

Public Disclosure

February 22, 1999

Community Reinvestment Act Performance Evaluation

**The Mahoning National Bank
Charter Number 2350**

**23 Federal Plaza
Youngstown, Ohio 44501**

**Office of the Comptroller of the Currency
Cleveland Field Office
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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.

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General Information

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

This document is an evaluation of the CRA performance of **The Mahoning National Bank (MNB)** prepared by the **Comptroller of the Currency**, the institution's supervisory agency, as of **February 22, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

Institution's CRA Rating: This institution is rated Satisfactory record of meeting credit needs.

- ! MNB originates a substantial amount of HMDA loans which are predominantly originated within its assessment area.
- ! MNB's distribution of HMDA loans for borrowers of different incomes is good and in geographies it is reasonable.
- ! MNB's distribution of small business loans is good. The distribution of loan amounts are reasonable.
- ! MNB's lending activity is complimented by a relatively high level of community development loans.
- ! MNB's distribution of offices is reasonable and complimented with a high level of community development services.
- ! MNB investments, primarily donations, are considered adequate.

The following table indicates the performance level of **The Mahoning National Bank** with respect to the lending, investment, and service tests.

Performance Levels	The Mahoning National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory	X		X
Low satisfactory		X	
Needs to improve			
Substantial noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Definitions

Community development - affordable housing or community services targeted to low- or moderate-income individuals, activities that promote economic development by financing small businesses or farms, and activities that revitalize or stabilize low- or moderate- income geographies.

Community development loan - a loan that has as its primary purpose community development; and except in the case of a wholesale or limited purpose bank, has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan; and, benefits the bank's assessment area or a broader statewide or regional area that includes the bank's assessment area.

Community development service - a service that has as its primary purpose community development, is related to the provision of financial services, and has not been considered in the evaluation of the bank's retail banking services.

Geography - a census tract or block numbering area.

HMDA loan - a "home-improvement loan," a "refinance loan" or "home purchase loan" that is reported on the Home Mortgage Disclosure Act Report.

Home improvement loan - any loan that is for the purpose in whole or in part of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located and is classified by the financial institution as a home improvement loan.

Home purchase loan - any loan secured by and made for the purpose of purchasing a dwelling.

Refinance loan - any loan in which the existing obligation, involving either a home purchase or a home improvement loan, is satisfied and replaced by a new obligation.

Small business loan - a business loan of \$1 million or less.

Low- income - an individual income that is less than 50% of the area median income, or a median family income (MFI), that is less than 50%, in the case of a geography.

Middle- income - an individual income that is at least 80% and less than 120% of the area median income, or a MFI that is at least 80% and less than 120%, in the case of a geography.

Moderate- income - an individual income that is at least 50% and less than 80% of the area median income, or a MFI that is at least 50% and less than 80%, in the case of a geography.

Upper- income - an individual income that is 120% or more of the area median income, or a MFI that is 120% or more, in the case of a geography.

Qualified investment - a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Description of Institution

The Mahoning National Bank (MNB) is a community-based institution and a wholly-owned subsidiary of Mahoning National Bancorp, Inc. Mahoning National Bancorp is a one-bank holding company. Each entity had total assets of \$824,600,000 as of December 31, 1998.

MNB is headquartered in downtown Youngstown, Ohio. MNB provides a full range of retail and commercial bank products, including trust services. All products are uniformly provided at each office location. The bank has 18 full service offices and 20 automated teller machines (ATMs).

MNB is a sound financial institution with total capital of \$72,775,000. There are no current legal impediments that would inhibit MNB's ability to meet the assessment area's community and credit needs. However, the area of Youngstown is very distressed with high unemployment, and a significant percent of households live below the poverty level.

This evaluation reflects performance from January 1, 1997 through December 31, 1998. The service test reflects the bank's most current level of operations. The bank's previous public evaluation was dated February 7, 1997.

Description of Assessment Area

MNB is an intrastate bank. MNB designated one assessment area within MSA 9320 (Youngstown-Warren). The bank's assessment area includes portions of two of the three counties in MSA 9320 in which it has offices, Mahoning and Trumbull Counties. The bank does not have branches in Trumbull County (major city is Warren, Ohio) and it is not included as part of the bank's assessment area. The assessment area is consistent with CRA regulatory requirements. Low- and moderate- income areas are not arbitrarily excluded, and no evidence of illegal discrimination was noted in the compilation of the assessment area.

The assessment area includes 94 geographies or tracts, 14 low- income, 19 moderate- income, 39 middle- income, and 22 upper- income.

According to the 1990 U.S. Census there are 361,231 persons in the assessment area which includes 100,207 families. The area comprises 146,042 housing units. Sixty-nine percent of these units are owner-occupied, 25% are rental, and 6% are vacant. Of the total households, 14% live below the poverty level. The median housing value is \$51,598. Average monthly rentals are \$336. The HUD updated median family income for the assessment area is \$40,300.

The assessment area is primarily suburban. The City of Youngstown is the largest city, by far, in Mahoning County. The low- income tracts in the assessment area are concentrated in this area with one other low- income tract is located in nearby Campbell City. According to the U.S. Census Bureau, these low- income tracts comprise 6,352 families. There are 12,174 housing units, 41% are owner-occupied, 45% are rental, and 14% are vacant. Of the total households, 48% live below the poverty level. The median housing value is \$17,914. The median home was built in 1943. Average monthly rentals are \$228.

Historically, the Youngstown area was dominated by the steel industry. The downturn of the steel industry in the 1970's left Youngstown with a very depressed local economy. From that time until now, this area has been attempting to rebuild its economic base. The major industries are health and financial institutions. The City of Youngstown historically experiences high unemployment. According to the Ohio Bureau of Employment Services, as of December 1998, the unemployment rates of Youngstown at 9.4% and Mahoning County at 5.3%, was higher than the State of Ohio unadjusted rate of 3.8%. Trumbull County has a mixture of small manufacturing and retail companies. There are no major employers. As of December 1998, Trumbull County's unemployment rate was relatively high at 5.4%.

The major employers in the assessment area are General Motors, Delphi Packard, and Form Health.

A high level of competition exists in the assessment area. The bank competes actively with other financial providers offering a wide array of financial products and services. Competitors include other large national banks such as National City Bank, Charter One, FSB and Bank One, N.A. Other active competitors include two savings and loans, First Federal Savings Bank of Youngstown and Home Federal Savings and Loan.

Credit needs include affordable home- improvement loans and economic development. The economic development needs include bringing businesses into the area to create more labor-skilled jobs such as manufacturing. These needs were identified by our agency, during this review, through a housing corporation and the city housing department and literature of a community development entity.

CONCLUSIONS WITH RESPECT TO OVERALL PERFORMANCE TESTS

Lending Test

MNB's performance under the Lending Test was evaluated based on lending volume, the geographic distribution of loans originated, borrower distribution of loans originated, the bank's responsiveness to community needs, the level of innovation and flexibility in products offered, as well as community development lending activities.

The analysis of the Lending Test included a review of loans subject to the Home Mortgage Data Act (HMDA), small business, and community development loans. The analysis is based on the number of originations. The market share information is as of 1997 which is the most recent available compilation of lending data for aggregate lenders in the assessment area. Throughout this evaluation, residential mortgages, particularly home improvement, were given greater consideration in the overall rating as the bank is primarily a retail lender and these were identified as a strong credit need by community contacts.

Conclusions

- ! MNB's lending levels reflect good responsiveness to community credit needs.
- ! MNB's loan to deposit ratio of 86%, as of December 1998, is good.
- ! MNB originated the substantial majority, 88% of its HMDA loans within the assessment area. Of the 2,371 HMDA loans originated by the bank, 2,089 were made within the assessment area.
- ! MNB's overall market share of 9% placed them as the second largest HMDA lender, out of 217 HMDA lenders, within its assessment area.

- ! MNB's distribution of loans to borrowers of different income levels is good. MNB is one of the leaders in home- improvement and refinance originations to low- income individuals. In overall HMDA lending, MNB is the leader in loans to low- income borrowers, and the second largest lender of loans to moderate- income borrowers.
- ! MNB's distribution of loans to low- and moderate- income tracts is reasonable. In overall HMDA lending, the bank is a leader of loans in moderate- income tracts, and in the fourth largest lender for loans in low- income tracts.
- ! MNB's overall market share of 4% placed them as the tenth largest small business lender, out of 65 lenders.
- ! MNB's lending activity is complimented by a good distribution of business loans in low- and moderate- income tracts; an adequate percent (which exceeds the percent of the overall small business lenders in the assessment area) of small business loans to businesses with revenues of \$1 million or less; and an adequate dollar amount of loans of varying sizes.
- ! MNB's lending activity is complimented by a good level of community development loans.

Lending Activity

MNB's lending volume is good based on its size and the relatively high level of competition. MNB's entire loan portfolio totaled \$483 million. The portfolio consisted of residential real estate (31%), commercial real estate (24%), commercial (18%), and consumer (27%).

During the review period, MNB originated 2,089 HMDA, 439 small business, and 12 community development loans totaling \$152.5 million in its assessment area. See Table 1 on page 15 for details.

Geographic Distribution

The geographic distribution analysis was based on the bank's percentage of originations in various tracts, compared to the percentage of owner-occupied units within those tracts.

The distribution of home mortgages is reasonable. While the bank's performance in low- and moderate- income geographies was not consistent with the demographics of the assessment area, their performance was considered reasonable in light of the low owner-occupancy rates and high poverty rates. Within the low- income tracts, only 41% of the housing units are owner-occupied. These facts support the bank management's contention that there are limited lending opportunities.

The bank originated HMDA loans in 65% of the low- income tracts and 79% of the moderate- income tracts in the assessment area. As mentioned earlier in the Assessment Area Section of this Public Evaluation, this area is very distressed with high unemployment, a significant portion (48%) of households living below the poverty level, and a very low owner-occupancy level. A review of HMDA originations within these tracts by other lenders shows no significant lending activity. In an

effort to meet the affordable home-improvement credit need identified by a community group, MNB is participating with a local community group that has targeted several distressed and blighted low-income areas in need of redevelopment. MNB has provided monies through donations to assist the group in meeting the credit and community needs. There were no unexplained gaps in the bank's HMDA lending.

The distribution of owner-occupied units is as follows: low- income 5%, moderate- income 11%, middle- income 48%, and upper- income 36%.

- ! MNB's distribution of home purchase loans is good. MNB originated 4% of its home purchase loans in low- income tracts and 12% in moderate- income tracts which closely mirror the percent of owner-occupied units in those areas. The bank's market share of home purchase loans is good for low- income tracts (11%) and exceeds the bank's overall home purchase market share (4%). The bank's market share for moderate- income tracts (5%) is good in relation to the bank's overall home purchase market share. Table 2 on page 16 for detail.
- ! MNB's distribution of home-improvement loans is reasonable, although its originations in low- and moderate- income tracts are lower than the percent of owner-occupied units in those areas. The bank originated 2% of its home-improvement loans in low- income tracts. The bank originated 10% of its home- improvement loans in moderate- income tracts. In relation to the bank's overall home-improvement market share (17%), their home-improvement market share in low- income tracts (10%) is reasonable. The bank is a leader in home- improvement loans in moderate- income tracts with a 15% market share. The low level of home- improvement lending is somewhat mitigated by the fact that the bank is among the largest lenders of home-improvement loans to both low- and moderate- income borrowers. See Table 3 on page 16 for detail.
- ! MNB's distribution of refinance loans is reasonable given the demographics of the low- income area, including a high level of absentee landlords, and the bank's reasonable performance in moderate- income areas. MNB's distribution of refinance loans in low- income and moderate- income areas is lower than the percent of owner-occupied units in those areas. The bank originated 1% of its refinance loans in low- income tracts. The bank's refinance market share in low- income tracts (2%) is lower than the bank's overall refinance market share (10%). The bank originated 7% of its refinance loans in moderate- income tracts. Its moderate- income market share (10%) is good and mirrors the bank's overall refinance market share. See Table 4 on page 17 for detail.
- ! MNB's origination of small business loans did not show any conspicuous gaps given that the bank is not primarily a small business lender. MNB made small business loans in 64% of the low- income tracts and 32% of the moderate- income tracts.

MNB's distribution of small business originations is good. MNB originated 11% of its small business loans in low- income tracts which are consistent with the 10% of businesses located in low- income tracts. The bank's small business originations in moderate- income tracts (10%) were similar to the 11% of businesses located in those tracts. See Table 5 on page 17 for detail.

Borrower Characteristics

The distribution of loans to borrowers was based on the bank's originations of HMDA reportable loans to borrowers of varying incomes as compared to the percent of families, by income levels, living in the assessment area. Small business loans were analyzed by reviewing the percent of originations to small businesses and the dollar amount of loans in varying sizes.

MNB's distribution of HMDA loans to borrowers of varying incomes is good based on the following: MNB's distribution of HMDA lending is consistent with the demographics of the assessment area, with the exception of low- income. The population in the low- income areas is higher than the bank's distribution of loans in those areas. However, MNB's market performance to low- and moderate- income borrowers exceed its overall market performance; and MNB is a leader in home- improvement loans to low- and moderate- income borrowers which were identified as a credit need by community groups. Also, MNB's lending to moderate- income borrowers was very consistent and virtually matched or slightly exceeded the moderate- income population.

The percent of families are as follows: low- income is 19%, moderate- income is 18%, middle- income is 22%, and upper- income is 41%.

- ! MNB's home purchase originations are good. MNB's origination of 12% of its total home purchase loans to low- income borrowers is less than the percent of low- income families in the assessment area. However, the bank originated 22% of its home purchase loans to moderate- income borrowers. This is considered good as it exceeds the percent of moderate- income families in the assessment area. Compared to the bank's overall home purchase market share (4%), their market share for low- income borrowers (7%) is good and for moderate- income borrowers (4%) is reasonable. See Table 6 on page 18 for detail.
- ! MNB's home-improvement originations are good. MNB's origination of 13% of its total home-improvement loans to low- income borrowers is less than the percent of low- income families in the assessment area. The bank's low level of home- improvement originations to low- income borrowers is negated by market performance which indicates that the bank is the leader in home- improvement loans to both low- and moderate- income borrowers. Market shares were 17% and 18%, respectively. The percent of the bank's home-improvement originations to moderate- income families (22%) mirrors the percent of moderate- income families in the assessment area. See Table 7 on page 18 for details.
- ! MNB's refinance originations are reasonable. MNB's origination of 7% of its refinance loans to low- income borrowers is less than the percent of low- income families in the assessment area. However, market data shows that the bank is the lead originator of refinance loans and refinance loans to low- income families. The bank's market share of these loans to low- income families (11%) exceeds the bank's overall market share of these loans (10%). The bank originated 17% of its refinance loans to moderate- income borrowers which is similar to the percent of moderate- income families in the assessment area. The bank has good market performance as the second largest lender of refinance originations to moderate- income borrowers, with an 8% market share. See Table 8 on page 19 for detail.
- ! MNB's overall distribution of small business loans is reasonable given its size, a reasonable market share, and the fact that it competes with several larger institutions in the area.

MNB's originations to small businesses are good. The bank originated 66% of its small business loans to small businesses compared to the 59% made by aggregate lenders in the assessment area. Small businesses represent 74% of the total businesses in the assessment area. See Table 9 on page 19 for detail.

MNB's small business loans of varying amounts are reasonable and most of the loan amounts, 65%, were in amounts of \$250 thousand or greater. The dollar amount of small business loans of \$100 thousand or less and \$100 to \$250 thousand were less, at 16% and 19% of the total amount of small business loans, respectively.

Community Development Lending

MNB has a good level of community development loans given its size and capacity, and the high level of competition from the larger national institutions. MNB has been active in making community development loans in response to identified credit needs. MNB has taken various opportunities to make loans to entities involved in providing affordable home- improvement loans and economic development as these needs were identified as a strong credit need by community groups. During the review period, MNB made 12 loans totaling \$4,060,117. See Table 1 on page 15 for reference.

Examples include:

- ! MNB originated a \$900,000 loan to Elm Road Development. This development was formed to construct a 42-unit low- income retirement housing project. The project is financed using low- income housing tax credits.
- ! MNB originated three loans totaling \$2,500,000 to the City of Youngstown. As part of the City's efforts toward revitalization, these funds were used primarily for infrastructure improvements to the City's low- and moderate- income areas.
- ! MNB originated two loans totaling \$200,000 to the Mahoning-Youngstown Mini-Loan Fund. This group provides an alternative source of funding for small businesses that do not normally qualify for small business loans from banks. Approved loans are funded through a line of credit at each participating bank (each bank funding a portion of the loan).

Flexible Lending

MNB makes adequate use of flexible loan programs that benefit low- and moderate- income borrowers or geographies. These programs have been instrumental in providing affordable housing loans for consumer purposes and for small businesses.

MNB offers an affordable housing loan through its Mortgage Assistance Program (MAP). This program makes special allowances to borrowers including a reduced down payment of 5%, no private mortgage insurance, no minimum loan amount, and extended repayment terms. Also, the bank participates with the City of Youngstown, Home Buyer Program. The Home Buyer Program is a seven-year zero interest loan to individuals with income less than 80% of the median income of the City of Youngstown. The home must be owner-occupied with a value not exceeding \$67,500. During the review period the bank made 88 MAP and Home Buyer loans totaling \$2,007,982.

MNB participates in the government's Small Business Loan Administration Program (SBA) and the State of Ohio Linked Deposit program. During the review period, the bank made 24 SBA loans totaling \$2,864,395 and 28 State Linked Deposit loans totaling \$4,982,569. These loans are included in the business loans previously mentioned. These programs acknowledge borrowers with higher risks that normally would not qualify under traditional underwriting standards due to the lack of credit or equity.

MNB originated small business loans secured by residential mortgages to accommodate small businesses that lack adequate collateral and financial stability. During the review period, 31 of these loans were made totaling \$2.7 million.

Investment Test

MNB has exhibited adequate responsiveness to the primary investment needs identified by community groups, affordable home-improvement and economic development. However, the bank has rarely served in a leadership position. Since the previous public evaluation, the bank increased its number and dollar amount of investments.

MNB made 22 qualified investments, primarily donations, totaling \$192,772. This amount represents a small portion of the bank's Tier 1 capital, .25%. See Table 10 on page 20 for detail.

! There are limited investment opportunities for qualified investments other than donations in Youngstown. The bank's qualified investments mainly consist of donations which serve to meet the needs of low- and moderate- income individuals and geographies.

! Of particular note are the following investments:

The bank contributed monies to the Mahoning Valley Economic Development Corp. (MVEDC). This program focuses on economic development by assisting small businesses and developing blue collar jobs for low- and moderate- income individuals.

The bank contributed monies to the Youngstown Warren Regional Chamber Building Momentum, a regional project and a Focus on the Future Campaign. The objectives of these projects were to help the overall economy create new jobs through expansion of existing small businesses, retain/expand existing small businesses, and assist firms to identify or expand export markets for their goods and services. These projects also include training the workforce. The jobs are primarily skilled labor which would accommodate the low- income and moderate-income individuals in the assessment area.

The bank contributed monies to the Youngstown Business Incubator. The incubator focuses on bringing small businesses back to downtown. This is part of a revitalization project to help stabilize the low- income downtown area.

The bank contributed monies to the Common Wealth, Inc. community development corporation. Funds will be used to assist in the corporation's community-based projects serving the low- income community. Projects include building 30 new homes in the City of Campbell through Common Wealth's low- income housing tax housing project.

The bank contributed monies to Wick Park Model Neighborhood Program. This area covers the Fifth-Wick/Madison Avenue - Express-Broadway neighborhood. This was an area identified by the City of Youngstown and the University of Youngstown as a distressed area in need of redevelopment.

Service Test

The analysis of this test includes the bank's retail banking system, alternative delivery systems and community development services.

- ! MNB's delivery systems are accessible to essentially all geographies and individuals of different income levels in its assessment area.
- ! MNB provides a relatively high level of community development services.
- ! MNB's opening, closing, and relocation of offices has not adversely affected the accessibility of its delivery systems, including those to low- and moderate- income geographies or individuals.
- ! Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate- income geographies or individuals.

Relative to its size, MNB has a relatively high number of offices in the assessment area compared to other institutions. The MNB branch network has 18 offices and three stand alone drive-up facilities. All offices are full service and each offers all of the bank's lending and deposit products. The drive-up facilities offer customers the convenience of transacting loan and deposit payments and transfers, and bill payment services without entering the premises. See Table 11 on page 20 for detail.

The bank has an office in a low- income tract (downtown Youngstown) and one in a moderate- income tract (Struthers-Poland). Individually, each office represents 6% of the bank's total offices. The percentage of branches in the low- and moderate- income tracts are less than the 8% population in the low- income tracts and the 13% population in the moderate- income tracts. However, six of the offices are located within four miles of the main office in downtown Youngstown, in close proximity to a majority of the low- and moderate- income areas. Public transportation is available to transport individuals to these bank locations.

At least two of the bank's offices in middle- income and upper- income areas are located in shopping plazas near major highways. These locations offer customers added convenience to banking services. These facilities are readily accessible to all members of the community, including low- and moderate-income families.

Office openings and closings predominantly affected moderate-, middle-, and upper- income tracts. MNB office activities included three closings, one opening, and one relocation. The bank closed one office in a moderate income tract due to the office's limited capacity to permit sufficient upgrades to customer service, including drive-up. Reportedly, at least 49% of transactions at this office were through the drive-up. This office was approximately two miles from the main office. It was consolidated into the existing South & Midlothian office (middle- income), approximately 1.5 miles from the closed office. In order to accommodate the increased customer base at the South & Midlothian Office, drive-up lanes were increased from two to four lanes, including one drive-up ATM. Also, other changes to service at this location included the creation of a customer service counter, and expanding business hours. The bank also created a customer service counter at the Austintown Office.

MNB extended drive-up hours at three offices, two hours during the week and one hour on Saturday. The bank's one office in a low- income area census tract does not offer Saturday hours. This is typical of most banks in downtown Youngstown. However, the bank does offer ATM access 17 hours daily (6:00 A.M. to 11:00 P.M.).

Alternate Delivery Services

MNB's alternate delivery services make services more accessible. However, due to the lack of data on how these systems affect the low- and moderate- income individuals and geographies, we could not place significant weight on this area in drawing conclusions on the bank's CRA performance.

MNB presently has 20 ATMs with one located at each branch except South and Midlothian, which has two ATMs. The 20th ATM is located in a local hospital, in a low-income tract. Nineteen of the ATMs

have 24-hour access. The Main Office has an ATM that is available 17 hours a day (6:00 A.M. TO 11:00 P.M.) with a security guard on duty during all times. MNB's ATM network is included in the Money Access Center (MAC) network, which enables customers with ATM capacity to access their accounts throughout Ohio and a number of surrounding states. The ATMs are also included in the CIRRUS network which allows for worldwide access to accounts. MNB offers a bilingual ATM at the Main and Campbell Offices to accommodate the Latino population.

MNB offers a PC-based ExecuBank program where customers can view account balances, place stop payments and initiate transfers between accounts, including wire transfers. This program also has a support feature to answer questions.

MNB offers TeleBank, a convenient, automated phone system that enables customers to bank 24-hours a day, seven days a week. Customers can assess account information as well as general banking information. This service also includes a bill payment system which enables customers to pay bills by phone, a free service to MNB customers.

MNB provides a Centralized Banking Department. This service can be accessed by toll-free numbers from anywhere in the assessment area. This is a service where customers and potential customers can speak to a customer service representative in reference to opening deposit and loan accounts or existing accounts. To meet the needs of the community, hours of operation were adjusted one-half hour in the morning to open earlier at 7:30 A.M. and in the evening to close a half-hour earlier at 6:30 P.M. Saturday hours remained the same, 9:00 A.M. to 1:00 P.M. MNB offers a bilingual ATM at the main and the Campbell City offices to accommodate the Latino population.

MNB offers an "Easy Checking Account" that requires a minimum balance of \$100 with no service charge. The bank offers the "Budget Checking Account" that has a monthly service charge of \$2. Also, Economy Business Checking is offered. This is a low cost deposit account developed for small businesses with low volumes of activity, featuring flexible pricing, and simple and easy-to-read monthly statements.

MNB offers a Trust Voice Response Unit, an automated phone system that gives trust and investment clients access to review balances and make investment changes.

Community Development Services

The bank has a high level of community development loans. This performance is based on the fact that MNB participates with a majority of the community groups that are most influential and targeted toward the needs of the low- and moderate- income families. Also, MNB has a high number of employees, particularly, upper level management, that participate with these groups, including serving in a leadership capacity. Additionally, these bank employees provide technical expertise at affordable housing seminars and small business sessions. Some of the groups are noted below:

- ! MNB has a loan officer on the board of the local Community Improvement Corporation of Ohio, a group focusing on economic development in the low- income areas of Youngstown.
- ! MNB has five employees that either served as a presenter or a member of the advisory board at the Consumer Credit Counseling Agency. The presentation was for first-time home buyers.
- ! MNB has a loan officer on the board of Interfaith Home Maintenance, Inc., a local corporation aimed at providing home-repair for low- and moderate- income individuals.

- ! MNB's senior loan officer serves as the President and Loan Committee Chairman of Mahoning Valley Economic Development, a corporation that serves credit needs of small businesses.
- ! MNB's senior loan officer and CRA Officer serve as loan committee members on the Mahoning Valley Mini Loan Fund, a group that provides funds to small businesses.
- ! MNB has its CRA Officer involved with the Youngstown Business Incubator which was formed to help create and provide assistance to small businesses in the low- income downtown area.
- ! MNB's senior loan officer and CRA Officer serve as advisors to the Youngstown State University Small Business Institute. The institute focuses on assisting start up small businesses with consulting, providing feasibility and business plans, and locating available financing.
- ! MNB participates in an Area Bankers Association which serves to assist local community groups' efforts in providing economic growth and housing development opportunities. Through this group, bank employees participate in consumer credit counseling and small business seminars.
- ! MNB has at least 11 employees, including loan officers and its CRA Officer who serve as committee members of the local United Way of Youngstown. The United Way provides funds to various community organizations that target services to low- and moderate- income families and low- and moderate- income areas.
- ! MNB has employees involved in local service organizations that provide food and housing services to the community including the Salvation Army, Second Harvest Food Bank, and the Youngstown Board of Realtors.

Fair Lending Review

We conducted a fair lending review to determine if applicants that applied for home mortgage loans were treated similarly. Our sample was based on applicants denied and approved during 1998. Specifically, we compared files of nine denied Black applicants to those of 45 approved White applicants. We reviewed underwriting requirements, rates and terms. We found no evidence of discrimination.

Performance Tables

Charter Number: 2350

Table 1. Lending Volume

LENDING VOLUME													State: OHIO	Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998
MSA/Assessment Area:	% of Total Bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Total Reported Bank Loans in Rated Area		
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)			
Full-Scope:														
MSA 9320/YOUNGSTOWN-WARREN	100%	2,089	78,339	439	70,148	0	0	12	4,060	2,540	152,547	100%		

Performance Tables

Charter Number: 2350

Table 2. Geographic Distribution of Home Purchase Loan Originations

Geographic Distribution: HOME PURCHASE										State: OHIO		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total	
Full-Scope:																	
MSA 9320/ YOUNGSTOWN-WARREN	5%	4%	11%	12%	48%	45%	36%	39%	9	4%	11%	5%	5%	3%	341	100%	

(*) Based on 1997 Aggregate HMDA Data only.

Table 3. Geographic Distribution of Home Improvement Loan Originations

Geographic Distribution: HOME IMPROVEMENT										State: OHIO		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total	
Full-Scope:																	
MSA 9320/ YOUNGSTOWN-WARREN	5%	2%	11%	10%	48%	57%	36%	31%	2	17%	10%	15%	19%	15%	670	100%	

(*) Based on 1997 Aggregate HMDA Data only.

Performance Tables

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Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations

Geographic Distribution: HOME MORTGAGE REFINANCE																State: OHIO		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total			
Full-Scope:																			
MSA 9320/ YOUNGSTOWN-WARREN	5%	1%	11%	7%	48%	51%	36%	41%	1	10%	2%	10%	11%	10%	1,078	100%			

(*) Based on 1997 Aggregate HMDA Data only.

Table 5. Geographic Distribution of Small Business Loan Originations

Geographic Distribution: SMALL BUSINESS																State: OHIO		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans				
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total			
Full-Scope:																			
MSA 9320/ YOUNGSTOWN-WARREN	10%	11%	11%	10%	37%	35%	42%	44%	10	4	9%	5%	3%	5%	437	100%			

(*) Based on 1997 Aggregate Small Business Data only.

Performance Tables

Charter Number: 2350

Table 6. Borrower Distribution of Home Purchase Loan Originations

Borrower Distribution: HMDA HOME PURCHASE																	State: OHIO		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total							
Full-Scope:																							
MSA 9320/ YOUNGSTOWN-WARREN	19%	12%	18%	22%	22%	22%	41%	44%	9	4%	7%	4%	3%	4%	328	100%							

(*) As a percentage of loans with borrower income information available. No information was available for 4% of loans originated by BANK.

(**) Based on 1997 Aggregate HMDA Data only.

Table 7. Borrower Distribution of Home Improvement Loan Originations

Borrower Distribution: HOME IMPROVEMENT																	State: OHIO		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Improvement Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total							
Full-Scope:																							
MSA 9320/ YOUNGSTOWN-WARREN	19%	13%	18%	22%	22%	26%	41%	39%	2	17%	17%	18%	16%	17%	661	100%							

(*) As a percentage of loans with borrower income information available. No information was available for 1% of loans originated by BANK.

(**) Based on 1997 Aggregate HMDA Data only.

Table 8. Borrower Distribution of Home Mortgage Refinance Loan Originations

Borrower Distribution: HOME MORTGAGE REFINANCE										State: OHIO		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998					
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans		
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total	
Full-Scope:																	
MSA 9320/ YOUNGSTOWN-WARREN	19%	7%	18%	17%	22%	29%	41%	47%	1	10%	11%	8%	9%	11%	1,047	100%	

(*) As a percentage of loans with borrower income information available. No information was available for 3% of loans originated by BANK.

(**) Based on 1997 Aggregate HMDA Data only.

Table 9. Borrower Distribution of Small Business Loan Originations

Borrower Distribution: SMALL BUSINESS										State: OHIO		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998			
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Business Loans						
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size				
Full-Scope:															
MSA 9320/ YOUNGSTOWN-WARREN	74%	66%	59%	11,027	13,433	45,688	4%	4%	439	100%	75				

(*) As a percentage of businesses with known revenues.

(**) As a percentage of loans with revenue information available.

Performance Tables

Charter Number: 2350

(***) The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data only.
 (****) Based on 1997 Aggregate Small Business Data only.

Table 10. Qualified Investments

QUALIFIED INVESTMENTS												State: OHIO		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998			
MSA/Assessment Areas:	Affordable Housing		Community Service		Economic Development/ Small Business		Revitalize or Stabilize		Total Investments								
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s						
Full-Scope:																	
MSA 9320/ YOUNGSTOWN- WARREN	2	1	11	63	9	129	0	0	22	193	100%						

Table 11. Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM														State: OHIO		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998			
MSA/Assessment Area:	Deposits	Branches						ATMs				Population							
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography					
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp		
Full-Scope:																			
MSA 9320/ YOUNGSTOWN- WARREN	100%	18	100%	1	1	10	6	20	100%	2	1	11	6	8%	12%	45%	35%		
PERCENT OF TOTAL BRANCHES/ATMs				6%	6%	55%	33%			10%	5%	55%	30%						

