



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

March 4, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Huntington Federal Savings Bank
Charter Number 700470

1049 5th Avenue
Huntington, West Virginia 25701-2202

Office of the Comptroller of the Currency

4419 Pheasant Ridge Road, Suite 300
Roanoke, Virginia 24014

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- The institution's average loan-to-deposit (LTD) ratio is reasonable;
- A substantial majority of the loans originated during the evaluation period were inside the institution's assessment areas (AAs);
- The distribution of borrowers, given the demographics of the AAs, reflects an overall reasonable penetration to borrowers of different incomes;
- The geographic distribution of loans reflects reasonable dispersion throughout the low- and moderate-income census tracts in the AAs; and,
- The bank demonstrates adequate responsiveness to community development needs.

Scope of Examination

Huntington Federal Savings Bank (Huntington FSB) was evaluated under the Intermediate Small Bank examination procedures, which include a lending and community development (CD) test. The lending test evaluates the institution's record of meeting the credit needs of its AAs through its lending activities. The CD test evaluates the institution's responsiveness to CD needs in its AAs through CD lending, services, and qualified investments. The evaluation period under the Lending Test covers the institution's performance from October 1, 2009 through December 31, 2011. The evaluation period for the community development test is October 1, 2009 through March 4, 2013.

For purposes of this evaluation, we considered residential mortgage loans as the primary loan product, based on the institution's business strategy and total loan originations by loan product during the evaluation period. Huntington FSB originated 925 mortgage loans during the evaluation period. We excluded business loans, small loans to farms, and multi-family loans because Huntington FSB made a minimal number of these loans.

Data Integrity

Huntington FSB's public lending information is materially accurate. We tested the accuracy of the institution's publicly filed information for home mortgage lending in October 2012. We found significant errors in the loan data. As a result, management was required to review and correct the data. During December 2012, we evaluated the institution's corrected data and found it to be reliable. This evaluation is based upon this accurate data.

Community development loans, investments and services submitted by the institution's management were verified to ensure they met the regulatory definition for community development.

Description of Institution

Huntington FSB is a \$541-million, federally-chartered, mutual thrift institution headquartered in Huntington, West Virginia. The institution is an intrastate institution with five office locations and five automated teller machines (ATMs) serving the counties of Cabell, Putnam, and Wayne in West Virginia. The main office and two branch offices are located in Huntington, West Virginia, one office is located in the Huntington Mall in Barboursville, West Virginia and one office is located in Putnam Village in Teays Valley, West Virginia.

The main office is located in a low-income geography and the Westmoreland branch office in Huntington, West Virginia is located in a middle-income geography. The East Hills branch, the Huntington Mall branch, and the Putnam branch are located in upper-income geographies. The bank has not opened any new branches and has not closed any existing branches since the previous examination.

Huntington FSB provides for the credit needs of its AAs in a manner consistent with its size, financial capacity, location, resources and local economic conditions. Huntington FSB offers a variety of deposit and loan products to meet consumer and mortgage banking needs. Banking services are standard, with the addition of on-line banking and 24-hour telephone banking. The institution's Internet website, <http://www.huntingtonfederal.com>, provides detailed information on products and services for both consumers and businesses.

The institution's primary focus is on retail banking. The institution attracts deposits from the general public through its branch network. Huntington FSB uses these funds for the origination of mortgage loans secured by one- to four-family residential real estate and, to a lesser extent, mortgage loans secured by nonresidential and multifamily real estate.

A significant level of competition exists within the two AAs. A review of the June 30, 2012, FDIC Summary of Deposits Market Share Report, for Cabell and Wayne County within the Huntington-Ashland, WV-KY-OH 25680 Metropolitan Statistical Area (MSA), indicated there are 45 branches of FDIC-insured institutions, representing 15 institutions varying in asset sizes. Huntington FSB ranked first with a deposit market share of 16.99 percent. The top institutions and their respective deposit market share percentage were Branch Banking & Trust with 16.36 percent, First Sentry Bank, Inc. with 15.08 percent, J. P. Morgan Chase, N.A. with 12.62 percent, and First State Bank with 9.94 percent.

The Putnam County AA, in the Charleston MSA, included 13 institutions with 20 offices in the AA. Top institutions in this county and their respective deposit market share

percentage are Putnam County Bank with 50.89 percent, City National Bank of West Virginia with 12.16 percent, Branch Banking & Trust with 11.09 percent, Rock Branch Community Bank with 6.44 percent, and Huntington Bank, N.A. with 3.36 percent. Huntington FSB has one branch office in Putnam County and ranked eighth with a deposit market share of 2.75 percent.

As of December 31, 2012, Tier I Capital was \$70 million, Tier I Risk-Based Capital to Risk-weighted Assets equaled 36.85 percent, and Tier 1 Leverage Capital equaled 12.93 percent.

Huntington FSB's gross loans as of December 31, 2012 totaled \$218 million, or 40.30 percent of total assets of \$541 million. Total deposits were \$470 million or 86.83 percent of total assets. **Table 1** below depicts the loan portfolio by loan product as of December 31, 2012.

Table 1. Loan Product Category	Gross Loans as of December 31, 2012*	
	Dollar (000's)	Percent %
Residential Mortgage	\$192,636	88.30
Commercial Real Estate	\$22,668	10.39
Construction & Land Development	\$1,799	0.82
Consumer and all other	\$881	0.41
Commercial and Industrial	\$167	0.08
Total Gross Loans	\$218,151	100.00

*Data obtained from Consolidated Reports of Condition and Income for a bank with Domestic Offices Only - FFIEC 041 as of December 31, 2012.

Huntington FSB experienced declining loan volume during the evaluation period with gross loans decreasing 17.58 percent. A substantial portion of the declining loan volume was concentrated in residential mortgage lending, and is attributed to the recent recession and increased competition from financial institutions in the AAs.

There are no legal, financial or other factors impeding Huntington FSB's ability to help meet the credit needs in its AAs. Huntington FSB received a "Satisfactory" rating on its November 2009 CRA Performance Evaluation.

Description of Assessment Area(s)

Cabell – Wayne Counties AA in Huntington-Ashland, WV-KY-OH 25680 MSA (Huntington-Ashland MSA)

TABLE 2. Demographic Information for Full Scope Area: Huntington-Ashland MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	41	7.32	26.83	43.90	21.95	0.00
Population by Geography	139,687	3.89	21.82	51.12	23.18	0.00
Owner-Occupied Housing by Geography	40,059	0.25	19.22	55.81	24.72	0.00
Business by Geography	10,526	11.69	15.51	43.72	29.08	0.00
Farms by Geography	210	1.43	11.90	66.19	20.48	0.00
Family Distribution by Income Level	38,475	22.95	17.81	20.14	39.11	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	15,681	1.36	30.88	52.26	15.50	0.00
Median Family Income		\$37,119	Median Housing Value			\$69,676
HUD Adjusted Median Family Income for 2011		\$49,600	Unemployment Rate (Dec 2012 BLS)			6.7%(average)
Households Below Poverty Level		20%				

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census; 2011 HUD updated MFI; and U.S. Bureau of Labor Statistics (BLS)

Cabell and Wayne County, located in southwestern West Virginia, are included in the Huntington-Ashland MSA, which is a multi-state MSA. This AA consists of three low-income census tracts, eleven moderate-income tracts, eighteen middle-income tracts, and nine upper-income tracts. There are no designated distressed or underserved middle-income tracts in this AA. This AA meets the requirements of the regulation and does not arbitrarily exclude any low-or moderate-income areas. Please refer to **Table 2** above for demographic data on the AA.

The Huntington-Ashland MSA is located along the banks of the Ohio River within the Appalachian Plateau region. The area is most often referred to locally as the Tri-State region. The primary source of employment in this AA is derived through retail trade and the service sector, which includes government, education, health care, and social services.

Huntington, West Virginia is effectively a regional medical community. The two hospitals, St. Mary's Medical Center and Cabell-Huntington Hospital, are the largest employers. In addition, the Marshall University Medical School has a comprehensive cancer care center and is a distinguished leader nationwide for rural health care delivery. The Cabell County Board of Education and Huntington Alloys Corporation

round out the top five employers in Cabell County. (Source: West Virginia Department of Commerce, July 2012)

As of December 31, 2012, the unemployment rate for Cabell County was 6.1 percent, which was below the average for the State of West Virginia of 7.4 percent, and below the national average of 7.8 percent. (Source: Bureau of Labor Statistics)

Wayne County is the westernmost county in West Virginia. The abundant supply of coal, natural gas, and timber, and the crossroads of competing railroads was the catalyst for population growth and employment in this county. The area's largest employers are the Wayne County Board of Education, Huntington VA Medical Center, Rockspring Development, Inc., Argus Energy West Virginia, LLC, and Wayne County Community Services Organization, Inc. (Source: West Virginia Department of Commerce, July 2012)

As of December 31, 2012, the unemployment rate for Wayne County was 7.2 percent, which was below the average for the State of West Virginia of 7.4 percent and below the national average of 7.8 percent. (Source: Bureau of Labor Statistics)

Additional housing information shows a high percentage of rental-occupied units in the AA. This is attributed to the need for temporary housing by college students attending Marshall University. The housing data from the 2000 U. S. Census reveals that 84.2 percent of the housing units in low-income census tracts are occupied rentals, with most of these rentals being multifamily units. In moderate-income census tracts, 35 percent of the housing is occupied rental units.

Information regarding credit needs in the Huntington MSA was obtained through the Department of Housing and Urban Development's (HUD) Office of Community Planning and Development. A Consolidated Plan submitted to HUD by the Cabell-Huntington-Wayne Housing Consortium identified credit needs as rehabilitation of aging rental and owner-occupied housing, rental and homebuyer assistance for low- and moderate-income households, and the creation of more affordable housing, especially for persons with special needs, such as the handicapped. There are several organizations within the Huntington MSA focusing on affordable housing and support for low- and moderate-income individuals; however, new construction is a challenge due to the lack of land for development. Overall, there is limited community development lending, investment and service opportunities in which the banks may participate.

According to Moody's Economy.com, existing home prices within the Huntington MSA have declined approximately seven percent since the previous CRA evaluation. The area has experienced minimal impact from the national housing crisis. Moody's analysis indicates the Huntington MSA's strengths include low cost of living, a good location with transportation linkages, and the presence of Marshall University, which anchors the economy. However, weaknesses include weak population growth, a low-skilled labor force, and an above-average elderly population that limits consumer spending.

The available demographic information for the Huntington MSA highlights important credit needs and community development opportunities and limitations. The family distribution by income level reported there were 22.95 percent of low-income families in the AA. In addition, 14.51 percent of total families, or 47.28 percent of low-income families, live below the poverty level. Given these statistics, the median housing values, and the median family income for the AA, a low-income individual would have difficulty qualifying for a home purchase loan. Therefore, the residential lending opportunities to low-income persons are limited. The housing opportunities for moderate-income individuals are better, but constrained given the available housing stock and values and the median family income range of moderate-income persons. Most of this AA's census tracts, population, owner-occupied housing, and businesses are in middle-income census tracts. In addition, a high percentage of the AA's low- and moderate-income families, 52.3 percent, are in middle-income geographies. Therefore, the majority of the bank's lending opportunities are in middle-income census tracts.

COMMUNITY CONTACT

We conducted one community contact during this examination with the HOME Program Manager for the Department of Development and Planning for the City of Huntington, West Virginia. The contact stated that the economy was formerly based on manufacturing, but in the past several years has transitioned to a service-based economy. The contact indicated there is always a need for affordable single-family housing, multifamily and group housing, and rental assistance in the community. The rural areas have fewer economic opportunities and limited availability for assistance from non-profit organizations to help mitigate those problems. The contact stated that Huntington FSB has worked with the organization to meet the credit needs of the AA.

**Putnam County AA in Charleston WV 16620 MSA
(Charleston MSA)**

TABLE 3 Demographic Information for Full Scope Area: Charleston MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	9	0.00	0.00	55.56	44.44	0.00
Population by Geography	51,589	0.00	0.00	53.06	46.94	0.00
Owner-Occupied Housing by Geography	16,817	0.00	0.00	54.02	45.98	0.00
Business by Geography	4,205	0.00	0.00	39.31	60.69	0.00
Farms by Geography	109	0.00	0.00	44.95	55.05	0.00
Family Distribution by Income Level	15,322	14.10	15.62	20.78	49.50	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	4,554	0.00	0.00	65.55	34.45	0.00
Median Family Income HUD Adjusted Median Family Income for 2011		\$40,961		Median Housing Value		\$98,896
Households Below Poverty Level		\$54,200 10%		Unemployment Rate (Dec 2012 BLS)		5.9%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census; 2011 HUD updated MFI; and U.S. Bureau of Labor Statistics (BLS)

The Charleston MSA AA includes all census tracts in this county. This AA consists of five middle-income tracts, and four upper-income tracts. There are no designated distressed or underserved middle-income tracts in this AA. This AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas. Please refer to **Table 3** above for demographic data on the AA.

The AA is located east of Cabell County, West Virginia and is part of the Charleston MSA. The institution has one office located in this AA in an upper-income census tract. Putnam County is a rural to suburban area located halfway between the cities of Huntington and Charleston along Interstate 64. The area consists of many families who commute to either city for work.

This AA has a developed infrastructure and transportation network, which is critical for commercial and industrial development. Major transportation corridors within this region include a regional airport, rail transport, navigable waterways, and a four-lane highway system.

The largest employers in Putnam County are Putnam County Board of Education, Toyota Motor Manufacturing, West Virginia, Inc., Charleston Area Medical Center, Inc., Appalachian Power Company, and Wal-Mart Associates, Inc. (Source: WV Department of Commerce, July 2012)

As of December 31, 2012, the unemployment rate for Putnam County was 5.9 percent, which was below the average for the State of West Virginia of 7.4 percent and below the national average of 7.8 percent. (Source: Bureau of Labor Statistics)

The available demographic information for Putnam County highlights the credit needs and community development opportunities and limitations. The family distribution by income level shows a lower percentage of low-income families in this AA - 14.10 percent. In addition, 7.06 percent of total families, or 50.07 percent of low-income families, in this AA live below the poverty level. Given the County's median housing values and median family income, a low-income individual would have difficulty qualifying for the purchase of a home in the County. Therefore, the residential lending opportunities to low income persons are limited.

Housing opportunities for moderate-income individuals are better but constrained given the available housing stock and values, and the median family income range of moderate-income persons. Most residential lending in this AA involves middle- and upper-income persons. In addition, greater than 50 percent of this AA's census tracts, population, owner-occupied housing, and businesses are in middle-income census tracts. Therefore, the majority of the institution's lending opportunities are in middle-income census tracts.

Opportunities to make community development loans, qualified investments, and community development services in this AA are limited. Since the county is rural to suburban, there are very few non-profit housing organizations, small business development centers, or non-profit organizations that provide social services to low- and moderate-income individuals. Such organizations are available; however, in the nearby cities of Huntington and Charleston and may provide such services in portions of Putnam County. The competition to participate in the limited CRA activities available is high since several other financial institutions with more resources in terms of assets, income, and employees, have a presence in the AA.

Conclusions with Respect to Performance Tests

The performance under the Lending Test is considered "Satisfactory." The institution's loan-to-deposit ratio is reasonable and a substantial majority of loans are originated inside the AAs. The institution's borrower distribution reflects reasonable penetration among borrowers of different incomes. Geographic distribution reflects reasonable dispersion throughout the census tracts of different income levels. Huntington FSB has not received any CRA complaints during this evaluation period.

Huntington FSB's rating is based on the institution's performance in portions of the two MSAs in West Virginia. The distribution of loans by income level of the borrower received equal consideration with the distribution of loans by income level of the geography. Since the institution's AAs and all of its branches are located in the West Virginia portion of the Huntington-Ashland MSA and the Charleston MSA, we will

evaluate the institution's ability to meet the credit needs in the counties of Cabell, Wayne, and Putnam in West Virginia.

LENDING TEST

Overall lending levels reflect reasonable responsiveness to meeting AA credit needs.

Loan-to-Deposit Ratio

Huntington FSB's quarterly average net loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs of the AAs. The institution's LTD ratio meets the standards for satisfactory performance. The bank's quarterly average loan-to-deposit ratio for the thirteen consecutive quarters (December 31, 2009 to December 31, 2012) since the previous CRA Examination is 50.97 percent. The bank's quarterly LTD ratios ranged from a quarterly high of 57.71 percent at December 31, 2009 to a quarterly low of 45.89 percent at December 31, 2012. External factors beyond the control of management, such as the condition of the local economy and lack of loan demand factored into the bank's LTD ratio steadily declining over the past thirteen quarters.

Huntington FSB does not have similarly situated local competitor banks in the AAs to which its performance can be compared. The main competitors in the Huntington-Ashland MSA AA are Branch Banking & Trust, First Sentry, & JP Morgan Chase, NA. These banks have 44 percent of the deposit market share in this AA. The main competitor in Putnam County, which is in the Charleston MSA, is Putnam County Bank with 50.89 percent of the deposit market share in this AA. These competitors have substantially greater resources and lending limits and offer certain services that Huntington FSB does not currently provide.

Lending in Assessment Area

The analysis in **Table 4** of the institution's lending inside and outside the AAs includes originations and purchases only and was performed at the institution level as opposed to the AA level.

Lending in the AA is reasonable with a substantial majority of loans originated within the AA. Cumulatively, a high percentage of home mortgage loans, 86.92 percent by number and 85.86 percent by dollar volume, was extended inside the institution's AAs. The distribution of loans inside the AAs indicates that the institution is serving the credit needs of its AA.

Table 4 – Lending Bank-wide										
Loan Type	Number of Loans					Dollars of Loans (\$000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$
Home Purchase	239	82.41	51	17.59	290	29,274	81.68	6,564	18.32	35,838
Home Refinance	381	88.81	48	11.19	429	41,078	88.09	5,556	11.91	46,634
Home Improvement	184	89.32	22	10.68	206	15,182	88.56	1,961	11.44	17,143
Totals	804	86.92	121	13.08	925	85,534	85.86	14,081	14.14	99,615

Source: Data reported in HMDA reports from October 1, 2009 - December 31, 2011.

Lending to Borrowers of Different Incomes

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. Huntington FSB's record of lending to borrowers of different incomes in the AAs meets the standard for satisfactory performance, when compared to the performance from aggregate HMDA-reporting lenders.

Opportunities to lend to low- and moderate-income borrowers within the AAs were limited due to the competition among the financial institutions within the AAs and institution's market share within its two AAs. Only loans extended within the AAs are included in this analysis.

Huntington-Ashland MSA

The distribution of loans among individuals of different income levels reflects reasonable penetration for this AA. Huntington FSB's record of lending to borrowers of different incomes meets the standard for satisfactory performance, when compared to the performance from aggregate HMDA-reporting lenders for the AA.

The institution's percentage of home purchase loans made to low-income borrowers exceeds the percentage of loans made to low-income borrowers by the aggregate peer lenders in 2011. The institution's percentage of home purchase loans made to moderate-income borrowers is below the percentage of loans made to moderate-income borrowers in 2011 by the aggregate peer lenders. Overall, the institution's percentage of home purchase loans to low- and moderate-income borrowers reflects reasonable penetration when compared to the performance from aggregate HMDA-reporting lenders.

The institution's percentage of home improvement loans made to low-income borrowers is near to the percentage of loans made to low-income borrowers by the aggregate peer lenders in 2011. The percentage of home improvement loans made to moderate-income borrowers exceeds the percentage of loans made in 2011 by the aggregate peer lenders. Overall, the institution's percentage of home improvement loans to low-

and moderate-income borrowers reflects excellent penetration when compared to the performance from aggregate HMDA-reporting lenders.

The institution’s percentage of home refinance loans made to low-income borrowers exceeds the percentage of loans made to low-income borrowers by the 2011 aggregate peer lenders. The percentage of home refinance loans made to moderate-income borrowers exceeds the percentage of loans made by the 2011 aggregate peer lenders. Overall, the institution’s percentage of home refinance loans to low- and moderate-income borrowers reflects excellent penetration when compared to the performance from aggregate HMDA-reporting lenders.

Table 5 below details the institution’s performance for the period of October 1, 2009 through December 31, 2011 as compared to 2011 aggregate HMDA-reporting lenders.

Table 5 - Borrower Distribution of Residential Real Estate Loans: Huntington-Ashland MSA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	2011 Peer Aggregate %	Bank % of Number of Loans	2011 Peer Aggregate %	Bank % of Number of Loans	2011 Peer Aggregate %	Bank % of Number of Loans	2011 Peer Aggregate %	Bank % of Number of Loans
Home Purchase Loans	6.84	12.29	20.85	11.17	29.60	16.76	42.71	59.78
Home Improvement Loans	9.73	6.08	17.51	17.57	25.29	25.68	47.47	50.68
Refinance Loans	5.64	6.56	12.87	16.07	24.30	18.36	57.20	59.02

Source: Huntington FSB’s HMDA data 10/1/2009 - 12/31/2011; 2011 Peer Mortgage Data (USPR)

Charleston MSA

The distribution of loans among individuals of different income levels reflects reasonable penetration for this AA. Huntington FSB’s record of lending to borrowers of different incomes meets the standard for satisfactory performance, when compared to the performance from aggregate HMDA-reporting lenders for the AA.

The institution’s percentage of home purchase loans made to low-income borrowers is significantly below the percentage of loans made to low-income borrowers by the aggregate peer lenders in 2011. The institution’s percentage of home purchase loans made to moderate-income borrowers is significantly below the percentage of loans made to moderate-income borrowers in 2011 by the aggregate peer lenders. Overall, the institution’s percentage of home purchase loans to low- and moderate-income borrowers reflects poor penetration when compared to the performance from aggregate HMDA-reporting lenders.

The institution's percentage of home improvement loans made to low-income borrowers is significantly below the percentage of loans made to low-income borrowers by the aggregate peer lenders in 2011. The percentage of home improvement loans made to moderate-income borrowers is significantly below the percentage of loans made in 2011 by the aggregate peer lenders. Overall, the institution's percentage of home improvement loans to low- and moderate-income borrowers reflects poor penetration when compared to the performance from aggregate HMDA-reporting lenders.

The institution's percentage of home refinance loans made to low-income borrowers exceeds the percentage of loans made to low-income borrowers by the 2011 aggregate peer lenders. The percentage of home refinance loans made to moderate-income borrowers exceeds the percentage of loans made by the 2011 aggregate peer lenders. Overall, the institution's percentage of home refinance loans to low- and moderate-income borrowers reflects excellent penetration when compared to the performance from aggregate HMDA-reporting lenders.

The analysis of HMDA loans in this AA reflects reasonable distribution among borrowers of different income levels. The institution originated only 33 of the 804 HMDA loans in the Putnam County AA during the evaluation period. Similar to the Huntington MSA AA, the institution's HMDA loans are concentrated to upper-income borrowers. Huntington FSB did not originate any home purchase or home improvement mortgage loans to low- or moderate-income borrowers in the evaluation period, which does not compare well with the HMDA aggregate data. It is important to note that low-income families would experience difficulty qualifying for a home loan or supporting a monthly payment, especially in this AA where the 2000 U. S. Census shows the median home value is \$98,896. In addition, according to the 2000 U. S. Census data, 50.07 percent of low-income families in the AA are living below the poverty level.

However, the institution's percentage of home mortgage refinance loans to low- and moderate-income borrowers exceeds the aggregate data's distribution. Lower interest rates during the evaluation period may be the leading contributor for the number of refinanced mortgage loans in the AA. Borrowers took advantage of the low interest rates during the evaluation period to refinance their existing mortgage loans.

Table 6 details the institution's performance for the evaluation period as compared to 2011 aggregate HMDA-reporting lenders.

**Table 6 - Borrower Distribution of Residential Real Estate Loans:
Putnam County AA in Charleston MSA**

Borrower Income Level	Low		Moderate		Middle		Upper	
	2011 Peer Aggregate %	Bank % of Number of Loans	2011 Peer Aggregate %	Bank % of Number of Loans	2011 Peer Aggregate %	Bank % of Number of Loans	2011 Peer Aggregate %	Bank % of Number of Loans
Home Purchase Loans	4.23	0.00	16.67	0.00	25.55	25.00	53.55	75.00
Home Improvement Loans	12.64	0.00	18.97	0.00	22.41	25.00	45.98	75.00
Refinance Loans	4.89	21.05	11.32	15.79	19.07	26.32	64.72	36.84

Source: Huntington FSB's HMDA data 10/1/2009 - 12/31/2011; 2011 Peer Mortgage Data (USPR)

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout census tracts of different income levels, when compared to the performance from aggregate HMDA-reporting lenders. Only loans extended within the AAs during the evaluation period are included in this analysis. Huntington FSB's performance meets the standard for satisfactory performance. There were no conspicuous gaps identified within Huntington FSB's AAs.

Huntington-Ashland MSA

The institution's percentage of home purchase loans made in low-income geographies exceeds the percentage of home purchase loans made in low-income geographies by the aggregate peer lenders in 2011. The percentage of home purchase loans made in moderate-income geographies is near to the percentage of home purchase loans made in low-income geographies by the aggregate peer lenders in 2011. Overall, the institution's percentage of home purchase loans in low- and moderate-income geographies reflects excellent dispersion when compared to the performance from aggregate HMDA-reporting lenders.

The institution's percentage of home-improvement loans made in low-income geographies exceeds the percentage of home purchase loans made in low-income geographies by the aggregate peer lenders in 2011. The percentage of home improvement loans made in moderate-income geographies is below the percentage of home purchase loans made in low-income geographies by the aggregate peer lenders in 2011. Overall, the institution's percentage of home purchase loans in low- and moderate-income geographies reflects reasonable dispersion when compared to the performance from aggregate HMDA-reporting lenders.

The institution's percentage of home mortgage refinance loans made in low-income geographies exceeds the percentage of home purchase loans made in low-income geographies by the aggregate peer lenders in 2011. The percentage of home mortgage refinance loans made in moderate-income geographies exceeds the percentage of home purchase loans made in low-income geographies by the aggregate peer lenders in 2011. Overall, the institution's percentage of home purchase loans in low- and moderate-income geographies reflects excellent dispersion when compared to the performance from aggregate HMDA-reporting lenders.

Overall home mortgage loans in the AAs showed reasonable loan penetration in low- and moderate-income geographies. Other limiting factors considered were the number of households below the poverty level in each AA, and the percentage of households in each AA that lived on fixed income, either social security, retirement, or public assistance.

Table 7 details the institution's performance for the evaluation period as compared to 2011 aggregate HMDA-reporting lenders.

Table 7 - Geographic Distribution of Residential Real Estate Loans: Huntington-Ashland MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	2011 Peer Aggregate	Bank % of Number of Loans	2011 Peer Aggregate	Bank % of Number of Loans	2011 Peer Aggregate	Bank % of Number of Loans	2011 Peer Aggregate	Bank % of Number of Loans
Home Purchase	0.84	1.12	9.41	8.94	55.13	50.28	34.62	39.66
Home Improvement	0.00	0.66	13.70	7.24	59.26	57.89	27.04	34.21
Home Refinance	0.27	0.63	6.86	9.72	57.54	54.55	35.33	35.11

Source: Huntington FSB's HMDA data 10/1/2009 - 12/31/2011; 2011 Peer Mortgage Data (USPR)

Putnam County AA in Charleston MSA

There are no low- or moderate-income census tracts in the Putnam County AA within Charleston MSA; therefore, an analysis of the geographic distribution of home mortgage loans would not be meaningful.

COMMUNITY DEVELOPMENT TEST

The Community Development test is rated Satisfactory. Huntington FSB's community development activities demonstrate adequate responsiveness to the Community Development needs of its AAs, when considering the bank's capacity, its performance context, and the availability of community development opportunities in the bank's AAs.

Huntington-Ashland MSA

Number and Amount of Community Development Loans

The bank has made one community development loan totaling \$1.4 million during the evaluation period in the Huntington-Ashland MSA AA. The loan was made to a non-profit corporation to provide financing for a seven story apartment building, operating as a low-income rent-subsidy project under Section 8 of the Department of Housing and Urban Development's (HUD) program for the elderly, handicapped or disabled. HUD subsidizes approximately 50 percent of the rents.

The bank continues to participate in the Cabell-Huntington-Wayne Housing Consortium Program managed by the City of Huntington. This program targets low- and moderate-income (LMI) first time homebuyers. Federal HOME funds provide down payment assistance after qualified participants complete a home purchase and maintenance program. Huntington FSB provides the first mortgage loan utilizing flexible underwriting criteria. During the review period, Huntington FSB granted sixteen loans with a total amount of \$755 thousand under this program.

Number and Amount of Qualified Investments

Huntington FSB, along with eight other local institutions, supports a letter of credit used to enhance a \$3.5 million tax-free bond issue for the Huntington YMCA. The bond consolidated existing debt and funded expansion of the YMCA's facilities adjoining a LMI neighborhood. The expanded facilities are located in a former high school converted into 42 residential units for low-income seniors. The bond also funded expansion of recreation, day care and other services that benefit LMI individuals, families, and geographies. Huntington FSB's commitment is \$299 thousand.

In February 2012, the institution donated Other Real Estate Owned property at 2934 Chase Street to the Wayne County Habitat for Humanity. This property was appraised for \$17 thousand. The organization razed the existing home and built a new single-family home on the site.

Extent to Which the Bank Provides Community Development Services

The president of Huntington FSB is an active member of the Huntington Area Development Council and the Cabell Wayne Huntington Housing Consortium. These organizations provide economic development and affordable housing and/or social services in the AA. Huntington FSB also works with Consumer Credit Counseling Service, a division of Goodwill, which provides credit counseling services at a very low cost to the consumer.

Putnam County AA in Charleston MSA

Number and Amount of Community Development Loans

Huntington FSB had a limited presence in this AA and did not have any community development activity during the review period. The response to the needs of LMI populations through residential lending was appropriate. As such, the lack of community development activity does not adversely affect the institution's rating.

Responsiveness to Community Development Needs

Huntington FSB's community development activities, as a whole, demonstrate adequate responsiveness to the community development needs of its AAs, when considering the bank's capacity, its performance context, and the availability of community development opportunities in the institution's AAs.

Responses to Complaints

Huntington FSB did not receive any complaints regarding its CRA performance during this review period. This has a neutral impact on the overall CRA rating.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 195.28(c), in determining a Federal Savings Association's (FSA) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the FSA, or in any AA by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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