



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

November 19, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Millennium Bank, National Association
Charter Number: 23828

1601 Washington Plaza
Reston, VA 20190

Office of the Comptroller of the Currency

Washington, DC Area Satellite Office
395 E Street, SW, Suite 850
Washington, DC 20024

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 Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The primary factors supporting the overall rating are:

- The average loan-to-deposit ratio since the last examination is 89.9%.
- A majority of all loans originated are within the bank's assessment area (AA).
- An adequate distribution of loans among borrowers of different income levels.
- An adequate distribution of loans among census tracts of different income levels throughout the AAs.
- MNB did not receive any CRA-related complaints during the evaluation period.
- The level of community development activities conducted by the institution is satisfactory.

Scope of Examination

We performed a full scope examination of each of the bank's two assessment areas of Northern Virginia and Richmond, Virginia, which are located within the Washington, DC-Arlington Metropolitan, (DC-VA-MD-WV) metropolitan statistical area (MSA) and the Richmond, Virginia metropolitan statistical area (MSA) respectively. Conclusions reached as a result of our lending tests were based on our analysis of loans originated from January 1, 2004 through December 28, 2006. Conclusions reached as a result of our community development tests were based upon bank activities which took place from January 1, 2004 through October 31, 2007.

Description of Institution

Millennium Bank, NA (MNB) is a \$554 million intrastate bank headquartered in Reston, Virginia. MNB is a wholly owned subsidiary of Millennium Bancshares Corporation (MBC), a holding company which is also headquartered in Reston, Virginia. MNB is a full-service community bank with six locations of which four are in the Northern Virginia area and two are in Richmond, Virginia area. All branches have automated teller machines (ATMs). Since the last evaluation, MNB acquired two branch locations in the Richmond Virginia area which expanded the bank's assessment area to the Richmond, Virginia MSA in 2002. The Warrenton branch was acquired in 2004 expanding the bank's footprint into Fauquier County. Also, the Great Falls Branch was closed and the Sterling Branch was opened in 2007.

MNB had three mortgage operating subsidiaries, Millennium Capital, Inc., Millennium Home Loans and Hyland Mortgage. All three mortgage operating subsidiaries were dissolved in 2007. In accordance with 12 CFR 25.22, these companies are considered affiliates of the bank and management has the option to request to include affiliate lending activity in the bank's evaluation. This option was not exercised and as such, mortgage loans originated by these affiliates are not included in this review.

As of September 30, 2007 Millennium Bank had net loans totaling \$315 million or 57% of total assets and deposits of \$396 million. The primary loan products for the purpose of our examination were determined to be Home Purchase Loans and Home Refinance Loans. The bank's loan portfolio is comprised of 36% commercial real estate loans, 32% 1-4 family residential real estate loans, 19% construction and development loans, 6% commercial and industrial loans, 4% loans to individuals and 3% multi-family loans.

There are no impediments, legal or otherwise, which would hinder the banks efforts to meet the credit needs of the assessment area. However, strong competition from other community and regional banks, thrifts, credit unions, and non-financial institutions is evident in the community.

Millennium Bank's previous CRA examination was conducted on November 15, 2001 and was assigned an overall rating of "Satisfactory."

Description of Assessment Area(s)

MNB has delineated two assessments areas for CRA purposes. The Northern Virginia Assessment Area (NVAA) which consists of portions of the Washington, DC-Arlington-Alexandria, (DC-VA-MD-WV) metropolitan statistical area (MSA 47900). Within the Washington DC MSA, the bank has one metropolitan division (MD 47894) that includes the Northern Virginia assessment area. The second AA is the Richmond Virginia AA and is comprised of parts of the Richmond, Virginia MSA (40060). This is a new assessment area for the bank which was delineated since the last CRA examination.

At the beginning of our examination, MNB inadvertently excluded the cities of Hopewell and Petersburg, VA and a contiguous census tract in Prince George County from its Richmond, Virginia assessment area. These locations are surrounded by other census tracts within MNB's Richmond, VA assessment area. This omission was corrected during our CRA examination and there was no indication that this was an intentional exclusion of lending within these census tracts. Finally, we found that the bank's geographic distribution in low and moderate income census tracts improved when these geographies were added to the corrected assessment area.

During our examination, we contacted a local non-profit organization that assists low- and moderate-income individuals and small businesses with financial counseling and support. The community contact indicated that affordable residential and commercial loans continue to be needs in the community.

Northern Virginia Assessment Area (NVAA)

The Northern Virginia AA includes 200 census tracts comprised of all of Fairfax County, Fauquier County, and parts of Loudoun County, VA in the Northern Virginia MD. Major employers in the DC-VA-MD-WV MSA include the federal government, AOL, Sprint/Nextel, ExxonMobil and Science Applications International Corporation (SAIC). The unemployment rate in this MSA is exceptionally low at 1.4% compared to the national average of 4.9%.

The 2000 U. S. Census Median Family Income for the NV AA is \$71.1 thousand. The census tracts consists of less than <1% low income, 7% moderate income, 37% middle income, 55% upper income and <1% N/A income tracts. The 2006 HUD Updated Median Family Income for this AA is \$88.2 thousand. This AA also contains 11.9% low income families, 13.5% moderate income families, 21.3% middle income families and 53.3% upper income families.

There are 428 thousand housing unit in the AA of which 70% are owner-occupied, 27% are rental-occupied and 3% are vacant. The median housing value is \$221.8 thousand.

Competition for deposits and loans within the NVAA, as well as entire DC-VA-MD-WV MSA is very high with 107 institutions competing within the MSA for deposits as of June 30, 2006 and 784 lenders competing within the NVAA for loans. According to the FDIC Market share report as of 6/30/2006 MNB was ranked number 40 in the DC-VA-MD-WV MSA in Deposit market share with a market share of 0.18%. E*Trade Bank was ranked first with a deposit market share of 14.64%. According to the 2006 eastern peer group report, MNB was ranked number 179 in the NV AA in loan market share as of 6/30/2006 with a market share of 0.06%. Countrywide Home Loans was ranked first with a market share of 6.87%.

The table below further describes the distribution of the population, families and households based on geographic income categories.

Demographic Information for Full Scope Area: Northern Virginia AA

		Low	Moderate	Middle	Upper	NA*
Demographic Characteristics	#	% of #	% of #	% of #	% of #	% of #
Geographies (Census Tracts/BNAs)	200	0.50	7.00	37.00	55.00	0.50
Population by Geography	1,158,577	0.26	7.49	38.00	54.25	0.00
Owner-Occupied Housing by Geography	301,042	0.00	4.23	35.22	60.54	0.00

Business by Geography	94,222	0.11	4.53	39.21	56.15	0.01
Farms by Geography	1,510	0.00	5.96	47.35	46.69	0.00
Family Distribution by Income Level	303,300	11.90	13.55	21.28	53.26	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	77,206	0.81	16.08	49.27	33.84	0.00
Median Family Income	71,100	Median Housing Value	221,839			
HUD Adjusted Median Family Income for 2006	88,200	Unemployment Rate	1.4%			
Households Below Poverty Level	4%					

(*) The NA category consists of geographies that have not been assigned an income classification.

2006 HUD updated MFI

Richmond AA

The Richmond AA includes the cities of Richmond, Hopewell, Petersburg and Colonial Heights, all of Henrico County and census tracts within the counties of Prince George, Chesterfield, Hanover, Goochland and Dinwiddie County. The greater Richmond area is home to nine Fortune 500 companies including Dominion Resources, Circuit City, CarMax and Performance Food Group. The major industries in the area are law, finance and federal, state and local government. The area has a relatively low unemployment rate of 2.5% compared to the state unemployment rate of 3%.

There are a total of 171 census tracts comprised of 14.6% low income tracts, 25.7% moderate income tracts, 37.4% middle income tracts and 21.6% upper income tracts. Eleven percent of the population lives below the poverty level. The AA has a median family income of \$54.9 thousand. The 2006 HUD Updated Median Family Income for this AA is \$67.2 thousand. The AA consists of 23.1% low income, 18.7% moderate income, 21.7% middle income and 36.3% upper income families.

Competition for deposits and loans within the Richmond AA, as well as entire Richmond Virginia MSA is also very high with 39 institutions competing within the MSA for deposits as of June 30, 2006 and 637 lenders competing within the Richmond AA for loans. According to the FDIC Market share report as of 6/30/2006 MNB was ranked number 24 in the Richmond Virginia MSA in Deposit market share with a market share of 0.23%. Capital One Bank was ranked first with a deposit market share of 32.21%. According to the 2006 eastern peer group report, MNB was ranked number 278 in the Richmond Virginia AA in loan market share as of 6/30/2006 with a market share of 0.02%. Countrywide Home Loans was ranked first with a market share of 6.29%.

There are 270 thousand housing units of which 94% are occupied. Fifty-seven percent are owner-occupied and 37% are rental-occupied with a median housing value of \$114 thousand.

The table below further describes the distribution of the population, families and households based on geographic income categories.

Demographic Information for Full Scope Area: Richmond AA

		Low	Moderate	Middle	Upper	NA*
Demographic Characteristics	#	% of #	% of #	% of #	% of #	% of #
Geographies (Census Tracts/BNAs)	171	14.62	25.73	37.43	21.64	0.58
Population by Geography	636,438	10.25	25.16	38.15	26.44	0.00
Owner-Occupied Housing by Geography	155,978	5.36	19.09	42.30	33.26	0.00
Business by Geography	44,482	16.25	19.77	34.99	28.89	0.10
Farms by Geography	788	4.31	12.56	44.29	38.83	0.00
Family Distribution by Income Level	161,942	23.19	18.70	21.73	36.37	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	67,843	17.74	34.61	35.90	11.75	0.00
Median Family Income		54,872	Median Housing Value			14,099
HUD Adjusted Median Family Income for 2006		67,200	Unemployment Rate			2.57%
Households Below Poverty Level		11%				

(*) The NA category consists of geographies that have not been assigned an income classification.

2006 HUD updated MFI

Conclusions with Respect to Performance Tests

LENDING TEST

Overall performance under the lending test is satisfactory. An analysis of the loan to

deposit ratio is reasonable with a loan to deposit ratio in excess 89% throughout the evaluation period. A majority of all loans originated were found to be originated within the bank's designated assessment areas (AA's). Our analysis of loans to borrowers of different income levels was found to be reasonable.

Our analysis of the distribution of loans through out the AA's various census tracts was satisfactory with MNB's distribution of loans among census tracts of different income levels throughout the AAs was adequate.

MNB did not receive any CRA-related complaints during the evaluation period.

Loan-to-Deposit Ratio

An analysis of MNB's loan-to-deposit ratio from the first quarter of 2004 through the fourth quarter of 2006 indicates that the bank meets the standards for satisfactory performance. The bank's average loan-to-deposit ratio for these 21 quarters was 89.9%, ranging from 63.23% to 95.91%. This ratio exceeds the average quarterly ratio of national banks in similar markets and of similar asset size. This custom peer average was 84.4% with average ratios during the period ranging from 58.56% to 117.17%. The custom peer group consisted of National banks with total assets between \$600 million and \$1 billion located in Pennsylvania, Delaware, and Virginia.

The ratio is reasonable given the bank's size, financial condition, and assessment area's credit needs.

Lending in Assessment Area

A majority of the home mortgage loans originated during the evaluation period were within the AA. MNB meets the standards for satisfactory performance for lending in their AA. An analysis of the HMDA data from the evaluation period disclosed that 51.85% of the loans were originated in the AA.

The following table is an analysis of the distribution of home mortgages inside and outside of the bank's AA.

HOME MORTGAGE LOANS ORIGINATED DURING EVALUATION PERIOD 01/01/04 THROUGH 12/31/06				
	INSIDE ASSESSMENT AREA		OUTSIDE ASSESSMENT AREA	
	# Loans	Percentage	# Loans	Percentage
Home Purchase Loans	34	41.46%	52	60.47%
Home Refinance Loans	45	63.38%	26	36.62%
Home Improvement Loans	3	60%	2	40%

Multifamily	2	100%	0	0%
Total Loans	84	51.5%	78	48.15%

Source: 2004, 2005, 2006 MNB HMDA-LAR

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Northern Virginia AA

MNB's record of lending to borrowers of different incomes meets the standard for satisfactory performance. Based on the 2000 Census Data, the level of home purchase loans originated to low-income borrowers in the Northern Virginia AA exceeds the percentage of low-income families for the AA. The level of home purchase loans originated to moderate-income borrowers in the AA is substantially less than the percentage of moderate-income families. The level of home mortgage refinance loans originated to low-income borrowers in the Northern Virginia AA is equal to the percentage of low-income borrowers in the AA. The level of home mortgage refinance loans is slightly less than the number of moderate-income families in the AA.

When considering the affordability of housing in the AA, this performance is satisfactory. The median cost of housing in the Northern Virginia AA is \$221,839 based on 2000 U.S. Census data. The HUD updated median family income for 2006 is \$88,200. This means that a low-income person earns less than \$44,100 in the AA.

The following tables are an analysis of the distribution of home mortgage loans by borrower income level.

Borrower Distribution of Home Purchase Mortgage Loans MNB Northern Virginia AA 01/01/04 THROUGH 12/31/06				
Income Level		% of Loans		Income Level of Families in AA
Low		12.5%		11.91%
Moderate		0%		13.55%
Middle		12.5%		21.28%
Upper		75%		53.26%
Total		100.00%		100.00%

Source: 2004, 2005, 2006 MNB HMDA-LAR-2000 US Census Data

Borrower Distribution of Home Mortgage Refinance Loans MNB Northern Virginia AA	
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01/01/04 THROUGH 12/31/06			
Income Level	% of Loans		Income Level of Families in AA
Low	11.11%		11.91%
Moderate	11.11%		13.55%
Middle	0%		21.28%
Upper	77.78%		53.26%
Total	100.00%		100.00%

Source: 2004, 2005, 2006 MNB HMDA-LAR-2000 US Census Data

Richmond Virginia AA

MNB's record of lending to borrowers of different incomes meets the standard for satisfactory performance. Based on the 2000 Census Data, the level of home purchase loans originated to low-income borrowers in the Richmond Virginia AA is less than the percentage of low-income families for the AA. The level of home purchase loans originated to moderate-income borrowers in the AA is comparable to the percentage of moderate-income families. The level of home mortgage refinance loans originated to low-income borrowers in the Richmond Virginia AA is less than the percentage of low-income borrowers in the AA. The level of home mortgage refinance loans is also less than the number of moderate-income families in the AA.

When considering the affordability of housing in the AA, this performance is satisfactory. The median cost of housing in the Northern Virginia AA is \$114,099 based on 2000 U.S. Census data. The HUD updated median family income for 2006 is \$67,200. This means that a low-income person earns less than \$33,600 in the AA and a moderate-income family would earn less than \$53,760.

The following tables are an analysis of the distribution of home mortgage loans by borrower income level.

Borrower Distribution of Home Purchase Mortgage Loans MNB Richmond Virginia AA 01/01/04 THROUGH 12/31/06			
Income Level	% of Loans		Income Level of Families in AA
Low	5.56%		23.19%
Moderate	16.67%		18.7%
Middle	22.22%		21.73%
Upper	55.56%		36.37%
Total	100.00%		100.00%

Source: 2004, 2005, 2006 MNB HMDA-LAR-2000 US Census Data

Borrower Distribution of Home Mortgage Refinance Loans MNB Richmond Virginia AA 01/01/04 THROUGH 12/31/06				
Income Level		% of Loans		Income Level of Families in AA
Low		3.57%		23.19%
Moderate		10.71%		18.70%
Middle		10.71%		21.73%
Upper		75.00%		36.37%
Total		100.00%		100.00%

Source: 2004, 2005, 2006 MNB HMDA-LAR-2000 US Census Data

Geographic Distribution of Loans

Northern Virginia AA

The geographic distribution of Home Purchase loans in the Northern Virginia AA reflects reasonable dispersion throughout the AA and meets the standards for satisfactory performance. Based upon the 2000 Census Data, there was one low-income census tract in the AA. There were fourteen moderate-income census tracts, seventy-four middle-income census tracts, one hundred-ten upper-income census tracts and a single tract which was classified as non-applicable.

During the evaluation period, no home mortgage purchase loans were originated in low-income tracts, however, according to the 2000 census information, there were no owner occupied units in the single low income tract in the AA. Also during this time period, the percentage of home purchase loans originated in the AA substantially exceeded the percentage of owner occupied housing units within those areas.

During the evaluation period, no home mortgage refinance loans were originated in low or moderate-income tracts, however, according to the 2000 census information, there were no owner occupied units in the single low income tract in the AA and only 4.23% of owner occupied units in the moderate-income tracts in the AA.

Lending opportunities for MNB in this AA are very competitive, with 784 other mortgage lenders competing through out the Northern Virginia AA.

Please refer to the following table for geographic distribution of home mortgage loans in the Northern Virginia AA.

Geographic Distribution of Home Purchase Mortgage Loans MNB Northern Virginia AA 01/01/04 THROUGH 12/31/06				
Census Tract	Number of Census Tracts	% of Total Loans		% of Owner-Occupied Units
Low	1	0%		0%
Moderate	4	11.11%		4.23%

Middle	74	77.78%			35.23%
Upper	110	11.11%			60.54%
N/A	1	0%			0%
Total	200	100%			100%

Source: 2004, 2005, 2006 MNBHMDA-LAR/2000 Census Data

Geographic Distribution of Refinance Mortgage Loans MNB Northern Virginia AA 01/01/04 THROUGH 12/31/06					
Census Tract	Number of Census Tracts	% of Total Loans			% of Owner-Occupied Units
Low	1	0%			0%
Moderate	4	0%			4.23%
Middle	74	60%			35.23%
Upper	110	40%			60.54%
N/A	1	0%			0%
Total	200	100%			100%

Source: 2004, 2005, 2006, MNB HMDA-LAR/2000 Census Data

Richmond Virginia AA

The geographic distribution of Home Purchase loans in the Richmond Virginia AA reflects reasonable dispersion throughout the AA and meets the standards for satisfactory performance. Based upon the 2000 Census Data, there were twenty five low-income census tracts in the AA. There were forty-four moderate-income census tracts, sixty-four middle-income census tracts, thirty seven upper-income census tracts and a single tract which was classified as non-applicable.

During the evaluation period, the percentage of home mortgage purchase loans originated in low-income tracts substantially exceeded the percentage of owner occupied units within those tracts. Also during this time period, the percentage of home purchase loans originated in moderate-income geographies substantially exceeded the percentage of owner occupied units within these geographies.

During the evaluation period, the percentage of home mortgage refinance loans originated in low-income geographies substantially exceeded the percentage of owner occupied within those geographies. In addition the percentage of home mortgage refinance loans originated in moderate-income geographies substantially exceeded the percentage of owner occupied units within those geographies.

Lending opportunities for MNB in this AA are very competitive, with 637 other mortgage lenders competing through out the Richmond Virginia AA.

Please refer to the following table for geographic distribution of home mortgage loans in the Northern Virginia AA.

Geographic Distribution of Home Purchase Mortgage Loans				
MNB Richmond Virginia AA				
01/01/04 THROUGH 12/31/06				
Census Tract	Number of Census Tracts	% of Total Loans		% of Owner-Occupied Units
Low	25	16%		5.36%
Moderate	44	44%		19.09%
Middle	64	32%		42.30%
Upper	37	8%		33.26%
N/A	1	0%		0%
Total	171	100%		100%

Source: 2004, 2005, 2006 MNBHMDA-LAR/2000 Census Data

Geographic Distribution of Refinance Mortgage Loans				
MNB Richmond Virginia AA				
01/01/04 THROUGH 12/31/06				
Census Tract	Number of Census Tracts	% of Total Loans		% of Owner-Occupied Units
Low	25	14.29%		5.36%
Moderate	44	71.43%		19.09%
Middle	64	11.43%		42.30%
Upper	37	2.86%		33.26%
N/A	1	0%		0%
Total	171	100%		100%

Source: 2004, 2005, 2006, MNB HMDA-LAR/2000 Census Data

Responses to Complaints

MNB has not received any CRA-related consumer complaints since the last Community Reinvestment Examination.

COMMUNITY DEVELOPMENT TEST

Community development performance is rated satisfactory. MNB’s community development

performance in both AAs demonstrates adequate responsiveness to community development needs through qualified development lending, investments and services.

Community Development Lending

MNB made no community development loans during the evaluation period. Opportunities to lend in the AA for community development purposes are very limited and competition in these areas is strong. The economies of each AA are also strong and growing. The poverty rates for AAI and AAI of 4% and 11%, respectively, are relatively low.

Community Development Investments

MNB's community development investments totaled \$7.6 million during the evaluation period. This investment was through the purchase of an investment in Local Housing Development Authority Bonds which directly benefited low- and moderate-income individuals and geographies located in the bank's AA. The purpose of the bonds was to directly make financing available for affordable housing to low- and moderate-income consumers at below-market rates.

Additionally, MNB made qualified donations during the evaluation period totaling \$500. These donations benefited organizations operating within the bank's AAs that have economic development and community service objectives.

Community Development Services

MNB employees used their technical skills and knowledge to serve various organizations in the AAs during the evaluation period. Several of these organizations assist in providing economic development and community services within the bank's AA's.

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.