



---

Comptroller of the Currency  
Administrator of National Banks

---

Central District Office  
One Financial Place, Suite 2700  
440 South LaSalle Street  
Chicago, Illinois, 60605

PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

December 31, 1996

National City Bank, Northeast  
Charter Number 17393  
One Cascade Plaza  
Akron, Ohio 44308

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **National City Bank, Northeast** 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 **December 31, 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 12 assessment factors, which are grouped together under 5 performance categories, as detailed in the following section of this evaluation.

## ABBREVIATIONS

The following abbreviations are used in this Public Evaluation:

ATM	-	Automated Teller Machine
BNA	-	Block Numbering Areas(A subdivision of a county having no census tracts for which demographic information is available)
CRA	-	Community Reinvestment Act
FHA	-	Federal Housing Administration
HMDA	-	Home Mortgage Disclosure Act
MSA	-	Metropolitan Statistical Area
NCBNE	-	National City Bank, Northeast
NCC	-	National City Corporation
NCCDC	-	National City Community Development Corporation
SBA	-	U.S. Small Business Administration

## 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.

## 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.**

**Evaluation Period** - National City Bank, Northeast's (NCBNE) previous Public Disclosure is dated August 14, 1995. The current disclosure evaluates NCBNE's performance from August 15, 1995 through December 31, 1996.

NCBNE manages its obligations under the Community Reinvestment Act (CRA) as a distinct legal entity. It does not rely in any fundamental way on the lending activities of affiliated lenders for the evaluation of its performance or for the rating contained in the Performance Evaluation. It does rely on National City Community Development Corporation (NCCDC), an affiliate, for its community development activities discussed in this Performance Evaluation.

**Bank Profile** - NCBNE is a wholly-owned subsidiary of National City Corporation (NCC), a multi-bank holding company headquartered in the City of Cleveland, Cuyahoga County, Ohio. NCC operates 11 commercial banks in Ohio, Indiana, Kentucky, and Pennsylvania. As of December 31, 1996, NCC had assets of \$51 billion.

NCBNE's primary lending focus is consumer lending and business lending. Business lending is primarily to mid sized business.

Its loan to deposit ratio is 98% as of December 31, 1996. This compares favorably to the peer bank ratio of 90%.

The following table shows pertinent financial information for the period under review.

**Table 1. Year-end Assets, Income, and Return on Assets  
(\$ millions)**

	<b>1995</b>	<b>1996</b>
<b>Average Assets</b>	\$2,944	\$3,058
<b>Net Income</b>	\$38	\$43
<b>Return on Average Assets</b>	1.3%	1.4%

Source: Consolidated Report of Income and Condition

**Community Profile** - NCBNE delineates its local community based on geographical boundaries and branch locations. As of December 31, 1996, NCBNE's community delineation includes portions of five Metropolitan Statistical Areas (MSAs) within Ohio: Akron (0080), Canton (1320), Youngstown/Warren (9320), Wheeling (9000), and Steubenville/Weirton (8080). These MSA's cover nine counties: Summit, Mahoning, Columbiana, Trumbull, Portage, Stark, Belmont, Harrison, and Jefferson. This delineation is unchanged since the August 1995 CRA examination.

As of the 1990 census, median family income for NCBNE's delineated area was \$32,089.

NCBNE's delineated area consists of 363 census tracts and two block numbering areas. These tracts are described in the following table:

**Table 2. Census Tract Characteristics**

<b>Tract Characteristics</b>	<b># of Tracts</b>	<b>% of Total Tracts</b>	<b>% of Total Population</b>	<b># of Housing Units</b>
<b>Low- and Moderate-income (&lt;80% of Median)</b>	115	32%	22%	141,894
<b>Middle-income (80% to 120%)</b>	180	49%	56%	347,476
<b>Upper-income (&gt;120%)</b>	63	17%	22%	130,167
<b>NA</b>	7	2%	-	-

Source: 1990 Census Data

Table 3 shows additional demographic information for NCBNE's delineated community.

**Table 3. Demographic Information for NCBNE's Delineated Community**

	<b>Totals</b>
<b>Population</b>	1,512,982
<b># housing units</b>	619,537
<b># occupied housing units</b>	582,717
<b># owner-occupied housing units</b>	406,661

Source: 1990 U.S. Census, MSA demographics

The table shows that NCBNE's delineated community includes a high level (94%) of occupied housing units and a reasonable level (66%) of owner-occupied housing units.

Unemployment rates for each county within NCBNE's delineated area are shown in Table 4. These rates are generally higher than the State of Ohio unemployment rate of 4.8%.

**Table 4. Unemployment Rates**

<b>County</b>	<b>Unemployment Rate</b>
<b>Belmont</b>	6.5%
<b>Columbiana</b>	5.9%
<b>Harrison</b>	7.7%
<b>Jefferson</b>	6.6%
<b>Mahoning</b>	6.2%
<b>Portage</b>	4.5%
<b>Stark</b>	5.3%
<b>Summit</b>	5.1%
<b>Trumbull</b>	5.8%

Source: December 1996 Ohio Bureau of Employment Services

The eastern (MSA 9320) and Ohio River (MSA 9000 and 8080) portions of the delineated area have experienced significant economic turmoil over the past decade. These areas were heavily dependent on steel, ceramic, and coal production. During the 1980's, most of the large steel and coal production facilities left the area. More recently, a large pottery manufacturing facility was closed. These conditions have resulted in high unemployment and high poverty rates (as high as 24% in some areas).

Dominant industries include rubber and polymer production, automotive, ceramics, prisons, and coal production.

Some of the largest employers in the area are Goodyear Tire and Rubber Company, General Motors, General Electric, and Weirton Steel. Workers at Weirton Steel have been involved in a prolonged labor dispute. This has negatively impacted other small businesses in the area that rely heavily on steel production, or the disposable income of steel workers.

Competition is primarily provided by several large regional bank affiliates.

**Community Credit Needs** - Our evaluation included contacts with local realtors, social service groups, and realty organizations. These contacts were used to identify community credit needs.

Community credit needs identified include:

- Affordable housing and rehabilitation loans
- Economic revitalization and job creation, including financing existing businesses as well as startup capital for small businesses
- Credit education, with an emphasis on repairing credit histories and basic instruction on obtaining small businesses loans

These needs have also been identified by NCBNE. See Assessment Factor A for NCBNE's responses to these credit needs.

## **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.*

- **NCBNE has established an effective program of outreach to its local communities, which enables it to be aware of credit needs on an ongoing basis.**

NCBNE maintains a strong program in ascertaining community credit needs, including the needs of low- and moderate-income individuals. Management's outreach efforts involve a variety of means including a formal calling program, officer participation in community and business organizations, and data analysis.

The bank's formal calling program remains at the forefront of its ascertainment process. Officers in each of its regions call directly on existing and potential customers, obtaining information on credit needs and market conditions in the community.

NCBNE maintains ongoing, meaningful contacts with community representatives throughout its assessment areas. These contacts represent a wide variety of civic, small business, housing related interests, and development groups, particularly those of serving low- and moderate-income persons. In addition, management pursues contacts with a variety of government officials and area realtors. Officers obtain valuable feedback through participation in a variety of community organizations and community development corporations.

Through its outreach efforts, bank management identified the communities' primary credit needs as small business lending and assistance, affordable housing, and home improvement products.

The bank participates in government guaranteed programs for small business lending. In addition, the bank established a MicroLoan program for the City of Canton, to address the need for small business assistance. The bank offers the RIGHT loan and At Home loans, which are specifically designed for low- and moderate-income individuals.

These programs are addressed in detail under Assessment Factors B, I and L.

**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 takes an active role in the formulation of CRA policies and practices.**

CRA is an integral part of the Board and management planning process. A formal, written CRA program exists. This program includes policy statements, goals and objectives for each service area, and a CRA Officer. An effective annual self-assessment process is in place. The Board and senior management are apprised of the bank's CRA program on an ongoing basis through periodic reports and the self-assessment program.

The Board of Directors has adopted the CRA policy developed by NCC. This policy is then customized to create the bank's CRA program. The Board and senior management are actively involved in the development of the CRA program through their respective committees, the Board Public Policy Committee and the Management Public Policy Committee. Both committees provide active oversight of the CRA program. The CRA program is reviewed and adopted by the full Board of Directors on an annual basis.

NCBNE is in compliance with the technical requirements of CRA. The current CRA statement was approved by the Board of Directors in November, 1996.

## 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.*

- **NCBNE makes a strong effort to ensure that its entire community is aware of the products and services it offers.**

NCBNE develops a formal marketing plan annually. The plan is designed to promote products tailored to meet the particular credit needs ascertained in the community. The use of a variety of media sources ensures community awareness of NCBNE's loan and deposit products.

Primary vehicles used in advertising efforts include: targeted advertisements; involvement in housing expos and community events; direct mailings to realtors, consumers, and small businesses; small business seminars and networking events; small business call programs; and the distribution of the National City Bank Community Newsletter.

**Assessment Factor I** - *The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans and small business loans.*

- **NCBNE's level of origination of mortgage, home improvement and small business loans within its community reflects a strong level of responsiveness to identified credit needs.**

NCBNE offers a variety of consumer and commercial loan products to meet identified credit needs. The current CRA Statement correctly lists the credit products offered by the bank. These products are readily available throughout the entire delineated community.

- Residential: Purchase money mortgage loans, home improvement, home equity loans, and lines of credit
- Consumer: Installment loans, lines of credit, and credit cards, and education loans
- Commercial: Term loans and lines of credit

NCBNE has two loan products designed to meet the need for affordable mortgage financing. These products are the RIGHT Loan and the At-Home Loan. Both products require applicants to meet certain income limitations. Benefits of the program are lower down payments, lower interest rates, and flexible approval guidelines.

Table 5 details the volume of loans made under NCBNE's affordable housing initiative (the RIGHT loan). In response to the needs of low- and moderate-income borrowers, NCBNE reduced down payment requirements from 5% to 3% which accounts for the increase in volume..

**Table 5. RIGHT Loan Originations**

	# of loans	\$(millions)
<b>1995</b>	152	\$5.1
<b>1996</b>	199	\$8.3

Source: Internal Bank Reports

The following table shows NCBNE housing-related originated over the last two years. Over 85% of these loans are within its delineated area. The volume of these types of loans has continued to increase, primarily as a result of NCBNE's aggressive use of the RIGHT loan program described above. Although NCBNE also offers an affordable home improvement product, the AT HOME I and II loans, the programs have not generated significant numbers (6 loans in 1995 and 15 loans in 1996). NCBNE's conventional home improvement loans have been well received in its local community.

**Table 6. Housing-Related Loan Originations**

	1995		1996	
	#	\$(millions)	#	\$(millions)
<b>Mortgage</b>	1,492	\$104	1,728	\$138
<b>Home Improvement</b>	1,289	\$11	1,211	\$11
<b>Total</b>	2,660	\$115	2,939	\$149

Source: 1995 and 1996 HMDA LAR Data

The following table shows NCBNE's lending to small businesses based on size of the loan. Small businesses are generally defined as businesses with annual revenues of less than \$1 million. The table shows that, based on number of loans, 65% of NCBNE's small business loans are in amounts of less than \$100 thousand. Also, the average loan amount for all small business loans is \$141,000. This indicates that the bank is extending small loans to small businesses. NCBNE has been successful in identifying and meeting small business credit needs, in part because of the formation of its Business Service Group. This Group was formed during 1995, and is responsible for identifying and extending loans to businesses needing loan amounts of \$50 - \$250 thousand dollars. Loan amounts of less than \$50 thousand are accommodated through NCBNE's branch network.

**Table 7. 1996 Small Business Loan Originations**

<b>Loan Amount</b>	<b># of loans</b>	<b>\$ (000)</b>
<b>&lt;\$100,000</b>	825	\$33,151
<b>&gt;\$100,000 &amp; &lt;\$250,000</b>	231	\$39,728
<b>&gt; \$250,000</b>	214	\$105,916
<b>Total</b>	1,270	\$178,795

**Source:** Internal Bank Reports

Farm loans were not an identified credit need of the delineated community and as such, minimal activity was noted in this area during the review period.

**Assessment Factor J** - *The institution's participation in government insured, guaranteed or subsidized loan programs.*

- **NCBNE's actively participates in government guarantee loan programs for affordable housing and small business loans.**

Table 8 details NCBNE's participation in government guarantee loan programs. Small Business Administration (SBA) loan volume has remained high, and increased drastically since 1994 when SBA originations totaled \$736 thousand. The increase is primarily the result of the formation of the Business Service Group described earlier. The Group includes a SBA/minority lender expert who is responsible for identifying SBA opportunities for small business owners, and providing technical assistance to the owner throughout the SBA loan process.

**Table 8. Participation in Government Programs**

<b>Government Program</b>	<b>1995 #/\$ of Loans (\$000)</b>	<b>1996 #/\$ of Loans (\$000)</b>
<b>SBA</b>	19 \$1,123	18 \$1,625
<b>FHA</b>	0	4 \$277
<b>City of Akron Housing Rehab</b>	256 \$1,560	260 \$1,750
<b>Community Development Affordable Housing Programs that rely on federal government funding</b>	22 \$538	18 \$522
<b>Linked Deposit Programs</b>	14 \$2,447	14 \$2,555
<b>Total</b>	311 \$5,668	314 \$6,729

Source: Internal Bank Reports

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

#### **Reasonableness of Delineated Community**

NCBNE's delineated area, as defined previously in the evaluation, is reasonable and does not arbitrarily exclude low- and moderate-income areas.

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

- **The geographic distribution of NCBNE's credit extensions, credit applications, and denials is good. NCBNE has received applications and has extended credit throughout the delineated community.**

The following tables show the distribution of various residential mortgage products that are reported on Home Mortgage Disclosure Act Loan Application Registers (HMDA-LAR). Market share information is based on number of loans originated by all providers of mortgage products within NCBNE's delineated community.

Numbers of loans, rather than the dollar amount of those loans, are used for this analysis. They are most meaningful for comparison purposes as they are more indicative of the number of borrowers being served.

Census tract characteristics were identified under the Community Profile section of this report.

Table 9 shows that NCBNE's overall loan distribution within lower income census tracts was better than its distribution within higher income census tracts and NCBNE's overall market share. This was primarily the result of the effectiveness of the RIGHT loan program, and strong relationships NCBNE lenders have forged with local home improvement vendors. NCBNE was a leader in home improvement lending in low- and moderate-income census tracts during 1995. Within these tracts, NCBNE held the largest home improvement loan market share among all 324 providers of credit.

Our market share analysis focuses on 1995 data, as current activity is most meaningful for this evaluation. Peer data for 1996 was not available during this examination.

**Table 9. 1995 Market Share by Tract Characteristics**

	<b>Low/Mod</b>	<b>Mid</b>	<b>Upper</b>	<b>Total</b>
<b>Purchase Money Applications</b>	3.8%	3.1%	3.4%	3.3%
<b>Purchase Money Loans</b>	4.7%	4.1%	3.9%	4.1%
<b>Home Improvement Applications</b>	13.7%	10.4%	8.9%	11.1%
<b>Home Improvement Loans</b>	18.2%	10.9%	8.9%	11.9%
<b>Total Applications</b>	5.4%	4.7%	4.3%	4.8%
<b>Total Loans</b>	7.5%	5.7%	4.8%	5.8%

Source: HMDA-LAR

Also considered in this evaluation is the total number of HMDA-reportable loans that NCBNE originated within various census tracts and to various population groups. In 1995, this distribution was available only for loans originated within MSAs. NCBNE originated an additional 121 loans that were not within an MSA

Tables 10 thru 13 show a significant level of loan distribution across both census tracts and the income levels of borrowers. Income levels of borrowers and families are irrespective of where they live within the community

**Table 10. 1995 Loan Originations by Tract Characteristics**

	<b>Low/Mod</b>	<b>Mid</b>	<b>Upper</b>	<b>*N/A</b>	<b>Total</b>
<b>Number of Loans</b>	496	1,099	478	266	2,073
<b>% of Loans Originated</b>	24%	53%	23%	12%	
<b>% of Total Tracts</b>	32%	49%	17%	2%	
<b>% of Housing Units</b>	23%	56%	21%	-	

Source: HMDA-LAR

\* Income of tracts not available. Note 1995 numbers do not include originations in NCBNE's two BNAs.

**Table 11. 1996 Loan Originations by Tract Characteristics**

	<b>Low/Mod</b>	<b>Mid</b>	<b>Upper</b>	<b>Total</b>
<b>Number of Loans</b>	534	1,383	568	2,485
<b>% of Loans Originated</b>	21%	56%	23%	
<b>% of Total Tracts</b>	32%	49%	17%	
<b>% of Housing Units</b>	23%	56%	21%	

Source: HMDA-LAR

**Table 12. 1995 Loan Originations by Borrower Income Characteristics**

	<b>Low/Mod</b>	<b>Mid</b>	<b>Upper</b>	<b>N/A</b>	<b>Total</b>
<b>Number of Loans</b>	767	500	757	315	2,339
<b>% of Loans Originated</b>	33%	21%	32%	14%	
<b>% of Families</b>	39%	23%	38%	-0-	

Source: HMDA-LAR and 1990 census data

**Table 13. 1996 Loan Originations by Borrower Income Characteristics**

	<b>Low/Mod</b>	<b>Mid</b>	<b>Upper</b>	<b>N/A</b>	<b>Total</b>
<b>Number of loans</b>	895	621	918	51	2,485
<b>% of Loans Originated</b>	36%	25%	37%	2%	
<b>% of Families</b>	39%	23%	38%	-0-	

Source: HMDA-LAR

NCBNE performs a distribution analysis of its consumer deposit and loan portfolios among various census tracts. Table 14 shows the results of the distribution analysis for 1996. This analysis represents number of accounts and percentage of total accounts. The analysis is based on loans outstanding at year-end 1996, and does not reflect loans that may have been sold to third parties. The table shows that the loan distribution is comparable to the distribution of deposits.

**Table 14. 1996 Distribution Analysis by Tract Characteristics**

	<b>Low/Mod</b>		<b>Mid</b>		<b>Upper</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>CONSUMER DEPOSITS</b>	46,526	17%	159,519	58%	67,592	25%
<b>Consumer Mortgage Loans</b>	1,084	12%	5,599	60%	2,558	28%
<b>Other Consumer Loans</b>	12,496	14%	52,842	60%	22,963	26%
<b>TOTAL CONSUMER LOANS</b>	13,580	14%	58,441	60%	25,521	26%

Source: Internal Bank Reports

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

- **NCBNE's branch offices are reasonably accessible and have a good record of providing services to all segments of the community.**

NCBNE has 78 full service offices located throughout the community. Fifty-six of these offices have Automated Teller Machines (ATM) and 64 have drive-in service. There are 21 freestanding ATM stations. Nineteen offices are located in low- and moderate-income census tracts. Most offices are open six days per week, with extended hours on Friday and limited hours on Saturday.

During the review period, the bank closed four offices and opened one. NCBNE has other nearby offices which can continue to provide services to the customers from the closed offices.

In each of the above cases, NCBNE complied with the NCC branch closing policy, which requires detailed analysis of the effect of the closings on the customer base of the branch. The institution's record of closing offices has not had an adverse impact on its local community.

NCBNE opened its first office in a grocery store, Giant Eagle (East Liverpool, Ohio), to provide additional convenience to customers.

In addition to the branch network available to provide banking services to its community, NCBNE offers 24-hour customer sales and service telephone banking.

NCBNE offers a low-cost lifeline checking product for customers with limited banking needs. As of December 31, 1996, NCBNE had 5,740 of these accounts opened, with average balances of \$535. Twenty-five percent of these accounts were held by individuals living in low- and moderate-income areas.

#### 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).*

- **NCBNE does not discourage credit applicants on a prohibited basis.**

NCBNE affirmatively solicits credit applications from all segments of its community, including low- and moderate-income areas. Policies, procedures, and intense training promote fair lending. NCBNE's policy on non-discrimination in lending states that the bank is committed to full compliance with the letter and the spirit of all regulations governing fair lending.

Training in fair lending laws and principles is provided to all applicable employees. NCBNE has implemented procedures, such as second review of denied loan applications, in order to detect and address potential discriminatory practices.

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

- **NCBNE is in compliance with fair lending and fair housing laws and regulations. No violations or illegal practices were noted.**

Our examination included testing for compliance with the Equal Credit Opportunity Act and the Fair Housing Act. We performed a review of direct home improvement loan applications, testing for illegal discrimination based on race of the applicant. We compared a sample of denied applications from black applicants to a sample of approved applications from white applicants, testing for non-discriminatory application of the bank's credit scoring system. All of these loan applications were received by NCBNE during the second half of 1996. Our review found no evidence of illegal discrimination.

#### V. COMMUNITY DEVELOPMENT

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

- **NCBNE actively participates in community development projects through its community development subsidiary, NCCDC. In addition, NCBNE is aggressive in extending loans, grants, and donations to a variety of individuals and community groups that provide community development services to low- and moderate-income persons.**

During the review period, NCCDC financed, or approved financing for, projects totaling nearly \$3 million. These projects are described below:

**Table 15. NCCDC Community Development Projects**

<b>Project Description</b>	<b>Equity</b>
Construction of 53 single family homes for low- and moderate-income families in Akron, Oh. During the life of this project, NCCDC has provided a total of \$630,000 in equity.	\$230,000
Construction of seven single family homes for low- and moderate-income families in Akron.	\$315,000
Construction of 20 single family homes for low- and moderate-income families in West Akron. During the life of this project, NCCDC has provided a total of \$250,000 in equity.	\$125,000
Construction of 99 single family homes for moderate-income persons in Columbiana County.	\$125,800
Purchase, rehab, and sale of six homes to persons at 80% or below county median income in Portage County.	\$240,000
Purchase, rehab, and sale of eight single family homes to persons at 80% or below county median income in Portage County.	\$400,000
Construction of 99 single family homes, targeted for moderate-income persons in Youngstown, Oh. During the life of this project, NCBNE has extended a \$1.9 million construction loan, and \$750,000 in equity.	\$50,000
Construction of six single family homes for families at or below 80% of county median income in Summit County.	\$203,000
Construction of three single family homes for low- and moderate-income persons in Akron.	\$90,000
Purchase, rehab, and sale of six single family homes to families at 80% or below county median in Portage County.	\$270,000
Construction of 19 single family homes for low- and moderate-income persons in Ravenna, Oh.	\$950,000
<b>Total</b>	<b>\$2,998,800</b>

Source: Internal Bank Reports

During the review period, NCBNE loaned or donated funds to individuals or groups for community development purposes which totaled approximately \$4 million. These projects are described below:

**Table 16. NCBNE Community Development Projects**

Project Description	Loan (L) Grant (G), or Donation (D)
Contribute funds to establish an “enterprise zone” bank that would extend loans only in an area designated by Akron as an “enterprise zone” ( i.e. a poverty stricken area). NCBNE is providing operating funds and funds for the creation of a loan pool.	\$69,142 (G)
Finance the construction of nine single family homes for moderate-income persons in Canton, Oh.	\$787,500 (L)
Rehab of commercial property into 43 apartment units for low-income persons in Alliance, Oh.	\$2,168,000 (L)
Purchase and renovation of a large abandoned commercial building in an area designated by Kent, Ohio under the Ohio Revised code as “blighted”. A blighted area is defined as an area with a substantial number of slums, deteriorated structures, or unsanitary or unsafe conditions that retard the provision of housing accommodations or constitute an economic or social liability.	\$722,500 (L)
Donation of South Side office (Akron) to a Community Group. The building is being used as a community center to train low income persons in job related skills.	\$89,000 (D)
Donations to a variety of groups that provide either temporary housing, home improvements, or financial counseling services to low- and moderate-income persons. Some of the largest groups include the East Akron Neighborhood Development Corporation, the Minority Contractors Business Assistance Program, and the Jefferson Economic Development Council	\$153,314 (D)
<b>Total</b>	<b>\$3,989,456</b>

Source: Internal Bank Reports

**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.*

- **There are no financial impediments which inhibit NCBNE's efforts to help meet the credit needs of its delineated community.**

NCBNE participates in CRA activities commensurate with its size and financial capacity. The Community and Bank profiles detailed earlier provide further information on the financial trends of the institution and the local economy.

**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.*

- **NCBNE routinely participates in, and is recognized for, other activities which help to meet the need for creation of jobs within the local community.**

During the review period, NCBNE provided a job training skills program for low-income persons. NCBNE coordinated the efforts of employment specialists and human service agencies to provide interview skills, resume assistance, and motivational speeches. To date, the program has resulted in three job offers.