

PUBLIC DISCLOSURE

February 7, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Metrobank
18685**

**37000 Grand River Avenue, Suite 100
Farmington Hills, Michigan 48335**

**Federal Deposit Insurance Corporation
Chicago Regional Office
500 West Monroe Street, Suite 3500
Chicago, Illinois 60661**

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 **Metrobank** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **February 7, 2003**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

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

This rating is supported by the following factors:

- An analysis of small business loan originations from 2001 and 2002 reveals a reasonable distribution of loans to small businesses as measured by the original loan amount. In addition, the analysis of mortgage loan originations during this same time period indicates a good distribution of loans to borrowers of various incomes, including low- and moderate-income borrowers.
- The bank has achieved a reasonable geographic dispersion of small business and mortgage loans.
- A majority of small business and mortgage loan originations were made within the bank's assessment area.
- The institution's loan-to-deposit ratio reflects a reasonable responsiveness to community credit needs.
- No CRA-related complaints were filed with the Federal Deposit Insurance Corporation since the last evaluation.
- No evidence of discrimination was identified.

DESCRIPTION OF INSTITUTION

Metrobank is a commercial bank located in Farmington Hills, Michigan. The bank operates from four locations in upper-income geographies in southwestern Oakland County, Michigan. The institution is a full-service community bank that offers various deposit products and commercial, consumer, and mortgage loans. The bank's primary business focus is commercial loans. As of September 30, 2002, Metrobank had \$92,853,000 in gross loans, \$118,961,000 in total deposits, and \$136,429,000 in total assets. The three largest loan categories based on outstanding gross loans are: commercial loans totaling \$67,715,000 (72 percent), one to four family mortgages comprising \$16,540,000 (18 percent), and farmland-secured loans totaling \$5,269,000 (6 percent). The bank's legal lending limit is \$2,500,000. Table A below illustrates the distribution of the institution's portfolio.

<i>Table A: Loan Distribution as of 09/30/2002</i>		
<i>Loan Type</i>	<i>Dollar Amount (000s)</i>	<i>Percent of Total Loans (%)</i>
<i>Construction and Land Development</i>	1,455	2
<i>Secured by Farmland</i>	5,269	6
<i>1-4 Family Residential</i>	16,540	18
<i>Multifamily (5 or more) Residential</i>	635	1
<i>Commercial</i>	42,159	45
<i>Total Real Estate Loans</i>	<i>66,058</i>	<i>72</i>
<i>Commercial and Industrial</i>	25,556	27
<i>Agricultural</i>	0	0
<i>Consumer</i>	1,219	1
<i>Other</i>	20	<1
<i>Total Loans</i>	<i>92,853</i>	<i>100</i>

Source: Report of Condition dated September 30, 2002.

The bank received a rating of Satisfactory during the last Community Reinvestment evaluation on May 18, 1998. The bank's holding company is Metro Bancorp, Incorporated, of Farmington Hills, Michigan, a one-bank holding company with assets of less than \$1 billion dollars as of September 30, 2002. The institution has one affiliate. The bank owns Metrobank Mortgage Services, LLC, of Farmington Hills, Michigan. Metrobank Mortgage Services LLC was created on February 1, 2001. No legal or financial impediments exist which would prohibit the bank from meeting the credit needs of the community.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area consists of 53 census tracts in southwestern Oakland County, Michigan, and 13 census tracts in neighboring northwestern Wayne County, Michigan. Both counties are part of the Detroit Metropolitan Statistical Area, MSA #2160. The assessment area is located approximately 20 miles northeast of downtown Detroit, Michigan, and can be described as primarily suburban. The assessment area includes portions of the following communities: Farmington, Farmington Hills, Novi, West Bloomfield Township, Wixom, Lyon, Milford, and Livonia. According to 1990 US Census data, of the 66 census tracts in the assessment area, 16 are middle-income and 50 are upper-income. There are no low- or moderate-income geographies in the assessment area. The assessment area consists of whole geographies and does not arbitrarily exclude any low- or moderate-income areas.

Population

According to the 1990 Census, the assessment area is comprised of 280,270 individuals. Overall, the population in the assessment area has experienced considerable growth between 1990 and 2000 according to US Census data. Approximately 78 percent of the assessment area population is over 16 years of age. This would indicate that a high percentage of the population is of legal age to engage in banking transactions.

Competition

The institution faces substantial competition from other banks and finance companies that have offices within the assessment area. For instance, according to 2001 FDIC data, there are 24 other federally insured financial institutions that operate a combined total of 107 offices within the assessment area. There were 375 lenders that reported HMDA originations on properties in the assessment area during 2001. Of these, 160 lenders reported more than ten originations. Metrobank ranked 134th with a market share of 0.05 percent. In addition, 155 lenders reported making small business loans within the two county region that includes the bank's assessment area according to 2001 CRA data; of these, 60 originated more than ten small business loans during 2001. There are more lenders that make small business loans in the assessment area than indicated by these numbers because the only banks that have to report small business lending data are large institutions. This indicates that the bank operates in a very competitive environment.

Economy

Economic data indicates strong local economic conditions, as there is a moderately low unemployment rate and poverty level in the assessment area. These factors would help to increase the demand for bank loan products. Approximately two percent of families in the assessment area earn incomes that place them below the poverty level based on 1990 US Census data. This is significantly lower than the ten percent of families in Michigan who are in poverty. The year 2001 unemployment rate for Oakland County was 3.9 percent, which was lower than the Michigan statewide average of 5.3 percent for 2001. Oakland County's unemployment rate was also lower than Michigan statewide unemployment rates during 2002, as the Oakland County unemployment rate as of third quarter 2003 was 4.8 percent compared to 6.1 percent for Michigan. Wayne County unemployment figures are not listed because the bank includes in its assessment area only a few geographies in Wayne County that border Oakland County. The

geographies in Wayne County are more identical to Oakland County with regards to economic factors such as unemployment than the rest of Wayne County. Thus, the Oakland County data is more reflective of the unemployment status of these geographies than Wayne County data would be. The three largest employers in the assessment area according to July of 2001 Dun & Bradstreet data are Compuware Corporation of Farmington Hills (3,500 employees), a Ford Motor Corporation plant in Wixom (3,492 employees), and NCR Corporation in Farmington (3,000 employees). Community contacts in the area indicated that the area is strong economically and has experienced consistent job and housing growth. For more details on the economic characteristics of the assessment area, please refer to Table B.

<i>Table B: Economic Characteristics of the Assessment Area</i>	
<i>Detroit MSA Median Family Income:</i>	
<i>1990 Median Family Income</i>	\$40,727
<i>2001 Estimated Median Family Income(*)</i>	\$66,500
<i>2002 Estimated Median Family Income(*)</i>	\$69,900
<i>Breakdown of Income Levels For 2001 Lending:</i>	
<i>Low-Income</i>	Less than \$33,250
<i>Moderate-Income</i>	\$33,250 to less than \$53,200
<i>Middle-Income</i>	\$53,200 to less than \$79,800
<i>Upper-Income</i>	\$79,800 and Over
<i>Breakdown of Income Levels For 2002 Lending:</i>	
<i>Low-Income</i>	Less than \$34,950
<i>Moderate-Income</i>	\$34,950 to less than \$55,920
<i>Middle-Income</i>	\$55,920 to less than \$83,880
<i>Upper-Income</i>	\$83,880 and Over
<i>Percent of Families by Income Level:</i>	
<i>Low-Income</i>	7%
<i>Moderate-Income</i>	11%
<i>Middle-Income</i>	20%
<i>Upper-Income</i>	62%

Source: US Census Bureau. * = Estimate released by US Department of Housing & Urban Development.

Business Demographics

A large majority of businesses in the assessment area are small as measured by the number of employees and gross annual revenues. This indicates that there is a reasonable demand for small business loans. While the CRA regulation defines a small business loan based upon loan size (under \$1 million), this data is a good indicator of the size of area businesses because the size of the business impacts the size of loan the business would obtain. There are 23,734 business establishments in the assessment area according to 2002 U.S. Census Bureau business geodemographic data. Approximately 72 percent of these (16,981) have annual revenues less than \$1 million. Approximately 52 percent of all business employ fewer than four workers, 11 percent employ between five and nine workers, and 37 percent employ more than nine people. Approximately 84 percent of businesses operate from a single location. Approximately 36 percent of businesses (8,466) are in the services sector, 13 percent (3,152) are in retail trade, and 10 percent (2,300) are in finance, insurance, & real estate (FIRE).

Housing

A relatively high percentage of one-four family owner-occupied housing units in the assessment area indicates a favorable performance context for the bank to make mortgage loans. There are 113,135 housing units in the assessment area according to 1990 US Census data. Approximately 70 percent (79,020) are owner-occupied, 6 percent (6,303) are vacant, and 25 percent (27,812) are occupied rentals. There are substantially more owner-occupied properties in the assessment area than statewide, as 63 percent of housing units in Michigan are owner-occupied, 26 percent are rentals, and 11 percent are vacant. Approximately 72 percent of the housing units are one-to-four unit dwellings, 22 percent are five or more unit apartments, and 5 percent are mobile homes. There are fewer mobile homes in the assessment area than statewide, as six percent of Michigan housing units are mobile homes. A median home in the assessment area is valued at \$132,614 compared to \$60,062 statewide. The median gross rent in the assessment area is \$630 compared to \$423 statewide. This data indicates that it is difficult to make loans to low- and moderate-income individuals, as the relatively high housing prices will preclude many of these individuals from being able to afford a home in the assessment area. Only 58 percent of the housing units in middle-income geographies are owner-occupied, compared to 74 percent in upper-income, which indicates that there are few lending opportunities in middle-income geographies when compared to upper-income ones.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

This evaluation considers the institution's lending performance under the Community Reinvestment Act (CRA) regulation in order to reach a decision on rating the bank's overall CRA performance. Small bank procedures were used to evaluate this bank's performance. Five different aspects of the bank's lending function are reviewed. Information is obtained and conclusions are reached on the institution's level of lending as evidenced by its loan-to-deposit ratio, the bank's level of lending within its designated assessment area, the geographic distribution of lending, the borrower income distribution of lending, and the bank's response to any written complaints regarding its Community Reinvestment performance.

The breakdown of outstanding loans originated during calendar years 2001 and 2002 is portrayed in Table C below based upon call report codes. As the table illustrates, commercial loans comprise a high majority of total originations as measured by dollar volume and a slight majority as measured by number. Mortgage loans are the second largest product group as measured by dollar volume. The evaluation of the institution's lending performance is therefore based upon a review of small business loans and HMDA-reportable residential mortgage originations during 2001 and 2002. A review of the number of originations for each product type since the last evaluation indicated that these two product groups represent the majority of originated loans as measured by number and dollar volume. Hence, these two classes of loans were selected for review because they represent a majority of the bank's loan originations. Being in an urban area, the bank does not originate agricultural loans. The agricultural loans indicated in the table below are purchased credits originated by other lenders. Hence, small farm loans were not reviewed.

Table C: Loans originated by type during 2001 and 2002

Loan Type	Number of Loans		Dollar Amount of Loans	
	Number	Percentage	Dollar (000)	Percentage
Commercial	303	50%	\$72,281	78%
Mortgage	57	10%	\$7,445	8%
Home equity loans	129	21%	\$5,690	6%
Construction/land development	13	2%	\$4,053	4%
Agricultural	17	3%	\$2,937	3%
Installment	83	14%	\$972	1%
Loans to governments	1	<1%	\$35	<1%
TOTAL	603	100%	\$93,413	100%

Source: Internal bank records.

The bank's mortgage lending performance was reviewed based upon the universe of originations on the institution's 2001 and 2002 HMDA LARs. These reviewed mortgage loans do not cover every mortgage loan made by the bank, but rather only first- and second-lien purchase or refinance mortgages retained on the bank's books. In other words, mortgage loans for credit card consolidation, to purchase a vehicle, or to secure a commercial loan are not reported on the HMDA LAR. On the 2001 LAR, 33 originations were reported totaling \$4,009,000, while 11 originations were reported on the 2002 LAR totaling \$1,022,000. Finally home improvement loans are generally made through the Home Equity lines of Credit product and are therefore not reviewed in this evaluation.

The bank's small business lending performance was analyzed using the universe of small business loans. A small business loan is a commercial loan that has a principle amount less than or equal to \$1 million. Of the commercial loans originated during 2001, 116 totaling \$19,805,000 were small business loans. Of the 2002 commercial loans, 177 totaling \$33,491,000 were small business loans.

The most weighting in this analysis is placed on small business loans based upon the level of originations as measured by dollar volume and are the bank's primary lending focus. In addition, when assigning a final rating, the most emphasis is placed on the borrower income distribution criteria because there were no low- or moderate-income geographies in the assessment area.

Loan-to-Deposit Ratio

The institution's performance as measured by the loan-to-deposit ratio is good as the institution is loaning a majority of its deposits. Metrobank's average loan-to-deposit ratio, based upon the 18 quarters since the last evaluation, is approximately 78 percent. Metrobank has also achieved favorable performance when compared to peer institutions. Two other banks in Farmington Hills, Michigan, with similar asset structures and product lines to the subject institution have loan-to-deposit ratios of 92 percent and 102 percent for the same time period. Metrobank has therefore achieved adequate performance under this test because a substantial majority of its deposits are used to make loans.

Assessment Area Concentration

The dispersion of the institution's lending is analyzed to ascertain the percentage of lending that is made within the delineated assessment area compared to the portion that is made outside of the assessment area. The bank has achieved a reasonable level of performance under this test. This conclusion was drawn, as Table D illustrates, as an overall majority of loans by number (64 percent by number and dollar) were made in the assessment area. While a minority of mortgage loans were made inside the assessment area, more weight was given to the small business loans in assigning an overall rating because small business loans are the dominate product line as measured by number and dollar volume and this is the bank's primary lending focus

The bank has achieved a reasonable distribution of small business lending because a majority of these loans (66 percent by number and dollar) were made inside the assessment area during both years in the evaluation period. Over 75 percent of the small business loans as measured by number and dollar were made inside the assessment area during 2001, while over 55 percent were during 2002. This is good because it shows that the bank is meeting the credit needs of its assessment area. The distribution inside the assessment area fell during 2002 compared to 2001 because the bank received an increase in referrals to new clients outside the assessment area and several of the bank's already existing customers located outside the assessment area increased their borrowings. The bank also originated several participation's during 2002 with other community banks.

The bank has achieved a poor distribution of mortgage loans. However, this product line is not the bank's primary lending focus. Further, the universe of loans in this category is small which can create anomalies in the data and conclusions. Therefore this product will carry less weigh in the overall analysis. The conclusion regarding the performance was drawn based upon a minority of the dollar volume of mortgage loans being made within the assessment area during 2001 and 2002. The percentage as measured by number is divided equally. The bank has achieved reasonably similar distribution during 2001 and 2002. Beginning in February of 2001, the bank-originated purchase and refinance mortgage loans through its mortgage company. This is why fewer mortgage loans were originated in 2002 than 2001.

<i>Table D – Distribution of Loans Inside and Outside of the Assessment Area</i>										
<i>Loan Category or Type</i>	<i>Number of Loans</i>					<i>Dollars in Loans (000s)</i>				
	<i>Inside</i>		<i>Outside</i>		<i>Total</i>	<i>Inside</i>		<i>Outside</i>		<i>Total</i>
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>		<i>\$</i>	<i>%</i>	<i>\$</i>	<i>%</i>	
<i>Small Business</i>										
2001	89	77%	27	23%	116	\$15,965	81%	\$3,840	19%	\$19,805
2002	105	59%	72	41%	177	\$19,251	57%	\$14,240	43%	\$33,491
<i>Subtotal</i>	194	66%	99	34%	293	\$35,216	66%	\$18,080	34%	\$53,296

Table D – Distribution of Loans Inside and Outside of the Assessment Area

Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
<i>Home Mortgage</i>										
2001	16	48%	17	52%	33	\$1,933	48%	\$2,076	52%	\$4,009
2002	6	55%	5	45%	11	\$328	32%	\$694	68%	\$1,022
Subtotal	22	50%	22	50%	44	\$2,261	45%	\$2,770	55%	\$5,031
Total	216	64%	121	36%	337	\$37,477	64%	\$20,850	36%	\$58,327

Source: internal bank records.

One factor contributing to why the numbers are not higher is that the institution operates within the eighth-largest metropolitan area in the country while it has only four offices. The bank has selected an assessment area that includes areas geographically close to its branches. However, the bank purchases advertising that reaches people in communities outside the assessment area. Also, the bank receives referrals to potential clients who live outside the assessment area from existing customers. Since the metropolitan area is large, the institution has chosen not to define its assessment area to include more communities in the metropolitan area because it does not have the resources to adequately compete in these highly competitive markets.

Geographic Distribution of Loans

The bank has achieved a reasonable geographic distribution of small business and mortgage loans because the lending is commensurate with demographic and aggregate data when considering the location of the bank. No conspicuous gaps in the bank's lending performance were noted that could not be explained by the performance context.

Small Business Loans

The bank has achieved a reasonable distribution of small business loans considering aggregate and demographic data. Table E below presents the geographic distribution of the bank's small business loans during 2001-2002 and the aggregate market's performance during 2001. The aggregate data does not reflect all area lenders, but rather only those that are large banks and have an office inside the metropolitan statistical area. Also, the aggregate data reflects data for the entire two-county area, while the bank's assessment area comprises only a small portion of the two counties. For the combined 2001-2002 time period, the bank's distribution by number volume is similar to the distribution by dollar volume so this analysis will focus on the number volume dispersion. As the table illustrates, the bank's performance is reasonable because the lending distribution during 2001 is similar to aggregate data. The bank's distribution is also similar to the distribution of businesses in the assessment area during both 2001 and 2002. Thus, the distribution by geographic income category is reasonable.

Table E: Geographic Distribution of Small Business Lending															
Census Tract Income Level	Percent of Businesses	2001 Aggregate Data		2001				2002				Total			
		% by #	% by \$	#	%	\$	%	#	%	\$	%	#	%	\$	%
Middle	22%	22	21	19	21	2,855	18	24	23	5,205	27	43	22	8,060	23
Upper	78%	78	79	70	79	13,110	82	81	77	14,046	73	151	78	27,156	77
Total	100%	100	100	89	100	15,965	100	105	100	19,251	100	194	100	35,216	100

Source: 2001 Dun & Bradstreet data, CRA Aggregate Data (2001), and bank records.

Mortgage Lending

The distribution of the bank's mortgage lending is reasonable considering aggregate data and the bank's locations. However, this product line is not the bank's primary lending focus. Further, the universe of loans in this category is small which can create anomalies in the data and conclusions. Therefore this product will carry less weight in the overall analysis. The distribution of the bank's mortgages is displayed in Table F along with 2001 aggregate data and the percent of families in geographies of varying income levels. The distribution of the bank's loans in middle-income geographies during 2001 is slightly less than aggregate data. This is reasonable since all four of the bank's branches are in upper-income geographies. The bank is therefore in a better position to generate loans in upper-income census tracts. The bank's lending distribution during 2001 and 2002 is reasonable when compared to the percentage of families in census tracts of each income level. Therefore, the bank's mortgage loan performance is reasonable.

Table F: Geographic Distribution of Mortgage Lending															
Census Tract Income Level	Percent of Families	2001 Aggregate Data		2001				2002				Total			
		% by #	% by \$	#	%	\$	%	#	%	\$	%	#	%	\$	%
Middle	22%	24	20	3	19	366	19	1	17	11	3	4	18	\$377	17
Upper	78%	76	80	13	81	1,567	81	5	83	317	97	18	82	\$1,884	83
Total	100%	100	100	16	100	1,933	100	6	100	328	100	22	100	\$2,261	100

Source: 2001 Dun & Bradstreet data, HMDA Aggregate Data (2001), and bank records.

Borrower Income Distribution

The bank has achieved a reasonable level of performance under the borrower income distribution criterion. This conclusion is based upon the bank's reasonable record of originating loans to small businesses as indicated by aggregate data. Also, a good level of mortgages were made to borrowers of all incomes, including low- and moderate- income borrowers, when compared to aggregate and demographic data and considering the performance context.

Small Business Loans

The bank has achieved a reasonable record of making loans to small businesses when compared to aggregate data. Table G below illustrates the distribution of the bank's small business loan distribution during the reviewed period as well as year 2001 aggregate data. Approximately 61 percent of the number of the bank's loans were made in amounts less than \$100,000 during 2001. This is significantly less than the aggregate percentage of 90 percent. Part of this is due to the fact that the aggregate data reflects the entire two-county area the bank operates in, while the assessment area comprises only parts of these two counties. The assessment area portion of the counties includes some of the more affluent communities in this two-county region with real estate prices that correspond. Further, the majority of the commercial loans are real estate. Most very small business cannot afford the investment in fixed assets. Considering the high cost of real estate and the composition of the portfolio consisting of real estate loans it is reasonable to expect that the bank's lending performance would be skewed to the middle and larger business within this market segment. Hence lending in 2001 is reasonable.

The performance during 2002 is reasonable because a majority of the number of loans were made in the smallest sizes. Lending in amounts less than \$100,000 fell between 2001 and 2002 for two primary reasons. First, falling interest rates encouraged many businesses to consolidate several small loans into one larger loan. Again, many of these consolidated loans are larger because the bank has a high percentage of commercial real estate-secured loans, and real estate values in the assessment area are significantly higher than statewide averages. This results in the loan amounts being relatively large. Second, the economic turbulence during 2002 resulted in some small businesses delaying expansions, and hence borrowings, until the economy stabilizes.

While the percentage as measured by dollar during 2001 and 2002 reflects that a high percentage were made in amounts between \$250,000 and \$1 million, this is reasonable because loans that are in larger dollar amounts will be a larger percentage of the overall amount of originations than loans in smaller dollar amounts. Overall, Metrobank's performance is deemed to be reasonable because the data indicates that the bank is making credit available to small businesses of all sizes in the assessment area, including some of the smallest businesses.

Table G: Distribution of Small Business Lending by Loan Size														
Loan Size (000s)	2001 Aggregate Data		2001				2002				Total			
	% by #	% by \$	#	%	\$	%	#	%	\$	%	#	%	\$	%
Less than \$100	90	20	54	61	2,230	14	54	51	1,977	10	108	56	4,207	12
Greater than \$100 and less than or equal to \$250	5	18	17	19	2,934	18	21	20	3,445	18	38	19	6,379	18
Greater than \$250 and less than or equal to \$1,000	5	62	18	20	10,801	68	30	29	13,829	72	48	25	24,630	70
Total	100	100	89	100	15,965	100	105	100	19,251	100	194	100	35,216	100

Source: CRA Aggregate Data (2001), and bank records.

Mortgage Lending

The bank has achieved a good borrower income distribution of mortgage loans as reflected by the good percentage of loans to low- and moderate-income borrowers when compared to demographic data. However, this product line is not the bank's primary lending focus. Further, the universe of loans in this category is small which can create anomalies in the data and conclusions. Therefore this product will carry less weight in the overall analysis. Since the lending distribution to middle- and upper-income borrowers is reasonable, this analysis will focus on low- and moderate-income borrowers. Due to the relatively small number of loans originated, it is difficult to draw conclusions based on this data. The distribution of the loans is illustrated in Table H below. Approximately seven percent of families in the assessment area are classified as low-income. As discussed in the Description of Assessment Area section, two percent of families in the assessment area are below the poverty level. Since these individuals below the poverty line could not be expected to qualify for a mortgage loan, it can be assumed that only five percent of the assessment area is classified as low-income and would possibly qualify for a mortgage. During 2001, the bank did not originate any loans to low-income families compared to four percent for the aggregate market. The bank did make two loans (40 percent by number) to low-income borrowers during 2002. Overall, the bank originated 10 percent of loans to low-income borrowers as measured by number. This is adequate because it exceeds the percentage of low-income families. Likewise, the bank originated a higher percentage of loans to moderate-income borrowers than the aggregate market during 2001, yet made no loans to these borrowers in 2002. Overall, the percentage of loans to moderate-income borrowers is adequate because it also exceeds the percentage of moderate-income families by both number and dollar volume. Thus, the bank's mortgage lending distribution is deemed to be reasonable.

Table H: Distribution of Mortgage Loans by Borrower Income Level

Borrower Income Level	Percent of Families	2001 Aggregate Data		2001				2002				Total			
		% by #	% by \$	#	%	\$	%	#	%	\$	%	#	%	\$	%
<i>Low</i>	7	4	2	0	0	0	0	2	40	19	40	2	10	19	1
<i>Moderate</i>	11	14	9	4	25	349	18	0	0	0	0	4	19	349	18
<i>Middle</i>	20	25	20	7	44	917	47	1	20	6	12	8	38	923	46
<i>Upper</i>	62	57	69	5	31	667	35	2	40	23	48	7	33	690	35
Total	100	100	100	16	100	1,933	100	5	100	48	100	21	100	1,981	100
NA				0	0	0	0	1		280		1		280	

Source: HMDA Aggregate Data (2001), and bank records.

Response to Complaints

The bank has not received any CRA-related complaints since the last evaluation.

Compliance with Anti-discrimination Laws and Regulations

No violations of the substantive provisions of the anti-discriminatory laws and regulations were identified during the examination.