

# **PUBLIC DISCLOSURE**

(June 20, 2001)

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**FIRST HERITAGE BANK  
RSSD ID - 2214744  
WILKES-BARRE, PENNSYLVANIA**

**FEDERAL RESERVE BANK OF PHILADELPHIA  
PHILADELPHIA, PENNSYLVANIA**

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

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## **First Heritage Bank**

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### **INSTITUTION'S CRA RATING**

This institution is rated **SATISFACTORY**, based upon the findings presented in the following discussion.

The evaluation revealed that the lending activities of First Heritage Bank are responsive to the credit needs of its local community. This assessment was determined through the application of the Small Bank CRA Performance Standards. The evaluation also took into consideration demographic and economic data specific to the assessment area as well as relevant characteristics of the bank.

Major factors contributing to this rating include:

- A loan-to-deposit ratio that is more than reasonable,
- A substantial majority of the bank's loans are made in its assessment area,
- The geographic distribution of loans reflects a reasonable dispersion throughout the bank's assessment area, and
- The distribution of loans to borrowers of different incomes and businesses of different sizes reflects reasonable penetration.

Management should continue to explore all reasonable credit opportunities within its assessment area consistent with its asset size, financial condition, business objectives, and community credit needs.

### **DESCRIPTION OF INSTITUTION**

First Heritage Bank, headquartered in Wilkes-Barre, Pennsylvania, is a state chartered full-service commercial bank. The bank opened for business on June 23, 1994. As of March 31, 2001, First Heritage Bank had total assets of \$233 million.

First Heritage Bank has two locations. The bank's main office and headquarters is located in Wilkes-Barre, PA. The bank opened its first branch office in Hazleton, PA on May 22, 2000. Both the main office and branch are located in Luzerne County, within the Scranton/Wilkes-Barre/Hazleton MSA.

The institution's target market consists of small- to medium-sized businesses and individuals located in Luzerne County, Pennsylvania. The bank's business strategy emphasizes its ability to provide personalized customer service and flexibility to the individuals and businesses within its community.

As of March 31, 2001, gross loans of \$167 million represented 72% of the institution's total assets. The bank offers a variety of commercial and consumer banking services commensurate with a full-service commercial bank. However, a review of the loan portfolio reflects the bank's commercial orientation.

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The composition of the loan portfolio as of March 31, 2001 is presented in the table below:

<b>LOANS</b>	<b>\$</b>	<b>%</b>
Construction & Land Development	3,340	2.0
Open-End Loans Secured by Residential Properties	281	0.2
Closed-End Secured by Residential Property	48,875	29.3
Commercial Mortgages	42,899	25.8
Commercial and Industrial	67,942	40.8
Consumer Revolving Credit Plans	113	0.1
Consumer Loans	2,814	1.7
Other	264	0.1
<b>TOTAL</b>	<b>\$166,528</b>	<b>100%</b>

First Heritage Bank operates in a competitive banking environment dominated by large super-regional banks including PNC, Mellon, and First Union, as well as other local community banks.

The bank's size and financial condition has not hindered its ability to meet the credit needs of its entire assessment area.

**DESCRIPTION OF ASSESSMENT AREA**

For purposes of CRA and this written evaluation, geographies are categorized and defined as follows:

- Low-income geographies have a median family income less than 50% of the MSA median family income
- Moderate-income geographies have a median family income from 50% to less than 80% of the MSA median family income
- Middle-income geographies have a median family income from 80% to less than 120% of the MSA median family income
- Upper-income geographies have a median family income equal to or greater than 120% of the MSA median family income

Correspondingly, family income levels are categorized and defined as follows:

- Low-income families have a median family income of less than 50% of the MSA median family income
- Moderate-income families have a median family income from 50% to less than 80% of the MSA median family income
- Middle-income families have a median family income from 80% to less than 120% of the MSA median family income
- Upper-income families have a median family income equal to or greater than 120% of the MSA median family income

Median family income and all other demographic indices and statistics presented throughout this evaluation are based on 1990 U.S. Census data unless otherwise noted.

First Heritage Bank's assessment area consists of all of Luzerne County, Pennsylvania, which is part of the Scranton/Wilkes-Barre/Hazleton Metropolitan Statistical Area (MSA). There are 107 geographies in the assessment area; none of them are designated as low-income. The 15 moderate-income geographies are located primarily in the communities of Wilkes-Barre, Pittston, Hanover Township, and Hazleton. Approximately 11% of the assessment area population resides in these moderate-income geographies. The focal points of the bank's assessment area are the two central cities of Wilkes-Barre and Hazleton. Several suburban areas and semi-rural areas surround these cities.

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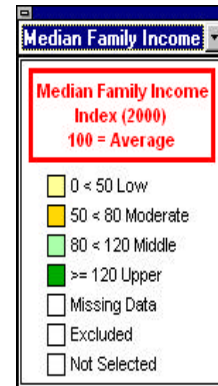
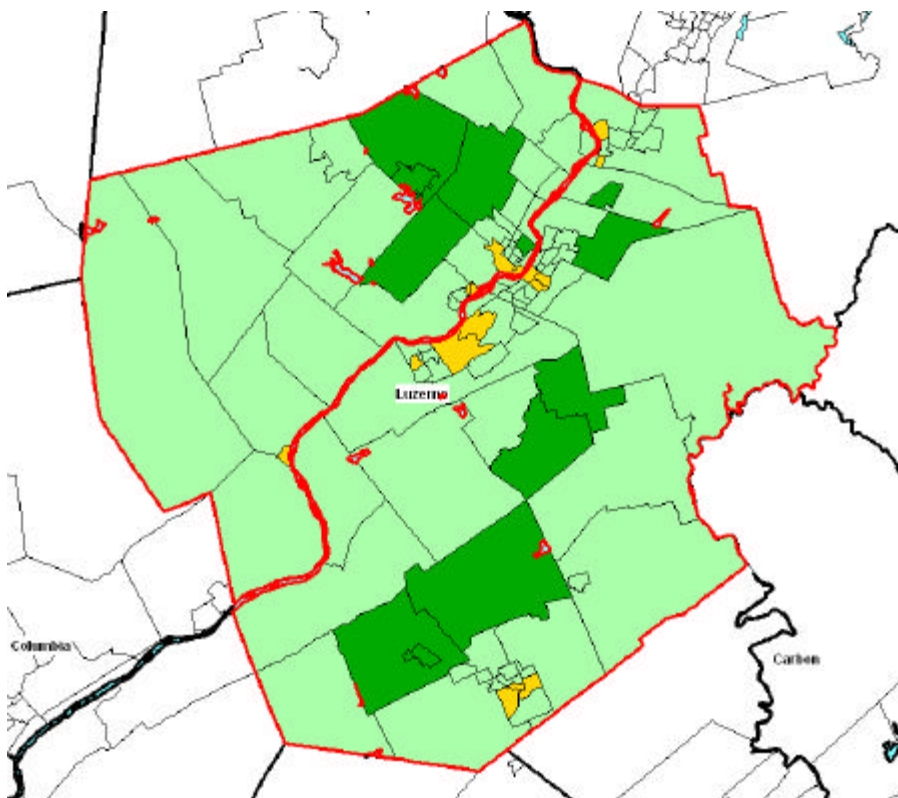
## First Heritage Bank

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The following table presents relevant demographic information:

FIRST HERITAGE BANK'S ASSESSMENT AREA DEMOGRAPHICS BY GEOGRAPHY				
Type of Geography	Number of Geographies	Percent	Population of Geographies	Percent
Low-Income	0	0	0	0
Moderate-Income	15	14	37,050	11
Middle-Income	80	75	242,105	74
Upper-Income	12	11	48,994	15
<b>Total</b>	<b>107</b>	<b>100%</b>	<b>328,149</b>	<b>100%</b>

### Map of the Assessment Area



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### **Median Family Income**

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon annually adjusted median family income data made available from the U.S. Department of Housing and Development (HUD). According to 1990 Census Bureau Statistics, the median family income for the assessment area was \$30,741, which was lower than the statewide median income level of \$34,856. Of the families in the assessment area, 38% are designated as low- or moderate-income. Approximately 16% of these low- and moderate-income families reside in the assessment area's moderate-income geographies, while 76% reside in middle-income geographies and 8% in upper-income geographies.

The following table shows the number of families in the assessment area by income level designation:

<b>FIRST HERITAGE BANK'S ASSESSMENT AREA DEMOGRAPHICS BY INCOME</b>		
	<b>Number of Families</b>	<b>Percent</b>
<b>Low-Income Families</b>	17,145	19
<b>Moderate-Income Families</b>	16,861	19
<b>Middle-Income Families</b>	21,585	24
<b>Upper-Income Families</b>	33,389	38
<b>Total Families</b>	88,980	100%

### **Housing**

The assessment area contains 138,724 housing units, of which 89,109 or 64% are owner-occupied. Single family units comprise 57% of the housing units, while two-to-four family units comprise 28%, multi-family units 9%, and mobile homes and other housing units 6%. The median housing value is \$50,218 and the median gross rent is \$317 per month. There is a significant disparity between the median housing value in the assessment area's upper-income geographies at \$91,594 and that in moderate-income geographies at \$39,891.

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The following table indicates the number of owner-occupied housing units relative to the number of total available units for each geographic designation.

<b>FIRST HERITAGE BANK'S ASSESSMENT AREA HOUSING PROFILE BY GEOGRAPHY</b>			
<b>Type of Geography</b>	<b>Total Units</b>	<b>Owner-Occupancy</b>	<b>Percent Owner-Occupied</b>
<b>Low-Income</b>	N/A	N/A	N/A
<b>Moderate-Income</b>	17,231	7,174	42
<b>Middle-Income</b>	104,344	68,439	66
<b>Upper-Income</b>	17,149	13,496	79
<b>All Geographies</b>	138,724	89,109	64

The percentage of owner-occupied units contained within designated geographies is used as a proxy to estimate demand for residential mortgage lending within such geographies. As illustrated in the table below, the percentage of owner-occupied units within moderate-income geographies, at 8%, is low when compared to 92% in middle- and upper-income geographies.

<b>FIRST HERITAGE BANK'S ASSESSMENT AREA OWNER-OCCUPANCY DISTRIBUTION BY GEOGRAPHY</b>		
<b>Type of Geography</b>	<b>Number of Owner-Occupied Units</b>	<b>Percentage of All Owner-Occupied Units</b>
<b>Low-Income</b>	N/A	N/A
<b>Moderate-Income</b>	7,174	8
<b>Middle-Income</b>	68,439	77
<b>Upper-Income</b>	13,496	15
<b>All Geographies</b>	89,109	100%

**Small Business Data**

The percentage of small businesses located within designated geographies is used as a proxy to estimate demand for small business credit within such geographies. In First Heritage Bank's assessment area, the percentage of small businesses located in moderate- income geographies, at 16%, is well below the percentage of small businesses in middle- and upper-income geographies at 84%.



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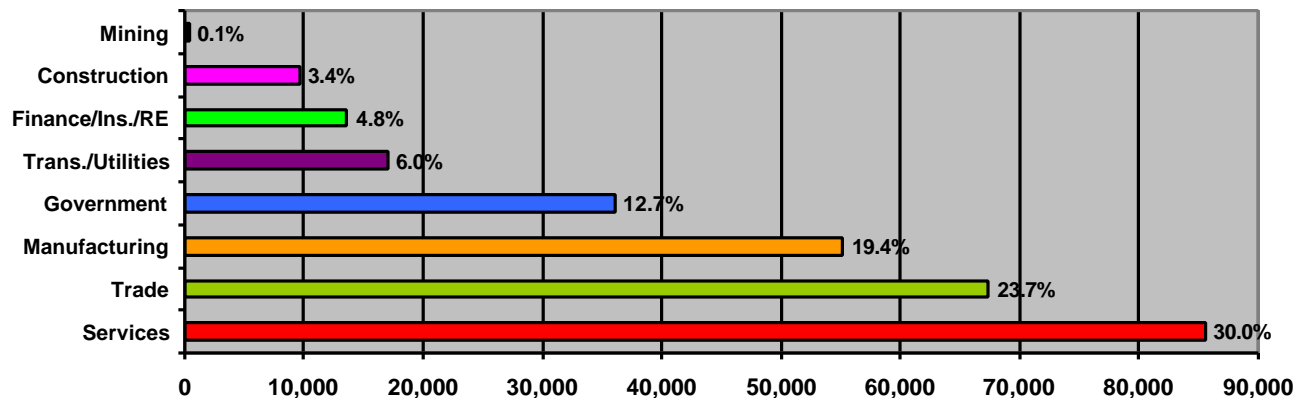
The following table depicts the distribution of small businesses by geographic designation:

FIRST HERITAGE BANK'S ASSESSMENT AREA SMALL BUSINESS DISTRIBUTION BY GEOGRAPHY		
Type of Geography	Number of Small Businesses	Percentage of Small Businesses
Low-Income	N/A	N/A
Moderate-Income	1,697	16
Middle-Income	7,283	69
Upper-Income	1,612	15
All Geographies	10,592	100%

### Economic Characteristics

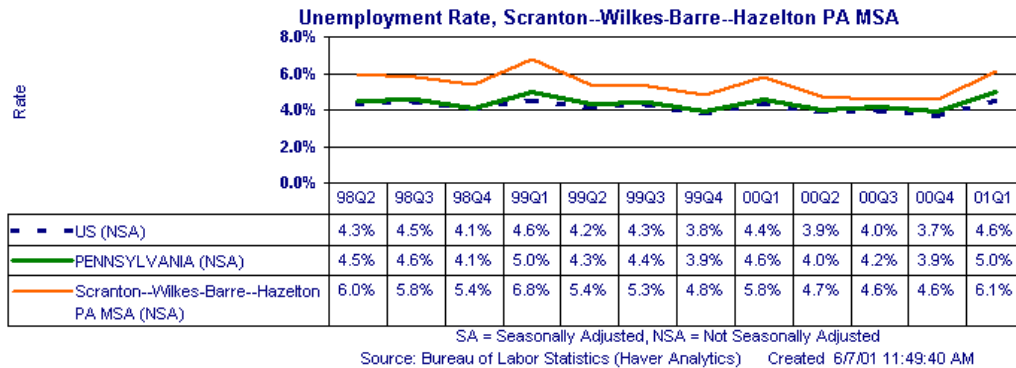
The Scranton/Wilkes-Barre/Hazleton MSA's shift from a manufacturing to a more service-oriented economy has helped to stabilize the area. The MSA's employment composition is presented in the following table.

Employment Composition Scranton/Wilkes-Barre/Hazleton MSA Q1 2001  
Source: Bureau of Labor Statistics (Not Seasonally Adjusted)

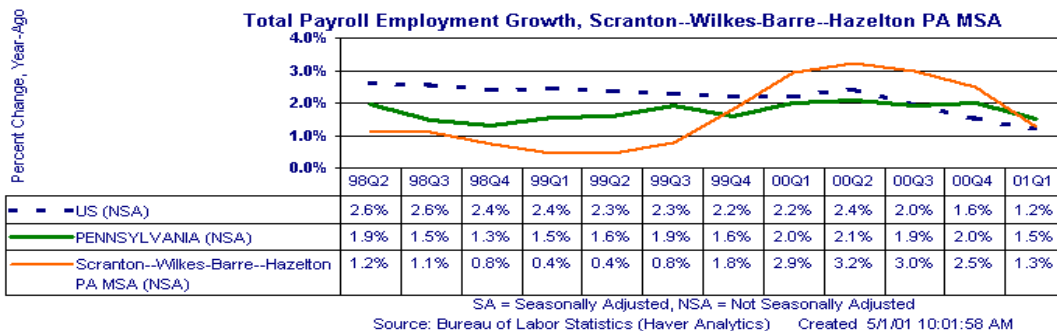


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Along with the rest of the nation, the Scranton/Wilkes-Barre/Hazleton MSA is in the midst of a modest economic downturn. However, the downturn seems to have impacted the regional economy more noticeably than the state or the nation taken as a whole.



As seen in the following table, the average unemployment rate in the Scranton/Wilkes-Barre/Hazleton MSA has historically been higher than both the state and national averages. The table also shows that the MSA's unemployment rate increased significantly in the first quarter as a result of the economic downturn. Coinciding with an increase in the unemployment rate, the employment growth rate, which exceeded the state and national averages over the past year slowed dramatically in the first quarter.



The region's low cost for housing and commercial space and its strategic position between New York City and Philadelphia continue to provide opportunities for long term economic growth.

The bank's assessment area was determined to comply with the requirements of the Community Reinvestment Act and does not arbitrarily exclude low- and moderate-income geographies.

**SCOPE OF EXAMINATION**

The examination of First Heritage Bank's CRA performance was evaluated for the period from September 30, 1997 through March 31, 2001.

The bank's CRA performance was evaluated pursuant to the Interagency Procedures and Guidelines for Small Retail Institutions. Accordingly, the examination included an analysis of the institution's:

- loan-to-deposit ratio,
- volume of loans extended inside and outside of the bank's assessment area,
- geographic distribution of loans within its assessment area, with particular emphasis on lending penetration in moderate-income geographies, and
- extent of lending to borrowers of different incomes, especially low- and moderate-income borrowers, and businesses of different sizes, especially small businesses.

Loan products evaluated included loans reported for the purposes of Home Mortgage Disclosure Act (HMDA) and commercial loans.

Written documentation of interviews conducted with community representatives and prepared by the Federal Reserve and other regulatory agencies were also reviewed during the course of the examination.

For purposes of evaluating the geographic distribution of loans, geographies were classified on the basis of 1990 U.S. Census data. The distribution of loans to borrowers of different income levels was based upon annually adjusted median family income data made available by HUD.

**LOAN-TO-DEPOSIT RATIO**

Lending levels are deemed very strong and more than reasonable given the bank's financial condition and assessment area credit needs. A financial institution's loan-to-deposit ratio compares its aggregate loan balances outstanding to its total deposits outstanding. The ratio is a measure of an institution's lending volume relative to its capacity to lend. First Heritage Bank has maintained a high level of loans in relation to deposits, averaging 75% over the 15 full quarters since the previous examination.

As of March 31, 2000, net loans represent 71% of total assets, which was higher than the bank's national peer group average of 63%<sup>1</sup>. As of March 31, 2000, net loans represented 93% of total deposits, which was significantly higher than the peer group average of 75%. Total deposits represented 76% of average assets as of March 31, 2000, which was well below the bank's peer group average of 84%. The high level of loans in relation to deposits was primarily attributable to an emphasis on lending activity.

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<sup>1</sup> First Heritage Bank's national peer group consists of all insured commercial banks having assets between \$100 million \$300 million with two or less banking offices, and located in a metropolitan area.

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The following table depicts First Heritage Bank's quarterly loan-to-deposit ratios for the 15 full quarters since the previous examination, together with an average loan-to-deposit ratio. The loan-to-deposit ratio's increasing trend is commensurate with the bank's ability to attract both stable deposit and new lending relationships. The loan-to-deposit ratio average is derived by adding the quarterly loan-to-deposit ratios and dividing by the number of quarters.

FIRST HERITAGE BANK'S HISTORICAL LOAN-TO-DEPOSIT RATIOS			
AS OF DATE	NET LOANS (THOUSANDS)	TOTAL DEPOSITS (THOUSANDS)	RATIO
03/31/01	164,547	176,161	93%
12/31/00	162,677	172,875	94%
09/30/00	156,556	169,227	93%
06/30/00	149,105	164,178	91%
03/31/00	141,601	166,394	85%
12/31/99	135,926	167,538	81%
09/30/99	131,587	163,471	81%
06/30/99	126,917	163,368	78%
03/31/99	115,112	157,559	73%
12/31/98	95,306	144,877	66%
09/30/98	82,501	132,891	62%
06/30/98	72,266	126,075	57%
03/31/98	67,496	123,708	55%
12/31/97	68,156	120,570	57%
09/30/97	65,344	113,355	58%
Quarterly Loan to Deposit Ratio Average Since Previous Examination			75%

Source: The Uniform Bank Performance Report prepared by the Federal Deposit Insurance Corporation for use by Federal regulators.

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**LENDING IN ASSESSMENT AREA**

An analysis was performed to determine the volume of loans extended inside and outside of the bank's assessment area. The analysis consisted of an evaluation of the bank's HMDA lending activity for 1998, 1999, and 2000, as well as all commercial loans on the books of the institution as of April 16, 2001. Based on the analysis, it was determined that a substantial majority of the bank's home mortgage and commercial loans were made within the bank's assessment areas, as shown in the following tables:

**Home Mortgage Loans**

<b>FIRST HERITAGE BANK'S 1998 HMDA LOAN PENETRATION</b>				
	<b>Number</b>	<b>Percent</b>	<b>\$000's</b>	<b>Percent</b>
<b>Inside Assessment Area</b>	103	97	\$8,594	98
<b>Outside Assessment Area</b>	3	3	\$181	2
<b>Total</b>	106	100%	\$8,775	100%

<b>FIRST HERITAGE BANK'S 1999 HMDA LOAN PENETRATION</b>				
	<b>Number</b>	<b>Percent</b>	<b>\$000's</b>	<b>Percent</b>
<b>Inside Assessment Areas</b>	98	97	\$7,598	90
<b>Outside Assessment Areas</b>	3	3	\$868	10
<b>Total</b>	101	100%	\$8,466	100%

<b>FIRST HERITAGE BANK'S 2000 HMDA LOAN PENETRATION</b>				
	<b>Number</b>	<b>Percent</b>	<b>\$000's</b>	<b>Percent</b>
<b>Inside Assessment Areas</b>	115	97	\$7,384	91
<b>Outside Assessment Areas</b>	4	3	\$736	9
<b>Total</b>	119	100%	\$8,120	100%

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**Commercial Loans**

<b>FIRST HERITAGE BANK'S COMMERCIAL LOAN PENETRATION AS OF APRIL 16, 2001</b>				
	<b>Number</b>	<b>Percent</b>	<b>\$000's</b>	<b>Percent</b>
<b>Inside Assessment Areas</b>	870	92	\$109,311	85
<b>Outside Assessment Areas</b>	75	8	\$19,064	15
<b>Total</b>	945	100%	\$128,375	100%

**GEOGRAPHIC DISTRIBUTION OF LENDING**

An analysis of the geographic distribution of loans was conducted in an effort to determine the dispersion of loans among different geographies within the bank's assessment area. The analysis reflected a reasonable dispersion throughout the assessment area.

The following tables show the geographic distribution of the bank's home mortgage lending activity for 1998, 1999, and 2000.

<b>FIRST HERITAGE BANK 1998 ALL HMDA REPORTABLE LOANS GEOGRAPHIC DISTRIBUTION</b>					
<b>Type of Geography</b>	<b>Number of Loans</b>	<b>Percent of Loans</b>	<b>Number of Owner-Occupied Units</b>	<b>Percent of Owner-Occupied Units</b>	<b>Percent of Loans / Percent of Units</b>
<b>Low-income</b>	N/A	N/A	N/A	N/A	N/A
<b>Moderate-income</b>	9	9	7,174	8	1.13
<b>Middle-income</b>	65	63	68,439	77	0.82
<b>Upper-income</b>	29	28	13,496	15	1.87
<b>All Geographies</b>	103	100%	89,109	100%	1.00

<b>FIRST HERITAGE BANK 1999 ALL HMDA REPORTABLE LOANS GEOGRAPHIC DISTRIBUTION</b>					
<b>Type of Geography</b>	<b>Number of Loans</b>	<b>Percent of Loans</b>	<b>Number of Owner-Occupied Units</b>	<b>Percent of Owner-Occupied Units</b>	<b>Percent of Loans / Percent of Units</b>
<b>Low-income</b>	N/A	N/A	N/A	N/A	N/A
<b>Moderate-income</b>	4	4	7,174	8	0.50
<b>Middle-income</b>	60	61	68,439	77	0.79
<b>Upper-income</b>	34	35	13,496	15	2.33
<b>All Geographies</b>	98	100%	89,109	100.0%	1.00

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FIRST HERITAGE BANK 2000 ALL HMDA REPORTABLE LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Owner-Occupied Units	Percent of Owner-Occupied Units	Percent of Loans / Percent of Units
Low-income	N/A	N/A	N/A	N/A	N/A
Moderate-income	10	9	7,174	8	1.13
Middle-income	77	67	68,439	77	0.87
Upper-income	28	24	13,496	15	1.60
All Geographies	115	100%	89,109	100%	1.00

### Small Business Lending

Overall, the bank's geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area, including moderate-income geographies. Using the number of small businesses as a proxy for loan demand, the following table details the geographic distribution of the commercial loan portfolio as of April 16, 2001, as a percent of small businesses within each geography type.

FIRST HERITAGE BANK SMALL BUSINESS LOANS GEOGRAPHIC DISTRIBUTION AS OF APRIL 16, 2001					
Type of Geography	Number of Loans	Percent of Loans	Number of Small Businesses	Percent of Small Businesses	Percentage of Loans To Percentage of Businesses
Low-Income	N/A	N/A	N/A	N/A	N/A
Moderate-Income	123	14	1,697	16	0.88
Middle-Income	563	65	7,283	69	0.94
Upper-Income	184	21	1,612	15	1.40
All Geographies	870	100%	10,592	100%	1.00

The preceding tables clearly illustrate a reasonable geographic distribution of all loans evaluated throughout the bank's assessment area, including moderate-income geographies.

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### BORROWER DISTRIBUTION

The adjusted annual median family incomes of the Scranton/Wilkes-Barre/Hazleton MSA for 2000, 1999, and 1998, as reported by HUD, are \$42,200, \$40,500, and \$38,900, respectively. The following table categorizes the dollar amounts recognized as low-, moderate-, middle-, and upper-income, predicated upon adjusted median family income measures.

Year	HUD Adjusted Median Family Income	Low-income Less than 50%	Moderate-income (50%-79%)	Middle-income (80%-119%)	Upper-income (120% or Greater)
2000	\$42,000	Less than \$21,100	\$21,100-\$33,759	\$33,760-\$50,639	\$50,640 or more
1999	\$40,500	Less than \$20,250	\$20,250-\$32,399	\$32,400-\$48,599	\$48,600 or more
1998	\$38,900	Less than \$19,450	\$19,450-\$ 31,119	\$31,120 -\$ 46,679	\$46,800 or more

First Heritage Bank's loan distribution reflects an adequate distribution among retail customers of different incomes. An analysis of the distribution of home mortgage loans to moderate-income families compared to the demographics of the assessment area shows that of the 88,890 families in the assessment area, 38% are designated as low- or moderate-income. In 1998, 14% of the bank's HMDA loans were to low- or moderate-income families, in 1999 22% were to low- or moderate-income families, and in 2000 the percentage of these loans improved to 23%.

An analysis of the bank's HMDA data revealed the following income distribution for loans within the assessment area:

BANK ASSESSMENT AREA 1998 – ALL HMDA REPORTABLE LOANS BORROWER INCOME DISTRIBUTION					
Income Level	Number of Loans	Percent of Loans	Number of Families	Percent of Families	Percent of Loans / Percent of Families
Low-income	4	5	17,145	19	0.26
Moderate-income	8	10	16,861	19	0.53
Middle-income	12	14	21,585	24	0.58
Upper-income	60	71	33,389	38	1.87
All Borrowers	84 <sup>2</sup>	100%	88,980	100%	1.00

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<sup>2</sup> Of First Heritage Bank's 103 HMDA reportable loans in 1998, 19 had no borrower income information available, and were excluded from the analysis. Of the 98 HMDA reportable loans in 1999, 8 had no borrower income information available and were excluded from the analysis. Of the 115 HMDA reportable loans in 2000 14 had no borrower income information available and were excluded from the analysis.



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<b>ASSESSMENT AREA</b>					
<b>1999 – ALL HMDA REPORTABLE LOANS</b>					
<b>BORROWER INCOME DISTRIBUTION</b>					
<b>Income Level</b>	<b>Number of Loans</b>	<b>Percent of Loans</b>	<b>Number of Families</b>	<b>Percent of Families</b>	<b>Percent of Loans / Percent of Families</b>
<b>Low-income</b>	5	5	17,145	19	0.26
<b>Moderate-income</b>	15	17	16,861	19	0.89
<b>Middle-income</b>	18	20	21,585	24	0.83
<b>Upper-income</b>	52	58	33,389	38	1.53
<b>All Borrowers</b>	90	100%	88,980	100%	1.00

<b>ASSESSMENT AREA</b>					
<b>2000 – ALL HMDA REPORTABLE LOANS</b>					
<b>BORROWER INCOME DISTRIBUTION</b>					
<b>Income Level</b>	<b>Number of Loans</b>	<b>Percent of Loans</b>	<b>Number of Families</b>	<b>Percent of Families</b>	<b>Percent of Loans / Percent of Families</b>
<b>Low-income</b>	12	12	17,145	19	0.63
<b>Moderate-income</b>	11	11	16,861	19	0.58
<b>Middle-income</b>	28	28	21,585	24	1.16
<b>Upper-income</b>	50	49	33,389	38	1.29
<b>All Borrowers</b>	101	100%	88,980	100%	1.00

In view of all the data related to the bank's performance, the examination revealed a reasonable penetration among borrowers of different incomes within the assessment area.

### **Lending to Small Businesses**

A review of the bank's small business lending was conducted at this examination. The analysis revealed reasonable penetration of loans to small businesses considering the institution's asset size, lending capacity, and business objectives.

For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less. Schedule RC-C Part II (Loans to Small Farms and Small Businesses) of the bank's Consolidated Reports of Condition and Income as of June 30, 2000, indicates that on a dollar basis 65% of the bank's commercial loans were designated as small business loans. The dollar volume of First Heritage Bank's small business lending is noteworthy because of the loan levels necessary to achieve such a high dollar volume.

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The banks overall commercial lending is detailed in the following chart:

<b>FIRST HERITAGE BANK COMMERCIAL LOAN PORTFOLIO AS OF 6/30/00</b>		
	<b>AMOUNT OUTSTANDING AS OF 6/30/00 (\$000)</b>	<b>PERCENT</b>
Loans with original amounts of \$100,000 or less	\$13,698	13
Loans with original amounts of more than \$100,000 through \$250,000	\$14,943	14
Loans with original amounts of more than \$250,000 through \$1,000,000	\$39,448	38
<b>Total Small Business Loans</b>	<b>\$68,089</b>	<b>65</b>
Loans with original amounts of greater than \$1,000,000	\$35,921	35
<b>Total Commercial Loans</b>	<b>\$104,010</b>	<b>100%</b>

**COMPLIANCE WITH FAIR LENDING LAWS**

No credit practices were identified that violated the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B), Fair Housing Act, Home Mortgage Disclosure Act (Regulation C), and all relevant agency regulations pertaining to nondiscriminatory treatment of credit applicants.