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Comptroller of the Currency  
Administrator of National Banks

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Northeastern District  
New York, NY 10036

## **Public Disclosure**

# **Community Reinvestment Act Performance Evaluation**

**October 8, 1996**

**Chase Manhattan Bank USA, National Association  
Charter Number 23160**

**1 Chase Manhattan Plaza  
Wilmington, Delaware 19801**

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

**Note: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**



## **General Information**

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Chase Manhattan Bank USA, National Association** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **October 8, 1996**. 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 visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

This evaluation covers the period from September 1, 1994, through October 8, 1996.

**Institution's CRA Rating:** CRA performance is rated Satisfactory.

## **Description of Institution**

Chase Manhattan Bank USA, National Association (Chase DE) is a Delaware chartered bank that recently converted to a national charter on August 19, 1996. Chase DE was chartered subject to Delaware State Law, the Financial Center Development Act (FCDA). As an FCDA bank, Chase DE is restricted by Delaware state law to a single banking office and is prohibited from soliciting business within the state of Delaware. The conversion to a national charter does not release the bank from the FCDA restrictions.

Chase DE's primary business is credit cards. Total credit card receivables as of June 30, 1996, were \$23.4 billion; \$12 billion of which have been securitized. The bank also offers several unsecured personal line-of-credit products with total outstandings of \$1.8 billion, all of which are either check or credit card accessed. Chase DE also solicits deposits on a nationwide basis and has a limited personal and corporate trust business. No loans are made in conjunction with the trust business. The bank has only one office and no branches. The branch office located in the lobby of the facility is predominantly used only by employees although it is available to the general public. The bank, consistent with its size and resources, has the ability to help meet the credit needs of their assessment area, including low- and moderate-income (LMI) areas.

## **Description of Assessment Area**

Chase DE's assessment area is New Castle County, Delaware which is located in MSA number 9160. The assessment area is reasonable and does not arbitrarily exclude LMI neighborhoods. It is the same assessment area generally designated by other similarly situated institutions in this part of Delaware. Affordable housing is the primary identified need.

The following demographic data is updated through year end 1995. The assessment area consists of 119 census tracts. Nine percent of the tracts are low income, 19% are moderate income, 52% are middle income and 21% are upper income. Total population of the assessment area is 441,000 of which approximately 91,000 represents minorities (21%). MSA Median family income is \$55,500. Median household income is \$36,200 with approximately 7% of the households falling below poverty level.

Median housing value is \$98,400 and the median age of the housing stock is 39 years. Sixty-five percent of the housing units are owner occupied, 30% are rentals and the remaining 5% is vacant. Service industries (33%), manufacturing (23%) and financial related providers (15%), constitute the major employers within the county.

## **Conclusions with Respect to Performance**

Chase DE's community reinvestment performance is consistent with its designation as a limited purpose institution. Chase DE is responsive to the needs of its assessment area, providing a satisfactory level of support to qualified community development groups. Management targets all CRA activities to their assessment area. Emphasis is placed on organizations with programs that promote affordable housing, small business and the economic development needs of low- and moderate-income individuals and geographies. For the evaluation period, actual outlays totaled approximately \$1.9 million with an additional \$5.4 million in commitments targeted to help meet credit needs through qualified community development organizations. We tested bank prepared reports and found them to be accurate.

### **Community Development Loans**

In 1994, Chase DE committed \$1.9 million to the Delaware Community Investment Corporation (DCIC). DCIC operates as a multibank community development corporation to finance and invest in low- and moderate-income housing development and related activities in Delaware. During the evaluation period, the bank advanced \$490 thousand. The funding is to facilitate the building of four developments containing 238 housing units.

In 1996, Chase DE committed to invest \$3 million in DCIC's Delaware Equity Fund for Housing. The fund provides equity for affordable housing projects through low income tax credits. This fund closed with commitments from local institutions totaling \$14.5 million.

In 1996, Chase DE committed to extend \$1 million in loans through the DCIC Community Investment Loan Fund. The fund provides long term financing for commercial real estate projects that contribute to the revitalization of targeted and distressed communities. The fund's intent is to fill financing gaps for commercial development projects which existing financial institutions have not currently met. This fund closed with commitments from local institutions totaling \$6.1 million.

### **Community Development Investments**

Chase DE participates in the Urban Development Action Grant (UDAG) program with the City of Wilmington. Under the terms of the agreement a portion of the bank's payment on the UDAG loan, for the bank's headquarters, is transferred to the West Center City Neighborhood Planning Advisory Committee (WCCNPAC). WCCNPAC targets community development needs of low- and moderate-income families. During the evaluation period, WCCNPAC received \$469 thousand.

Qualified investments outstanding totaled \$1,060 thousand. The investments include \$960 thousand outstanding in Delaware State Housing Authority Bonds and a \$100 thousand deposit in a local credit union. During the evaluation period, the bank purchased \$260 thousand in Delaware State Housing Authority Bonds. During the same period, bond maturities and those partially called accounted for \$175 thousand. The proceeds of these tax exempt mortgage revenue bonds fund an innovative program that makes low interest rate mortgages for low- and moderate-income first time home buyers in Delaware. Chase DE also maintains a low interest Certificate of Deposit in a local credit union. The funds are to benefit low- and moderate-income individuals and small business lending.

Qualified contributions during the evaluation period total \$607 thousand. These contributions were to qualified organizations whose programs and services benefit low- and moderate-income families, individuals and small businesses. These organizations support the local community through several initiatives including: purchase of affordable housing; settlement assistance; credit counseling; and mortgage education.

### **Community Development Services**

Chase DE Senior Associate Counsel, chaired the planning committee for DCIC and was instrumental in leading the committee to establish the Community Development Loan Fund. The fund is an innovative program providing long term financing for commercial real estate projects that contribute to the revitalization of targeted and distressed communities. The fund's intent is to fill financing gaps for commercial development projects which existing financial institutions have not currently met. This fund closed with commitments totaling \$6.1 million.

Chase DE conducts monthly credit counseling seminars to low- and moderate-income home buyers and renters. Chase DE has arranged for various credit bureaus' to participate in these sessions as an additional service.

Chase DE donates the use of office space and equipment for a micro loan training program. The training program includes business management, writing a business plan, market analysis, etc., and is designed to expand inner city employment opportunities for small business owners.

During the evaluation period, a member of Chase DE management served as a loan officer at a local community development credit union, reviewing loan applications, establishing loan policy and providing credit counseling. Another individual also served as an investment advisor to a local community development credit union.