

# **PUBLIC DISCLOSURE**

**August 7, 1996**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Universal Bank, National Association  
Charter Number 22791  
200 Brookstone Centre, Suite 110  
Columbus, Georgia 31904**

**Comptroller of the Currency  
Southeastern District  
Marquis One Tower, Suite 600  
245 Peachtree Center Avenue, NE  
Atlanta, Georgia 30303**

**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 Community Reinvestment Act (CRA) performance of **Universal Bank, National Association, Columbus, Georgia**, prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of **August 7, 1996**. 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 CFR Part 25.

# **INSTITUTION**

**INSTITUTION'S CRA RATING:** This institution is rated satisfactory.

Universal Bank, National Association (Universal) has met its responsibilities under the CRA through performance that is consistent with its designation as a limited purpose institution, its business plan, its financial capacity, and its technical expertise. Universal made an investment in a community development corporation (CDC) designed to provide financing for potential small business owners. Additionally, grants were made to various other community organizations that focus on the needs of small businesses and economic development within its assessment area.

## **DESCRIPTION OF INSTITUTION**

In 1990, Universal was originally chartered as a Competitive Equality Banking Act (CEBA) credit card bank by the state of Georgia. It converted to a nationally chartered bank in January, 1995. CEBA credit card banks are restricted from participation in most activities common to full service banks and primarily engage in credit card operations. Universal may not engage in the business of making or purchasing commercial, residential, or retail oriented loans, with the exception of credit card loans. This prohibition significantly limits Universal's ability to participate in community development activities for CRA purposes. The bank can participate in community development investments and services. Universal's ability to provide community development services, such as financial expertise to organizations, is also affected due to the limited number of individuals (12) employed by the bank and the specialized nature of their financial expertise.

As of March 31, 1996, Universal had total assets of \$37 million, with all loans in excess of \$25 million sold to an affiliate. Universal is a wholly owned subsidiary of AT&T Universal Bancorp, which is a wholly owned subsidiary of AT&T Universal Card Services Corporation (UCS). UCS is a wholly owned subsidiary of AT&T Corporation. Universal operates out of a single office in Columbus, Georgia and provides credit cards to individuals throughout the country.

On January 5, 1996, Universal was approved for designation as a limited purpose institution for purposes of CRA. Therefore, its CRA performance was evaluated under the Community Development Test.

## **DESCRIPTION OF THE ASSESSMENT AREA**

Universal has designated Muscogee County, Georgia as its assessment area. Muscogee

County is located within the Columbus, Georgia Metropolitan Statistical Area (MSA). The assessment area consists of 52 census tracts including 9 low income, 13 moderate income, 15 middle income, and 15 upper income census tracts. Low, moderate, middle, and upper income families represent 22%, 17%, 19%, and 42%, respectively of the total number of families (47,676). This information was based on 1990 Census Bureau data. The 1996 U.S. Department of Housing and Urban Development (HUD) estimated median family income for the Columbus, Georgia MSA is \$34,300. Employment in Muscogee County is well balanced between manufacturing, government, retail, and services with unemployment at 4%.

We obtained information on community needs within Muscogee County from discussions with bank management and Uptown Columbus, Inc. (community development corporation). We also reviewed a prior community contact performed by another regulatory agency and the 1995 Consolidated Strategy and Plan for Columbus, Georgia (prepared by HUD). The Consolidated Strategy and Plan is a comprehensive planning document that identifies Columbus' overall needs for affordable housing and other related services and activities. The primary needs within the assessment area are revitalization of the downtown area, affordable housing for low and moderate income individuals, and small business loans.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE**

Universal was evaluated based on its record of providing community development investments and services since it is prohibited from making or purchasing community development loans. CRA defines community development as affordable housing for low and moderate income individuals, community services targeted to low and moderate income individuals, activities that promote economic development by financing businesses and farms, and activities that revitalize or stabilize low and moderate income areas.

Universal participates in community development activities at a level consistent with its resources and expertise. In 1996, approximately \$140,000 in grants and investments were made to local organizations that met the community development needs of its assessment area. This volume represents a significant portion of bank earnings, approximately 16% of 1995 net income.

### **Community Development Activities**

Due to Universal's legal restrictions and nature of operations, its primary opportunities for community development activities are investments and grants. Universal participated in the following qualified community development investments.

- ▶ A \$113,000 grant was provided to M Power Columbus. M Power Columbus is a four-year, non-profit economic development and community improvement program

operated by the Columbus Chamber of Commerce. The grant will be used to provide services to new and existing small businesses and for economic development in the bank's assessment area. Small business services include counseling pertaining to development of business plans, tax incentives, and training needs. M Power Columbus also provides referrals to lending institutions, such as the Small Business Administration (SBA), that best meet the needs of the small business owner. Funds for economic development will be used to support existing business development and attraction of new retail business development as well as industrial and corporate office development within the bank's assessment area.

- ▶ The bank committed \$25,000 to Uptown Columbus, Inc. This organization is a certified, non-profit Community Development Corporation (CDC) designed to provide financing for potential small business owners who are not able to obtain financing through conventional means. The CDC is funded by the City of Columbus, Universal, and five other local banks. Each of six banks contributed \$25,000 with a \$150,000 contribution from the city. Currently, several loan requests are being considered. Financing is available for amounts between \$5,000 and \$30,000 with terms from three to fifteen years.
- ▶ A \$1,500 grant was provided to the SBA to conduct workshops on budgeting and financial planning for small business owners.
- ▶ A \$2,178 grant was provided to the Family Counseling Center with proceeds used to fund 12 monthly consumer credit counseling sessions to low and moderate income individuals who reside in Muscogee County.
- ▶ The bank also received credit for a \$1,400 grant from their affiliate, UCS, to Habitat for Humanity International. Proceeds were used to provide financial education counseling to low and moderate income individuals who are Habitat for Humanity homeowners in Muscogee County.

## **COMPLIANCE WITH ANTIDISCRIMINATION LAWS AND REGULATIONS**

Our examination did not disclose any violations of the substantive provisions of the antidiscrimination laws and regulations.

## **APPENDIX A**

### **SCOPE OF EXAMINATION**

The examination of Universal's Community Reinvestment Act performance was conducted in

accordance with standard procedures for Limited Purpose Institutions. All community development investments and services in 1995 and 1996 presented by bank management were reviewed in detail to insure they qualify for consideration under the Community Development test. We also considered activities from affiliated organizations as allowed by the regulation.