the equity investments shown below, the bank's proportionate share of loans generated through these organizations is \$3.1 million. Equity investments made in 1995 and 1996 and total equity investments are shown below:

Name of Organization	Equity Investment in 1995 and 1996	Total Equity Investment
<b>Black Business Investment Corp. (BBIC)</b>		
Business Alliance Consortium - Miami	\$116,666	\$375,000
Palm Beach County BBIC		210,000
Northwest Florida BBIC - Tallahassee		100,000
Tampa Bay BBIC		75,000
BBIC of Central Florida - Orlando		100,000
Metro-Broward Capital Corporation		175,000
First Coast BBIC - Jacksonville		350,000
<b>Community Reinvestment Group</b>	100,000	100,000
<b>Florida Community Loan Fund</b>	150,000	150,000
<b>First Housing Development Corporation</b>		75,000
<b>Totals</b>	<b>\$366,666</b>	<b>\$1,710,000</b>

**Other Community Development Activities**

- **Standby Letters of Credit for Multi-family Housing**  
FUNB-FL helped develop this program in 1994 and, at present, is still the only large Florida bank providing standby letters of credit (LC) to affordable multifamily low-income housing bond financing issued by the Florida Housing Finance Authority (FHFA). The bank's LC is a temporary substitute for a Department of Housing and Urban Development (HUD) guarantee, allowing construction to commence approximately 18 months earlier than would otherwise be possible. During 1995 and 1996, 19 LCs totaling \$223 million were issued to facilitate development of projects containing 5,066 affordable housing units.
- **Certificates of Deposit in Minority-Owned Banks**  
At December 31, 1996, the bank had \$325 thousand deposited in four minority-owned banks. The certificates of deposit are for one year and automatically renewable. Rates on the certificates of deposit are at least 2% below market.
- **Targeted Monetary Corporate Contributions**  
FUNB-FL makes monetary donations to support community-based, nonprofit organizations that help meet the credit needs of small businesses and of low- and moderate-income persons. Targeted monetary contributions in 1995 and 1996 aggregated \$634 thousand.

**Assessment Factor K** - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions and other factors.

**There are no financial, size, legal, economic or other impediments to the bank's ability to help meet community credit needs.**

There are no limitations that may prevent FUNB-FL from fulfilling its obligations under the Act based on its financial condition and resources. The Institution and Community Profile Section of this Evaluation provides additional information. Refer to the **Performance Context** section at the beginning of this Performance Evaluation; it describes the bank and its delineated communities.

**Assessment Factor L** - Any other factors that, in the regulatory authority's judgement, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

None.

## ADDITIONAL INFORMATION

### Corporate and Local CRA Programs

FUNB-FL has access to the Corporate CRA staff based in Charlotte, North Carolina, which coordinates CRA activities throughout First Union. The Corporate CRA staff provides various types of support which include analytical tools and communications, such as publication of a CRA newsletter. Several aspects of the bank's CRA activities are directed by its parent company CRA program. These are summarized below:

### CRA Policy

The First Union Community Reinvestment Policy has been updated to reflect the recent changes in CRA and has been distributed to all of the individual banks. The policy was designed to provide overall guidance to the Corporation, its Directors, management and all employees to continually renew the First Union dedication and commitment to serve credit needs of all its communities. Administration of the policy remains a corporate-wide responsibility under the overall direction of the Boards of Directors for First Union and each state.

### CRA Organization Structure

The Boards of Directors have identified committees and individuals to focus on CRA activities and to receive periodic reports to help keep the Directors informed. The Boards receive administrative support for CRA through committees, local advisory boards, officer positions and teams that work closely with CRA related activities.

The corporate and bank Audit Committees monitor compliance for their respective Boards and report to the Directors at least quarterly. The Audit Committees receive quarterly reports from the Director of Community Reinvestment at the corporate level or from the appropriate Regional CRA Coordinator at the bank level.

The Corporate CRA Steering Committee has overall responsibility to implement the policy throughout First Union. This committee monitors and supervises compliance with the policy on behalf of the individual Boards of Directors. The Vice Chairman of the corporation chairs the committee which includes executive officers from major department areas and bank presidents for each state.

Regional CRA Self-Assessment Committees have the overall responsibility to implement the policy in the states and to assess compliance with policy relative to performance. For each region, this committee reviews and analyzes the ascertainment efforts and the results of addressing community credit needs. The state President chairs this committee.

The Corporate CRA Staff has the responsibility to interface with the CRA committees to implement the policy throughout the corporation. Included as part of this staff, a senior level officer serves as the Corporate Director of Community Reinvestment. The ongoing activities relative to CRA are undertaken by other officers who serve as Assistant Director of Community Reinvestment, CRA

Lending Manager, Fair Lending/Home Mortgage Disclosure Act Manager, Communications Manager, Regional CRA Coordinators and Community CRA Coordinators.

Regional CRA Coordinators have the responsibility to interface with the Corporate CRA Staff and the appropriate state CRA committee to implement the policy in each state. The state coordinators receive support from the various local area coordinators.

#### Reporting

The corporate policy requires no less than quarterly reports to the Board of Directors, or committees thereof. First Union also uses quarterly data for most reports as it implements the policy and monitors community reinvestment performance focusing on results.

#### CRA Plans

A formal CRA Plan to direct the CRA activities is in process of being updated to reflect the changes in the regulation. The plan will serve to affirm the company's commitment to help meet the needs of low- and moderate-income individuals in communities serviced by the First Union banking operations. The plan will highlight the overall process to implement the Community Reinvestment Policy.

#### Board Reviews

In addition to periodic reports, the Board reviews other CRA related material. Annually, the Board reviews and adopts the bank's CRA statement and the local community delineations. The Board also approves the CRA plan which contains policies and procedures for implementing CRA.

#### Self-Supervision

First Union corporation and its subsidiary banks have established a system to ensure compliance with the basic technical requirements of the Act. The corporation relies upon the Internal Audit Division and the Regulatory Compliance Division to monitor performance and test compliance under the Act. In addition, the Branch Operations area has the responsibility to monitor the individual state banks' compliance with the technical requirements of the Act.

#### Regional Self-Assessments

First Union has implemented a process to evaluate its own performance under the Act. Regional self-assessments of performance have been made on an annual basis. The Regional CRA Self-Assessment Committee receives reports on the evaluation results. Each bank uses other, more frequent, reviews in the interim to monitor its progress in each community.

#### CRA Training

Board of Directors and senior management have actively supported CRA training for bank and corporate personnel. The CRA related training conducted in 1996 adequately covered the technical and regulatory requirements of the Act, CRA reform and a reemphasis on roles and responsibilities. Throughout First Union, training was provided to the Board of Directors, senior management, area presidents, CRA coordinators, Self-Assessment Committee members, branch managers, lending



officers, tellers and customer service representatives. Computer based training was also provided to new and existing employees. The CRA Manual used in the training sessions, which is in process of being updated to reflect the regulations revisions, serves as a reference tool at the branch levels. First Union also included training sessions directed to promote fair lending throughout the corporation.

CRA Public File

We encourage the readers of this Performance Evaluation to contact the bank to review information contained in the public file.