



# LIMITED PURPOSE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

October 22, 2007

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

InfiBank, National Association  
Charter Number: 24308

3490 Piedmont Road, Suite 900  
Atlanta, GA 30305

Office of the Comptroller of the Currency  
Mid-size Banks - Green  
440 South Lasalle Street 2700  
Chicago, IL 60605

**NOTE:** This document is an evaluation of this 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. 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.

## INSTITUTION'S CRA RATING:

**This institution is rated Satisfactory.**

The conclusions for the three rating criteria are:

- The bank demonstrates an adequate level of community development services and qualified investment activity.
- The bank demonstrates no use of innovative or complex qualified investments or community development services.
- The bank demonstrates adequate responsiveness to credit and community development needs in its assessment area.

## Scope of the Examination

In evaluating the bank's performance under the CRA, we reviewed community development activities from May 10, 2002 through October 22, 2007. We reviewed the level and nature of qualified investments and community development services. At the bank's request, we also considered qualified investments provided by its affiliates. At the prior examination, dated May 10, 2002, we rated the bank Satisfactory.

If a bank has adequately addressed its assessment area (AA) needs, the OCC considers community development (CD) activities the bank submits that benefit areas outside of its AA in the evaluation of its performance. The bank has adequately addressed the needs of its AA, and therefore, outside of AA CD qualified investments were considered in evaluating its performance.

## Description of Institution

InfiBank, N.A. (InfiBank) is a limited-purpose bank headquartered in Atlanta, GA. The bank's primary business is limited to consumer and commercial credit cards. InfiBank reported total assets of \$654 million as of September 30, 2007.

InfiBank was chartered in 1998 by the state of Georgia as an FDIC insured limited-purpose credit card bank. In November 2001, InfiBank converted to a nationally-chartered credit card bank regulated by the OCC with its operations restricted by the Competitive Equality Banking Act of 1987 (CEBA). As a CEBA bank, InfiBank operated with the following restrictions and was designated a limited-purpose bank for CRA purposes:

- It could not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties.
- It could not accept any savings or time deposits of less than \$100,000.
- It could maintain only one office.
- It could not engage in the business of making commercial loans.

In late 2003, InfiBank petitioned the OCC and received approval to drop its CEBA designation and to modify its corporate articles of association so that it could offer commercial credit cards in addition to potentially offering stored value and prepaid cards. Concurrent with this change, InfiBank also requested a continuation of its designation as a limited-purpose bank, since its activities were still limited to credit card operations. The OCC approved the continuation of InfiBank's limited-purpose designation in September 2003.

InfiBank is a third party provider of credit card products and related credit card services to financial institutions that, due primarily to their size, would find it difficult to establish an internal credit card program successfully. InfiBank's clients include 138 state and national banks, state and federal thrift institutions, and credit unions. These financial institutions contract exclusively with InfiBank as their credit card provider and servicer. InfiBank also collaborates with eight non-bank companies / organizations to develop new credit card programs. In both cases, InfiBank handles the credit decision, card issuance, card servicing, billing, fraud detection and prevention, and receivable securitization. InfiBank also provides portfolio management services for a large banking company in the Atlanta area.

InfiBank is a wholly owned subsidiary of InfiCorp Holdings, Inc., which is a wholly owned subsidiary of First National of Nebraska, Inc. (FNNI). FNNI is a multi-bank holding company with interstate operations headquartered in Omaha, Nebraska. As of June 30, 2007, FNNI had total assets of approximately \$15 billion, total equity capital of \$1.2 billion, and net income of \$55 million. InfiBank does not have any subsidiaries.

InfiBank's ability to engage in direct community development activities is restricted by its operations and the products it may offer as defined in its articles of association. At the bank's request, we considered qualified investments made by affiliate First National Bank of Omaha (FNB of Omaha). FNB of Omaha is a commercial bank and the lead bank within the FNNI family.

InfiBank uses a securitization trust to fund credit card receivables. The bank retains the servicing and management of the accounts.

Table 1 shows financial information for InfiBank. This information helps provide a perspective on the bank's capacity to help meet the needs of the assessment area.

**Table 1: Financial Information (000's)**

	Year-end 2002	Year-end 2003	Year-end 2004	Year-end 2005	Year-end 2006	Most Recent Quarter-end 09/30/2007	Average for Evaluation Period
<b>Tier 1 Capital</b>	12,199	20,661	39,022	39,530	57,637	84,780	42,305
<b>Total Income</b>	40,637	53,632	60,283	63,318	92,509	134,771*	74,192
<b>Net Operating Income</b>	9,481	8,507	5,116	(11,762)	13,164	35,028*	9,922
<b>Total Assets</b>	118,904	144,099	237,671	336,821	404,650	653,662	315,968
<b>Pass-Through Receivables</b>	334,390	480,634	629,506	770,813	841,890	930,680	664,652

Source: Consolidated Report of Condition and Income and bank-reported data.

\*Annualized data reported. The Average for the Evaluation Period is the average of the numbers in the six columns.

## Description of Assessment Area

InfiBank designated the Atlanta-Sandy Springs-Marietta, GA MSA (Atlanta MSA) as its AA for CRA purposes. This AA meets the legal requirements of the CRA and does not arbitrarily exclude low-or moderate-income geographies. The AA includes a twenty-eight county area surrounding the city of Atlanta. The AA is a mix of urban and suburban areas concentrated near the center of the MSA. Areas that are more rural can be found along the MSA's periphery. The Atlanta MSA accounts for over half of the total population and employment of the state of Georgia. The U.S. Census Bureau's 2006 American Community Survey (2006 ACS) shows the AA with a population of 5.1 million people with 1.8 million households and 1.2 million families.

The following discussion and table present general demographic and economic information on the AA.

**Table 2: Assessment Area Description**

	<b>Number</b>	<b>Low</b>	<b>Moderate</b>	<b>Middle</b>	<b>Upper</b>
<b>Tracts</b>	690	10.4%	26.8%	36.2%	26.4%
<b>Families</b>	1,086,862	20.0%*	18.1%*	22.3%*	39.6%*
<b>Businesses</b>	477,559	4.4%**	19.3%**	38.7%**	37.6%**

*Source: Demographic Data – 2000 U.S. Census, 2006 Dun & Bradstreet Data. \*Represents families by income level. \*\*Represents businesses by income level of census tract. Percentages do not add to 100% due to rounding and 1 Census Tract that is not income categorized.*

The Metro Atlanta area is recognized as the transportation, distribution, and cultural center of the Southeastern United States. Population growth is strong and individuals continue to migrate to the area from across the country. The per capita income in the Atlanta area exceeds both the state and national averages. The 2000 census median family income for the AA was \$58,537. The Department of Housing and Urban Development's (HUD) 2007 updated median family income estimate for the Atlanta MSA is \$68,100.

The Atlanta MSA has a diverse industrial base that includes manufacturing, transportation, distribution, retailing, wholesaling, finance, government, research, education, medicine, and technical support. The Atlanta area ranked among the top five in the nation in job growth over the past decade, and is home to 27 Fortune 1000 companies. Hartsfield-Jackson Atlanta International Airport is recognized as the world's busiest airport. Atlanta is also considered the rail center of the South, supporting one of the largest inland ports in the world, and one of the top five distributions centers in the U.S. Top employers include: Emory University, Delta Airlines, Publix Supermarkets, Kroger Company, AT&T/BellSouth Corporation, Wal-Mart Stores, and The Home Depot. The unemployment rate for the MSA was 4.4 % in September 2007, compared to the rate of 4.6% for both the state of Georgia and the U.S.

Even with strong job growth and relatively low unemployment, 12 percent of people within the MSA were in poverty. More significantly, nine percent of families and 25 percent of single-mother households had income below the poverty level.

Area housing costs for mortgagees and renters have been trending higher in recent years. According to the 2006 ACS, 36 percent of households with mortgages, 14 percent of households without mortgages, and 50 percent of renters in the Atlanta MSA spent 30 percent or more of household income on housing costs. This compares with 2002 ACS figures of 28 percent for mortgagees, 9 percent for owners without mortgages, and 50 percent for renters. For 2006, Georgia ranked 16<sup>th</sup> in the nation in the percentage of renters that pay 30 percent or more of their income in housing costs.

The State of Georgia's 2005-2010 Consolidated Plan (Consolidated Plan) notes that the Atlanta metro area needs additional affordable housing. The Consolidated Plan shows that renter households are more

severely cost burdened at the extremely low income levels. In fact, a study conducted by the National Low Income Housing Coalition found that 80 percent of low-income worker's median income would have to be spent in order to afford the average rent for a two-bedroom apartment in the Atlanta MSA.

Redevelopment zones within and around downtown Atlanta have begun to appear in the last several years. Additional redevelopment opportunities are expected at two former automobile plant locations north and south of the city that have recently closed. The closure of Fort McPherson will provide many acres of land located halfway between downtown and the airport south of the city. Groups such as the Atlanta Neighborhood Development Partnership, Atlanta Housing Authority, Urban Residential Finance Authority, Atlanta BeltLine, Inc., and the City of Atlanta are working to include affordable housing alternatives within these redevelopment areas. In fact, the Atlanta Housing Authority has completed six mixed-income communities around the city with three more in the pre-development phase.

Competition for a part of CD opportunities is intense within the Atlanta MSA. Almost every large banking organization has a significant presence within the MSA. In addition, the city of Atlanta is headquarters for SunTrust Banks, a large, multi-state financial services organization.

During our examination, we reviewed other community contact information on file from prior OCC examinations in the AA. These sources identified multi-family affordable housing and small business financing and development as the predominant needs in the community.

# Conclusions about Performance

## Summary

During the evaluation period, InfiBank originated an adequate level of qualified investments given available opportunities for limited-purpose banks, competition from full-service financial institutions, and the unique nature of the bank's operations. In addition, InfiBank has a limited number of employees compared to other, larger financial institutions within its AA. InfiBank provided \$14 million in investments, \$610 thousand of which benefited low- and moderate-income individuals within the bank's AA.

InfiBank provided an adequate level of CD services during this evaluation period. Several bank employees participated with a community organization to teach a program through a local school that focused on personal and family financial management along with job skill enrichment to students of low-income families. Another community development service involved two employees who provided financial literacy training to low- and moderate-income individuals through a local consumer credit counseling organization and the Salvation Army.

InfiBank's CD activities are neither innovative nor complex. InfiBank's narrow focus, expertise, and small staff limit its involvement in complex CD activities.

InfiBank's CD activities show adequate responsiveness to the needs of its AA—primarily the need for more affordable housing alternatives. InfiBank addressed this need by providing funding for organizations that provide services to low- and moderate-income individuals and provide affordable housing. InfiBank staff also provided services that likewise benefited community development organizations. Over 80 percent of Infibank's qualified investments and one of its services benefited affordable housing projects.

## Qualified Investments

InfiBank's qualified investments originated during the evaluation period totaled \$13.5 million with an additional \$200 thousand still outstanding from the prior evaluation period. These investments can be broken into two categories: investments/donations in organizations that provide credit counseling and investments/grants in organizations that either develop affordable housing or provide affordable housing assistance in the Atlanta MSA. Affordable housing is a pressing need within the bank's AA and InfiBank's investments go toward promoting additional housing opportunities. The bank's investments in credit counseling organizations benefits low- and moderate-income individuals and families within the Atlanta MSA and around the country. These organizations can also provide services and counseling to families and individuals that might be on the brink of losing their home.

Outstanding investments originated during this and prior evaluation periods are listed in Table 3.

**Table 3: Qualified Investment Activity (000s)**

	<b>Benefits AA</b>	<b>Outside AA</b>	<b>Totals</b>
<b>Originated Investments</b>	225	0	225
<b>Originated Grants</b>	185	13,329	13,514
<b>Prior-Period Investments that Remain Outstanding</b>	200	0	200
<b>Total Qualified Investments</b>	610	13,329	13,939
<b>Unfunded Commitments*</b>	0	0	0

\* "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

The following table 4 reflects a comparison of the investments to the bank's financial resources:

**Table 4: Qualified Investment Percentages**

	<b>Benefits AA (%)</b>	<b>Outside AA (%)</b>	<b>Total (%)</b>
<b>Total Investments/Average Tier 1 Capital</b>	1.44	31.51	32.95
<b>Total Investments/Average Total Income</b>	0.82	17.97	18.79
<b>Total Investments/Average Pass-Through Receivables</b>	0.09	2.01	2.10

Qualified investments include:

- In 2004, InfiBank invested \$225 thousand in a Community Development Corporation owned by the bank's parent company—First National of Nebraska, Inc. This investment is a three-year commitment that will fund development of low- to moderate income housing facilities within the bank's AA.
- During the evaluation period, InfiBank's affiliate, FNB of Omaha, contributed \$140 thousand to Consumer Credit Counseling Services of Greater Atlanta, Inc. (CCCS of Atlanta). CCCS of Atlanta is a non-profit organization that provides credit and financial counseling and negotiates payment agreements for debtors experiencing financial difficulties. Clients served are primarily low- to moderate-income. These contributions to CCCS of Atlanta were made under its Fair Share Program. Under this program, a portion of the debtor's payments under a CCCS of Atlanta repayment plan is contributed back to CCCS of Atlanta in the form of monthly donations.
- During the evaluation period, InfiBank donated \$31 thousand to the United Way of Metro Atlanta's Homeownership Individual Development Account Program. This program provides individual savings accounts and matching funds, which help low- and moderate-income individuals and families afford their own home.
- During the evaluation period, InfiBank contributed \$929 thousand and FNB of Omaha, contributed \$12.4 million to Consumer Credit Counseling Services (CCCS) located throughout the country, under CCCS's Fair Share Program.

- The prior period investments consist of:
  - InfiBank's purchase in November 2000 of \$100 thousand Georgia Housing and Finance Authority bond that supports a variety of projects that help provide affordable housing for low- and moderate-income individuals in the State of Georgia, including the Atlanta MSA.
  - InfiBank renewed in March 2003 a certificate of deposit with Citizens Trust Bank—a certified Community Development Financial Institution. The investment funds loans to low- and moderate-income individuals for home purchases and home improvements within the Metro Atlanta area.

## **Community Development Services**

InfiBank provided an adequate level of CD services during this evaluation period. Bank staff partnered with Junior Achievement to teach Personal Economics at Booker T. Washington High School. This program focuses on personal and family financial management along with job skill enrichment to students of low-income families. One employee identified this opportunity and coordinated the program between all parties and three other employees taught some of the lessons. Another community development service is Consumer Credit Counseling Services of Greater Atlanta (CCCS) and Salvation Army. Through CCCS two employees are instructors that provide Financial Literacy Training to Salvation Army participants.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Assessment Area (AA):** A geographic area that consists generally of one or more MSAs (using the MSA boundaries that were in effect as of January 1 of the calendar year in which the delineation is made) or one or more contiguous political subdivisions, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking ATMs.

**Benefit to Assessment Area:** A qualified Community Development activity benefits the assessment area if (i) the activity benefits areas within the assessment area, or (ii) the activity has the potential to benefit the assessment area and is located in the broader statewide or regional area that includes the bank's assessment area. If a bank has adequately addressed the needs of its assessment area, then the OCC also considers activities submitted by the bank that benefit areas outside of its assessment area.

**Census Tract (CT):** Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per 10-year census and an average population of 4,000.

**Community Development (CD):** Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301)) or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Limited Purpose Institution:** An institution that offers only a narrow product line (such as credit cards or automobile loans) to a regional or broader market and for which a designation as limited purpose bank is in effect.

**Median Family Income (MFI):** The median income determined by the United States Census Bureau every 10 years and used to determine the income level category of geographies. Also, it is the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of families. For any given geography, the median is the point at which half of the families have income above it and half below it. (See the four categories of median income below.)

- **Low-Income** – An income level that is less than 50% of the MFI.
- **Moderate-Income** – An income level that is at least 50% and less than 80% of the MFI.
- **Middle-Income** – An income level that is at least 80% and less than 120% of the MFI.
- **Upper-Income** – An income level that is 120% or more of the MFI.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**Net Operating Income:** As listed in the Consolidated Report of Condition and Income: Income before income taxes and extraordinary items and other adjustments. [*Schedule RI - Income Statement, line 8 or UBPR, page 2, "PreTax Operating Income (TE)"*]

**Pass-Through Receivables:** Outstanding receivables tied to all accounts issued or owned by the bank. Pass-through receivables include receivables attributable and receivables retained on balance sheet as those terms are used in 12 CFR 8.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries. [*Schedule RC-R - Regulatory Capital, line 3a(1) or UBPR, page 11A, "Net Tier One"*]

**Total Assets:** Total bank assets as listed in the Consolidated Report of Condition and Income. [Schedule RC - Balance Sheet, line 12 or UBPR, page 4, "Total Assets"]

**Total Income:** From the Consolidated Report of Condition and Income – Total Interest income plus Total Noninterest income. [Schedule RI - Income Statement, Total Interest Income, line 1g and Total Noninterest Income, line 5g, except for banks with domestic offices only and total assets less than \$100 million, line 5c or UBPR, page 2, "Total Interest Income" and "Noninterest Income"]