

PUBLIC DISCLOSURE

As of April 8, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Comerica Bank - Texas
RSSD #989253

1601 Elm Street
Dallas, Texas 75201

Federal Reserve Bank of Dallas

2200 North Pearl Street
Dallas, Texas 75201

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: Comerica Bank - Texas is rated "**SATISFACTORY.**"

The following table indicates the performance level of Comerica Bank - Texas with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	<u>COMERICA BANK – TEXAS</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory			X
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

Major factors supporting the institution’s rating include:

- Despite the limited small business lending and nominal HMDA lending, the dispersion of loans throughout the assessment area (AA), including low- and moderate-income tracts, is good.
- Community development lending indicates an attempt to meet the affordable housing needs in the assessment areas and is good.
- The level and type of investments in community development-related initiatives are excellent and tailored to meet the needs of the AA.
- Accessibility of Comerica’s offices to geographies and individuals of different income levels of the AAs is adequate and does not vary in a way that inconveniences certain portions of the AA.

INSTITUTION

DESCRIPTION OF INSTITUTION

Comerica Bank–Texas (Comerica), is a full-service commercial bank based in Dallas, Texas. The institution is a wholly-owned subsidiary of Comerica Incorporated, a \$50 billion multi-state financial services provider headquartered in Detroit, Michigan, with banking subsidiaries in Michigan, California and Texas; banking operations in Florida; and businesses in several other states. Comerica Inc. has investment services affiliate, Munder Capital Management, commercial banking operations in Canada and a commercial banking subsidiary in Mexico. Subsidiaries offer the following products and services: investment banking and corporate finance services to Fortune 500 and middle-market firms; stocks, bonds, and mutual funds for individual investors; business and individual insurance and group benefits; investment advisory services; account management services to private investors, corporations, municipalities and charitable institutions; and equipment leasing.

Comerica Inc. ranks among the top 20 U.S. bank holding companies in small business lending and ranks first among the nation's top 50 bank holding companies in commercial loans as a percent of total assets. The company entered the Texas market in 1988, and Comerica operated 49 banking offices in the state as of December 31, 2001, including 29 in the Dallas/Fort Worth Metroplex, 15 in greater Houston, and five in Austin.

Comerica's \$4.1 billion in total assets represented approximately 8% of the parent company's consolidated assets at December 31, 2001, and ranked it the fifth largest commercial bank headquartered in the state of Texas. In terms of deposit market share, Comerica ranked 12th in the state among all FDIC-insured institutions, with 1.15% deposit share as of June 30, 2001. The bank held total deposits at December 31, 2001 of \$2.9 billion, with \$3.3 billion in gross loans, and a net loan-to-deposit ratio of 114%. Comerica's loan portfolio reflects the following product mix:

LOAN PORTFOLIO MIX	12/31/2001 \$ (000)	% OF LOANS	12/31/2000 \$ (000)	% OF LOANS
<u>Real Estate</u>				
Residential	170,913	5.17	195,158	6.56
Construction/Land Development	622,100	18.81	383,309	12.89
Commercial	685,230	20.73	631,377	21.22
Multifamily	35,108	1.06	39,134	1.32
Agriculture	<u>2,126</u>	<u>0.06</u>	<u>2,484</u>	<u>0.08</u>
Total Real Estate	1,515,477	45.83	1,251,462	42.07
Consumer	65,621	1.98	65,275	2.20
Commercial/Industrial	1,641,071	49.64	1,511,917	50.82
Agricultural	3,258	0.10	5,665	0.19
State and Political	7,749	0.23	10,204	0.34
Other	73,430	2.22	130,317	4.38
Gross Loans	3,306,606	100.00	2,974,840	100.00

The bank's lending distribution of one-half commercial & industrial and 20% commercial real estate is a reflection of its strategic focus on relationship banking to businesses. The bank strives to serve the middle market business segment, providing comprehensive banking services to companies up to approximately \$500 million in sales. Comerica offers a full range of loan products, including commercial, residential, agricultural, and consumer products. The bank also offers a full compliment of deposit products, including checking, interest checking, savings, time deposits and individual retirement accounts. Additional customer services include trust management services, personal and institutional trust services, lockbox processing, accounts receivable reconciliation, automated clearing house transactions, wire transfers, Internet and Home Banking, and direct deposit services.

Comerica's assessment areas include portions of the Dallas-Fort Worth and Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Areas (CMSAs) and a portion of the Austin-San Marcos Metropolitan Statistical Area (MSA). The assessment areas, which have not changed since the previous evaluation, are specifically defined as follows:

- Portion of **CMSA 31 (Dallas-Fort Worth, TX)**, consisting of
 - PMSA 1920 (Dallas, TX): All of Dallas County and portions of Collin, Denton, and Ellis Counties
 - PMSA 2800 (Fort Worth-Arlington, TX): Portion of Tarrant County
- Portion of **CMSA 42 (Houston-Galveston-Brazoria, TX)**, consisting of
 - PMSA 3360 (Houston, TX): All of Harris County and portion of Fort Bend County
 - PMSA 1145 (Brazoria, TX): Portion of Brazoria County
 - PMSA 2920 (Galveston-Texas City, TX): Portion of Galveston County
- Portion of **MSA 0640 (Austin-San Marcos, TX)**, consisting of all of Travis County

There are no factors relating to the bank's financial condition, size, products offered, prior performance, legal impediments, or local economic conditions that would prevent the bank from fulfilling its responsibilities under the CRA. The bank received an overall CRA rating of "Satisfactory" at its previous evaluation conducted by the Federal Deposit Insurance Corporation as of August 10, 1999.

SCOPE OF EXAMINATION

A review of Comerica's performance in its three assessment areas was conducted using the *Interagency Procedures and Guidelines for Large Retail Institutions*. As a result of higher concentrations of branches, deposits and lending activity, full review procedures were applied to the Dallas and Houston assessment areas, while a limited review was conducted for the Austin assessment area.

The evaluation covered Comerica's CRA performance between January 1, 2000, and December 31, 2001, and it included a review of the following loan types reported under Regulation C, Home Mortgage Disclosure Act (HMDA): home purchase, refinancing, home improvement, and multifamily; and under Regulation BB, CRA: small business and community development loans. Activities related to the investment and service tests for the same period were also included in the evaluation. In order to evaluate the geographic distribution of loans, geographies were classified on the basis of the U.S. Census Bureau's 1990 Census. The distribution of loans to borrowers of different income levels was determined based on 2000 and 2001 median family income data as estimated by the U.S. Department of Housing and Urban Development (HUD).

Examiners met with three community contacts for this examination as well as two contacts made in connection with examinations conducted in March of 2002. The contacts included housing and community development and small business development organizations. Needs identified by the contacts included affordable housing, finance/banking/credit education, small business loans in under-served or declining areas, especially small dollar business loans, start-up financing, and flexible lending programs for low- and moderate-income home buyers.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Comerica's record of meeting the credit needs of its assessment areas through its lending performance is rated "**Satisfactory**".

Comerica's record of meeting the credit needs of its assessment area through its lending activities is rated "low satisfactory" based on the limited lending to those businesses with gross annual revenues less than one million dollars, acceptable performance in providing community development loans and limited HMDA-related lending performance. Because the bank's primary product is commercial/industrial loans, the small business lending performance was given the greatest weight. Further, because the Dallas area loans and deposits represent the largest volume of activity, more weight was placed on that AA's performance. With 66% of the loans in 2000 and 58% of the loans originated in 2001, the Dallas area leads the bank's Texas lending performance.

Lending Activity: The bank's overall lending levels reflect an adequate responsiveness to assessment area credit needs when measured in terms of the number and dollar amount of HMDA-related and small business loans to small businesses originated in the assessment areas. In an effort to improve the lending to small businesses, Comerica's affiliate, Comerica Bank, Detroit, MI, has established a streamlined processing center to expedite lending to small businesses. The Small Business Financial Center focuses on underwriting loans in amounts under \$250 thousand. These loans are offered directly through Comerica Bank – Texas. Although this expedited loan process has improved the lending to small business, bank management indicates competition in their assessment areas from large banks offering faster application processes through the use of credit scoring, has still not resulted in much volume for

this segment of the population. The addition of a new small business lending group in the Dallas market and plans to include another office in Arlington in 2002 are expected to increase the level of lending to small businesses. In an effort to reach small businesses, the bank has formed a partnership with MBNA to offer business credit cards to small business owners. This partnership has yielded 878 accounts totaling almost \$4.4 million dollars in all assessment areas. In addition to the bank's small business and mortgage lending, Comerica's participation in government-guaranteed loan programs is also recognized. In 2000, 154 guaranteed loans totaling \$28.5 million and in 2001, 144 loans totaling \$3.7 million were originated. These loans are included in the data reviewed for HMDA and Small Business lending, but are highlighted to demonstrate the bank's attempts to meet the loan needs in its communities.

Assessment Area Concentration: As the chart below illustrates, in 2000, 83% of the number and 78% of the dollar amount of loans were originated inside Comerica's AAs. In 2001, 84% of the number and 80% of the dollar amount of loans were inside the bank's AAs. Overall, 84% of the number and 79% of the dollar amount of loans were made within the bank's AA. This level of lending indicates the bank's commitment to meeting the needs inside its assessment areas.

Lending Inside and Outside The Assessment Areas								
January 1, 2000 – December 31, 2001								
	Inside				Outside			
	#	%	\$000's	%	#	%	\$000's	%
2000								
Home Purchase	42	76.4	27,536	77.2	13	23.6	8,112	22.8
Home Improvement	315	77.2	12,936	79.9	93	22.8	3,254	20.1
Refinancing	2	50.0	108	17.4	2	50.0	513	82.6
Multifamily Housing	5	100.0	21,378	100.0	0	0.0	0	0.0
Small Business	1,260	85.4	198,939	76.0	216	14.6	62,964	24.0
2000 Total	1,624	83.4	260,897	77.7	324	16.6	74,843	22.3
2001								
Home Purchase	32	72.7	20,007	84.1	12	27.3	3,772	15.9
Home Improvement	113	71.1	6,245	75.1	46	28.9	2,072	24.9
Refinancing	15	75.0	15,311	98.7	5	25.0	195	1.3
Multifamily Housing	9	100.0	21,041	100.0	0	0.0	0	0.0
Small Business	1,316	85.2	207,302	77.3	228	14.8	60,991	22.7
2001 Total	1,485	83.6	269,906	80.1	291	16.4	67,030	19.9
TOTAL LOANS	3,109	83.5	530,803	78.9	615	16.5	141,873	21.1

As stated previously, the majority of the bank's lending is originated from its Dallas office. A depiction of the bank's lending by number, dollar amount, and product type is presented in the table below. As the table indicates, small business lending in Dallas and Houston comprise the bulk of the bank's lending for the period reviewed.

DISTRIBUTION OF LENDING WITHIN ASSESSMENT AREAS						
Loan Type	Dallas AA		Houston AA		Austin AA	
	#	\$000's	#	\$000's	#	\$000's
2000						
Home Purchase	29	22,895	8	3,229	5	1,412
Home Improvement	272	11,626	37	1,054	6	256
Refinancing	1	16	1	92	0	0
Multifamily Housing	3	11,373	2	10,005	0	0
Small Business	763	123,482	417	62,336	80	13,121
2000 Total	1,068	169,392	465	76,716	91	14,789
2001						
Home Purchase	25	13,803	7	6,204	0	0
Home Improvement	89	4,860	20	723	4	662
Refinancing	10	10,150	2	4,597	3	564
Multifamily Housing	8	20,914	1	127	0	0
Small Business	732	113,443	509	82,201	75	11,658
2001 Total	864	163,170	539	93,852	82	12,884
GRAND TOTAL	1,932	332,562	1,004	170,568	173	27,673
PERCENT OF TOTAL	62.1%	62.7%	32.3%	32.1%	5.6%	5.2%

Geographic and Borrower Distribution: Overall, geographic distribution of loans in low- and moderate-income ("LMI") areas is good, with good distribution of small business loans and adequate distribution of mortgage loans. Among borrowers of different income levels and businesses of different sizes, the distribution was adequate. As stated earlier, the limited amount of HMDA-related loans limited the analysis of these products, so the most emphasis was placed on the lending to businesses of different sizes. The review of the bank's lending performance did not reveal any conspicuous gaps in contiguous geographies.

Community Development Lending: Comerica's community development lending performance overall and in each of its assessment areas is good. During the examination period, eight qualified community development loans totaled \$27.6 million in 2000 and five loans totaled \$7.8 million in 2001, for a total of \$35.3 million were originated. The majority of the loans targeted affordable multi-family and single-family housing construction and rehabilitation, with other loans directed towards employment and job training. The majority of the community development activity was for direct lending initiatives as opposed to intermediary lenders. The loans identified as community development in purpose were responsive to identified credit needs. Affordable housing-related and small business loans have been identified as needs throughout the bank's assessment areas. Comerica's provision of affordable housing financing throughout the communities it serves demonstrates its commitment to addressing critical needs in its AAs. Please refer to the assessment area discussions for information on the level of community development lending in the individual assessment areas.

INVESTMENT TEST

Comerica's performance under the investment test is "Outstanding". The rating is based on the bank's excellent volume of qualified investments totaling \$10.3 million funded and \$34.7 million committed. The bulk of the investments committed, \$32.7 million, consists of low income housing tax credits (LIHTC). Because of the accounting requirements and indications from community contacts that competition for LIHTCs is fierce, these investments are considered complex. Each MSA in the bank's AAs is represented by specific LIHTC in their areas. Others are state-wide funds which include the bank's AAs. In addition to LIHTCs, almost \$2.8 million in mortgage-backed securities were purchased. Grants and donations totaled \$286 thousand. The investment types and amounts indicate excellent responsiveness to one of the greatest needs in Comerica's AAs.

SERVICE TEST

The overall rating for the service test is "High Satisfactory" based on the accessibility of the bank's delivery systems to essentially all members of its assessment areas. Comerica's offering of products and services does not vary in a way that inconveniences portions of the assessment areas. Further, business hours were reasonable and did not vary in a way that inconveniences certain portions of the AAs. The bank's business hours were reasonable and the inclusion of extended hours including evenings and weekends enhanced the availability of banking services.

Comerica made use of alternative delivery systems to enhance the distribution of banking services throughout the assessment areas, including a network of 59 ATMs. In addition, the bank offers bank-by-mail, bank-by-phone, on-line banking, and bank-at-work, low maintenance fee checking and savings programs for students in low- and moderate-income areas to further extend its reach into the communities it serves.

Community Development Services: Comerica has provided a good level of community development services throughout the assessment areas. The bank sponsored and representatives participated in several workshops and seminars in conjunction with non-profit organizations providing information on credit, banking, and savings. Bank employees also serve in leadership roles on various boards and in organizations wherein they provide technical expertise.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

No substantive violations of the anti-discrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B), the Fair Housing Act, and the Home Mortgage Disclosure Act (Regulation C) were identified during the examination.

DALLAS-FORT WORTH, TX CMSA 31

(Reviewed using full-scope examination procedures)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CMSA

The Dallas-Fort Worth CMSA includes eight counties in the Dallas PMSA (Collin, Dallas, Denton, Ellis, Henderson, Hunt, Kaufman, and Rockwall) and four counties in the Fort Worth-Arlington PMSA (Hood, Johnson, Parker, and Tarrant). Comerica's assessment area consists of all of Dallas County and contiguous portions of Collin (36 census tracts), Denton (16 tracts), and Ellis (10 tracts) Counties, as well as the eastern half of Tarrant County. Dallas County contains 66% of the census tracts in the assessment area, with 25% in Tarrant County.

As of December 31, 2001, Comerica operated 29 branches and 33 ATMs in the CMSA. These branches accounted for \$2.0 billion in deposits, or 72.7% of the bank's total branch deposits as of June 30, 2001. Comerica ranked 6th among competitors in the four-county area, with a 3.4% market share of the \$59 billion in total area deposits, according to the FDIC/OTS Summary of Deposits as of June 30, 2001. Major competitors include Bank of America, NA; Bank One, NA; Chase Manhattan Bank; and Wells Fargo Bank Texas, NA, with deposit shares of 21.3%, 19%, 10.2%, and 4.6%, respectively.

The following table depicts the demographics of the assessment area.

Dallas Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	66	10.6	48,683	6.4	18,740	38.5	146,037	19.1
Moderate-income	148	23.8	153,619	20.1	23,766	15.5	132,055	17.3
Middle-income	206	33.1	291,037	38.1	18,013	6.2	168,778	22.1
Upper-income	202	32.5	270,274	35.4	5,200	1.9	316,743	41.5
Total Assessment Area	622	100.0	763,613	100.0	65,719	8.6	763,613	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	97,720	24,203	4.0	25.3	49,458	51.7	22,059	23.0
Moderate-income	287,682	102,539	16.9	35.6	140,855	49.0	44,288	15.4
Middle-income	474,596	226,478	37.4	47.7	202,993	42.8	45,125	9.5
Upper-income	391,634	252,036	41.6	64.4	114,030	29.1	25,568	6.5
Total Assessment Area	1,251,632	605,256	100.0	48.4	507,336	40.6	137,040	11.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	7,867	5.0	6,771	5.0	808	5.2	288	4.1
Moderate-income	36,910	23.5	30,763	22.9	4,810	31.1	1,337	19.0
Middle-income	51,954	33.1	45,034	33.5	4,520	29.3	2,400	34.0
Upper-income	57,564	36.7	50,007	37.2	4,702	30.5	2,855	40.5
Tract not reported	2,718	1.7	1,948	1.4	601	3.9	169	2.4
Total Assessment Area	157,013	100.0	134,523	100.0	15,441	100.0	7,049	100.0
Percentage of Total Businesses:				85.7	9.8		4.5	

Demographic Characteristics

According to the 1990 census, the total population of the bank's Dallas assessment area is approximately 2.9 million (17% of the state's 1990 population). According to the census bureau, the population of the Dallas and Fort Worth-Arlington PMSAs increased 31.5% and 25%, respectively, during the 1990's. The assessment area includes five of the state's ten largest cities: Dallas (population 1,188,580), Arlington (332,969), Plano (222,030), and Garland (215,768).

Income Characteristics

The 1990 median family income for the assessment area was \$42,410, higher than the \$38,754 median income of PMSA 1920 (Dallas, TX) and \$37,571 for PMSA 2800 (Fort Worth-Arlington, TX). For 2001, the HUD adjusted median family income is \$63,355. Based on the

1990 census, low- and moderate-income census tracts account for 10.6% and 23.8%, respectively, of the total tracts in the area. Approximately 19% of families residing in the assessment area are low-income, 17% are moderate-income, 22% are middle-income, and almost 42% are upper-income. Approximately 8.9% of families subsist below the poverty level.

Housing Characteristics

As of 1990, the assessment area had 1.2 million housing units, which includes 48.4% owner-occupied units. Of these, almost 4% are located in low-income census tracts and 17% in moderate-income tracts. Rental units comprise 40.6% of total housing, while 11% of all units are vacant. About 55% of the housing units are single-family, 10% are 2-4 family units, and 32% are multifamily units (five or more). The 1990 median housing value of \$82,875 and median gross rent of \$462 are both higher than state averages, while the 2001 median sales price of \$130,000 in the Dallas PMSA ranks below regional and national averages. Twenty-five thousand new homes were permitted in the area in 2000 with an average value of \$165,700, and 45,800 homes were sold through the Multiple Listing Service at an average price of \$171,800.

Labor, Employment and Economic Characteristics

The Dallas-Fort Worth Metroplex is a national center for telecommunications, transportation, electronics manufacturing, data processing, conventions and trade shows, and tourism. Major area employers include the Raytheon Company, Texas Instruments, EDS, GTE, Baylor Health Care System, J.C. Penney Company, Southwestern Bell, and Bank of America. Almost 79 thousand new jobs were added in 2000, with a 4.1% growth rate that outpaced the state's 3.2% employment growth. The national economic downturn affected the Dallas area as well in 2001, however, with a net job loss and unemployment increasing from the 3.1% rate during 1999 and 2000, to an annual average of 4.8% in 2001. The Dallas PMSA labor force topped 2 million in 2001, and the average unemployment rate was just under the state's 4.9% average.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE DALLAS-FORT WORTH, TEXAS CMSA

LENDING TEST

Comerica's performance with respect to the lending test in Dallas-Ft. Worth, Texas is rated "Low Satisfactory" based on the level of small business and HMDA lending in this assessment area.

The facts and data used to evaluate the bank's performance in all of its assessment areas are shown in subsequent tables presented below. Lending activity, geographic distribution, and borrower characteristics are depicted in tabular form.

Lending Activity: Comerica's responsiveness to credit needs in the Dallas-Ft. Worth assessment area is considered adequate based on the bank's performance during the review

period. Lending activity in this AA represented 66% in 2000 and 58% in 2001 of the bank's total lending. As a result of the significant lending in this assessment area, the bank's performance in the Dallas-Ft. Worth area received the most weight in evaluating the bank's overall performance rating. Further, the predominance of business lending dictated more emphasis would be placed on those loan types. Since CRA's primary focus is on those business loans to businesses considered small and defined as those with gross annual revenues of one million dollars or less, most attention was focused on those businesses.

Small Business Lending – Dallas AA

2000 SMALL BUSINESS LOANS – DALLAS AREA								
Gross Annual Revenues (GAR)	2000 Comerica Bank-Texas				2000 Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
\$1 million or less	252	33.0	31,215	25.3	25,377	35.0	837,828	40.7
Tract Income - GAR								
\$1 million or less:								
Low-income tracts	9	3.6	1,215	3.9	894	3.5	36,438	4.4
Moderate-income tracts	53	21.0	8,866	28.4	4,531	17.9	163,163	19.5
Middle-income tracts	75	29.8	7,120	22.8	7,695	30.3	229,740	27.4
Upper-income tracts	111	44.0	13,820	44.3	11,973	47.2	371,361	44.3
Income N/A	4	1.6	194	0.6	284	1.1	37,126	4.4
Tract Income Total Small Business:								
Low-income tracts	64	8.4	7,362	6.0	2,830	3.9	97,944	4.8
Moderate-income tracts	205	26.9	41,934	34.0	15,034	20.7	498,710	24.2
Middle-income tracts	202	26.5	28,157	22.8	22,784	31.4	569,403	27.7
Upper-income tracts	278	36.4	43,924	35.6	31,144	42.9	821,455	39.9
Income N/A	14	1.8	2,105	1.7	762	1.1	69,440	3.4
Loan Size:								
\$100,000 or less	495	64.9	21,499	17.4				
\$100,001 - \$250, 000	126	16.5	22,791	18.5				
\$250,001 and up	142	18.6	79,192	64.1				
TOTAL	763	100.0	123,482	100.0	72,554	100.0	2,056,952	100.0

2001 SMALL BUSINESS LOANS – DALLAS AREA								
GAR	2001 Comerica Bank-Texas				2001 Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
\$1 million or less	221	30.2	31,328	27.6	36,678	41.5	928,670	39.4
Tract Income - GAR								
\$1 million or less:								
Low-income tracts	11	5.0	2,415	7.7	1,441	3.9	41,411	4.5
Moderate-income tracts	44	19.9	5,879	18.8	8,220	22.4	198,641	21.4
Middle-income tracts	68	30.8	8,958	28.6	11,103	30.3	258,691	27.9
Upper-income tracts	94	42.5	13,877	44.3	15,436	42.1	415,974	44.8
Income N/A	4	1.8	199	0.6	478	1.3	13,953	1.5
Tract Income								
Total Small Business:								
Low-income tracts	52	7.1	8,464	7.5	3,644	4.1	106,392	4.5
Moderate-income tracts	214	29.2	39,258	34.6	20,040	22.7	599,460	25.4
Middle-income tracts	188	25.7	23,245	20.5	27,726	31.3	657,948	27.9
Upper-income tracts	256	35.0	38,619	34.0	35,954	40.6	941,339	39.9
Income N/A	22	3.0	3,857	3.4	1,115	1.3	52,843	2.2
Loan Size:								
\$100,000 or less	490	66.9	19,869	17.5				
\$100,001 - \$250, 000	110	15.0	20,061	17.7				
\$250,001 and up	132	18.0	73,513	64.8				
TOTAL	732	100.0	113,443	100.0	88,479	100.0	2,357,982	100.0

Distribution by Revenue Size of the Business: The distribution of loans to businesses of different sizes was considered adequate. When compared with the assessment area distribution of small businesses with gross annual revenues of \$1 million or less, the bank's performance of 33% in 2000 and 30% in 2001 is significantly lower than the 86% of businesses in the AA with revenues of \$1 million or less. When compared to the performance of the aggregate lenders, the bank's performance still lags behind competitors, but is considered acceptable performance given the bank's focus on middle market lending. In the Dallas AA, the bank partnered with MBNA to originate 589 small business credit card accounts for a total of \$3.1 million. This effort indicates a recognition of the need to augment the bank's lending to small businesses.

Geographic and Borrower Distribution: Geographic and borrower distribution was adequate in this assessment area. The bank's limited HMDA lending was included in the review, but because of the small number of loans, the performance in this particular product was not a major factor in the rating.

The geographic distribution of small loans to businesses reflected excellent penetration in LMI areas and exceeded the aggregate performance. HMDA-related loan distribution was considerably weaker when compared to the aggregate. The borrower distribution for HMDA-related loans was also weak and was considerably lower than the lending to LMI borrowers by the aggregate lenders.

HMDA Lending – Dallas AA

GEOGRAPHIC DISTRIBUTION OF HMDA LOANS IN DALLAS ASSESSMENT AREA										
Census Tract Income Level	Home Purchase		Home Improvement		Refinancing		Multifamily		Total	
	#	%	#	%	#	%	#	%	#	%
2000										
Low	0	0.0	2	0.7	0	0.0	0	0.0	2	0.7
Moderate	3	10.3	9	3.3	1	100.0	2	66.7	15	4.9
Middle	5	17.2	40	14.7	0	0.0	1	33.3	46	15.1
Upper	21	72.4	221	81.3	0	0.0	0	0.0	242	79.3
2000 Total (% of Row)	29	9.5	272	89.2	1	0.3	3	1.0	305	100.0
2001										
Low	2	8.0	0	0.0	0	0.0	0	0.0	2	1.5
Moderate	0	0.0	4	4.5	0	0.0	3	37.5	7	5.3
Middle	4	16.0	17	19.1	1	10.0	4	50.0	26	19.7
Upper	19	76.0	68	76.4	9	90.0	1	12.5	97	73.5
2001 Total (% of Row)	25	18.9	89	67.4	10	7.6	8	6.1	132	100.0
GRAND TOTAL	54	12.4	361	82.6	11	2.5	11	2.5	437	100.0

As the chart above illustrates, the largest HMDA product for the bank was home improvement loans. Many of the contacts interviewed indicated a need for home improvement loans, especially in LMI areas, which are typically older neighborhoods. The bank's lending in low-income areas was less than one percent and in moderate-income areas was slightly over three percent in 2000. In 2001, no home improvement loans were originated in low-income geographies, and 4.5% of the loans were made in moderate-income geographies. For 2000, no home purchase loans were made in low-income tracts, but 10% of the loans were made in moderate-income tracts. In 2001, 8% of the home purchase loans were made in low-income tracts and no loans were made in moderate-income tracts.

DISTRIBUTION OF HMDA LOANS BY BORROWER INCOME*								
Borrower Income Level	Home Purchase		Home Improvement		Refinancing		Total	
	#	%	#	%	#	%	#	%
2000								
Low	0	0.0	6	2.2	1	100.0	7	2.3
Moderate	0	0.0	10	3.7	0	0.0	10	3.3
Middle	2	6.9	21	7.7	0	0.0	23	7.6
Upper	24	82.8	235	86.4	0	0.0	259	85.8
Income Not Available	3	10.3	0	0.0	0	0.0	3	1.0
2000 Total (% of Row)	29	9.6	272	90.1	1	0.3	302	100.0
2001								
Low	0	0.0	1	1.1	0	0.0	1	0.8
Moderate	1	4.0	2	2.2	0	0.0	3	2.4
Middle	1	4.0	9	10.1	1	10.0	11	8.9
Upper	22	88.0	77	86.5	8	80.0	107	86.3
Income Not Available	1	4.0	0	0.0	1	10.0	2	1.6
2001 Total (% of Row)	25	20.2	89	71.8	10	8.0	124	100.0
GRAND TOTAL	54	12.7	361	84.7	11	2.6	426	100.0

*Excluding multifamily since borrower income not reported for multifamily loans.

As the chart above illustrates, home improvement loans in 2000 reflected the most distribution to low- and moderate-income borrowers. Of the home improvement loans originated in 2000, 2.2% were to low-income borrowers and 3.7% were to moderate-income borrowers. In 2001, 1% of the loans were made to low-income borrowers and 2% were made to moderate-income borrowers.

DISTRIBUTION OF HMDA LOANS COMPARED TO AGGREGATE DALLAS ASSESSMENT AREA								
Borrower Income Level	2000 Comerica Bank-Texas				2000 Aggregate			
	#	%	\$	%	#	%	\$	%
Low-income	7	2.3	49	0.1	11,134	7.4	609,634	3.5
Moderate-income	10	3.3	117	0.3	25,218	16.7	1,890,838	10.8
Middle-income	23	7.5	392	0.9	31,891	21.1	2,998,060	17.1
Upper-income	259	84.9	33,804	73.6	57,985	38.3	8,491,843	48.4
Income N/A	6	2.0	11,548	25.2	25,096	16.6	3,563,766	20.3
Census Tract Income Level								
Low-income	2	0.7	8	0.0	2,773	1.8	222,320	1.3
Moderate-income	15	4.9	10,979	23.9	15,492	10.2	1,183,495	6.7
Middle-income	46	15.1	2,878	6.3	47,298	31.3	4,389,310	25.0
Upper-income	242	79.3	32,045	69.8	85,726	56.7	11,745,794	66.9
Income N/A	0	0.0	0	0.0	35	0.0	19,317	0.1
TOTAL	305		45,910		151,324		17,557,240	100.0

When compared to aggregate numbers, the bank performs less favorably than the aggregate institutions in 2000 in terms of geographic distribution of loans. The aggregate reported 1.8% of the loans in low-income tracts and 10.2% in moderate-income tracts, compared to 0.7% in low-income tracts for the bank and 4.9% in moderate tracts.

Community Development Lending: Comerica's performance in this assessment area is good. During the examination period, loans in this area totaled \$10.4 million in 2001 and \$6.7 million in 2001. The community development lending dollars were used to support affordable housing, job training, and stabilization of a moderate-income area by assisting a small business to remain in business and provide job opportunities. These efforts have been identified by community contacts as needs in this community.

INVESTMENT TEST

Comerica reported an excellent level of qualified investments for the period reviewed. The investments were made in each of the bank's assessment areas as well as state-wide investment instruments. The types of investments made illustrate a strong responsiveness to community development needs in the assessment area.

Investments in the Dallas-Ft. Worth AA in the form of LIHTCs and mortgage backed securities totaled \$2 million. In addition, the bank also provided grants and contributions targeted to affordable housing initiatives, small business assistance programs, and support for local community development programs. Charitable grants and contributions in the Dallas AA totaled \$170 thousand and benefited programs providing technical support and educational seminars for LMI borrowers, support for after-school programs targeted to at-risk LMI youth, program support for job skills training programs targeting LMI individuals and for programs providing counseling for small business owners. The bank's paid in capital of \$25 thousand in the Texas Mezzanine Fund represents 0.003 percent of the total fund capitalization of \$8.6 million. Of the 11 loans funded over the past two years totaling \$3.9 million, Comerica's share of one loan is estimated to be \$11 thousand. The bank's investment in the Southern Dallas Development Corporation's micro loan fund has yielded three micro loans totaling \$35 thousand. The bank's investment is part of a four-year commitment that targets businesses in under-served, distressed and LMI communities.

Other beneficiaries of the bank's grants and contributions include:

- The Business Assistance Center - \$5,000 donated in 2000 to provide program support for the purchase of equipment items needed for the Center. The Business Assistance Center ("BAC") provides increased job opportunities, small business ownership consulting, youth/adult training, neighborhood technical assistance and resource services to LMI residents in the city's enterprise zones
- The Oak Cliff Business Assistance Center - \$6,000 donated in 2000 to support a computer network and support of a project to build 11 new single-family affordable homes located in the southern sector of Dallas for LMI families

- The Maple Business Assistance Center – donation of \$5,000 to support access to capital efforts for entrepreneurs. The Center supports the advancement, education, and economic growth of LMI residents and assists in the development and financing of small businesses and the creation of jobs through access to capital
- The John C. Ford Program, Inc. – a total of \$12,000 donated in 2000 and 2001 to support the organization’s inner-city Telecommunications Center programs combining quality job training and education to help revitalize urban LMI communities, providing skills for economic self-sufficiency
- The Center for Housing Resources – bank donated a total of \$7,500 in 2000 and 2001 to support the expansion of their home repair and weatherization program to assist in the rehabilitation of homes for LMI elderly and disabled homeowners
- The Inner-city Community Development Corporation – contribution of \$6,500 to support the Computer Network System which will improve the technology supporting the programs of the organization, including cultivating emerging businesses in LMI areas of South Dallas/Fair Park and also to support the Community Development and Neighborhood Revitalization program in that area.

The major portion of Comerica’s investments was concentrated in LIHTCs which are considered complex because of the accounting and monitoring requirements. Further, community contacts have indicated the participation in LIHTCs is difficult because of the fierce competition for the limited projects. The bank’s overall investment strategy is indicative of efforts to respond to the most pressing needs identified for this community.

SERVICE TEST

Under the service test, Comerica is rated “High Satisfactory”. This is based on the accessibility of the bank’s delivery systems and technical assistance provided to various organizations.

Retail Services: The bank’s delivery systems were accessible to essentially all geographies and individuals of different income levels in the AAs. Comerica’s use of alternate delivery systems enhanced the distribution of banking services throughout the assessment area, including the bank’s ATM network. Products and services did not vary in a way that inconvenienced certain portions of the assessment areas, particularly LMI geographies and individuals. The bank offers Budget Checking, which is a low-cost checking account that might be appealing to low- and moderate-income persons because the account has no minimum balance requirement, requires \$50 to open, provides optional overdraft protection, and allows ten withdrawals per statement cycle. Branch hours of operation are reasonable and drive-thru locations operate on extended hours to ensure accessibility to members of the community. No branches were opened or closed in this assessment area during the review period. The location of branch offices in grocery stores in the assessment area also facilitated extended service opportunities. Comerimart locations operated under extended service hours, including Saturdays.

DISTRIBUTION OF BRANCHES AND ATMS DALLAS ASSESSMENT AREA				
Census Tract Income Level	Branches		ATMs	
Low-income	1	3.5%	1	3.0%
Moderate-income	6	20.7%	7	21.2%
Middle-income	7	24.1%	8	24.3%
Upper-income	15	51.7%	17	51.5%
Total	29	100.0%	33	100.0%

Examples of alternative services offered in the Dallas-Ft. Worth Assessment Area include:

- **Online Banking** – consisting of Comerica Web Banking, Quicken Online Banking with Comerica, Quicken for Business, QuickBooks, Microsoft Money Online Banking with Comerica, and Telephone Bill Pay.
- **On the Job Banking** - this service is offered to businesses throughout Texas, many of which are located in low- and moderate-income income areas. Employees receive such benefits as direct deposit of pay checks, waiver of monthly maintenance fees, employees approved for fixed rate installment loans with Comerica receive a 50 basis point rate discount when automated loan payments are made from the On the Job Banking Checking account, and employees are eligible for discounts of 25% on rental fees for safe deposit boxes.

Community Development Services: Comerica provided a high level of community development services in the Dallas-Ft. Worth assessment area. Representatives from the bank utilized their financial expertise to provide technical assistance to small businesses in LMI areas through their work with the Business Assistance Centers serving various communities in the assessment area. Bank representatives provided assistance to small business owners by reviewing and providing advice on loan package construction, business plan content, and bank financing options. A bank staff member serves on the selection committee for the city of Dallas’ Housing Department. As a member of the committee, the staff member reviews, ranks, and recommends HOME funding for Community Housing Development Organizations. In addition, a bank officer serves on the advisory board of the Dallas Affordable Housing Coalition. As a member of this advisory board, the Comerica officer provides technical expertise to help the coalition develop affordable housing for LMI families in Dallas. A representative of the bank provided technical assistance at four meetings hosted by the Plano Housing Authority. The purpose of the meetings was to discuss the financing options for projects to build low-income housing in east Plano. In addition, a bank officer also serves as president of the board of directors of the Plano Housing Corporation, which seeks to provide new and rehabilitated housing for LMI members of Plano. The bank also sponsors Comerica’s Youth Incentive Savings Program which is designed to provide a basic knowledge of banking, the importance of saving, and how to make a bank deposit to students attending schools in LMI areas. As a result of the savings program, students learn the value of savings and how basic math applies to the real world.

HOUSTON-GALVESTON-BRAZORIA, TX CMSA 42

(Reviewed using full-scope examination procedures)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CMSA

The Houston-Galveston-Brazoria CMSA includes six counties in the Houston PMSA (Chambers, Fort Bend, Harris, Liberty, Montgomery, and Waller) and one each in the Brazoria PMSA (Brazoria) and Galveston-Texas City PMSA (Galveston). Comerica's assessment area consists of all of Harris County and contiguous portions of Fort Bend (39 census tracts), Brazoria (5 tracts), and Galveston (3 tracts) Counties. The assessment area is dominated by Harris County, which contains 92% of the census tracts and the majority of the population.

As of December 31, 2001, Comerica operated 15 branches and 20 ATMs in the CMSA. These branches accounted for \$603.5 million in deposits, or 21.6% of the bank's total branch deposits as of June 30, 2001. Comerica ranked 12th among competitors in the four-county area, with a 0.96% market share of the \$63 billion in total area deposits, according to the FDIC/OTS Summary of Deposits as of June 30, 2001. Major competitors include Chase Manhattan Bank; Bank of America, NA; Wells Fargo Bank Texas, NA; and Bank One, NA, with deposit shares of 33.4%, 9.9%, 7.3%, and 6.1%, respectively.

The table below depicts the demographics of the assessment area.

Houston Assessment Area Demographics

Income Categories	Tract Distribution*		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	74	12.1	58,329	7.5	22,463	38.5	171,785	22.2
Moderate-income	182	29.6	194,000	25.1	39,900	20.6	127,374	16.5
Middle-income	186	30.2	253,073	32.7	21,995	8.7	156,411	20.2
Upper-income	173	28.1	268,078	34.7	8,076	3.0	317,910	41.1
Total Assessment Area	615	100.0	773,480	100.0	92,434	12.0	773,480	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	113,237	31,158	5.3	27.5	57,373	50.7	24,796	21.9
Moderate-income	342,085	123,367	20.9	36.1	163,470	47.8	55,248	16.2
Middle-income	407,018	191,610	32.4	47.1	171,585	42.2	43,823	10.8
Upper-income	394,267	245,350	41.4	62.2	118,984	30.2	29,933	7.6
Total Assessment Area	1,256,697	591,485	100.0	47.1	511,412	40.7	153,800	12.2
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	9,432	6.5	8,065	6.4	965	6.6	402	6.1
Moderate-income	37,272	25.3	31,400	25.0	4,344	29.4	1,528	23.3
Middle-income	45,526	30.9	38,719	30.8	4,709	31.8	2,098	31.9
Upper-income	54,480	37.0	47,297	37.6	4,653	31.5	2,530	38.5
Tract not reported	417	0.3	302	0.2	104	0.7	11	0.2
Total Assessment Area	147,127	100.0	125,783	100.0	14,775	100.0	6,569	100.0
Percentage of Total Businesses:				85.5	10.0		4.5	

*Tract Distribution excludes 14 census tracts with 0 population and/or housing units.

Demographic Characteristics

According to the 1990 census, the total population of the bank's Houston assessment area is approximately 3.1 million (18% of the state's 1990 population). Harris County is the largest in the state and largest of the six counties that comprise the Houston PMSA, containing 85% of the PMSA's total population. According to the Census Bureau, Harris County's population grew 21% during the 1990's, standing at 3.4 million as of the 2000 census. Fort Bend County, meanwhile, grew 57%, and Brazoria and Galveston Counties increased 26% and 15%, respectively. The assessment area includes Houston (population 1,953,631), the largest city in Texas and fourth-largest in the nation; Pasadena (141,674); Baytown (66,430); Sugar Land (63,328); Missouri City (52,913); Pearland (37,640); Friendswood (29,037); and Katy (11,775).

Income Characteristics

The 1990 median family income for the assessment area was \$40,266, higher than the \$36,886 median income of PMSA 3360 (Houston, TX), \$39,344 for PMSA 1145 (Brazoria, TX), and \$35,403 for PMSA 2920 (Galveston, TX). For 2001, the HUD adjusted median family income is \$58,460. Based on the 1990 census, low- and moderate-income census tracts account for 12% and 30%, respectively, of the total tracts in the area. Approximately 22% of families residing in the assessment area are low-income, 17% are moderate-income, 20% are middle-income, and 41% are upper-income. Approximately 12% of families subsist below the poverty level.

Housing Characteristics

As of 1990, the assessment area had 1.3 million housing units, which includes 47% owner-occupied units. Of these, 5% are located in low-income census tracts and 21% in moderate-income tracts. Rental units comprise 41% of total housing, while 12% of all units are vacant. About 56% of the housing units are single-family, 9% are 2-4 family units, and 32% are multifamily units (five or more). The 1990 median housing value of \$72,972 and median gross rent of \$419 are both higher than state averages. Twenty-four thousand new homes were permitted in the area in 2000 with an average value of \$136,500, and 52,147 homes were sold through the Multiple Listing Service at an average price of \$153,500. According to the Real Estate Center at Texas A&M University, approximately 62% of Houston area residents can afford the median-priced home

According to estimates by the Harris County Appraisal District and Harris County Emergency Management, apartments and residential properties in the county sustained about \$1.76 billion damage from the June 2001 flooding caused by Tropical Storm Allison. An estimated 2,744 homes and 696 mobile homes were destroyed by the flooding.

Labor, Employment and Economic Characteristics

The Houston economy enjoyed economic diversification in the 1990's, growing from a primarily oil-dependent economy to today's highly industrialized corporate management and international business center and a center for energy, space and medical research. The petrochemical industry continues to employ approximately half of Houston's workforce; however, that industry has achieved a better balance between exploration and drilling and petroleum processing in refineries and chemical companies. Houston is headquarters to 18 of the Fortune 500 companies. Major area employers include the Texas Medical Center, Johnson Space Center, Compaq Computer, Shell Oil, Reliant Energy, American General Insurance, and Continental Airlines. The county boasts the nation's largest concentration of petrochemical plants, the largest U.S. wheat-exporting port, and ranks among the top U.S. ports in the value of foreign trade and total tonnage. Harris County's labor force has grown over 16 percent since 1990, totaling 1.8 million as of December 2001. Unemployment continued into its fourth year of decade lows, averaging 4.5% in 2001.

Houston offers a number of incentive programs to encourage economic development, including tax abatements, Enterprise Zones, and Tax Increment Reinvestment Zones. In addition, a twenty square mile area including Houston’s central business district is a federally designated Enhanced Enterprise Community, with access to new economic development financing programs for micro-enterprise and small business loans as well as large scale development projects through the EDI/Section 108 Loan Guarantee Program.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE HOUSTON-GALVESTON-BRAZORIA, TX CMSA

LENDING TEST

Comerica’s performance under the lending test in the Houston Assessment area was acceptable. Lending activity, geographic distribution and borrower distribution were adequate, while community development lending activity was good. The bank’s lending to those businesses considered “small” was limited, but the overall distribution of small business loans, regardless of the annual revenues of the business, in the AA was impressive.

Lending Activity: Comerica’s performance under the lending test in this assessment area is adequate. The bank originated an acceptable number of loans during the review period. Of the loans originated in the Houston assessment area, 92% of the loans were small business loans. Therefore, the focus of the analysis will be on the bank’s performance in small business lending.

2000 SMALL BUSINESS LOANS – HOUSTON AREA								
	2000 Comerica Bank-Texas				2000 Aggregate			
GAR	#	%	\$000’s	%	#	%	\$000’s	%
\$1 million or less	159	38.1	24,690	39.6	29,374	39.2	1,218,513	48.7
Tract Income - GAR								
\$1 million or less:								
Low-income tracts	4	2.5	1,174	4.7	1,333	4.5	54,800	4.5
Moderate-income tracts	37	23.3	5,164	20.9	6,220	21.2	276,680	22.7
Middle-income tracts	50	31.4	7,766	31.5	9,114	31.0	362,773	29.8
Upper-income tracts	68	42.8	10,586	42.9	12,655	43.1	521,029	42.8
Income N/A	0	0.0	0	0.0	52	0.2	3,231	0.3
Tract Income								
Total Small Business:								
Low-income tracts	20	4.8	2,220	3.6	3,557	4.7	129,522	5.2
Moderate-income tracts	122	29.3	19,638	31.5	16,850	22.5	609,351	24.4
Middle-income tracts	129	30.9	18,485	29.7	23,613	31.5	758,877	30.3
Upper-income tracts	141	33.8	20,730	33.3	30,717	41.0	992,253	39.7
Income N/A	5	1.2	1,263	2.0	189	0.3	10,877	0.4
Loan Size:								
\$100,000 or less	260	62.4	9,985	16.0				
\$100,001 - \$250, 000	74	17.7	13,103	21.0				
\$250,001 and up	83	19.9	39,248	63.0				
TOTAL	417	100.0	62,336	100.0	74,926	100.0	2,500,880	100.0

2001 SMALL BUSINESS LOANS – HOUSTON AREA								
GAR	2001 Comerica Bank-Texas				2001 Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
\$1 million or less	218	42.8%	29,191	35.5%	35,317	41.0	1,358,867	46.3
Tract Income - GAR								
\$1 million or less:								
Low-income tracts	14	6.4	2,768	9.5	1,593	4.5	59,540	4.4
Moderate-income tracts	44	20.2	5,377	18.4	7,205	20.4	279,701	20.6
Middle-income tracts	77	35.3	10,349	35.5	13,196	37.4	409,555	30.1
Upper-income tracts	81	37.2	10,659	36.5	13,257	37.5	606,197	44.6
Income N/A	2	0.9	38	0.1	66	0.2	3,874	0.3
Tract Income								
Total Small Business:								
Low-income tracts	27	5.3	3,637	4.4	4,011	4.7	145,707	5.0
Moderate-income tracts	136	26.7	21,501	26.2	18,635	21.6	667,906	22.8
Middle-income tracts	145	28.5	20,834	25.3	30,326	35.2	920,254	31.3
Upper-income tracts	188	36.9	34,443	41.9	32,917	38.2	1,186,430	40.4
Income N/A	13	2.6	1,786	2.2	238	0.3	15,348	0.5
Loan Size:								
\$100,000 or less	330	64.8	13,121	16.0				
\$100,001 - \$250, 000	74	14.5	12,923	15.7				
\$250,001 and up	105	20.6	56,157	68.3				
TOTAL	509	100.0	82,201	100.0	86,127	100.0	2,935,645	100.0

Distribution by Revenue Size of the Business: The distribution of loans to businesses of different sizes is considered adequate. The bank's performance is indicative of the business strategy to lend primarily to middle market businesses. The assessment area's distribution of businesses with gross annual revenues of a million dollars or less is almost 86%. Comerica's lending to those businesses was 38% in 2000 and 43% in 2001. When compared to the aggregate, the bank's performance in 2000 is slightly lower than the aggregate of 39% and slightly higher than the aggregate of 41% in 2001. To address the small business lending deficiency, the bank partnered with MBNA to offer credit cards to small businesses. In the Houston AA, 194 such accounts totaling \$936,700 were opened.

Geographic and Borrower Distribution: Geographic and borrower distribution was good for the loans reviewed. The geographic distribution for small loans to businesses with gross annual revenues of one million dollars or less was excellent, particularly in the moderate-income tracts. Lending in low- and moderate-income tracts for small loans to all businesses was also very good, with almost 5% in low-income tracts in 2000 and 5.3% in low-income tracts in 2001. Lending in moderate-income tracts in 2001 was 20% and was 23% in 2000. When compared to the performance of the aggregate, Comerica's lending in low-income tracts was slightly below the aggregate in 2000, and slightly above in 2001. Aggregate lending in moderate-income tracts was slightly lower than Comerica's performance in 2000 and virtually the same in 2001. No lending gaps were noted in contiguous geographies in the assessment area.

As stated previously, the limited number of mortgage loans originated by Comerica dictates that HMDA loans have minimal bearing on the bank's overall performance. For instance, the bank originated eight home purchase, 37 home improvement, one refinance, and two multi-family loans in 2000 and similarly, seven home purchase, 20 home improvement, two refinance, and one multi-family loans in 2001. This is to be expected given the bank's business strategy. The bank's level of performance in HMDA-related lending was below the aggregate in 2000 for borrower income levels in both low- and moderate-income tracts. Geographic distribution in the Houston assessment area for Comerica was above the aggregate in low-income tracts and below the aggregate performance in moderate-income tracts. The following charts detail the bank's performance in regards to HMDA loans.

HMDA Lending – Houston AA

GEOGRAPHIC DISTRIBUTION OF HMDA LOANS IN HOUSTON ASSESSMENT AREA										
Census Tract Income Level	Home Purchase		Home Improvement		Refinancing		Multifamily		Total	
	#	%	#	%	#	%	#	%	#	%
2000										
Low	0	0.0	1	2.7	1	100.0	1	50.0	3	6.3
Moderate	1	12.5	1	2.7	0	0.0	1	50.0	3	6.3
Middle	1	12.5	6	16.2	0	0.0	0	0.0	7	14.6
Upper	6	75.0	29	78.4	0	0.0	0	0.0	35	72.9
2000 Total (% of Row)	8	16.7	37	77.1	1	2.0	2	4.2	48	100.0
2001										
Low	0	0.0	1	5.0	0	0.0	0	0.0	1	3.3
Moderate	1	14.3	2	10.0	0	0.0	1	100.0	4	13.4
Middle	0	0	1	5.0	0	0.0	0	0.0	1	3.3
Upper	6	85.7	16	80.0	2	100.0	0	0.0	24	80.0
2001 Total (% of Row)	7	23.3	20	66.7	2	6.7	1	3.3	30	100.0
GRAND TOTAL	15	19.2	57	73.1	3	3.8	3	3.8	78	100.0

DISTRIBUTION OF HMDA LOANS BY BORROWER INCOME*								
Borrower Income Level	Home Purchase		Home Improvement		Refinancing		Total	
	#	%	#	%	#	%	#	%
2000								
Low	0	0.0	1	2.7	0	0.0	1	2.2
Moderate	0	0.0	3	8.1	0	0.0	3	6.5
Middle	0	0.0	6	16.2	0	0.0	6	13.0
Upper	8	100.0	27	73.0	1	100.0	36	78.3
2000 Total (% of Row)	8	17.4	37	80.4	1	2.2	46	100.0
2001								
Low	0	0.0	1	5.0	0	0.0	1	3.4
Moderate	0	0.0	2	10.0	0	0.0	2	6.9
Middle	0	0.0	3	15.0	0	0.0	3	10.4
Upper	7	100.0	14	70.0	1	50.0	22	75.9
Income Not Available	0	0.0	0	0.0	1	50.0	1	3.4
2001 Total (% of Row)	7	24.1	20	69.0	2	6.9	29	100.0
GRAND TOTAL	15	20.0	57	76.0	3	4.0	75	100.0

*Excluding multifamily since borrower income not reported for multifamily loans.

DISTRIBUTION OF HMDA LOANS COMPARED TO AGGREGATE								
Borrower Income Level	2000 Comerica				2000 Aggregate			
	#	%	\$	%	#	%	\$	%
Low-income	1	2.1	4	0.0	9,204	7.4	441,653	3.4
Moderate-income	3	6.3	28	0.2	22,135	17.9	1,450,526	11.0
Middle-income	6	12.5	81	0.6	25,970	21.0	2,275,091	17.3
Upper-income	36	75.0	4,262	29.6	47,893	38.7	6,594,174	50.1
Income N/A	2	4.2	10,005	69.6	18,687	15.1	2,406,656	18.3
Census Tract Income Level								
Low-income	3	6.3	10,060	70.0	2,446	2.0	215,086	1.6
Moderate-income	3	6.3	652	4.5	14,007	11.3	1,041,159	7.9
Middle-income	7	14.6	366	2.5	42,919	34.6	3,790,001	28.8
Upper-income	35	72.9	3,302	23.0	64,504	52.1	8,120,344	61.7
Income N/A	0	0.0	0	0.0	13	0.0	1,510	0.0
TOTAL	48	100.0	14,380	100.0	123,889	100.0	13,168,100	100.0

When compared to the aggregate institutions in the Houston AA, the bank's performance lags behind for the most part. The distribution by borrower income was 7.4% to low-income borrowers and 17.9% to moderate-income borrowers for the aggregate lenders, compared to 2.1% and 6.3% to low- and moderate-income borrowers, respectively, for Comerica. Geographic distribution for the bank was 6.3% in low- and moderate-income tracts. The Aggregate lenders reported 2% in low-income tracts and 11.3% in moderate-income tracts. The bank's lending in low-income census tracts was above the aggregate.

Community Development Lending: The bank's level of community development lending is good for the period reviewed. During that period, the bank made loans totaling \$35.4 million for all assessment areas, with \$17.2 million originated in the Houston assessment area in 2000 and \$1.1 million in 2001. The community development loans were targeted to affordable housing primarily, for the renovation and acquisition of affordable multi-family homes as well as stabilization of a low-income area through a loan to a business located in a low-income tract, and provides jobs to individuals from the surrounding area. The purposes for which the community development loans were made are in line with the needs expressed by some of the community contacts.

INVESTMENT TEST

Comerica's level of qualified community development investments and contributions for all assessment areas is significant. The types of investments in which the bank has chosen to participate demonstrate responsiveness to the needs in the community.

Of the investments reviewed for this area, LIHTCs and mortgage-backed securities equaled \$1.6 million targeted for the Houston area. In-kind contributions as well as grants and donations comprised the other areas of Comerica's investments. The bank's participation in the LIHTC program is commended because these investments are considered complex due to the accounting and monitoring requirements, as well as the sense from many members of the community that participation in these investments is difficult to achieve. The bank's participation in local LIHTCs benefiting their assessment areas as well as statewide tax credit programs is strong and indicates the bank's recognition of the importance of this type of investment in meeting many of the housing needs for low- and moderate-income members of their communities. Additional contributions/donations in this AA totaled \$139,227. Beneficiaries of contributions and in-kind donations consisted of organizations dedicated to small business assistance, housing provision and rehabilitation, education, and other social services in low- and moderate-income areas. These organizations include:

- Third Coast Community Development Corporation – total of \$25,000 donated in 2000 and 2001 in support of the organization's Management and Technical Assistance programs which provide small business loans
- Texas Southern University (TSU)/Third Ward Community Development Corporation – a total of \$4,000 donated in 2000 and 2001 to support the Residential Life Management Program and the Cash Flow Management Assistance Program, which focus on the enhancement of housing and economic opportunities for LMI residents of Third Ward
- Fifth Ward Community Development Corporation - \$3,000 donated in 2001 in support of the organization's Housing Counseling and Low-Income Homebuilding Program

- Acres Homes Citizens Chamber of Commerce – donations totaling \$6,270 in support of the Business and Economic Development Program, Youth Entrepreneur Program, the Capacity Building and Organization Development Programs, all which will assist in business development, housing, and provision of social services for LMI members of a traditionally under-served LMI community
- ACCION Texas of Houston – a total of \$2,000 donated in 2000 and 2001 to provide support for the small business initiatives targeted to micro-entrepreneurs to help strengthen their businesses, stabilize their incomes, create additional employment, and enable them to contribute to the economic revitalization of their communities.

SERVICE TEST

Under the service test, Comerica is rated “High Satisfactory”. The bank’s performance is based on the accessibility of the bank’s delivery systems and technical assistance provided to various organizations.

Retail Services: The bank’s delivery systems were accessible to essentially all geographies and individuals of different income levels in the AAs. Comerica’s use of alternate delivery systems enhanced the distribution of banking services throughout the assessment area, including the bank’s automated teller machine network. Products and services did not vary in a way that inconveniences certain portions of the assessment areas, particularly LMI geographies and individuals. The bank offers Budget Checking, which is a low-cost checking account that might be appealing to low- and moderate-income persons because the account has no minimum balance requirement, requires \$50 to open, provides optional overdraft protection, and allows ten withdrawals per statement cycle. Branch hours of operation are reasonable and drive-thru locations operate on extended hours to ensure accessibility to members of the community. No branches were opened or closed in this assessment area during the review period. The location of branch offices in grocery stores in the assessment area also facilitated extended service opportunities. Comerimart locations operated under extended service hours, including Saturdays.

DISTRIBUTION OF BRANCHES AND ATMS HOUSTON ASSESSMENT AREA				
Census Tract Income Level	Branches		ATMs	
Low-income	0	0.0%	0	0.0%
Moderate-income	3	20.0%	4	20.0%
Middle-income	2	13.3%	2	10.0%
Upper-income	9	60.0%	13	65.0%
Income N/A	1	6.7%	1	5.0%
Total	15	100.0%	20	100.0%

Examples of alternative services offered in the Houston Assessment Area include:

- **Online Banking** – consisting of Comerica Web Banking, Quicken online Banking with Comerica, Quicken for Business, QuickBooks, Microsoft Money Online Banking with Comerica, and Telephone Bill Pay.
- **On the Job Banking** - this service is offered to businesses throughout Texas, many of which are located in low- and moderate-income income areas. Employees receive such benefits as direct deposit of pay checks, waiver of monthly maintenance fees, employees approved for fixed rate installment loans with Comerica receive a 50 basis point rate discount when automated loan payments are made from the On the Job Banking Checking account, and employees are eligible for discounts of 25% on rental fees for safe deposit boxes.

Community Development Services: Comerica provided a high level of community development services in the Houston assessment area. A bank officer utilized financial expertise to provide technical assistance to disadvantaged business owners through service on the micro-loan committee of the CDC Association of Greater Houston. The CDC Association of Greater Houston's mission is to enhance economic and community development in Harris County and the surrounding area, through the facilitation of job growth for low- and moderate-income individuals, growth and development of small business projects by providing small businesses with alternative access to financial and management assistance. A bank representative provided technical expertise as a member of the Board of Directors of the Houston Credit Coalition and served as a speaker for the "Fundamentals of Good Credit" courses. In addition, a bank staff member served on the loan committee for Third Coast Community Development Corporation and 14 loans were closed, with Comerica having a pro rata share of those loans. Third Coast Community Development Corporation serves to promote, stimulate, develop, and advance the business, employment, and economic welfare of LMI citizens and businesses of a seven-county area in and around Houston. A representative from the bank assisted Acres Homes Citizens Chamber of Commerce through the processing of mortgage applications for citizens in this low- and moderate-income community. The chamber of commerce serves many functions, including providing social services that are responsive to the needs this community. The bank also sponsors Comerica's Youth Incentive Savings Program which is designed to provide a basic knowledge of banking, the importance of saving, and how to make a bank deposit to students attending schools in LMI areas. Through the savings program, students learn the value of savings and how basic math applies to the real world.

LIMITED-REVIEW
AUSTIN-SAN MARCOS, TX MSA 0640

(Reviewed using limited-scope examination procedures)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MSA

Within the Austin-San Marcos, TX MSA, Comerica serves only Travis County, which contains 65% of the MSA's population and the state capital in Austin. The entire MSA includes Bastrop, Caldwell, Hays, Travis, and Williamson Counties. As of December 31, 2001, Comerica operated 5 branches and 6 ATMs in the MSA. These branches accounted for \$158.6 million in deposits, or 5.7% of the bank's total branch deposits as of June 30, 2001. Comerica ranked 9th among competitors in the MSA, with a 1.8% market share of the \$8.8 billion in total Travis County deposits, according to the FDIC/OTS Summary of Deposits as of June 30, 2001. Major competitors include Bank of America, NA; Wells Fargo Bank Texas, NA; Bank One, NA; and Chase Manhattan Bank, with deposit shares of 23.8%, 17.7%, 16%, and 10%, respectively.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE AUSTIN-SAN MARCOS, TX MSA`

The level of activity in the Austin AA is limited and thus the impact of this assessment area on the rating of the bank's overall performance is negligible. The Austin assessment area accounted for 80 small business loans in 2000 and 75 such loans in 2001. The percentage of loans to businesses with gross annual revenues of one million dollars or less exceeded the aggregate by almost 12 percent in 2000, but was two percent above the aggregate in 2001. HMDA-related loans originated during 2000 and 2001 totaled 18 and the geographic and borrower distribution was similar to that of the other assessment areas. The bank's overall performance in the lending, investment, and service tests in this AA is consistent with the institution's performance overall.

CRA APPENDIX A

GLOSSARY

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 metropolitan area/assessment area.

Block numbering area (“BNA”): A statistical subdivision of a county for grouping and numbering blocks in nonmetropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census tract: 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 statistical 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.

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 nonrelatives 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 householder 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 U.S. 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 statistical area to file annual summary reports of their mortgage lending activity. The reports include data such as race, gender and income of applications, amount of loan requested, and disposition of the application (e.g., approved, denied and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings 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.

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.

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).

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 metropolitan area/assessment area.

Metropolitan area (“MA”): Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”), or consolidated metropolitan statistical area (“CMSA”), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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

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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate 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 Call Report. These loans have original amounts of \$500 thousand or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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.