

# **Public Disclosure**

**July 17, 1997**

## **Community Reinvestment Act Performance Evaluation**

**SunTrust Bank, Mid-Florida, N. A.  
Charter Number 16786**

**595 Cypress Gardens Boulevard  
Winter Haven, Florida 33880-4472**

**Office of the Comptroller of the Currency  
Southeastern District  
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**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.

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## 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 **SunTrust Bank, Mid-Florida, N. A. (STMF)** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **July 17, 1997**. The agency evaluates performance in assessment area(s), as they are 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 C.F.R. Part 25.

# INSTITUTION

**Institution’s CRA Rating:** This institution is rated “**Satisfactory.**”

STMF has a significant number and dollar volume of mortgage, consumer, small business and small farm loans originated within its assessment areas. Lending to borrowers of different incomes and different geographies is reasonable. Lending to businesses of different sizes is very good. A high percentage of small business loans are to small businesses. Additionally, a number of small business loans are for community development purposes. STMF has had good success in using flexible lending practices to service the assessment area needs. The level of qualified investments is satisfactory. The bank has taken a leadership role in addressing the most pressing needs within its assessment areas. STMF provides good services to all income segments of its communities, including low and moderate income areas.

The following table indicates the performance level of **SunTrust Bank, Mid-Florida, N. A.** with respect to the lending, investment, and service tests.

| Performance Levels        | SunTrust Bank, Mid-Florida, N. A.<br>Performance Tests |                 |              |
|---------------------------|--|-----------------|--------------|
|                           | Lending Test*  | Investment Test | Service Test |
| Outstanding               |  |                 |              |
| High satisfactory         | X  |                 | X            |
| Low satisfactory          |  | X               |              |
| Needs to improve          |  |                 |              |
| Substantial noncompliance |  |                 |              |

\* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

## Description of Institution

SunTrust Bank, Mid-Florida, N. A. (STMF) is an affiliate of SunTrust Banks, Incorporated, (STI) headquartered in Atlanta, Georgia. STMF operates twenty-four branches with drive-ins and automatic teller machine facilities within its assessment areas. The bank reported total assets of \$987 million as of June 30, 1997. No financial or legal impediments were identified which would inhibit the bank's ability to meet the credit needs of the community.

STI, a \$56 billion bank holding company, ranks among the top twenty largest banking companies in the nation. Through its approximately 700 full-service banking offices in Florida, Georgia, Tennessee and Alabama, STI provides a wide range of financial services to its customer base. The Company's primary businesses include traditional deposit and credit services as well as trust and investment services. It also provides mortgage banking, corporate finance, credit cards, factoring, discount brokerage, credit-related insurance and data processing and information services.

STMF offers a variety of credit products to meet the community's credit needs. The types of credit offered include loans to consumers, loans to businesses, real estate financing and loans to government entities.

The loan portfolio mix as of June 30, 1997 is:

| Loan Type                       | Percentage |
|---------------------------------|------------|
| Construction and Development    | 2%         |
| Secured by 1-4 Family Dwellings | 48%        |
| Other Real Estate:              |            |
| Farmland                        | 6%         |
| Multifamily                     | 1%         |
| Non-Farm and Non-Residential    | 16%        |
| Commercial and Industrial       | 10%        |
| Loans to Individuals            | 11%        |
| All Other Loan Types            | 6%         |
| Total                           | 100%       |

The largest portion of the bank's portfolio is 1-4 family real estate secured loans followed by non-farm and non-residential real estate lending and loans to individuals. The lending priorities during the evaluation period were small business banking and residential real estate lending.

## Description of Assessment Areas

The bank operates in two assessment areas, the entire Lakeland-Winter Haven Metropolitan Statistical Area (MSA) and one non-metropolitan statistical area consisting of three counties, Highlands, DeSoto and Okeechobee. The entire area is made up of 103 census tracts and/or block numbering areas; of those, two are low-income, 20 are moderate-income, 69 are middle-income and 11 are upper-income. One tract has no population.

We reviewed community contacts recently made by representatives of the Office of the Comptroller of the Currency, the Federal Reserve Bank of Atlanta, the Federal Deposit Insurance Corporation and the Office of Thrift Supervision. The predominant needs identified through community contacts were for affordable housing, consumer loans and small business loans. Additionally, credit and home ownership counseling were identified.

### Total Population Summary

According to the 1990 U. S. Bureau of Census data, the total population of the bank's assessment areas was 527,306. The majority of the population, 405,382 or 77 percent, reside in the MSA. The following table represents the area's family demographics based on census tract income level.

### Income Characteristics

|                       | Number of Families by<br>Income Category | Percentage of Families by<br>Income Category |
|-----------------------|--|--|
| Low-Income            | 28,245                                   | 19%  |
| Moderate-Income       | 29,448                                   | 20%  |
| Middle-Income         | 36,924                                   | 24%  |
| Upper-Income          | 56,494                                   | 37%  |
| Total Assessment Area | 151,111                                  | 100%   |

Approximately 151,111 families live in the bank's assessment areas, with the largest percentage residing in middle- and upper-income census tracts. The 1996 HUD estimate for the MSA median family income is \$35,900 and for the statewide non-metropolitan area it is \$31,600. Of the 151,111 families, 19 percent are low-income, 20 percent are moderate-income, 24 percent are middle-income and 37 percent are upper-income. In the assessment areas, 13% of the families live below the poverty level.

## Housing Characteristics

According to the 1990 U. S. Bureau of Census, the number of housing units in the bank's assessment areas totaled 249,915. These units consisted of one- to four-family units (63 percent), followed by mobile homes (29 percent) and multifamily units (7 percent).

Of the 249,915 housing units in the assessment areas, 59 percent are owner-occupied units, 27 percent are rental units and 18 percent are vacant units. The table below distributes the percentage of owner-occupied housing by census tract income level.

|                 | Total Number of Units | Percentage of Owner-occupied Units to Total Units |
|-----------------|-----------------------|---|
| Low-Income      | 1,429                 | 1%  |
| Moderate-Income | 38,111                | 15%   |
| Middle-Income   | 185,147               | 74%   |
| Upper-Income    | 25,228                | 10%   |
| Total           | 249,915               | 100%  |

Most of the owner-occupied housing units in the assessment areas are in moderate- and middle-income geographies. Sixty-eight percent of housing units in low-income tracts are rental and/or vacant units.

The housing stock is oldest in low-income census tracts, followed by moderate-income census tracts. According to the 1990 U. S. Bureau of Census, the median age of the housing stock in the MSA for low-income census tracts was 24 years, which is seven years older than the median age of the housing stock in middle- and upper-income tracts.

## Economic Patterns

The economy in the bank's assessment areas is supported primarily by the services industry. The next largest employers include retail trade, government and manufacturing. Polk County is a large producer of citrus and phosphate and ranks number one in Florida in acres of farmland. DeSoto County's main industry is agriculture, centered around the cattle and citrus industries. Highlands and Okeechobee Counties are rural and have many agricultural-based industries resulting in high seasonal employment patterns.

## Conclusions with Respect to Performance Tests

### The Lending Test

The bank's volume of lending is good. A majority of the loans extended were for mortgage and consumer purposes. These types of loans were identified as credit needs within the assessment areas.

| Loan Types     | Total Originations/Purchases |                | Inside Assessment Area |                         |
|----------------|------------------------------|----------------|------------------------|-------------------------|
|                | Number                       | Dollar (000's) | Number % inside        | Dollar (000's) % inside |
| HMDA           | 1,920                        | 112,996        | 1,821 (95%)            | 106,834 (95%)           |
| Consumer       | 6,847                        | 65,939         | 6,617 (96%)            | 62,716 (95%)            |
| Small Business | 584                          | 44,021         | 547 (94%)              | 41,148 (93%)            |
| Small Farm     | 181                          | 15,682         | 158 (87%)              | 13,773 (88%)            |
| Grand Total    | 9,532                        | 238,638        | 9,143 (96%)            | 224,471 (94%)           |

### Geographic Distribution

The lending activity for the evaluation period reflects a significant percentage of the number and dollar amount of loans are contained in the bank's assessment areas. For all loan types considered in the above table, 96 percent of the number and 94 percent of the dollar amount are extended within the bank's assessment areas.

A majority of the geographies are middle-income. Of the total number of owner-occupied units within the assessment areas, 74 percent are within the middle-income geographies. The bank's lending in terms of numbers and dollars of loans for all product types demonstrate good performance based on the breakdown of the geographies contained within the bank's assessment areas. Although lending in low-income geographies appears minimal, it is reasonable given that the bank's assessment area contains only two such geographies. The bank's total lending to moderate-income geographies is higher at 7% of its total lending within the assessment area.



The following table depicts the **dollar distribution** of loans to different geographies for the bank's lending in the major product areas from January 1, 1996 through March 31, 1997. The dollar amounts are in thousands.

|                   | Low-<br>Income | Moderate-<br>Income | Middle-<br>Income | Upper-<br>Income | N/A | Total   |
|-------------------|----------------|---------------------|-------------------|------------------|-----|---------|
| HMDA              | 59             | 4,400               | 70,473            | 31,860           | 42  | 106,834 |
| Consumer          | 65             | 5,242               | 42,679            | 14,730           | -   | 62,716  |
| Small<br>Business | 341            | 5,513               | 26,550            | 8,744            | -   | 41,148  |
| Small Farm        | 200            | 425                 | 11,969            | 1,179            | -   | 13,773  |
| Total             | 665            | 15,580              | 151,671           | 56,513           | 42  | 224,471 |
| % of Total        | -              | 7%                  | 68%               | 25%              | -   | 100%    |
| Geography         | 2%             | 19%                 | 67%               | 11%              | 1%  | 100%    |

This table depicts the **number distribution** of loans to different geographies for the major loan categories.

|                   | Low-<br>Income | Moderate-<br>Income | Middle-<br>Income | Upper-<br>Income | N/A | Total |
|-------------------|----------------|---------------------|-------------------|------------------|-----|-------|
| HMDA              | 2              | 118                 | 1,404             | 296              | 1   | 1,821 |
| Consumer          | 11             | 410                 | 5,132             | 1,064            | -   | 6,617 |
| Small<br>Business | 8              | 59                  | 404               | 76               | -   | 547   |
| Small Farm        | 1              | 5                   | 136               | 16               | -   | 158   |
| Total             | 22             | 592                 | 7,076             | 1,452            | 1   | 9,143 |
| % of Total        | -              | 7%                  | 77%               | 16%              | -   | 100%  |
| Geography         | 2%             | 19%                 | 67%               | 11%              | 1%  | 100%  |

## Borrower Characteristics

The largest percentage of families living within the bank’s assessment areas is upper-income, followed by middle-income. Strong performance is exhibited by the high level of lending to low-income borrowers considering that 13 percent of the families have incomes that are below the poverty level. Also, consumer loans were made to low-income borrowers. The bank’s mortgage and consumer lending to moderate-income borrowers are also good as it approximates the percentage of families which are moderate-income.

This table depicts the bank’s lending to borrowers of different incomes for **home mortgage related products** in terms of the number and dollar amount of loans.

|                           | Low-<br>Income | Moderate-<br>Income | Middle-<br>Income | Upper-<br>Income | N/A | Total   |
|---------------------------|----------------|---------------------|-------------------|------------------|-----|---------|
| \$ HMDA (000's)           | 2,231          | 11,811              | 19,743            | 72,122           | 927 | 106,834 |
| Percentage of<br>Loans    | 2%             | 11%                 | 18%               | 68%              | 1%  |         |
| # HMDA                    | 105            | 342                 | 470               | 891              | 13  | 1,821   |
| Percentage of<br>Loans    | 6%             | 19%                 | 26%               | 49%              | -   |         |
| Percentage of<br>Families | 20%            | 21%                 | 25%               | 34%              | -   | 100%    |

This table depicts the bank’s lending to borrowers of different incomes for **consumer loan products** in terms of the number and dollar amount of loans.

|                           | Low-<br>Income | Moderate-<br>Income | Middle-<br>Income | Upper-<br>Income | N/A   | Total  |
|---------------------------|----------------|---------------------|-------------------|------------------|-------|--------|
| \$ Consumer (OOO's)       | 3,275          | 7,670               | 11,839            | 31,468           | 8,464 | 62,716 |
| Percentage of Loans       | 5%             | 12%                 | 19%               | 50%              | 14%   |        |
| # Consumer                | 896            | 1,411               | 1,549             | 2,458            | 303   | 6,617  |
| Percentage of Loans       | 14%            | 21%                 | 23%               | 37%              | 5%    |        |
| Percentage of<br>Families | 20%            | 21%                 | 25%               | 34%              | -     | 100%   |

### Small Business Loans by Loan and Revenue Size

The bank's small business lending is very good. The bank's total origination of business loans is \$83,365 thousand. Sixty-seven percent of the total number of all business loans were made to small businesses by sales revenue. This compares well to the business makeup of the communities since a majority of the businesses are small businesses. Of the loans made to small businesses, 82 percent of the total number and 40 percent of the dollar amount were originated for amounts of \$100 thousand or less. Additionally, a number of small business loans are for community development purposes.

This table depicts the bank's total business lending by the size of the loans and the revenues of the businesses. For purposes of this analysis, a small business is any business whose annual revenues are \$1 million or less. The dollar amounts are in thousands.

|                     | Loan Size         |                       |                  | Sales Revenue       |                       |
|---------------------|-------------------|-----------------------|------------------|---------------------|-----------------------|
|                     | \$100,000 or less | \$100,001 - \$250,000 | \$250,000 and up | \$1,000,000 or less | More than \$1,000,000 |
| \$ Amount of Loans  | 16,356            | 11,522                | 13,270           | 41,148              | 42,217                |
| Percentage of Loans | 40%               | 28%                   | 32%              | 100%                |                       |
|                     |                   |                       |                  |                     |                       |
| # of Loans          | 446               | 72                    | 29               | 547                 | 267                   |
| Percentage of Loans | 82%               | 13%                   | 5%               | 100%                |                       |

### Community Development

STMF did not report any community development loans.

### Small Farm Loans by Loan and Revenue Size

The bank's small farm lending is good. The bank's total origination of farm loans is \$16,648 thousand. Eighty-three percent of the total number of all farm loans were made to small farm loans by sales revenue. As shown by the following chart, 79 percent of the number of originations were originated for amounts of \$100 thousand or less. Based on demographic data and discussions with bank management, the majority of farms within the bank's assessment area are small farms. However, there are some large farm operations in some of the non-MSA areas.

This table depicts the bank's small farm lending. A small farm loan is any loan less than \$500,000 to a farm. The dollar amounts are in thousands.

|                     | Loan Size         |                       |                       | Sales Revenue       |                       |
|---------------------|-------------------|-----------------------|-----------------------|---------------------|-----------------------|
|                     | \$100,000 or less | \$100,001 - \$250,000 | \$250,001 - \$500,000 | \$1,000,000 or less | More than \$1,000,000 |
| \$ Amount of Loans  | 4,863             | 2,518                 | 6,392                 | 13,773              | 2,875                 |
| Percentage of Loans | 35%               | 18%                   | 47%                   | 100%                |                       |
|                     |                   |                       |                       |                     |                       |
| # of Loans          | 125               | 16                    | 17                    | 158                 | 18                    |
| Percentage of Loans | 79%               | 10%                   | 11%                   | 100%                |                       |

### **Innovative and/or Flexible Lending Practices**

The bank participates in a variety of flexible lending programs within its assessment areas. The bank's record of originating loans in these programs is good. Below are brief descriptions of the significant programs and the bank's record of performance.

|  |                 |                  |
|--|-----------------|------------------|
| <b>SunTrust Affordable Housing Program</b> | <b>21 loans</b> | <b>\$781,325</b> |
|--|-----------------|------------------|

This mortgage program is designed to assist low- and moderate-income individuals in obtaining home ownership. In order to participate in this program, an applicant's annual household income cannot exceed 115% of the MSA or county median if the property being used as collateral is located in a low- or moderate-income geography or 80% of the MSA county median if located outside of a low- or moderate-income geography. This program also has a buyer education element for first time home buyers. The maximum housing ratio is 33%. The maximum total debt ratio is 40% with a low down payment of 3% and a maximum loan to value of 95%. This product is available in all its communities.

|                                |                  |                    |
|--------------------------------|------------------|--------------------|
| <b>Keystone Challenge Fund</b> | <b>148 loans</b> | <b>\$6,300,000</b> |
|--------------------------------|------------------|--------------------|

This program is for first time home buyers of single family residences. Keystone works in partnership with local financial institutions that provide the mortgage financing and city and county governmental agencies that furnish down payment assistance. The maximum purchase price in the cities of Lakeland and Winter Haven is \$57,535 and \$60,000 for new construction. The maximum purchase price in Polk County is \$70,000. Maximum housing ratio is 33%. Maximum total debt ratio is 40%. This program also has a buyer education element for home buyers.

|  |                  |                     |
|--|------------------|---------------------|
| <b>\$35K Residential Housing Program</b> | <b>531 loans</b> | <b>\$10,788,546</b> |
|--|------------------|---------------------|

This program is used for residential mortgage loans up to \$35,000 that do not meet the income requirements of the SunTrust Affordable Housing Program. Maximum loan to value is 90%. Gross debt to income ratio is 38%. This product is available in all its communities.

|  |                 |                 |
|--|-----------------|-----------------|
| <b>Certificate of Deposit Loan/Savings Program for Potential Home Buyers</b> | <b>10 loans</b> | <b>\$51,949</b> |
|--|-----------------|-----------------|

The purpose of this program is to offer a savings plan which allows individuals to save and establish a credit reference simultaneously. The plan allows the individual to choose an amount comparable to their monthly income for savings. A certificate of deposit is issued and taken as collateral for a loan up to 36 months. As the loan is repaid, the credit reference is established and at the end of the term the customer takes possession of the certificate of deposit. These funds can be used to purchase a primary residence. There is no minimum loan amount and is available in all its communities.

|   |                |                  |
|---|----------------|------------------|
| <b>Avon Park Community Redevelopment Agency Loan Pool Program</b> | <b>8 loans</b> | <b>\$514,000</b> |
|---|----------------|------------------|

This program is designed to provide low cost funds for the purpose of acquisition or refurbishing/renovation of commercial properties within the Community Redevelopment Agency district.

## The Investment Test

The dollar amount of qualified investments is reasonable based on the type of opportunities within the bank’s assessment areas. The bank exhibits good responsiveness to credit and community development needs through active participation via grants, donations and investments within its communities and in some cases a broader geographic area. Most of the investments occur within Polk County, which is the most densely populated of their assessment areas. The table below depicts the most significant qualified investments.

| Qualified Investments                            |                         |
|--|-------------------------|
| Entity   | \$ Amount of Investment |
| Fountain Square Apartments                       | \$1,000,000             |
| Florence Villa Community Development Corporation | \$2,500                 |
| Keystone Challenge Fund                          | \$3,050                 |
| Central Florida Development Council              | \$12,500                |
| Enterprise Florida Capital Partnership Fund      | \$17,000                |
| Miscellaneous Qualified Investments              | \$120,131               |
| Total Amount of Qualified Investments            | \$1,155,181             |

Below is a description of the significant qualified investments.

### Fountain Square Apartments

This is a mortgage backed investment security issued by the Federal National Mortgage Association for a 148-unit multifamily affordable housing property located in Lakeland, Florida. This property is specifically designed to provide housing for low- and moderate-income individuals. This is a qualified investment because it is for affordable housing for low- and moderate-income individuals and is an investment in a project eligible for low-income housing tax credits.

### Florence Villa Community Development Corporation

This is a multipurpose organization to help revitalize the Florence Villa Community located in Winter Haven, Florida. This a “one-stop-shop” concept and has as its goals affordable housing, job development and training, business development programs and community health and wellness programs. This is a qualified investment because it is a financial intermediary that primarily facilitates lending in low- and moderate-income areas and to low- and moderate-income individuals. Additionally, the organization serves other community development needs such as

credit counseling, home ownership and home maintenance.

### **Keystone Challenge Fund**

This is a nonprofit organization dedicated to assisting low- and moderate-income families in obtaining financing for home purchase, construction or rehabilitation. This organization works with local city and county governmental agencies in obtaining down payment assistance for qualified low- and moderate-income individuals and provides home ownership counseling. This is a qualified investment because it has as its primary purpose affordable housing for low- and moderate-income individuals. Additionally, the organization serves other community development needs such as credit counseling, home ownership and home maintenance.

### **Enterprise Florida Capital Partnership Fund**

This is a statewide not-for-profit partnership with State Government and businesses that serve to assist in the development of Florida's economy. The organization issues bonds for the benefit of approved applicants to finance projects related to the economic development for the state of Florida. This is a statewide program which includes the bank's assessment areas. This is a qualified investment because the organization provides state obligations that specifically support community development such as financing for businesses and provides for permanent job creation.

### **Central Florida Development Council**

Central Florida Development Council (CFDC) is a holding company for the Minority Business Development Committee (MBDC). Through the MBDC, the Microloan Program was developed to support short-term loans to small and minority-owned businesses that would not normally be able to borrow from a commercial bank. The CFDC provides support by offering a 90% guarantee of the loan amount, which is backed by a liquid collateral resource pool of funds. This is a qualified investment because this is an organization which promotes economic development by financing small businesses.

## **The Service Test**

### **Bank Branch Distribution**

The distribution of the bank's branches is good. The bank's distribution of branches is based on where a significant portion of the population either lives, works or shops. Based upon the distribution of the total number of branches by geography, the bank has 4 percent of its branches serving the low-income population and 13 percent of its branches serving the moderate-income population.

This table depicts the bank's distribution of branches by census tract income level.

| Services  | Census Tract Income Level |            |                 |               |              |    |
|---|---------------------------|------------|-----------------|---------------|--------------|----|
|   | Total                     | Low-Income | Moderate-Income | Middle-Income | Upper-Income | NA |
| Total Bank Branches and Total Census Tracts with Branches | 24                        | 1          | 3               | 17            | 3            | -  |
| Total Assessment Area Census Tracts                       | 103                       | 2          | 20              | 69            | 11           | 1  |
| Percentage of Population                                  | 100%                      | 1%         | 15%             | 74%           | 11%          | -  |
| Percentage of Branches                                    | 100%                      | 4%         | 13%             | 71%           | 12%          | -  |

### **Record of Opening and Closing Branches**

During the review period, the bank has opened one new branch and closed two. The new branch is located in Polk County and resides in a moderate-income census tract. The two branch closings were in Polk and Highlands Counties and were both in middle-income census tracts. No adverse impact was identified from these activities.

### **Availability and Effectiveness of Alternative Delivery Systems**

The bank has a network of 25 ATMs within its assessment areas. The network consists of 23 ATMs at banking offices and 2 standalone ATMs which are not at a banking office and in communities to serve low- and moderate-income individuals. The bank has also established nine workplace banking centers within its assessment area which adds convenience to employees who may be low- or moderate-income individuals. This is a service where bank representatives visit the place of business to establish accounts for the company's employees, accept loan applications and provide educational seminars.

### **Range of Services Provided**

Services provided are standardized throughout all branch locations and provide a full array of products. Additionally, the bank offers Saturday hours in branches in the non-MSA area in order to provide additional convenience to the community. Branches and ATMs are reasonably located within the assessment areas based upon population concentrations. No conspicuous gaps were



identified.

### **Community Development Services**

The bank has engaged in a variety of community development services. The bank offers government check cashing services throughout its assessment area. Additionally, within the past two years the bank has offered 30 workshops and/or presentations on basic banking, home ownership counseling, affordable housing, budgeting and financial services. The bank has also provided eight financial counseling seminars on trust and investment services for members of its communities. These seminars and workshops are in response to identified community development needs and occur most frequently in the non-MSA portion of the assessment area which has the greatest need.

### **Fair Lending**

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified.

## Metropolitan Statistical Area

### Conclusions with Respect to Performance Tests in MSA 3980 - Lakeland-Winter Haven (Polk County)

#### Lending Test

A clear majority of the bank's lending occurs in Polk County. The lending volumes are highest for mortgage and consumer related loans. The dollar amounts are in thousands.

| Loan Types     | Total Originations/Purchases<br>Inside the Assessment Areas |         | Inside Polk County |         |
|----------------|---|---------|--------------------|---------|
|                | Number  | Dollar  | Number             | Dollar  |
| HMDA           | 1,821   | 106,834 | 1,409              | 86,179  |
| Consumer       | 6,617   | 62,716  | 5,146              | 50,246  |
| Small Business | 547   | 41,148  | 400                | 31,824  |
| Small Farm     | 158   | 13,773  | 103                | 9,923   |
| Grand Total    | 9,143   | 224,471 | 7,058              | 178,172 |

#### Geographic Distribution

The lending activity reflects a significant percentage of the number and dollar amount of loans are contained in Polk County. For all loan types considered in this table, 77 percent of the number and 79 percent of the dollar amount are contained within the bank's assessment area.

A majority of the geographies are middle-income. The bank's lending in terms of numbers and dollars of loans for all product types demonstrate very good performance based on the breakdown of the geographies contained within the bank's assessment areas. Lending to low-income geographies is reasonable given that Polk County contains only one such geography. The bank's total lending to middle- and upper-income geographies exceed the geographic breakdown for the total assessment area.

This table depicts the bank's dollar volume of lending to different geographies for the major product categories. The dollar amounts are in thousands.

|                | Low-Income | Moderate-Income | Middle-Income | Upper-Income | N/A | Total   |
|----------------|------------|-----------------|---------------|--------------|-----|---------|
| HMDA           | 59         | 3,725           | 50,493        | 31,860       | 42  | 86,179  |
| Consumer       | 65         | 4,747           | 30,704        | 14,730       | -   | 50,246  |
| Small Business | 341        | 5,316           | 17,423        | 8,744        | -   | 31,824  |
| Small Farm     | 200        | 100             | 8,444         | 1,179        | -   | 9,923   |
| Total          | 665        | 13,888          | 107,064       | 56,513       | 42  | 178,172 |
| % of Total     | -          | 8%              | 60%           | 32%          | -   | 100%    |
| Geography      | 3%         | 22%             | 59%           | 15%          | 1%  | 100%    |

This table depicts the number distribution of loans to different geographies for the major loan categories.

|                | Low-Income | Moderate-Income | Middle-Income | Upper-Income | N/A | Total |
|----------------|------------|-----------------|---------------|--------------|-----|-------|
| HMDA           | 2          | 107             | 1,003         | 296          | 1   | 1,409 |
| Consumer       | 11         | 364             | 3,707         | 1,064        | -   | 5,146 |
| Small Business | 8          | 57              | 259           | 76           | -   | 400   |
| Small Farm     | 1          | 4               | 82            | 16           | -   | 103   |
| Total          | 22         | 532             | 5,051         | 1,452        | 1   | 7,058 |
| % of Total     | -          | 8%              | 72%           | 21%          | -   | 100%  |
| Geography      | 3%         | 22%             | 59%           | 15%          | 1%  | 100%  |

## Borrower Characteristics

Strong performance is exhibited by the high level of lending to low-income borrowers considering that 12 percent of the families are below the poverty level. The bank did a very good job of reaching moderate-income borrowers as the percentage of lending to moderate-income borrowers equals the percentage of families within that income category. For consumer purpose lending, the bank did a good job of lending to low- and moderate-income borrowers. Of the total number of consumer loans originated, 13 percent of the number and 5 percent of the dollar amount were to low-income borrowers. The lending to moderate-income borrowers is also good with 21 percent of the number and 12 percent of the dollar amount being distributed to this income segment.

This table depicts the bank's lending to borrowers of different incomes. The dollar amounts are in thousands.

|                           | Low-<br>Income | Moderate-<br>Income | Middle-<br>Income | Upper-<br>Income | N/A | Total  |
|---------------------------|----------------|---------------------|-------------------|------------------|-----|--------|
| \$ HMDA                   | 1,664          | 9,197               | 15,600            | 58,894           | 824 | 86,179 |
| Percentage<br>of Loans    | 2%             | 11%                 | 18%               | 68%              | 1%  |        |
| # HMDA                    | 77             | 265                 | 370               | 685              | 12  | 1,409  |
| Percentage<br>of Loans    | 5%             | 19%                 | 26%               | 49%              | 1%  |        |
| Percentage<br>of Families | 18%            | 19%                 | 24%               | 39%              | -   | 100%   |

## Small Business Loans by Loan and Revenue Size

The bank's small business lending is very good. The bank's total originations of business loans is \$68,999 thousand. Of the total number of all business loans made, 46 percent were to small businesses. This compares well to the business makeup of the community since a majority of the businesses are small businesses. Of the loans made to small businesses, 80 percent of the number and 37 percent of the dollar amount were originated for amounts of \$100 thousand or less.

This table depicts the bank's small businesses by the size of the loans and the revenues of the businesses. For purposes of this analysis, a small business is any business whose annual revenues are \$1 million or less. The dollar amounts are in thousands.

|                     | Loan Size         |                       |                  | Sales Revenue       |                       |
|---------------------|-------------------|-----------------------|------------------|---------------------|-----------------------|
|                     | \$100,000 or less | \$100,001 - \$250,000 | \$250,000 and up | \$1,000,000 or less | More than \$1,000,000 |
| \$ Amount of Loans  | 11,709            | 9,050                 | 11,065           | 31,824              | 37,175                |
| Percentage of Loans | 37%               | 28%                   | 35%              | 100%                |                       |
|                     |                   |                       |                  |                     |                       |
| # of Loans          | 320               | 56                    | 24               | 400                 | 230                   |
| Percentage of Loans | 80%               | 14%                   | 6%               | 100%                |                       |

### Small Farm Loans by Loan and Revenue Size

The bank's small farm lending is good. The bank's total origination of farm loans is \$12,024 thousand. Of the total number of all farm loans made more than 90% of the number were small farm loans by sales revenue. As shown in the following chart, 78 percent of the number of originations were for \$100 thousand or less. Based on demographic data and discussions with bank management, the majority of farms within Polk County are small farms.

This table depicts the bank's small farm lending. A small farm loan is any loan less than \$500,000 to a farm. The dollar amounts are in thousands.

|                     | Loan Size         |                       |                       | Sales Revenue       |                       |
|---------------------|-------------------|-----------------------|-----------------------|---------------------|-----------------------|
|                     | \$100,000 or less | \$100,001 - \$250,000 | \$250,001 - \$500,000 | \$1,000,000 or less | More than \$1,000,000 |
| \$ Amount of Loans  | 3,016             | 1,570                 | 5,337                 | 9,923               | 2,101                 |
| Percentage of Loans | 30%               | 16%                   | 54%                   | 100%                |                       |
|                     |                   |                       |                       |                     |                       |
| # of Loans          | 80                | 9                     | 14                    | 103                 | 12                    |
| Percentage of Loans | 78%               | 9%                    | 13%                   | 100%                |                       |

### Investment Test

The significant qualified investments for Polk County total \$1,005,550. The largest is a \$1 million

mortgage-backed investment security in the Fountain Square Apartments in Lakeland, Florida. This is a 148 multifamily unity designed to provide housing for low- and moderate-income individuals.

### Service Test

The population for Polk County is 405,382 based upon the 1990 U. S. Bureau of Census reported data.

### Bank Branch Distribution

The distribution of the bank’s branches is good. The bank’s distribution of branches is based on where a significant portion of the population either lives, works or shops. Based upon the distribution of the total number of branches by geography, the bank has 6 percent of its branches serving the low-income population and 17 percent of its branches serving the moderate-income population.

| Services  | Census Tract Income Level |            |                 |               |              |    |
|---|---------------------------|------------|-----------------|---------------|--------------|----|
|   | Total                     | Low-Income | Moderate-Income | Middle-Income | Upper-Income | NA |
| Total Bank Branches and Total Census Tracts with Branches | 18                        | 1          | 3               | 11            | 3            | -  |
|   |                           |            |                 |               |              |    |
| Total Polk County Census Tracts                           | 76                        | 2          | 17              | 45            | 11           | 1  |
|   |                           |            |                 |               |              |    |
| Percentage of Population                                  | 100%                      | 1%         | 17%             | 68%           | 14%          | -  |
| Percentage of Branches                                    | 100%                      | 6%         | 17%             | 61%           | 17%          | -  |

### Record of Opening and Closing Branches

During the review period, the bank opened and closed one branch within Polk County. The new branch is located in Polk County and resides in a moderate-income census tract. The bank closed one branch which was in a middle-income census tract. No adverse impact was identified from this activity.

### **Range of Services Provided**

Services provided at these branches are uniform. A wide range of services is provided. Branches and ATMs are very well positioned in relation to the population concentrations within Polk County. No conspicuous gaps were identified.

## **Conclusions with Respect to Performance Tests in the non-MSA areas of Highlands, DeSoto and Okeechobee Counties**

The lending activity within the non-MSA areas does not constitute a significant portion of the total lending volume for the bank. Any significant activities of the non-MSA are detailed in the Conclusions with Respect to Performance Tests for the entire bank.

### **Lending Test**

Lending activity is good with the highest volume of loan types being originated as real estate related. Lending to different geographies and to borrowers' of different incomes is also reasonable. Small business lending is very good. More than 75 percent of all business loans made were made to businesses whose revenues were \$1 million or less. Also, a significant number of the loans to small businesses were originated in amounts of \$100 thousand or less. Small farm lending performance is also good considering a number of farming operations exist in those markets.

### **Investment Test**

The bank exhibits very good responsiveness to credit and community development needs through active participation via grants, donations and investments within this area and in some cases a broader geographic area.

### **Service Test**

The distribution of the bank's branches is reasonable. Six branches are located within the non-MSA area and are all in middle-income geographies which is where a significant portion of the population either lives, works or shops. Additionally, these branches are located in centralized locations for business activity essential to low- and moderate-income individuals. One branch was closed in Highlands County which did not adversely affect low- and moderate-income individuals. Community development services consist of government check cashing services and financial workshops, which has been identified as a significant need.



## Appendix A: Scope of Examination

|   |                               |                         |   |
|---|-------------------------------|-------------------------|---|
| <b>Time Period Reviewed</b>                                       | 01/01/96 to 03/31/97          |                         |   |
| <b>Financial institution</b><br>SunTrust Bank, Mid-Florida, N. A. |                               |                         | <b>Products reviewed</b><br>Home Mortgage, Small Business, Small Farm, Consumer |
| <b>Affiliate(s)</b><br>None                                       | <b>Affiliate relationship</b> | None                    | None reviewed   |
| <b>List of Assessment Areas and Type of Examination</b>           |                               |                         |   |
| <b>Assessment Area</b>  | <b>Type of Exam</b>           | <b>Branches Visited</b> | <b>Other Information</b>  |
| Florida   |                               |                         |   |
| MSA 3980 Lakeland-Winter Haven                                    | on-site                       | Winter Haven            | Not Applicable  |
| Non-MSA 9999 DeSoto, Highlands, Okeechobee                        | on-site                       | None                    | Not Applicable  |