



# **Office of the Comptroller of the Currency Administrator of National Banks**

Southeastern District  
Marquis One Tower, Suite 600  
245 Peachtree Center Avenue, N.E.  
Atlanta, Georgia 30303

PUBLIC DISCLOSURE

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**November 5, 1996**

SunTrust Bank, Southeast Georgia, N.A.  
Charter Number 4944  
510 Gloucester Street  
Brunswick, Georgia 31520

5  
5 NOTE: This evaluation is not, nor should it be  
5 construed as, an assessment of the financial  
5 condition of this institution. The rating  
5 assigned to this institution does not represent  
5 an analysis, conclusion or opinion of the  
5 federal financial supervisory agency concerning  
5 the safety and soundness of this financial  
5 institution.  
5

## **GENERAL INFORMATION**

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **SunTrust Bank, Southeast Georgia, N.A.**, 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 **November 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 (CRA) 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 12 assessment factors, which are grouped together under 5 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.

## **INSTITUTION AND COMMUNITY PROFILE**

### **Corporate Profile**

SunTrust Bank, Southeast Georgia, N.A. (SunTrust-Brunswick) is a subsidiary of SunTrust Banks, Inc. (STI), a multi-bank holding company with total assets of \$50 billion as of September 30, 1996. STI is headquartered in Atlanta, Georgia and owns twenty-three national banks in Alabama, Florida, Tennessee, and Georgia. STI's primary businesses include traditional deposit and credit services and trust and investment services.

### **Bank Profile**

SunTrust-Brunswick operates ten branch offices in its four delineated communities of Appling, Glynn, Ware, and Wayne counties in Georgia. The bank is headquartered in Glynn County, where they derive approximately one half of all loan originations and six of the ten branches are located. As of September 30, 1996, SunTrust-Brunswick reported total assets of \$422 million. It is the largest bank in Glynn and Wayne counties.

### **Community Profile**

Appling, Glynn, Ware, and Wayne counties are in southeast Georgia and have a total population of 136,000. These four counties consist of communities ranging from small rural farming towns to the coastal city of Brunswick, which is heavily dependent on tourism. The percentage of households living below the poverty level in Appling (22%), Ware (21%), and Wayne (21%) counties are more than the percentage (14%) for the entire state of Georgia. Five of the thirty-two census tracts and Block Numbering Areas (BNAs) within Appling, Glynn, Ware, and Wayne counties are categorized as low- and moderate-income areas based on 1990 census data.

In Glynn County, SunTrust-Brunswick's competition consists of four commercial banks, mortgage companies, credit unions, and savings banks. Additional information for each of the four counties is as follows.

<b>Delineated Communities</b>	<b>Population of Delineated Communities Based on 1990 Census Data</b>	<b>Low- and Moderate-Income Families (% of Total Families)</b>	<b>Low- and Moderate-Income Census Tracts or BNAs (% of Total Census Tracts and BNAs)</b>
<b>Appling County</b>	15,744	38%	0%
<b>Glynn County</b>	62,496	31%	9%
<b>Ware County</b>	35,471	42%	40%
<b>Wayne County</b>	22,356	38%	0%

### **Glynn County**

Glynn County is in southeast coastal Georgia and contains the city of Brunswick and three resort islands. St. Simons Island is a tourist area and is heavily saturated with condominiums and commercial development. Jekyll Island is primarily residential, with a heavy concentration of hotels. Sea Island is entirely residential except one major hotel. The county has a sound economic base that is well diversified and stable. The Brunswick economy is heavily centered in the tourist, pulp, and paper industries.

Glynn County consists of eleven census tracts with the following income distribution based on 1990 census data: low income - 0, moderate income - 1, middle income - 3, and upper income - 6. One census tract has no population. The percentage of low, moderate, middle, and upper income families, are 16%, 15%, 18%, and 51%, respectively. The county's median family income and housing value, per 1990 census data, is \$32,436 and \$58,400, respectively.

### **Appling, Ware, and Wayne Counties**

Appling, Ware, and Wayne counties are rural areas, and their primary industries include manufacturing, retail trade, agriculture, and services. Appling and Wayne counties consist of five and six BNAs, respectively, all of which are categorized as middle income areas. Ware County consists of ten census tracts with the following income distribution: low income - 1, moderate income - 3, middle income - 5, upper income - 1. The median family incomes range from \$24,774 (Appling County) to \$29,623 (Wayne County).

## **DISCUSSION OF INSTITUTION'S PERFORMANCE**

### **Institution's Rating:**

Based on the findings presented below, this institution is rated "**Outstanding record of meeting community credit needs.**"

We conducted the last CRA examination for SunTrust-Brunswick in late 1993. This public evaluation covers a period from **January 1994 to November 1996.**

### **Basis for Evaluation**

#### **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.

**SunTrust-Brunswick has effectively determined the credit needs of its delineated communities, including low- and moderate-income areas, and has responded proactively to these needs.**

Bank directors, officers, and employees at all levels have regular contact with many groups and individuals to determine community credit needs. SunTrust-Brunswick uses an officer call and outreach program as the primary method to learn community credit needs.

During 1994, 1995, and 1996, bank employees met with business owners (small and minority owned), housing advocacy groups, church leaders, city and county government representatives, Realtors, and other community organizations. SunTrust-Brunswick employees also held formal focus group meetings in each of the four delineated communities to discuss community credit needs and ways the bank can meet those needs.

Through these contacts, the bank has established productive relationships that have resulted in public and private partnerships. These partnerships have helped the bank meet credit needs concerning residential and small business lending. Two loan programs that SunTrust-Brunswick developed in response to community needs are the **House Money Loan Program** and the **Glynn County Enter-Prize Loan Program**.

Both programs offer flexible lending criteria to better meet community credit needs. See **Assessment Factors I and H** for details.

Identified credit needs are affordable housing loans, home improvement loans, and small business loans. Identified noncredit needs are credit counseling, small business counseling, and home buyer seminars. We verified these credit and noncredit needs during our examination by reviewing prior community contacts done by various regulatory agencies, reviewing economic and demographic data, and meeting with community representatives.

**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.

**CRA is part of the Board of Directors (“Board”) planning process and banking philosophy.**

The bank's CRA Committee exercises active policy oversight, and conducts regular reviews of CRA activities and performance. The committee, which meets semiannually, includes three Board members. They established a written CRA program to ensure the bank meets the credit needs of its delineated communities. The program includes goals and objectives and provides a methodology for self-assessment. The Board receives semiannual progress reports of CRA activities. Annually, the Board and senior management review demographic information for each delineated community and analyze the bank's lending activity in all census tracts and BNAs.

The Board, advisory Board members, and senior management actively participate in a variety of organizations that assist the bank in improving its delineated communities. Examples of these organizations include: The Coastal Area District Development Authority of Glynn County (CADD); Appling County Chamber of Commerce; Consumer Credit Counseling of Ware County; Industrial Development Authority of Wayne County; and Habitat for Humanity. The Board actively supports CRA training for all bank personnel.

## **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.

**SunTrust-Brunswick has adequate marketing and advertising programs.**

**These programs inform all segments of the bank's delineated community of available loan products, including those developed to meet identified credit needs.**

Aggressive officer call programs and meetings with community groups primarily accomplish marketing of credit products. The bank gears marketing programs to individuals in low- and moderate-income areas. Bank staff are also actively involved in a variety of community organizations that assist in marketing efforts.

SunTrust-Brunswick's product specific advertising has been limited to two mortgage products, the **House Money Loan Program** and **Short Cut Mortgage**. They advertised these products in local newspapers in all four delineated communities, and on a radio talk show geared to low- and moderate-income individuals broadcasted in Brunswick, Georgia. SunTrust-Brunswick sponsors and a bank representative hosts the show every Sunday morning.

In all four delineated communities, bank personnel regularly participate in seminars and workshops about consumer credit counseling, personal finances, affordable home buying, and small business lending.

**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.

**The bank has undertaken efforts to address a significant portion of identified credit needs. Lending levels reflect an exceptional responsiveness to the most pressing needs.**

In 1993, SunTrust-Brunswick introduced an affordable home loan program called the **House Money Loan Program**. They developed this program in response to an identified credit need for affordable housing. The bank targets this program to low- and moderate-income individuals, and includes nontraditional underwriting criteria. Reduced down payment, higher debt-to-income ratios, and limited credit references are examples of nontraditional terms in this program. Also, the bank can refer individuals for down payment assistance through the city of Brunswick's **Home Buyers Assistance Program**. This program allows individuals to borrow up to \$3,000, with a zero percent interest rate, to be repaid in one to fifteen years. In 1994, 1995, and through September 30, 1996, SunTrust-Brunswick originated 11 (\$326,000), 22 (\$776,000), and 23 (\$922,000) **House Money Loans**, respectively.

In 1995, SunTrust-Brunswick's market share<sup>1</sup> (13.5%) of mortgage originations was the largest of any commercial bank in Glynn County. The next closest commercial bank market share was 5.3%. Also, from the period of March 31, 1995 to June 30, 1996, SunTrust-Brunswick extended an average of ninety-one cents in loans for every one dollar. This ratio is higher than the peer group<sup>2</sup> ratio of seventy-nine cents for the same period.

The following chart summarizes SunTrust-Brunswick's residential (home purchase and refinance, home improvement, and multifamily), small business, and small farms loans originated during 1994, 1995, and year-to-date 1996 by number of loans and dollar amounts.

Type of Loan	1994		1995		9/30/96	
	Number	\$ (000's)	Number	\$ (000's)	Number	\$ (000's)
Residential	288	\$23,691	285	\$25,881	230	\$16,126
Small Business <sup>3</sup>	945	\$56,295	883	\$51,595	542	\$29,616
Small Farm <sup>4</sup>	116	\$ 2,854	80	\$ 2,599	38	\$ 1,940

The bank attributes the decrease in total volume of small business and small farm loans to increased competition from local financial institutions.

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

**The bank took steps to meet identified credit needs concerning government-insured, guaranteed, or subsidized loan programs consistent with its size and resources.**

SunTrust-Brunswick offers a variety of financing alternatives to promote business and residential housing through government guaranteed or sponsored loan programs. These

<sup>1</sup> Information on market share was obtained from a local appraisal company via county government records.

<sup>2</sup> Peer group consists of the other ten commercial banks headquartered in Appling, Glynn, Ware, and Wayne counties.

<sup>3</sup> A loan with an original amount of \$1 million or less.

<sup>4</sup> A loan with an original loan amount of \$500,000 or less.

programs include Federal Housing Administration (FHA), Veterans Administration (VA), and Small Business Administration (SBA).

SunTrust-Brunswick also participates in the Department of Housing and Urban Development's (HUD's) Section 8 subsidized housing program for low- and moderate-income individuals. Since 1994, SunTrust-Brunswick has originated loans totaling \$1,850,000 to purchase, refinance, or rehabilitate more than 150 single family housing units in Appling, Glynn, Ware, and Wayne counties. According to the Executive Director for the Brunswick Housing Authority, this form of subsidized housing is the most popular type.

The following chart summarizes <sup>5</sup>SunTrust-Brunswick's government guaranteed or sponsored loans since 1994.

Type of Loan	Number of Loans	Dollar Amount (000's)
SBA	10	\$3,817
FHA	3	\$ 146
VA	11	\$1,143
HUD Section 8	14	\$1,850

### **III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES**

#### **Reasonableness of Delineated Communities**

**The bank's delineated communities meet the purpose of the CRA and do not exclude any low- and moderate-income areas.**

The bank's delineated communities consist of Appling, Glynn, Ware, and Wayne counties. Annually, the Board of Directors reviews its delineation for reasonableness.

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

---

<sup>5</sup> FHA, VA, and HUD Section 8 loans are also included in the aggregate totals under Assessment Factor I.

**The bank's lending patterns reflect an excellent distribution of loans within all segments of its delineated communities, including low- and moderate-income areas.**

The bank has established procedures to analyze the geographic distribution of extensions of credit, applications, and denials for all loan types. The bank's analysis primarily consists of identifying low- and moderate-income census tracts or BNAs that have a loan penetration level less than one-half of the county's average. In 1995, the bank identified one middle-income BNA that met the above criterion. However, upon further analysis of demographic data, management considered the penetration level in this BNA to be reasonable. The bank performs an analysis quarterly, and management uses it when developing marketing strategies as discussed in **Assessment Factor B**.

Our review of 1994, 1995, and 1996 loan data reflected the following results.

- Low- and moderate-income families represent 36%<sup>6</sup> of all families within the bank's delineated communities. In 1994, 1995, and through September 30, 1996, 13%, 15%, and 19% of all residential loans originated by SunTrust-Brunswick were made to low- and moderate-income individuals, respectively. Overall, these percentages increased and are reasonable given the demographic characteristics of the communities, particularly in Glynn County where the bank originated 80% of all residential loans in 1995. A combination of Glynn County's high proportion of low income individuals (16%) and high percentage of rental units (33%) limits residential lending opportunities.
- In 1994, 1995, and through September 30, 1996, 36%, 42%, and 39%, respectively, of all consumer loans originated by SunTrust-Brunswick were to low- and moderate-income individuals. This shows that SunTrust-Brunswick is doing an excellent job of meeting the credit needs of low- and moderate-income individuals.
- Low- and moderate-income census tracts in Glynn and Ware counties represent 9% and 40%, respectively of all tracts in these two counties. In 1995, 5% and 31% of all loans originated in Glynn and Ware counties, respectively, were made in low- and moderate-income areas. There are no low- and moderate-income areas in Appling and Wayne counties. Based on this demographic data, SunTrust-Brunswick's penetration in low- and moderate-income areas is reasonable.
- In 1995 and 1996, 91% of all consumer, commercial, residential, and farm loans originated by SunTrust-Brunswick were within its delineated communities. This suggests the bank is doing an excellent job of reinvesting available funds back

---

<sup>6</sup> Based on 1990 Census data.

into the community.

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

**SunTrust-Brunswick's offices and services are readily accessible to all segments of its delineated communities.**

The bank operates ten full service offices in Appling (1), Glynn (6), Ware (1), and Wayne (2) counties. One of the ten branches is in a low- and moderate-income census tract in Ware County. The bank also has eight automated teller machines linked to several national and regional networks.

There has been one branch closing since the previous CRA examination. On December 31, 1994, SunTrust-Brunswick closed its Satilla Square Office in the City of Waycross. The branch was not in a low- and moderate-income area and did not adversely affect the bank's level of service to its community.

#### **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 bank solicits credit applications from all segments of its delineated communities, including low- and moderate-income areas. The Board of Directors approved adequate policies, procedures, and training programs that support non-discriminatory lending practices.**

The Board approved formal policies, procedures, and training programs to support non-discrimination in lending. Management annually reviews the adequacy of these policies and procedures to ensure nondiscriminatory practices.

Management performed annual fair lending self-evaluations to ensure all applicants receive fair and equal treatment. This process compares females and other minority applicants they deny for credit to non-minority, male applicants who are approved for credit. The objective of this process is to ensure credit decisions are the same for similarly qualified applicants, regardless of race or gender. Also, interest rates and terms are compared for minority and non-minority applicants in this process.

Fair lending training is provided to bank employees. Bank management also has a second review process for denied real estate loan applications. The primary objective of this process is to ensure loan policies and underwriting standards are consistently applied and all relevant factors or credit alternatives are considered before denying a loan request.

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

**Our examination did not reveal any prohibited discriminatory practices.  
The bank is in compliance with substantive provisions of anti-discrimination laws and regulations.**

In January 1996, our Agency conducted a review for racial discrimination by reviewing residential home purchase applications the bank received from April 1,1994 through March 31, 1995. We compared ten denied loan applications to females and minorities to thirty non-minority, male approved applications. Our comparative file analysis did not detect any instances of illegal discrimination or disparate treatment by the bank.

## **V. COMMUNITY DEVELOPMENT**

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

**SunTrust-Brunswick maintains, through ongoing efforts, a high level of participation in development and redevelopment projects.**

In 1994, a SunTrust-Brunswick officer co-founded the **Glynn County Enter-Prize** loan pool operated through CADDA. The loan pool consists of a coalition of seven local financial institutions that provide small business financing to customers who would not qualify for a traditional bank loan. Funding for each loan is provided equally by a participating bank and CADDA. The minimum and maximum loan amounts are \$5,000 and \$50,000, respectively. Customers also receive credit counseling and technical support in operating a business. Since its inception, SunTrust-Brunswick originated seven loans totaling \$174,000.

Detailed below are examples of other projects that have contributed to the economic development and redevelopment of SunTrust-Brunswick's delineated communities.

## **Affordable Housing**

In response to a pressing credit need, SunTrust-Brunswick generated loans totaling more than \$3.4 million for the development, construction, purchase, rehabilitation, or refinancing of affordable housing within its delineated communities during this evaluation period. Examples of these housing loans are listed below.

- A \$320,000 loan to develop real estate and construct thirty single family residences for low- and moderate- income families in Brunswick, Georgia.
- A \$2,000,000 loan to construct apartments for ambulatory, elderly residents in Waycross, Georgia. This complex has a capacity of 336 individuals.
- A \$1,041,000 loan to rehabilitate and refinance a 100-unit low- and moderate-income apartment complex in Waycross, Georgia.
- A \$7,000 loan to renovate a drug and alcohol rehabilitation housing facility in Ware County.

Another housing related loan includes a \$20,000 interest free loan to Glynn County Habitat for Humanity. Proceeds were used to help construct affordable housing for low- and moderate-income individuals.

## **Economic, Community, and Small Business Development**

SunTrust-Brunswick has originated several loans to governmental development authorities, city and county governments, non profit charitable organizations, and private individuals that have helped in developing or redeveloping its delineated communities. Examples of economic, community, and small business development loans are detailed below.

- SunTrust-Brunswick originated three loans totaling \$1,447,000 to the Appling County Development Authority (ACDA). ACDA used the loan proceeds for the following purposes:
  - to purchase an industrial building that houses a new small business.
  - to construct a new industrial park leased to a new equipment company; and
  - to help in the move of an existing business to the City of Baxley (Appling County).

- SunTrust-Brunswick originated two loans in the amounts of \$70,754 and \$40,000 to the City of Baxley. Proceeds were used to rehabilitate a commercial building in downtown Baxley and purchase a truck and equipment.
- SunTrust-Brunswick participated in a \$56,000,000 letter of credit securing a bond issue with proceeds used for the expansion of the S.E. Georgia Regional Medical Center in Glynn County. SunTrust-Brunswick's portion was \$5,000,000.
- SunTrust-Brunswick originated a \$1,500,000 loan to construct a full service landing marina in a low- and moderate-income area of Brunswick. This new landing marina provides economic and redevelopment opportunities to downtown Brunswick (Glynn County).
- SunTrust-Brunswick originated a \$100,000 loan to the Coastal Georgia Area Community Action Authority to fund a preschool program (Head Start) for low income families in Glynn County.
- SunTrust-Brunswick originated a \$40,000 loan to the American Red Cross to build a hurricane proof command post facility.
- SunTrust-Brunswick originated a \$22,475 loan to the Downtown Waycross Development Authority (Ware County) to renovate a historical downtown building. This building is now suitable to house small business offices.
- SunTrust-Brunswick originated a \$500,000 loan to Wayne County to renovate downtown Jessup.

**Assessment Factor K** - The institution's ability to meet various community needs based on its financial condition and size, legal impediments, local economic conditions and other factors.

**There are no significant legal or financial impediments that exist to deter the bank from adequately servicing community credit needs. The bank supports community revitalization projects consistent with its size and resources.**

Refer to the **Institution and Community Profile** section for details.

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

**SunTrust-Brunswick has participated in other meaningful activities that have benefited its delineated communities that are not covered in other categories. Examples of these are detailed below.**

- SunTrust-Brunswick has provided financial support to a broad range of business, charitable, and civic organizations that improve the quality of life in Appling, Glynn, Ware, and Wayne counties. In 1995 and 1996, the bank contributed \$48,000 and \$42,000, respectively, to these organizations.
- SunTrust-Brunswick is a supporter of Habitat for Humanity. Many of its officers and employees have served on the Board of Directors and have helped in building affordable homes for low- and moderate-income families.
- SunTrust-Brunswick is a participant in the Partners in Education Program. This program provides organized opportunities for the public and private sectors to combine resources to meet the challenges of educating youth. SunTrust-Brunswick's partner is Glynn County Middle School.

## **ADDITIONAL INFORMATION**

None.