

GENERAL INFORMATION

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

The evaluation represents the OCC's current assessment and rating of the institution's CRA performance based on an examination conducted as of **September 5, 1996**. 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 its examination of a financial institution, each federal financial supervisory agency shall (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 an 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 on 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.

BANK PROFILE

The Chase Manhattan Bank USA, National Association, (Chase USA) is a subsidiary of The Chase Manhattan Corporation and an affiliate of The Chase Manhattan Bank (Chase Manhattan) located in New York City. Other significant bank affiliates are Chase Manhattan Bank USA, National Association, Wilmington, Delaware, and Texas Commerce Bank, National Association. Most of Chase USA's lending activities take place through two significant operating subsidiaries. Chase Manhattan Mortgage Corporation and Chase Financial Services Corporation. Chase USA does not operate any banking offices and does not conduct a general banking business in Nassau County or Suffolk County, its delineated community for purposes of CRA.

Chase USA through its operating subsidiaries focuses on consumer lending businesses by originating home purchase loans and home equity loans and by offering indirect home equity loans, automobile, marine and recreational vehicle loans, manufactured housing loans, and student loans guaranteed by the Connecticut Student Loan Foundation throughout the United States, except in New York. Chase USA has assets of \$7.9 billion. It accepts no retail deposits, and has no deposits other than a few trade accounts. Chase Manhattan provides funding for the assets originated by Chase USA. Chase USA personnel refer all loan requests from the local community to Chase Manhattan.

This bank was previously known as Chemical Bank, National Association, and was a subsidiary of the former Chemical Banking Corporation. In April 1996, the Chemical Banking Corporation merged with The Chase Manhattan Corporation, under the name of the latter. Subsequently, in July 1996 the two largest banking subsidiaries of the predecessor holding companies were merged. Chase Manhattan is now the largest commercial bank in the United States with total assets of \$271 billion, core domestic deposits of \$83 billion, and domestic loans of \$85 billion. The loan to core deposit ratio is 1.02 to one.

The resulting Chase Manhattan has a significant commercial and retail banking presence in Nassau and Suffolk Counties. The former Chemical Bank's CRA performance in helping to meet community credit needs was rated outstanding by the Federal Reserve Bank of New York and the New York State Banking Department on March 13, 1995. Likewise, the former Chase Manhattan Bank, N.A.'s CRA performance was rated outstanding by the OCC as of October 27, 1995.

Because Chase USA's business focus is nationwide, the bank relies on its affiliate, Chase Manhattan, to conduct the preponderance of its CRA activities. Therefore, this review of the Chase USA CRA program considers activities conducted both by Chase USA and activities performed in its local community by Chase Manhattan. Because a CRA examination is based on an assessment of a bank's performance since the last examination, we primarily base this CRA evaluation on the former Chemical Bank's lending and investment data for 1995, and the combined, predecessor banks' data since January 1996.

COMMUNITY PROFILE

The delineated community for Chase USA is Nassau and Suffolk Counties. These two counties, which are commonly referred to as Long Island, comprise one whole Metropolitan Statistical Area (MSA) # 5380.

This is a densely populated area with 2.6 million people. Much of Long Island is suburban in character and many workers commute to New York City. High property taxes on housing and high utility rates create a financial burden for many families. Approximately 110,000 businesses are located on Long Island. Eighty-eight percent of these have less than \$1 million in sales, and 14.2 percent are in low- and moderate-income (LMI) census tracts.

Cutbacks in the defense industry have had a detrimental effect on the Long Island economy, and the New York-Long Island area has recovered more slowly from the 1990-92 recession than the rest of the nation. Also, consolidation in New York City's financial sector adversely affected Long Island residents employed in the banking industry. However, recent indications suggest that the financial services and real estate industries are expanding in the New York metropolitan area, including Long Island. The Greater New York metropolitan economy has a large service sector because it is the headquarters of many Fortune 500 companies and the financial capital of the country.

The Appendix contains additional demographic information.

DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating: Based on the findings presented below, this institution is rated: "Satisfactory record of meeting community credit needs".

Evaluation Period - The bank's previous Public Disclosure is dated September 30, 1994. This Public Disclosure assessed the bank's performance from then through September 5, 1996.

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.

- **Chase USA through its affiliated bank, Chase Manhattan, identifies various community credit needs within its delineated community and provides services and credit designed to meet those needs.**

Chase USA does not operate any banking offices. Chase Manhattan maintains a significant branch network within this bank's delineated community. The presence of the branch network helps Chase USA's efforts in ascertaining community credit needs.

Chase Manhattan's Community Development Group which includes the Corporate Social Responsibility and the Community Relations Department coordinates ascertainment efforts. Corporate Social Responsibility provides for philanthropic and technical support and contributions to nonprofit community-based organizations in affordable housing development, community revitalization, economic development and other social services. Throughout the delineated community, specific grants, partnerships and housing programs are used to respond to identified needs.

The Community Relations Department aids the bank's CRA efforts by bringing resources, innovative programs and projects to the people, businesses and organizations in LMI areas within the delineated community. The Community Relations Department houses "Chase Streetbankers" (Streetbankers); they talk with community groups and local leaders to bolster ascertainment efforts. Additionally, Streetbankers identify prospects for micro-business opportunities and Corporate Social Responsibility's grant and housing opportunity programs.

One initiative resulting from these efforts is the creation of affordable mortgage products. Through Chase Manhattan, special home mortgage products designed for low-income individuals are offered to home buyers in LMI areas only. Within Nassau and Suffolk Counties, two

programs offered are the Chase 1-2% Risk Share product and the \$500 Down Mortgage Loan. The Chase 1-2% Risk Share product is a thirty year fixed-rate mortgage with a low down payment requirement. The product also features expanded loan-to-value ratios and is available only to LMI borrowers. The \$500 Down Mortgage Loan is a thirty year, fixed-rate mortgage that adds an unsecured loan to cover down payments and closing costs. Similar to the Chase 1-2% Risk share product, it is only available to home buyers purchasing properties in LMI areas.

The Community Relations Department staff coordinates communication efforts with the Community Advisory Board. The Community Advisory Board has 43 members consisting of various community leaders and community development organizations and meets quarterly. Four members representing Long Island are: The President of the Long Island Housing Partnership; the Executive Director of La Fuerza Unida de Glen Cove; the President of the Long Island Hispanic Chamber of Commerce; and the Pastor of Memorial Presbyterian Church of Roosevelt, New York. A program that directly resulted from the Community Advisory Board's input is the Houses of Worship lending program that was created to meet financing needs from various religious entities in LMI areas within the community. The "CAN-DO" lending program is another example of the Community Advisory Board's input. This program is designed to give small business lending reduced equity requirements and flexible underwriting.

Officers of both Chase USA and Chase Manhattan participate in local seminars, community meetings and conferences which address, among other things, community credit needs within the delineated community. Examples of such participation include the Long Island Housing Partnership Conference, Ministry of Economic Development of Long Island Affordable Workshop, Hempstead Hispanic Civic Association Conference and the Long Island Board of Realtors Conference. Management held meetings with the Nassau/Suffolk Minority Business Development Fund and the Long Island Lighting Company Loan Program to ascertain small business credit needs.

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.

- **The Board of Directors from Chase USA is involved in the CRA process.**

At the end of 1995, the Board of Directors (Board) reviewed, approved, and adopted the current CRA plan for Chase USA. The plan sets forth CRA goals and the strategies with which to meet those goals. This plan is the foundation upon which management implements various CRA related programs and initiatives. When they adopted the plan, the Board approved the bank's current expanded CRA Statement.

A joint CRA and Fair Lending Committee, which consists of senior level management of both Chase USA and Chase Manhattan, meets quarterly to review and discuss CRA and fair lending

performance. The Committee participates in establishing CRA and fair lending policies, as necessary. The Board receives reports on the Committee meetings.

CRA initiatives are realized through the Chase Manhattan's Community Development Group and its various departments. Each department has specific CRA responsibilities including:

- The ascertainment efforts of the Community Relations Department;
- Providing grants through Corporate Social Responsibility;
- Developing and implementing affordable housing loan programs in the CDG Residential Lending Department; and
- Conducting market analysis and developing new initiatives through the Product Development Research and Administration Department.

Chase USA's CRA Officer participates in formulation and is responsible for implementation of CRA policies. The same individual is also the CRA Officer for Chase Manhattan. As such, she is responsible for directing resources and staff for both entities to accomplish each bank's objectives.

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.

- **Chase Manhattan effectively markets credit products and services throughout Chase USA's delineated community.**

Chase USA's CRA marketing efforts are realized through Chase Manhattan's Community Development Group and Commercial Professional Banking Group marketing plans. These plans set forth objectives and goals to ensure that all segments of the bank's delineated community aware of available products and services. Such products and services include those identified as specific needs of the community such as mortgage products with flexible underwriting standards and low cost checking accounts. Management designs specific strategies that affirm the bank's commitment to the community. For example, strategies include consideration of targeting various media to reach out to people in LMI areas.

Management has taken various approaches to marketing. Traditional advertising is used to market credit products and services to the general public through the use of newspaper advertisements, radio announcements, brochures and television commercials. In addition, management uses media that, for the most part, targets a specific group of people. A Spanish radio station reaches members of the Hispanic community and another radio station is used to reach the African American audience. Additionally, the bank uses limited circulation, bilingual newspapers and periodicals to ensure that it informs all groups of people within the community of products and services.

Management also uses events to market, advertise, and enhance awareness of the bank throughout the community. Participation can take the form of memberships, attendance at major events and funding for receptions and sponsorships. Some examples are the bank's sponsorship of the Puerto Rican Day Parade, maintaining a membership in the NY/NJ Minority Purchasing Council and helping to fund the West Indian American Day Carnival Association. To supplement these efforts, personnel of Chase Manhattan's Community Development Group provide home ownership seminars within the community. These seminars inform members of the community how to save for a down payment, how to self-qualify for a mortgage, about the mortgage application process, and about the available various mortgage products. Seminars are conducted in Spanish and English.

Within the branch network, materials such as signs, statement inserts and brochures inform people of the bank's services and credit products. These materials are available in Spanish and English.

Chase Manhattan publishes a quarterly community relations newsletter entitled "In the Community." The newsletter provides information on special credit and service programs. A recent edition of the newsletter offered information about the bank's competitive grants for nonprofit organizations and how to apply for them. Additionally, the newsletter discussed the bank's initiatives concerning minority lending. The bank distributes these newsletters to nonprofit organizations and community groups throughout the delineated community.

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.

- **Chase USA does not originate loans in its delineated community; however, it relies on its affiliates and their performance on Long Island is significant. Chase Manhattan effectively addresses identified credit needs in Nassau and Suffolk Counties.**

Chase USA offers credit products nationwide. Its portfolio is primarily retail and residential in nature. Among the loans are home purchase loans, home equity products (both purchased and originated), and manufactured housing loans.

Chase Manhattan offers many types of loans to serve the credit needs of its communities, including Nassau and Suffolk Counties. Personal instalment loans, automobile loans, and student loans are among the products it offers. In addition, Chase Manhattan offers home purchase, home equity, home improvement, community development, and commercial loans.

The bank is a leading mortgage lender in the New York metropolitan area. According to aggregate Home Mortgage Disclosure Act (HMDA) data, the former Chemical Bank received the third largest number of applications on Long Island in 1994, with a market share of 3.9

percent. In 1995 it ranked thirteenth, with a market share of 2.1 percent. The Long Island mortgage market is very fragmented; the leading market share was 6 percent in 1994 and 3.7 percent in 1995. If we combined the former Chemical's volume with the former Chase's for each year, it would have been the leading housing lender on Long Island in each year. See Assessment Factor E for the distribution of these loans throughout the delineated community.

The following table shows the volume of lending for various types of loans. The 1995 data represents loans made by the former Chemical Bank, and the 1996 data represents loans made by the merged bank and its predecessors from January 1 through June 30, 1996. Mortgage lending volume through June 1996 is substantially ahead of 1995. Management has recently emphasized small business lending as a loan product on Long Island, and this lending has increased significantly in 1996.

Table I - 1
Volume of Mortgage and Small Business Lending

	Home Purchase		Refinance		Small Business	
	Number	Amount	Number	Amount	Number	Amount
1995	752	\$117,384M	344	\$56,609M	1,486	\$237,628M
Jun 96	*1,026	\$168,506M	*		1,512	\$151,245M

* Includes refinancings

Chase Manhattan also offers affordable mortgage products designed to accommodate the financial requirements of LMI applicants. The bank uses many programs and products to provide lower cost financing, including Neighborhood Homebuyer, the Affirmative Pool, and FNMA Dreamaker. Again, the 1995 data represents loans made by the former Chemical Bank, and 1996 data represents loans made by the merged bank and its predecessors through May 1996. The demographics of the market include high median values for housing and fewer LMI census tracts than other MSAs. This results in fewer potential customers for affordable loan products.

Table I - 2
Affordable Mortgage Loans Originated
(All Affordable Mortgage products and programs)

	Number	Amount
1995	133	\$14,413M
May 96	64	6,435M
Total	197	\$20,848M

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

- **Through Chase Manhattan, the bank is a significant Small Business Administration (SBA) lender, and makes a small number of government supported housing loans.**

Chase Manhattan originates a significant number of SBA loans in Nassau and Suffolk Counties. In 1995, Chemical Community Development, Inc. (of the former Chemical Bank) approved 61 loans amounting to more than \$3 million in the pertinent SBA District. Through May 31, 1996, Chase Manhattan made 15 loans totaling \$1 million to small businesses.

Federal Housing Administration (FHA) and Veteran Administration (VA) loans are available to customers. In 1995 the former Chemical Bank received 66 applications, and originated 33 loans, amounting to \$3.9 million. Through May 31, 1996, Chase Manhattan has originated nine loans amounting to \$1 million. We attribute the overall low volume of government loan originations to the fact that the bank's proprietary affordable mortgage products provide more flexible lending criteria and permit a lower down payment than the government programs. These affordable mortgage products are directed primarily to LMI applicants.

Nationally, Chase USA, through its mortgage company subsidiary, actively participates in several government insured, guaranteed, and subsidized loan programs. The following table reflects the number and volume of FHA, VA, and FmHA loans originated in 1995 by the former Chemical Bank, NA and its subsidiaries and through May 1996 by Chase USA and its subsidiaries. These loans were all made outside the bank's delineated community; Chase USA's mortgage company does not compete with Chase Manhattan within the community.

**Table J - 1
Government Supported Loans Originated**

	1995 - Chemical		May/96 - Chase USA	
	Number	Amount	Number	Amount
FHA	13,559	\$1,158,262M	8,639	\$ 735,229M
VA	6,867	724,530M	4,037	439,046M
FmHA	1,884	136,400M	1,518	115,367M
Total	22,310	\$2,019,192M	14,194	\$1,289,642M

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

Reasonableness of Delineated Community

- **Chase USA has designated Nassau and Suffolk Counties as its CRA delineated community. The delineation is reasonable and does not arbitrarily exclude low- and moderate-income areas.**

The bank's only office is at Jericho Quadrangle in Nassau County. Its business is national in scope, and does not compete with Chase Manhattan in New York. By intent, all lending within Chase USA's delineated community is provided by Chase Manhattan. CRA performance is based on Chase Manhattan's record of providing banking services to Nassau and Suffolk Counties.

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

- **The affiliated bank's loans are reasonably distributed throughout the community.**

HMDA reportable loans

Chase Manhattan received applications from, and originated HMDA reported loans throughout, Long Island. The geoanalysis process is comprehensive, and management reviews distribution patterns constantly. Mortgage lending was reasonably consistent with the aggregate of all lenders in the market. It is also consistent with the percentage of owner-occupied housing units in low, moderate, middle, and upper income census tracts. Relatively few low income and moderate income census tracts exist in the market. Data represents only the former Chemical Bank in 1995.

Through the first six months of 1996, 11.3 percent of the home purchase and refinancing loans were made in LMI census tracts. Loan originations to LMI borrowers amounted to 211 loans for the same period, and accounted for 16 percent of the total.

**Table E - 1
Data by Income Level of Census Tracts**

Census Tracts	1995 Bank Data			1995 Aggregate Market Data			Owner Occupied Housing Units
	Applications	Originations	Denied	Applications	Originations	Denied	
Low Income	0%	0%	0%	.1%	.1%	27.4%	0%
Moderate Income	8.3%	7.4%	14.3%	14.6%	12.9%	17.3%	12%

	1995 Bank Data			1995 Aggregate Market Data			Owner Occupied Households
Middle Income	67.2%	67.3%	10.4%	65.9%	66.6%	12.8%	69%
Upper Income	24.5%	25.1%	7.9%	19.3%	20.3%	10.7%	19%

**Table E - 2
Data by Income Level of Applicants**

Applicant Income	1995 Bank Data			1995 Aggregate Market Data		
	Applications	Originations	Denied	Applications	Originations	Denied
Low	2.2%	2.7%	36.5%	5.4%	3.9%	30.8%
Moderate	9.3%	13.6%	18.2%	18.1%	18.0%	17.2%
Middle	20.2%	30.8%	15.2%	30.0%	33.5%	12.6%
Upper	31.9%	45.6%	13.8%	32.8%	38.8%	10.5%

Small Business Lending

As noted in Assessment Factor I, Chase Manhattan is an active small business lender on Long Island. These loans are geocoded, and management reviews and analyzes the lending distribution patterns frequently. The percentage of loans made in LMI census tracts declined from 10.6 percent in 1995 to 9.9 percent as of June 30, 1996. However, the number of small business loans made in the first six months of 1996 exceeds the number made in all of 1995.

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

- **Chase USA has a single administrative office and no branches within its delineated community.**

Chase USA does not accept deposits nor provide general banking services within its delineated community. However, the affiliate bank, Chase Manhattan, provides comprehensive banking services through its 106 branches and 112 Automated Teller Machines (ATM) in the counties of Nassau and Suffolk. Most of the branches have extended hours (either Friday evenings, Saturday mornings or both).

During the period of this evaluation, two branches in Nassau County (including an employee branch) and one in Suffolk County were closed and their business was consolidated into nearby branches. None of these branches were located in LMI geographies. During 1996 two ATM's were installed at branches in LMI census tracts in Suffolk County.

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).

- **The affiliated bank receives applications for credit from all segments of its delineated community. There were no practices evident which would discourage an applicant from applying for credit.**

Applications for credit are solicited and received from all portions of Chase USA's delineated community. Management has established comprehensive corporate policies and procedures that give personnel appropriate guidance. Senior management has also established in-depth training programs designed to give employees a thorough understanding of fair lending laws and regulations and illegal credit practices. The training encompasses the Fair Housing Act, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, the Community Reinvestment Act, the Americans with Disabilities Act and the Civil Rights Act of 1866. They also provide sensitivity training. Training activity is conducted in classroom settings and supplemented by video presentations.

Assessment Factor F - Evidence of prohibited discriminatory or other illegal credit practices.

- **Fair lending examinations did not reveal any instances of discrimination or disparate treatment of credit applicants.**

We conducted comprehensive fair lending examinations during this evaluation period. Concurrently with the CRA examination, we conducted a fair lending examination which consisted of a review of both denied and approved home equity loan files and mortgaged, mobile home loan files. The focus of the examination was to determine whether the loan application process was similar for both minority and non-minority applicants with comparable qualifications. We also considered whether the bank provided applicants of both groups similar levels of assistance during the application process.

In 1995, the OCC conducted fair lending examinations of the former Chemical Residential Mortgage Corporation, then a subsidiary of the former Chemical Bank, NA and of the former Chase Manhattan Mortgage Corporation, a subsidiary of the former Chase Manhattan Bank, NA. We performed comparative file analyses in completing these examinations. The examination results indicated that the banks provided a similar level of assistance to all applicants. Also, the examinations did not disclose any instances of discrimination or disparate treatment of credit applicants.

V. COMMUNITY DEVELOPMENT

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

- **Through the efforts of Chase Manhattan, participation in community development and/or redevelopment projects and programs are evident in Nassau and Suffolk Counties.**

Community development and redevelopment efforts are directed by the Chase Community Development Corporation (CCDC). Within the CCDC is the Real Estate Lending Department that finances the construction and rehabilitation of affordable housing and commercial revitalization projects, with an emphasis on LMI communities.

In 1996, the CCDC funded two projects within Chase USA's delineated community. One was a \$3.3 million first mortgage construction loan to the *Metro Group*. This project will result in rental housing garden apartments (56 units) available exclusively for senior citizens. The rental charges will be less than 25% of the monthly income for families of moderate income levels. The other project funded by CCDC was *Harbour Cove*. Funding for this construction loan totaled \$4.3 million. From this project, 60 cooperative apartments will be sold to senior citizens of low and moderate income levels. Senior citizens purchasing such units will receive tax abatements.

The CCDC committed also to a participation of \$12.6 million with another financial institution for four construction loans totaling \$25.7 million. The funds will be used to construct four cooperative apartment complexes, with a total of 438 units. The project is *The Meadows at Mitchel Field* and will be offered to senior citizens with family incomes at a maximum of \$55 thousand. Cooperative apartment owners will receive a lifetime real estate tax cap of \$1.8 thousand.

Apart from direct lending, contributions to help in the creation of affordable housing and small business development are made through loan participation with financial intermediaries. To date, the participation is \$16 million. Some examples of organizations that have benefited are:

The Long Island Housing Partnership (LIHP) - LIHP facilitates the development of affordable home ownership and rental housing for low and moderate income families. Chase USA has committed a \$500 thousand line of credit to finance minority and women owned contracting businesses working with LIHP. Currently, there are no outstandings against this line.

Low Income Housing Fund (LIHF) - LIHF is a not-for-profit organization that provides financial assistance to not-for-profit developers of low-income housing projects. Chase Manhattan has committed a \$500 thousand line of credit to this organization. Currently, there are no outstandings against this line.

Another way in which the bank participates in community development and redevelopment programs and projects is through investments. These investments can take the form of either equity investments or grants specifically designated for construction of affordable housing or rehabilitation of existing housing. To date, Chase Manhattan's equity investments for the delineated community total \$570 thousand in the New York Business Development Corporation

and an investment share of \$200 thousand in the Nassau/Suffolk Business Development Fund, L.L.C.

Investments can also take the form of grants. These types of investments include the bank's participation in the Long Island Housing Opportunity Program (HOP). This program is designed to enhance the ability of community-based organizations to develop low-and-moderate income and special needs housing. For the period January 1995 through July 1996, grants have totaled \$124 thousand. Some examples of organizations that have received grants through this program are:

Interfaith Nutrition Network, Inc. - This organization addresses the problems of hunger and homelessness. In this regard, the organization operates 21 soup kitchens, manages five emergency shelters, two Single Room Occupancies and 13 single and double occupancy houses rented to low-income families.

Long Island Housing Partnership, Inc. - This organization develops affordable housing within the delineated community. Since its founding, the organization has developed 337 affordable homes.

Wyandanch Homes and Properties Development Corporation - This organization constructs housing for the homeless and/or single parents.

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.

- **Through the efforts of Chase Manhattan, support is provided for specific programs that promote economic revitalization and growth.**

Chase Manhattan provides program support by conducting several seminars for community organizations through the Housing Opportunities Program (HOP). Topics include real estate financing, acquisition, development, and management. The bank held the following seminars: "An Introduction To Real Estate Credit From a Banker's Perspective" and "The How-To's of Selecting Professional Housing Consultants".

The Bank and Community Profiles section of this Evaluation contain more detailed information concerning the environment in which Chase USA and Chase Manhattan operate, and their deposit and loan structures.

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

- **Chase USA in concert with its affiliate, Chase Manhattan, has participated in other activities designed to both help meet community credit needs and help improve the quality of life for members of its community.**

In its continued support of the community, Chase USA through Chase Manhattan, provides competitive grants to nonprofit organizations within the delineated community. These grants are for general operating or project support. The categories under which the bank awards such grants are: Arts and Culture; Community Revitalization; and Precollegiate Education. From January 1995 through July 1996, within the bank's delineated community, grants have totaled \$141 thousand. Some examples of organizations benefiting from the award of such grants are:

Christmas in April Long Island, Inc. - Volunteers who repair and maintain the homes of poor, elderly and disabled homeowners who are unable to afford or do the work.

Planned Parenthood of Nassau County Inc. - A program designed to prevent teen pregnancy and combat the spread of diseases.

Landmark on Main Street, Inc. - A project to renovate an abandoned school into affordable housing units for senior citizens

Hispanic Counseling Center, Inc. - A program designed to assist and provide rehabilitative treatment for families and children experiencing emotional problems.

Participation also takes the form of contributions. From January 1995 through July 1996, contributions have totaled approximately \$320 thousand.

Chase USA's mortgage company subsidiary also participates in programs outside its delineated community to provide subsidies to make housing more affordable for LMI applicants. In various cities the mortgage company participated with FNMA to promote borrower education and product awareness, provide borrower counseling, and develop new products related to affordable housing. Besides government-sponsored loan programs (mentioned in Assessment Factor J), in 1995 the mortgage company originated 2,510 loans for \$211 million under other affordable housing purchase programs, such as Dreamaker and Mortgage Certificate.

APPENDIX

Demographic Information

New York Metropolitan Statistical Areas

(1990 Census Data and 1994 HUD Median Family Income)

	Nassau		Suffolk	
Population	1,287,348		1,321,864	
Median Family Income	\$60,619		\$53,247	
Median Home Value	\$218M		\$176M	
Low Income Census Tracts	1	0%	2	1%
Moderate Income Census Tracts	20	7%	59	19%
Middle Income Census Tracts	180	67%	205	66%
Upper Income Census Tracts	66	24%	39	13%
Owner-Occupied Housing Units	77%		70%	
Vacant Housing Units	3%		11%	
Unemployment Rate	6.63%		7.90%	
Chase Manhattan Branches	56		50	