



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

**May 13, 2002**

# **Community Reinvestment Act Performance Evaluation**

**Minotola National Bank  
Charter Number: 10440  
1748 South Lincoln Avenue  
Vineland, NJ 08361**

**Office of the Comptroller of the Currency**

**Eastern Pennsylvania Field Office  
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**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, and should not 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.**

## Table of Contents

<b><u>OVERALL CRA RATING</u></b> .....	<b>2</b>
<b><u>DEFINITIONS AND COMMON ABBREVIATIONS</u></b> .....	<b>3</b>
<b><u>DESCRIPTION OF INSTITUTION</u></b> .....	<b>6</b>
<b><u>SCOPE OF THE EVALUATION</u></b> .....	<b>7</b>
<b><u>FAIR LENDING REVIEW</u></b> .....	<b>9</b>
<b><u>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS</u></b> .....	<b>10</b>
<u>LENDING TEST</u> .....	10
<u>INVESTMENT TEST</u> .....	17
<u>SERVICE TEST</u> .....	17
<b><u>APPENDIX A: SCOPE OF EXAMINATION</u></b> .....	<b>A-1</b>
<b><u>APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS</u></b> .....	<b>B-1</b>
<b><u>APPENDIX C: TABLES OF PERFORMANCE DATA</u></b> .....	<b>C-1</b>

## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated “**Satisfactory.**”

The following table indicates the performance level of **Minotola National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Minotola National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support these ratings include:

- MNB’s lending levels reflects good responsiveness to community credit needs
- The distribution of loans by geography and income level of borrower is good.
- Community development lending had a positive impact on the Lending Test.
- MNB’s use of flexible credit products to meet the needs of the assessment area had a positive effect for the bank’s Lending Test.
- Service delivery systems are accessible to geographies and individuals of different income levels in the assessment area.
- MNB provides an adequate level of community development services.
- MNB provided an adequate level of community development grants.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home Mortgage Loans:** such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

Minotola National Bank (MNB) is a community banking institution with total assets of \$517 million as of December 31, 2001. The bank, located in Vineland, New Jersey, is a full service, intrastate bank offering a wide array of loan and deposit products. The bank has three operating subsidiaries: Central-Atlantic Leasing located in Hammonton, NJ; Central Atlantic Merchant Services located in Vineland, NJ; and Lincoln Investment Company located in Wilmington, DE. Central-Atlantic Leasing was established in 1997 and performs all leasing services for the bank. Central-Atlantic Merchant Services, established in 1999, provides merchant processing for MNB and other financial institutions. Lincoln Investment Company (LIC) is a wholly owned subsidiary of the bank used to hold bank-qualified investments. Only LIC was considered during this review. None of these subsidiaries adversely impact the bank's ability to help meet its community credit needs. There were no identified impediments to the bank's ability to meet the community credit needs.

MNB has a network of ten branch offices and two loan production centers throughout its assessment area (AA). Five branch offices are located in Atlantic County (MSA 0560), 4 branch offices are in Cumberland County (MSA 8760) and one branch is located in Gloucester County (MSA 6160). The bank provides drive-up facilities at all of its branches. Automated teller machines (ATMs) are available at six branch locations and one cash-dispensing machine is located at the Cumberland County College student center.

During the review period, MNB opened two new branch locations. These openings were located in Linwood, Atlantic County, and Bridgeton, Cumberland County. No bank branches were closed during the evaluation period.

MNB remains a community bank with a focus on serving the needs of Cumberland County and portions of Atlantic County in its AA plus one CT in Gloucester County. Primary products include residential mortgages, small business loans and consumer installment loans. As of December 31, 2001, the bank had total loans of approximately \$410 million, or 79% of total assets. The portfolio consisted of commercial and commercial real estate loans at 69%, residential real estate loans at 16%, leasing at 4%, home equity lines at 3% and loans to individuals at 3%. The remaining 5% of the portfolio is comprised of construction and municipal loans. As of December 31, 2001, MNB reported Tier 1 capital of \$62.2 million.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test is January 1, 1999 through December 31, 2001 except for community development loans, which was from April 6, 1999 to May 13, 2002. Our review covered the following loan products: all Home Mortgage Disclosure Act (HMDA) reportable mortgage loans, small business and small farm loans and community development loans that were originated or purchased during the evaluation period. All loan products were given equal weighting in determining our final rating. For the Investment and Service Tests, we considered qualified investment activity and the bank's record of providing retail and community development services from April 6, 1999 through May 13, 2002.

### Data Integrity

As part of this CRA evaluation, publicly filed information for HMDA reportable loans and loans to small businesses and small farms were tested for accuracy. Overall, the data integrity of HMDA reportable loans and loans to small businesses and small farms is considered accurate.

Community Development (CD) loans, investments and services submitted by management were also verified to ensure that they met the regulatory definition for CD.

### Selection of Areas for Full-Scope Review

MNB has designated one AA consisting of 69 census tracts. This designation includes the entire Cumberland County (CC), and portions of Atlantic (AC) and Gloucester (GC) counties in Southern New Jersey. Approximately 42% (29 CTs) of the AA is located in Cumberland County (Vineland-Millville-Bridgeton MSA 8760), 39% (27 CTs) in the Atlantic County (Atlantic-Cape May MSA 0560) and 19% (13 CTs) in Gloucester County (New Jersey portion of the Philadelphia PA-NJ MSA 6160). We selected the portions of the bank's AA located in MSAs 8760 and MSA 0560 for a full-scope review as these areas represent the significant majority of the bank's lending activity. Accordingly, a limited-scope review will be performed on the GC (MSA 6160) portion of the bank's AA.

### Ratings

The ratings contained herein reflect conclusions reached in the evaluation of MNB's performance in its AA. The bank's overall rating is based primarily on those areas that received full-scope reviews. The bank's primary lending focus is home mortgage and small business lending. All loan products were given equal weighting in determining our ratings. MNB was rated "Satisfactory" at its prior CRA evaluation dated April 5, 1999.

## Other

During our exam, we made one community contact. We ascertained from our community contact and our internal research that opportunities for community development, investments, and services exist within the AA but are not abundantly available. There is also strong competition for community development loans, investments and services from both regional and other community banks operating in the area.

Our contact was from a City of Vineland government entity responsible for housing rehabilitation and affordable housing programs. Our discussion provided us with detailed and informative data regarding credit needs of the community and general information regarding housing. We were advised that there are a variety of programs available to address the need for affordable housing to low- and moderate-income individuals (LMI) and families residing within the assessment area.

Our contact also stated that another credit need of the assessment area is financing programs that address the credit risk associated with the credit profiles of LMI borrowers seeking home purchase financing.

Financing and credit programs to support small business development was also identified as a credit need in the community. Through our discussions with the community contact, we were advised that there are a variety of federal, state and local programs designed to meet the overall credit needs of the small business community. These include various Small Business Administration (SBA) credit and loan programs available through various financial institutions in the community, a State designated Urban Enterprise Zone (UEZ) and a federal designated Empowerment Zone (EZ).

## Fair Lending Review

An analysis of the most recent HMDA, Small Business, and Small Farm lending data, public comments and consumer complaint was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed concurrently with the prior CRA evaluation in April 1999

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

MNB's performance under the lending test is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in Cumberland County (CC) (MSA 8760) and Atlantic County (AC) (MSA 0560) is good.

#### Lending Activity

Refer to Tables 1 Lending Volume in appendix C for the facts and data used to evaluate MNB's lending activity.

Overall, MNB's lending activity is good based upon the bank's performance in the Cumberland (MSA 8769) and Atlantic (0560) counties portion of its AA receiving full-scope review. The volume of this activity represents 97.9% of total HMDA loans, small loans to businesses and small loans to farms originated during the evaluation period.

Within the areas receiving full-scope review, approximately 67.6% of the loans originated during the evaluation period were small loans to businesses with home mortgage loans accounting for 31.8%. Small loans to farms represented less than 1% of loan originations. Among home mortgage loan originations, approximately 33% were for home purchase, 17% were for home improvement, 49% were for home refinance and 1% was for multifamily loans. During the evaluation period, MNB originated 727 home mortgage loans totaling \$53 million. Small loans to businesses originated during the evaluation numbered 999 and totaled \$113 million. Twenty-one small loans to farms were originated during the review period totaling \$1.1 million.

MNB ranks 4<sup>th</sup> in deposits within its AA with an 8.7% market share as of December 31, 2001. The bank ranks 3<sup>rd</sup> in deposits within the Atlantic (MSA 0560) and Cumberland (MSA 8760) counties portions of its AA.

Based on 2000 HMDA aggregate data, MNB ranked 14th out of 208 lenders in the AA for home purchase loans with an overall market share of 1.9%. Within the Cumberland (MSA 8760) and Atlantic (MSA 0560) counties portion of the MSA, MNB ranks 6<sup>th</sup> and 11<sup>th</sup>, respectively. Top lenders within the AA include larger regional banks and other nonblank financial institutions that are strong competitors.

Based on this same aggregate data, MNB ranked 14th out of 79 lenders in the AA for home improvement loans with an overall market share of 2.6%. The bank ranked 6th in Cumberland (MSA 8760) and 18th Atlantic (0560) counties with market shares of 5.9% and 1.3% respectively. On an aggregate and county level, the institutions ranked higher than MNB are generally larger in size or part of non-banking financial companies.

MNB ranked 13th out of 194 AA lenders in home refinancing with a 1.8% market share. The bank's market share in Cumberland County (MSA 8760) is 5th (128 lenders) and in Atlantic County (MSA 0560) it's 21<sup>st</sup> (146 lenders). The respective market shares are 3.1% and 1.2%. This performance is good given that approximately half of the bank's home mortgage originations were for home refinancing and its competition includes larger and more diverse financial institutions.

Multifamily Lending is minimal with only 7 loans of this type originated during the review period. Based on 2000 HMDA aggregate data, the bank is ranked 2<sup>nd</sup> along with 6 other lenders with a 12.5% market share reflecting 1 loan origination. The number 1 ranked financial institution has market share of 25%.

Based on the same aggregate data, MNB ranks 7th out of 78 lenders within the AA for small loans to businesses with a market share of 4.0%. The top six lenders ranked above MNB include national lenders and larger regional financial institutions. In aggregate, they comprise approximately 66% of the market share. Within the Cumberland (MSA 8760) and Atlantic (MSA 0560) counties portion of the AA, MNB ranked 5<sup>th</sup> and 7<sup>th</sup>, respectively.

MNB is ranked 1<sup>st</sup> out of 7 AA lenders for small farm loans with an overall market share of 31.3%. Although agriculture lending is not a primary business line of the bank, the bank's performance is strong compared to competitors of local and regional orientation. MNB is ranked 1<sup>st</sup> (100%) and 3<sup>rd</sup> (25% market share) respectively in the CC and AC sectors of the AA.

## **Distribution of Loans by Income Level of the Geography**

MNB's borrower distribution of loans is strong. The percentage of home mortgage loans originated in low and moderate-income areas by the bank generally exceeds the percentage of all low- or moderate-income borrowers within the AA.

### ***Home Mortgage Loans***

MNB's geographic distribution is strong. MNB's HMDA-related geographic lending patterns are consistent with owner-occupied housing throughout the various census tracts in the AA. The composition of the AA reflects only 1 low-income census tract and 8 moderate-income census tracts. Approximately 100% of the loans originated by FNB were located in the moderate-, middle- and upper-income census tracts. This performance is considered reasonable as 99% of owner-occupied housing and 98% of the AA population are found in these areas. This analysis reflects significantly limited opportunities for MNB to originate home purchase, home improvement, and refinance loans in the AA's one low- income census tract, resulting in no overall appreciable market share data for these loan categories. Additionally, there is strong competition among financial institutions and the existence of other housing programs to individuals and families residing in this area.

In the following analysis of geographic distribution of loans, there will be no discussion of MNB's performance within low-income geographies, as there is no meaningful level of owner-

occupied units or bank originations within the low-income geographies. Within the AA's only low-income CT, there are only 202 housing units of which 11% are owner-occupied.

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Home purchase loan geographic distribution is strong, with the distribution as follows in the individual MSA's: Atlantic County (ACAA) - strong, and Cumberland County (CCAA) - good.

Within the ACAA, the percentage of home purchase loans originated in moderate-income areas is 18.9% compared to the 4.6% of owner-occupied units within moderate-income areas. MNB's market share of 3.6% for home loans in moderate-income geographies significantly exceeds its overall market share of .4%

In the CCAA, the percentage of home purchase loans originated in moderate-income areas slightly exceeds the percentage of owner-occupied units within moderate-income areas. MNB's market share of 6.1% for home loans in moderate-income geographies significantly exceeds its overall market share of 4.0%

Home improvement loan geographic distribution is strong, with the distribution as follows in the individual MSA's: ACAA - strong, and CCAA - good.

Within ACAA, the percentage of home improvement loans originated in moderate-income geographies is 17.1% compared to 4.6% of owner-occupied units within moderate-income geographies. MNB's market share of 8.3% for home improvements loans in moderate-income geographies significantly exceeds its overall market share of 1.7%

In the CCAA, the percentage of home improvement loans originated in moderate-income areas slightly exceeds the percentage of owner-occupied units within moderate-income areas. MNB's market share of 10.6% for home improvements loans in moderate-income geographies exceeds its overall market share of 8.6%

Refinance loan geographic distribution is strong with the AA, with the distribution as follows in the individual MSA's: ACAA - strong, and CCAA - good.

Within the ACAA, the percentage of refinance loans originated in moderate-income geographies is 20.5% compared to 4.6% of owner-occupied units within moderate-income geographies. MNB's market share of 7.5% for refinance loans in moderate-income geographies significantly exceeds its overall market share of 1.3%.

In the CCAA, the percentage of refinance loans originated in moderate-income areas exceeds the percentage of owner-occupied units within moderate-income areas. MNB's market share of .8% for refinance loans in moderate-income geographies is below its overall market share of 3.5%.

Due to the minimal volume of multifamily loans originated during the review period, a geographical analysis of these loans is not meaningful.

### ***Small Loans to Businesses***

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is good. In the individual MSA the bank's performance is assessed as follows: ACAA - strong, CCAA - adequate. The analysis for low-income geographies was limited to the CCAA since this is the only MSA within the AA with low-income geography. Strong competitive from financial institutions of varying sizes and complexity impacts MNB's opportunities to originate small loans to businesses.

Within the ACAA, the percentage of small loans to businesses originated in moderate-income geographies is 17.9% compared to 3.0% of owner-occupied units within moderate-income geographies. MNB's market share of 4.2% for small loans to businesses moderate-income geographies exceeds its overall market share of 2.8%.

Within the CCAA, the percentage of small loans to businesses in both low- and moderate-income geographies is below the level of small businesses within those geographies. MNB's market share for moderate-income geographies approximates its overall market share of 9.5%, while the market share for low-income geographies ranks below this mark.

### ***Small Loans to Farms***

Refer to Table 7 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

An analysis of the distribution of small loans to farms is not meaningful based on the minimal volume originated during the review period.

### **Lending Gap Analysis**

No unexplained conspicuous gaps were identified MNB's lending patterns over the evaluation period for home mortgage loans, small loans to businesses and small loans to farms.

### ***Inside/Outside Ratio***

A substantial majority of the home mortgage, small loans to businesses, small loans to farms and CD loans originated by MNB over the evaluation period were within the AA. The volumes of loans originated in the AA during the evaluation period by product types are as follows: Home mortgage loans 86%, small loans to businesses 83%, and all CD loans were in the AA.

### **Distribution of Loans by Income Level of the Borrower**

#### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage and small loans to businesses reflects a good dispersion among borrowers of different income levels through the CCAA and ACAA sectors of the AA. The borrower distribution of home mortgage and small loans to businesses by income level is good in the ACAA and adequate in the CCAA.

The bank's overall lending to low-income borrowers is below the percentage of families that are low-income in all MSA's except for home purchase loans in the ACAA. However the bank's performance is considered good given the difficulty for a low-income person to afford a home in the assessment area, based on income and housing costs. The lack of affordability for a low-income person to purchase a home also limits the opportunities for home improvement and home refinance lending to this segment of the market.

In the CCAA, the updated median family income is \$48,600; a low-income person has income of less than \$24,300. The median cost of housing is approximately \$72,000 based on 1990 census data. Within this assessment area, 13% of the households are below the poverty level.

In the ACAA, the updated median family income is \$49,800; a low-income person has income of less than \$24,900. The median cost of housing is \$105,092 based on 1990 census data. Approximately 6% of the households within this assessment area are below the poverty level.

Home purchase loan distribution by borrower's income is good.

Within the ACAA, home purchase loans to low- and moderate-income borrowers approximate the number of families that are of low- and moderate-income. The market share for home purchase loans to low-income borrowers exceed the bank's overall market share, while the market share for loans to moderate-income borrowers approximates this mark.

In the CCAA, home purchase loans to low- income borrowers are significantly below the level of low-income families with this area. Home purchase loans to moderate-income borrowers closely approximate the level of moderate-income families within the CCAA. MNB's market share to low-income borrowers in the CCAA exceeds its overall market share. The market share to moderate-income borrowers ranks below the bank's overall market share.

Home improvement loan distribution by borrower income is adequate.

The percentage of home improvement lending to low-income borrowers is below the level of low-income families within the ACAA, while home improvement loans to moderate-income borrowers is below similarly situated families. The market share for home improvement loans to low- and moderate-income borrowers is negligible compared to the bank's overall market share of 1.8%.

In the CCAA, home improvement loans to low-income borrowers are below the level of low-income families with this area. Home purchase loans to moderate-income borrowers closely approximate the level of moderate-income families within the CCAA. MNB's market share for home improvement loans to low- income and moderate-income borrowers in the CCAA ranks below its overall market share for home improvement loans.

Home refinance loan distribution by borrower income is adequate.

Within both the ACAA and the CCAA, home refinance loans to low- and moderate-income borrowers are significantly below the level of level of low- and moderate-income families within these areas. In the ACAA, the market share for loans to low-income families slightly exceeds the bank's overall market share while the market share for loans to moderate-income borrowers ranks below this mark. Within the CCAA, the market share for loans to low-income borrowers exceeds the bank's overall market share, while the market share for loans to moderate-income borrowers is slightly below the bank's overall market share.

### ***Small Loans to Businesses***

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower's distribution of loans to small business is assessed as adequate for both the ACAA and CCAA. The competition for small loans to businesses is strong within MNB's AA with competition from local and regional banks as well as non-banking financial institutions. The following analysis compares the portion of MNB's small loans that are to small businesses (businesses with annual revenues of \$1 million) to the portion of businesses that are small.

Within ACAA, MNB originated approximately 55% of its loans to small businesses compared to 86% of all small businesses within the AA. The distribution by size of loan indicates that a majority (73%) of loan originations during the evaluations were \$100,000 or less which approaches the percentage of small businesses in the ACAA.

In the CCAA, 46% of the loans originated by MNB were to small businesses compared to 84% of small businesses within the AA. The distribution by size of loan indicates that a majority (72%) of loan originations during the evaluations were \$100,000 or less which approaches the percentage of small businesses in the CCAA.

### ***Small Loans to Farms***

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

An analysis of the distribution of small loans to farms is not meaningful based on the minimal volume originated during the review period.

### **Community Development Lending**

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development (CD) lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. However, Table 5 does not separately list CD loans.

Community development lending had a positive impact on the Lending Test. MNB made a good level of community development loans.

During the evaluation period MNB extended 18 loans totaling \$4.6 million through Urban Enterprise Zone programs (UEZ) located in Vineland, Millville and Bridgeton. The UEZ is a loan fund that provides low interest loans to small businesses operators located in economically distressed areas. The UEZ program requires a 10% capital injection by the borrower with the remaining 90% financed two-thirds by the bank and one-third by the UEZ

Of the 18 loans originated in participation with the UEZ program, 14 loans were located in Vineland, 2 were in Millville, and 2 located in Bridgeton. The bank has also committed to fund another loan request in Vineland in the amount of \$500 thousand with the UEZ providing \$165 thousand of these funds at closing.

MNB also originated home mortgages and small loans to businesses that had community development characteristics. These loans were considered in the evaluation of home mortgage and small loans to businesses.

## **Product Innovation and Flexibility**

Product innovation and flexibility had a positive impact on the lending test conclusion for the AA.

MNB makes good use of various state, federal and investor housing finance programs to meet the credit needs of the community. These programs include the New Jersey Home Mortgage Financing Agency (NJHMFA), Federal National Mortgage Association (FNMA), Farmers Home Administration (FHA), Rural Development Agency of NJ, and The New Jersey Economic Development Authority (NJEDA). During the evaluation period, MNB originated 209 loans under these programs totaling approximately \$17.6 million as detailed below:

- Through the New Jersey First Time Home Buyers program of NJHMFA, MNB originated 135 loans totaling \$11.5 million.
- FMNA/FHLMC originations during the evaluation numbered 13 and totaled \$1.2 million.
- FHA originations totaled 57 and resulted in \$4.3 million of loans.
- MNB originated 3 loans for \$259 thousand through the Rural Development Agency of NJ.
- One loan for \$248 thousand was originated through the NJEDA

The bank also participates in the U.S. Small Business Program (SBA) lending program. During the evaluation period, MNB originated 10 loans totaling approximately \$954 thousand with each loan having the benefit of a SBA guarantee. All of these loans have been included in the bank's small business lending reports.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in the GCAA is not inconsistent with the bank's overall "High Satisfactory" performance under the lending test.

Refer to Tables 1 through 13 in appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the CCAA and ACAA is adequate.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Based upon discussions with management, community contacts and internal research, we determined that opportunities for qualified investments are limited within the bank's assessment area. In addition, competition for qualified investments is strong.

There were no investments made during the evaluation period in any of the MSA's comprising the bank's assessment area. A prior period investment of a \$1 million dollar mortgage backed security has been repaid in full.

MNB made qualified grants totaling \$5,559 to 7 community organizations within the AA. Entities receiving grants from MNB include affordable housing and family service organizations within the assessment area.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in GCAA is not inconsistent with the bank's overall "Low Satisfactory" performance under the investment test.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated "High Satisfactory". Based on our full-scope review, the bank's performance in the CC and AC assessment areas is good.

### **Retail Banking Services**

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

MNB's service delivery systems are accessible to geographies and individuals of different income levels within its AA.

MNB now operates ten full service offices throughout its AA with four branches in Cumberland County, five branches in Atlantic County, and one branch in Gloucester County. MNB also operates two loan centers, one in Cumberland County and one in Atlantic County. Four offices (40%) are located in moderate-income census tracts (CTs) and six offices (60%) are located in middle-income CTs. The bank provides drive-up facilities at all of its branches and automated teller machines (ATM's) at six full service offices plus one ATM in the student center at Cumberland County College. Two new full service branches were opened during the evaluation period, one in a moderate-income CT (Bridgeton) and one in a middle-income CT (Linwood). MNB has not closed any full service branch offices since the previous evaluation. The bank's offers convenient office hours including extended weekday and Saturday hours at all branch locations.

MNB offers a full line of traditional banking products and services that are appropriate for an institution of its size and capacity. These include loan products and credit services as well as demand deposit and savings accounts priced to meet the needs of a diverse customer base. In addition, the bank offers telephonic and Internet access to its delivery systems.

MNB also continues to provide bilingual customer service representatives and tellers at most of their full service banking facilities. Bilingual services are an identified need in the AA. The bilingual staff is helpful to the Spanish speaking community in the Vineland area and serves the migratory farm workers in the area who do not speak English. This service is imperative for the Spanish speaking population to conduct their banking needs such as check cashing, opening savings accounts and purchasing money orders.

Within the CCAA, MNB operates 4 branch locations. Two branches are located in moderate-income census tracts and one each is located in middle- and upper-income census tracts. While MNB has no branches in the low-income census tract, this census is adjacent to moderate-income census tracts containing branch offices. Individuals residing in the low-income census tract are within 5 miles of a full service branch office. The low-income tract contains less than 1% of CCAA population and is primarily considered a commercial district. There are no ATM's in the one low-income tract of CCAA. An ATM is located at the branch office adjacent to this census tract.

In the ACAA, MNB operates 5 branch locations. Two branch offices are located in AA's only moderate-income census tract and three branch offices are located in middle-income census tracts. The ACAA contains no low-income census tracts and only one moderate-income census tract. Approximately 5% of the ACAA population resides within the moderate-income tract. Individuals and families living with the moderate-income census tract have reasonable accessibility to the bank's delivery systems.

MNB operates 1 branch office in the GCAA. This office is located in a middle-income census tract. The bank's performance in GCAA is consistent with its overall performance with the areas receiving "Full Scope " review. The bank's delivery system with the GCAA provides reasonable access to all banking services available to all MNB's customers.

## **Community Development Services**

MNB provides an adequate level of community development services within its assessment area. Several bank employees, including management and staff participate in community development services that benefit several community organizations. The following community development services were provided during the evaluation period.

### Cumberland County

The President of MNB serves on the Board of the Cumberland County College Foundation. The Foundation provides two-year college scholarships for low- and moderate-income high school graduates.

A business development officer of the bank serves on the Board of the Enterprise Development Corporation (EDC) of Vineland and Millville and the Vineland Industrial Commission. Both of these organizations support economic and small business development within Cumberland County.

An employee of the bank is a member of the Big Brother/Big Sister Cumberland County School Mentoring program. This program is designed to provide academic, career and life skills guidance to disadvantage students.

A senior vice president has provided career guidance to high school students including LMI individuals.

### Atlantic County

An employee of the bank serves as treasurer of the Salvation Army of Landisville, NJ. This organization provides services to individuals in need of shelter, sustenance and employment training.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the GCAA is not inconsistent with the bank's overall "High Satisfactory" performance under the Service Test.

Refer to Table 15 in appendix C for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test: January 1, 1999 to December 31, 2001 Investment Test: April 6, 1999 to May 13, 2002 Service Test: April 6, 1999 to May 13, 2002 CD Loans: April 6, 1999 to May 13, 2002	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Minotola National Bank Vineland, New Jersey	Home mortgages, small loans to businesses, community development loans and qualified investments	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Lincoln Investment Company (LIC)	LIC is a wholly owned subsidiary of Minotola National Bank	Investment Securities Portfolio
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Cumberland County – (Vineland-Millville Bridgeton) PMSA #8760	“Full-Scope” review	
Western Atlantic County – Part of Atlantic/Cape May PMSA #0560	“Full-Scope” review	
Southern Gloucester County - Philadelphia-NJ PMSA #6160	“Limited Scope” review	

# Appendix B: Market Profiles for Full-Scope Areas

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## Table of Contents

### Market Profiles for Areas Receiving Full-Scope Reviews

<a href="#">MNB - Cumberland County PMSA 8760</a> .....	B-2
MNB - Atlantic County PMSA 0560	B-4
MNB - Gloucester County PMSA 6160	B-6

**MNB-Cumberland County ( Vineland-Millville-Bridgeton-PMSA 8760)**

Demographic Information for Full Scope Area: MNB-CCAA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	29	3.45	20.69	62.07	13.79	0.00
Population by Geography	138,053	0.40	17.22	65.83	16.55	0.00
Owner-Occupied Housing by Geography	32,299	0.07	10.48	71.46	17.99	0.00
Business by Geography	4,757	8.68	15.66	60.02	15.64	0.00
Farms by Geography	210	1.90	2.86	79.52	15.71	0.00
Family Distribution by Income Level	35,383	21.12	17.29	22.82	38.77	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	13,591	0.69	25.38	61.95	11.98	0.00
Median Family Income		34,572	Median Housing Value		71,983	
HUD Adjusted Median Family Income for 2001		48,600	Unemployment Rate (1990 US Census)		3.54%	
Households Below Poverty Level		13.04%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 US Census and 2001 HUD updated MFI

The largest segment of MNB’s assessment area is Cumberland County (CC). Cumberland County in its entirety represents the Vineland-Millville-Bridgeton PMSA (8760). The Cumberland County assessment area (CCAA) consists of 29 census tracts. This area complies with regulatory requirements and does not arbitrarily exclude low- or moderate-income census tracts. The CCAA contains one low-income, 6 moderate-income, 18 middle-income and 4 upper-income census tracts. The majority of census tracts are located in Vineland (33%), Millville (17%) and Bridgeton (20%) as these cities represent the centers of population and commerce in Cumberland County. While Bridgeton is more developed, Vineland and Millville have rural areas and open spaces as well as developed core areas.

The CCAA has a total population of 138,053 representing total families and households of 35,383 and 47,259, respectively. The 2001 updated HUD median family income is 48,600. Within the CCAA, approximately 21% and 17% of the families are designated as low- and moderate-income, respectively. Of the 50,294 total housing units, 64% are owner occupied, and 31% are rental units. The average age of housing in the CCAA is 44 years and the average cost of housing is \$71,983.

The CCAA encompasses a diverse economic base including a mixture of glass, agriculture, textile and retail service industries. The CCAA also benefits from continuing commercial development throughout Cumberland County. Unemployment for the CCAA is 3.54%. During 1999, the Federal Government designated Cumberland County as an “Empowerment Zone”. This area will receive \$230 million in economic assistance and tax credits over a ten year period.

Competition for banking services within the CCAA is strong. Competitors include community banks domiciled within MNB’s general trade area, branches of interstate regional banks, saving banks and mortgage companies.

We discussed community credit needs with bank management and an official of a local municipal housing agency responsible for housing renovation/rehabilitation and affordable housing programs. Through discussions we ascertained that affordable housing and small business lending are primary credit needs for the CCAA. We also gained through our community contact that financing programs are needed to address the credit risk associated with the credit profiles of LMI individuals seeking home purchase financing.

**MNB-Western Atlantic County (Atlantic/Cape May PMSA 0560)**

Demographic Information for Full Scope Area: MNB-ACAA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	27	0.00	3.70	66.67	29.63	0.00
Population by Geography	87,367	0.00	5.08	77.58	17.34	0.00
Owner-Occupied Housing by Geography	24,800	0.00	4.57	75.84	19.59	0.00
Business by Geography	4,970	0.00	3.04	71.93	25.03	0.00
Farms by Geography	196	0.00	4.08	85.71	10.20	0.00
Family Distribution by Income Level	23,280	13.55	17.41	25.49	43.54	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	7,208	0.00	8.03	81.71	10.25	0.00
Median Family Income	39,034		Median Housing Value		105,092	
HUD Adjusted Median Family Income for 2001	49,800		Unemployment Rate (1990 US Census)		2.44%	
Households Below Poverty Level	6.33%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 US Census and 2001 HUD updated MFI

The bank’s assessment area also includes portions of Atlantic County (AC), which is part of the Atlantic/Cape May PMSA (0560). The Atlantic County assessment area (ACAA) consists of 27 census tracts located within western Atlantic County and is comprised of 1 moderate-income, 18 middle-income and 8 upper-income census tracts. This area complies with regulatory requirements and does not arbitrarily exclude low- or moderate-income census tracts

The ACAA has a total population of 87,367 representing total families and households of 23,280 and 31,925, respectively. The 2001 updated HUD median family income is 49,800. Within the ACAA, approximately 14% and 17% of the families are designated as low- and moderate-income, respectively. Of the 34,674 total housing units, 71% are owner occupied, and 20% are rental units. The average age of housing in the ACAA is 34 years and the average cost of housing is \$105,092.

The economy of the ACAA is diverse reflecting the influence of gaming, agriculture, retail service and governmental interests located throughout this area. Unemployment for the ACAA is 2.44%.

Competition for banking services within the ACAA is strong. Competitors include community banks domiciled within MNB’s general trade area, branches of interstate regional banks, saving banks and mortgage companies.

Credit needs of the ACAA were discussed with bank management and by an interview with an official of a non-profit affordable housing organization. Through discussions we ascertained that affordable housing and small business lending are primary credit needs for the ACAA. We

also ascertained that programs are also needed to increase the level of knowledge needed by LMI borrowers to adequately pursue home ownership and small business ventures.

**MNB-Southern Gloucester County (Philadelphia, PA-NJ PMSA 6160)**

Demographic Information for Limited Scope Area: MNB-GCAA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	13	0.00	7.69	92.31	0.00	0.00
Population by Geography	56,255	0.00	6.25	93.75	0.00	0.00
Owner-Occupied Housing by Geography	15,420	0.00	4.09	95.91	0.00	0.00
Business by Geography	2,011	0.00	9.75	90.25	0.00	0.00
Farms by Geography	101	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	15,003	20.32	19.95	26.57	33.15	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	6,042	0.00	7.17	92.83	0.00	0.00
Median Family Income		41,908	Median Housing Value		99,212	
HUD Adjusted Median Family Income for 2001		60,100	Unemployment Rate (1990 US Census)		3.72%	
Households Below Poverty Level		10.29%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2001 HUD updated MFI

MNB assessment area includes 13 census tracts within southern Gloucester County (GC), New Jersey. This area is included in the Philadelphia, PA-NJ PMSA (6160). The Gloucester County assessment area (GCAA) is comprised of 1 moderate- and 12 middle-income census tracts. The GCAA is contiguous with the bank’s assessment area situated in Cumberland County. Southern Gloucester County reflects a mixture suburban communities and rural/agricultural locations. The local economy is diverse with agricultural, retail, manufacturing and professional industries located within this area. The CCAA also includes the city of Glassboro, NJ, where Rowan University, a New Jersey state supported education institution is located. The GCAA results from management’s decision in 1999 to close a loan production office and open a full service branch. MNB has only limited lending and deposit activity within this portion of its assessment area.

The GCAA portion of the bank’s assessment area has a total population of 56,255, with total families and households of 15,003 and 18,929, respectively. The 2001 updated HUD median family income is \$60,100. Approximately 20% of the families are low-income, 20% moderate-income, 27% middle-income, and 33% are upper-income.

There are 19,930 housing units with the GCAA of which 77% are owner occupied, 18% rental occupied units and 5% vacant. The median home value within the GCAA is \$92,426.

The needs for the GCAA are primarily housing related, and community development and infrastructure improvement.

Competition within the GCAA is strong and includes branches of several interstate regional banking companies, several large commercial banks, savings banks and mortgage companies.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Institution ID: 10000010440 MINOTOLA NATIONAL BANK

**Table 1. Lending Volume**

LENDING VOLUME		Geography: MINOTOLA				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001						
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
MNB-ACAA	28.30	157	13,406	347	38,140	12	812	0	0	516	52,358	40.30
MNB-CCAA	67.53	570	39,784	652	75,003	9	337	18	4,631	1,231	115,124	57.58
<b>Limited Review:</b>												
MNB-GCAA	4.17	30	2,486	43	7,265	3	291	0	0	76	10,042	2.12

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From January 01, 1999 to December 31, 2002.

\*\*\* Deposit Data as of December 31, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Institution ID:** 1000010440 MINOTOLA NATIONAL BANK

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: MINOTOLA					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
MNB-ACAA	37	14.74	0.00	0.00	4.57	18.92	75.84	78.38	19.59	2.70	0.39	0.00	3.57	0.39	0.00	
MNB-CCAA	205	81.67	0.07	0.00	10.48	10.73	71.46	55.12	17.99	34.15	3.98	0.00	6.09	3.57	4.33	
<b>Limited Review:</b>																
MNB-GCAA	9	3.59	0.00	0.00	4.09	0.00	95.91	100.00	0.00	0.00	0.55	0.00	0.00	0.58	0.00	

\* Based on 2000 Peer Mortgage Data: Northeast Region.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

**Institution ID:** 10000010440 MINOTOLA NATIONAL BANK

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: MINOTOLA				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
MNB-ACAA	35	27.78	0.00	0.00	4.57	17.14	75.84	80.00	19.59	2.86	1.68	0.00	8.33	1.96	0.00	
MNB-CCAA	86	68.25	0.07	0.00	10.48	11.63	71.46	58.14	17.99	30.23	8.56	0.00	10.64	7.39	11.70	
<b>Limited Review:</b>																
MNB-GCAA	5	3.97	0.00	0.00	4.09	0.00	95.91	100.00	0.00	0.00	0.47	0.00	0.00	0.49	0.00	

\* Based on 2000 Peer Mortgage Data: Northeast Region.

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Institution ID:** 1000010440 MINOTOLA NATIONAL BANK

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: MINOTOLA				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
MNB-ACAA	83	22.25	0.00	0.00	4.57	20.48	75.84	72.29	19.59	7.23	1.32	0.00	7.50	1.24	0.47	
MNB-CCAA	274	73.46	0.07	0.00	10.48	17.88	71.46	59.85	17.99	22.26	3.54	0.00	0.77	3.67	4.89	
<b>Limited Review:</b>																
MNB-GCAA	16	4.29	0.00	0.00	4.09	0.00	95.91	100.00	0.00	0.00	0.72	0.00	0.00	0.76	0.00	

\* Based on 2000 Peer Mortgage Data: Northeast Region.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1000010440 MINOTOLA NATIONAL BANK

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY			Geography: MINOTOLA				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
MNB-CCAA	5	71.43	0.27	0.00	28.21	20.00	52.34	60.00	19.17	20.00	0.00	0.00	0.00	0.00	0.00	
MNB-ACAA	2	28.57	0.00	0.00	2.17	50.00	81.05	50.00	16.78	0.00	33.33	0.00	0.00	33.33	0.00	
<b>Limited Review:</b>																
MNB-GCAA	0	0.00	0.00	0.00	7.28	0.00	92.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2000 Peer Mortgage Data: Northeast Region.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

## Institution ID: 1000010440 MINOTOLA NATIONAL BANK

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: MINOTOLA				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography <sup>†</sup>				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans						
<b>Full Review:</b>																
MNB-ACAA	347	33.30	0.00	0.00	3.04	17.87	71.93	76.66	25.03	5.48	2.81	0.00	4.23	3.54	0.97	
MNB-CCAA	652	62.57	8.68	3.99	15.66	11.66	60.02	60.58	15.64	23.77	9.51	5.41	9.09	10.17	10.53	
<b>Limited Review:</b>																
MNB-GCAA	43	4.13	0.00	0.00	9.75	16.28	90.25	83.72	0.00	0.00	0.52	0.00	0.78	0.49	0.61	

\* Based on 2000 Peer Small Business Data: US&PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2001).

**Institution ID:** 1000010440 MINOTOLA NATIONAL BANK

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: MINOTOLA					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography <sup>1</sup>				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>**</sup>	% BANK Loans	% of Farms <sup>**</sup>	% BANK Loans	% of Farms <sup>**</sup>	% BANK Loans						
<b>Full Review:</b>																
MNB-ACAA	12	50.00	0.00	0.00	4.08	16.67	85.71	83.33	10.20	0.00	45.45	0.00	50.00	50.00	0.00	
MNB-CCAA	9	37.50	1.90	0.00	2.86	0.00	79.52	55.56	15.71	44.44	66.67	0.00	0.00	60.00	100.00	
<b>Limited Review:</b>																
MNB-GCAA	3	12.50	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>1</sup> Based on 2000 Peer Small Business Data: US&PR.

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2001).

## Institution ID: 1000010440 MINOTOLA NATIONAL BANK

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: MINOTOLA					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
MNB-ACAA	37	14.74	13.55	13.51	17.41	16.22	25.49	37.84	43.54	32.43	0.47	0.91	0.42	0.70	0.24	
MNB-CCAA	205	81.67	21.12	6.40	17.29	15.76	22.82	25.12	38.77	52.71	4.58	5.07	2.75	4.07	6.71	
<b>Limited Review:</b>																
MNB-GCAA	9	3.59	20.32	12.50	19.95	37.50	26.57	12.50	33.15	37.50	0.55	1.52	0.81	0.00	0.70	

\* Based on 2000 Peer Mortgage Data: Northeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.20% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Institution ID:** 1000010440 MINOTOLA NATIONAL BANK

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: MINOTOLA					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
MNB-ACAA	35	27.78	13.55	8.82	17.41	14.71	25.49	14.71	43.54	61.76	1.79	0.00	0.00	2.38	2.21	
MNB-CCAA	86	68.25	21.12	9.30	17.29	16.28	22.82	22.09	38.77	52.33	9.07	6.67	6.98	7.35	12.18	
<b>Limited Review:</b>																
MNB-GCAA	5	3.97	20.32	0.00	19.95	20.00	26.57	60.00	33.15	20.00	0.48	0.00	1.00	0.71	0.00	

<sup>\*</sup> Based on 2000 Peer Mortgage Data: Northeast Region.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.79% of loans originated and purchased by BANK.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Institution ID:** 10000010440 MINOTOLA NATIONAL BANK

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: MINOTOLA					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
MNB-ACAA	83	22.25	13.55	6.02	17.41	8.43	25.49	24.10	43.54	61.45	1.57	1.85	0.50	1.63	1.95	
MNB-CCAA	274	73.46	21.12	4.78	17.29	12.50	22.82	26.10	38.77	56.62	4.23	6.33	3.31	4.00	4.42	
<b>Limited Review:</b>																
MNB-GCAA	16	4.29	20.32	0.00	19.95	25.00	26.57	18.75	33.15	56.25	0.88	0.00	1.18	0.00	1.82	

\* Based on 2000 Peer Mortgage Data: Northeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.54% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Institution ID:** 1000010440 **MINOTOLA NATIONAL BANK**

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MINOTOLA			Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
MNB-ACAA	347	33.30	85.53	54.76	72.91	17.00	10.09	2.81	4.37
MNB-CCAA	652	62.57	83.60	45.71	72.24	15.80	11.96	9.51	9.76
<b>Limited Review:</b>									
MNB-GCAA	43	4.13	86.42	60.47	55.81	27.91	16.28	0.52	0.60

\* Based on 2000 Peer Small Business Data: US&PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

## Institution ID: 1000010440 MINOTOLA NATIONAL BANK

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: MINOTOLA			Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
MNB-ACAA	12	50.00	84.18	33.33	75.00	16.67	8.33	45.45	25.00
MNB-CCAA	9	37.50	82.86	77.78	88.89	11.11	0.00	66.67	100.00
<b>Limited Review:</b>									
MNB-GCAA	3	12.50	89.11	33.33	66.67	33.33	0.00	0.00	0.00

\* Based on 2000 Peer Small Business Data: US&amp;PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&amp;B - 2001).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

**Institution ID:** 10000010440 **MINOTOLA NATIONAL BANK**

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
			Geography: MINOTOLA		Evaluation Period: April 6, 1999 TO DECEMBER 31, 2001				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
MNB-ACAA	0	0	3	2.3	3	2.3	42	0	0
MNB-CCAA	0	0	3	2.2	3	2.2	39	0	0
<b>Limited Review:</b>									
MNB-GCAA	0	0	1	1.1	1	1.1	19	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Institution ID: 10000010440 MINOTOLA NATIONAL BANK

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: MINOTOLA				Evaluation Period: April 6, 1999 TO DECEMBER 31, 2001									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
MNB-ACAA	40.30	5	50	0.00	40	60	0.00	1	0	0	0	1	0	0.00	5.08	77.58	17.34
MNB-CCAA	57.58	4	40	0.00	50	25	25	1	0	0	1	0	0	0.40	17.22	65.83	16.55
<b>Limited Review:</b>																	
MNB-GCAA	2.12	1	10	0.00	0.00	100	0.00	0	0	0	0	0	0	0.00	6.25	93.75	0.00

