

**PUBLIC DISCLOSURE**

May 17, 1999

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

F & M Bank-Winchester  
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Winchester, Virginia 22604

**Federal Reserve Bank of Richmond  
P. O. Box 27622  
Richmond, Virginia 23261**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**GENERAL INFORMATION**

The Community Reinvestment Act (CRA) requires each Federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of F & M Bank-Winchester, Winchester, Virginia, prepared by The Federal Reserve Bank of Richmond, the institution's supervisory agency, as of May 17, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A of 12 CFR Part 228.

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

The bank primarily serves its assessment area through direct lending and offers a variety of credit products. A substantial majority of the institution's loans were extended in the assessment area. Furthermore, the geographic distribution of loans and lending to borrowers of varying incomes and to businesses of different sizes is considered responsive to area credit needs. Delivery systems and branch locations are considered readily accessible to all segments of the assessment area. The institution also provides a variety of products and services through various means to meet the needs of local residents. Participation in qualified community development investments, however, has been limited. The bank has not received any complaints regarding its CRA performance since the previous evaluation.

The following table indicates the performance level of F & M Bank-Winchester with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>F &amp; M Bank-Winchester</u>		
	PERFORMANCE TESTS		
	LENDING TEST *	INVESTMENT TEST	SERVICE TEST
Outstanding	X		
High Satisfactory			X
Low Satisfactory			
Needs to Improve		X	
Substantial Noncompliance			

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

#### DESCRIPTION OF INSTITUTION

F & M Bank-Winchester operates 29 full-service branches within northern Virginia. Specifically, branches are located in the City of Winchester and in Frederick, Shenandoah, Warren, Clarke, Rappahannock, and Loudoun Counties. The institution is headquartered in the City of Winchester, Virginia, and is a subsidiary of F & M National Corporation. F & M National Corporation is a multi-bank holding company also based in Winchester, Virginia. As of March 31, 1999, the bank had \$802 million in assets of which 63% was in loans and 24% was in securities. Various credit products are available through the institution including business, consumer, and residential mortgage loans. The loan portfolio as of March 31, 1999, was comprised of 72% real estate secured (including consumer and business), 15% consumer, 11% business/ agricultural, and 2% other. Since the previous examination, loans and deposits have increased by .5% and 13%, respectively, while assets decreased 2% overall. The bank's previous CRA rating was satisfactory.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

### LENDING TEST

#### Lending Activity

The institution primarily serves its market through direct lending and offers a variety of credit products. During a seven-quarter period ending March 31, 1999, the quarterly average loan-to-deposit ratio for all banks headquartered in metropolitan and nonmetropolitan areas of Virginia and of similar asset size to F & M-Winchester Bank ranged from 73% to 76% and 76% to 80%, respectively. The bank's average loan-to-deposit ratio for the same seven-quarter period is 72%. This level of lending is slightly below similarly situated banks, but is considered responsive to area loan demand given the institution's size, location, and financial capacity.

As identified in the CRA Public file, a full range of credit products is offered including consumer, small business, residential mortgage, home improvement, and commercial loans. The following chart depicts the number and dollar amount of originated loans for the institution during the time period noted.

F & M BANK LOAN ORIGINATIONS FOR 1998				
Loan Type	Total Loans	Percentage of Lending	Total Dollar Amount (000's)	Percentage of Lending
REAL ESTATE PURCHASE AND REFINANCE*	264	2%	20,305	11%
HOME IMPROVEMENT*	373	3%	3,575	2%
RESIDENTIAL CONSTRUCTION	28	<1%	14,725	8%
R/E SECURED – COMMERCIAL	96	1%	38,073	20%
COMMERCIAL/AGRICULTURE	793	6%	42,402	22%
INSTALMENT	6,256	49%	41,207	22%
INDIRECT INSTALMENT	635	5%	5,399	3%
SINGLE PAYMENT	849	7%	4,485	2%
HOME EQUITY LINES OF CREDIT	50	<1%	2,013	1%
CREDIT CARD	3,323	26%	17,807	9%
OVERDRAFT PROTECTION	69	1%	637	<1%
TOTAL	12,736	100%	190,628	100%

\* These figures reflect lending activity as reported on the bank's 1998 Home Mortgage Disclosure Act (HMDA) loan application register (LAR).

As illustrated above, the majority of the loans extended were for consumer installment purposes (49%) while the majority of dollar amounts were for commercial-related loans (42%). Direct consumer installment products include automobile loans and unsecured and secured loans, all which vary in term from six to 60 months. Commercial loan activity comprised only 7% of total loan volume but over 40% of total dollar amounts. Commercial products include loans for cash flow, inventory, start-up, and farm purposes, as well as Small Business Administration loans (SBA). Since the previous examination, ten SBA loans totaling \$5.9 million have been originated (two of which were section 504 loans).

F & M Bank-Winchester's volume of HMDA and small business lending from September 1997 to December 1998 is represented in the following table by number and dollar amounts. Additionally, consumer loans sampled during the examination are also included in the chart below. The sample included motor vehicle secured, other secured, and other unsecured loans, and home equity lines of credit. These figures represent lending activity within both the metropolitan and nonmetropolitan assessment areas.

Comparison of Credit Extended Inside and Outside of Assessment Areas

	Small Business*		Consumer		HMDA*		Total	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
Number of Loans	961	95	771	82	8,456	1,054	10,188	1,231
Percentage of Loans	91%	9%	90%	10%	89%	11%	89%	11%
Amount of Loans (000's)	\$50,084	\$3,951	\$29,106	\$3,318	\$59,964	\$7,959	\$139,154	\$15,228
Percentage of Amount	93%	7%	90%	10%	88%	12%	90%	10%

\* The institution is required to collect information about these types of loans.

As depicted above, a substantial majority of the number (89%) and dollar amounts (90%) of the loans were provided to assessment area residents. Overall, the percentage of loans made in the assessment areas is considered highly responsive to community credit needs.

The analysis of small business, HMDA, and consumer loans is discussed in greater detail later in the report. The analysis of loans to individuals of varying incomes and to businesses of different sizes reveals a responsive distribution. Loan penetration among moderate-, middle-, and upper-income geographies also appears reasonable given area credit needs.

**INVESTMENT TEST**

The institution's level of responding to community development needs through its investment activities is rated needs to improve. Qualified community development investments include an investment with the City Light Development Corporation (CDC) and a small number of donations made to local charitable organizations whose operations primarily serve low- and moderate-income individuals or areas.

**SERVICE TEST**

The rating of the institution under the service test is high satisfactory. Delivery systems and branch locations are considered readily accessible, and the hours of operation are convenient to all portions of the assessment area. Further, the bank's offerings of community development services are considered innovative and responsive.

**COMPLIANCE WITH ANTIDISCRIMINATION LAWS AND REGULATIONS**

No credit practices inconsistent with the substantive provisions of the fair housing and fair lending laws and regulations were identified. Technical violations of the Equal Credit Opportunity Act's Regulation B and the HMDA's Regulation C were noted. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

**METROPOLITAN ASSESSMENT AREAS**  
(for metropolitan areas with some or all assessment areas reviewed using the examination procedures)

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN CLARK-LOUDOUN-WARREN COUNTY ASSESSMENT AREA:**

The bank's assessment area includes all of Clark, Loudoun and Warren Counties located in northwest Virginia. The assessment area is part of the Washington, D. C. Metropolitan Statistical Area (MSA) and contains 29 census tracts. Of the 29 tracts, one is low-income, 11 are moderate-income, 16 are middle-income and one is upper-income. The one low income-tract is unpopulated. Twelve of the bank's full-service branches serve this area. According to the 1990 census data, the market has a population of 124,372 and a median housing value of \$150,020. The owner-occupancy rate for the assessment area is 67%, which exceeds the rate for the MSA (57%) and for the state of Virginia (61%). The 1997 and 1998 median family incomes for the MSA were \$70,300 and \$72,300, respectively.

The following table provides demographics for the metropolitan assessment area by the income level of families and the percentage of population living in census tracts of varying income levels. Also included are owner-occupancy and poverty rates for each geographic area.

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	18%	21%	29%	32%	100%
Percentage of Population Residing in Census Tracts by Income Level of					

Tract	0%	37%	59%	4%	100%
Percentage of Owner-Occupied Units by Income Level of Tract	N/A	36%	60%	4%	100%
Percentage of Families Below Poverty Level by Income of Tract	N/A	6%	1%	2%	N/A

The assessment area's close proximity to Washington, D. C. and surrounding areas provides employment for a large number of residents. Employment opportunities are provided by the manufacturing, retail, and tourism industries and by federal and local governments. Some of the area's major employers include America Online, United Airlines, Alctel Data Networks, Atlantic Coast Airlines, Federal and county governments, and America Hospital Center. As of April 1999, Clark, Loudoun and Warren Counties had unemployment rates of 1.1%, 1.0% and 2.2%, respectively. These rates compare favorably to the Commonwealth's jobless rate 2.3%.

Community contacts were made to further assist in evaluating the bank's CRA performance. According to the contacts, financial institutions are adequately serving the growing credit needs of the community.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CLARK-LOUDOUN-WARREN COUNTY AREA:**

**LENDING TEST**

Geographic Distribution of Loans

The geographic distribution of loans is reflected in the following tables. The tables represent the institution's lending within the metropolitan assessment area according to income level of census tract. As noted earlier, there are no populated low-income areas.

Distribution of Small Business/Farm Loans by Income Level of Census Tract

	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	174	232	9	415
Percentage of Total Loans	42%	56%	2%	100%
Total Amount of Loans (000's)	\$7,002	\$8,030	\$161	\$15,193
Percentage of Total Amount	46%	53%	1%	100%

Distribution of Consumer Loans by Income Level of Census Tract

	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	1,537	1,342	63	2,942
Percentage of Total Loans	52%	46%	2%	100%
Total Amount of Loans (000's)	\$11,783	\$11,258	\$525	\$23,566
Percentage of Total Amount	50%	48%	2%	100%

Distribution of HMDA\* Loans by Income Level of Census Tract

	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	206	198	20	424
Percentage of Total Loans	49%	47%	4%	100%
Total Amount of Loans (000's)	\$16,758	\$11,633	\$1,671	\$30,062
Percentage of Total Amount	56%	39%	5%	100%

\* Includes originations by bank and mortgage company.

Overall, 51% (1,917 of 3,781) of the bank's loans originated within the assessment area were extended to individuals and businesses located in moderate-income census tracts. Specifically, a review of aggregate loan data for all banks required to report business/farm loans within this assessment area for 1998 revealed 25% of these were extended in moderate-income areas. The bank's level of business/farm lending in moderate-income areas (42%) significantly exceeds aggregate data. Also, the distribution of consumer lending in moderate-income areas (52%) surpasses the proportion of population (37%) residing in such areas. Finally, based on the percentage of owner-occupied units in moderate-income tracts (36%), the HMDA lending distribution (49%) in such areas is considered outstanding. The bank's geographic distribution of lending is considered highly responsive to community credit needs when compared to various proxies for demand.

Borrower Profile

The following charts illustrate the distribution of consumer, small business/farm and HMDA loans extended in the assessment area during 1998 and the last four months of 1997 to businesses of different sizes and by income level of the borrower.

Distribution of Consumer Loans by Income Level of Borrower

Of the 2,942 consumer loans extended within the assessment area, 94 (3%) did not contain income data and were not included in this analysis.

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Consumer Loans	1,551	629	406	262	2,848
Percentage of Total Consumer Loans	54%	22%	14%	10%	100%
Total Amount of Consumer Loans (000's)	\$8,672	\$5,360	\$4,043	\$4,080	\$22,155
Percentage of Total Amount	39%	24%	18%	19%	100%

Distribution of HMDA Loans by Income Level of Borrower

Of the 424 HMDA loans extended in the local community, 75 (18%) did not contain income information and were not included in this analysis.

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of HMDA Loans	96	105	81	67	349
Percentage of Total Loans	28%	30%	23%	19%	100%
Total Amount of HMDA Loans (000's)	\$3,262	\$5,220	\$6,089	\$5,786	\$20,357
Percentage of Total Amount	16%	26%	30%	28%	100%

As depicted in the previous tables, the percentage of consumer loans (76%) and HMDA loans (58%) extended to low- and moderate-income borrowers significantly exceeds the percentage of such families (39%) in the assessment area. Furthermore, according to 1998 aggregate HMDA data, of all loans reported by financial institutions in the bank's assessment area, 7% and 17% were extended to low- and moderate-income borrowers, respectively.

In addition, the bank provides FHA Title I Mobile Home Loans and has originated four of these loans totaling \$133,000 since September 1997. The institution also processes applications for loans funded through the Virginia Housing Development Authority (VHDA) and the Rural Economic and Community Development Agency (RECD). Thirty-nine VHDA loans (\$3.2 million) and three RECD loans (\$35,000) have been funded since the previous examination. These Government sponsored programs assist in providing affordable housing to many low- and moderate-income individuals.



Distribution of Lending by Loan Amount and Size of Business and Farm

	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
Total Revenues ≤ \$1 Million	278	78%	13	4%	4	1%	295	83%
Total Revenues > \$1 Million	50	14%	5	1%	5	2%	60	17%
Totals	328	92%	18	5%	9	3%	355	100%

As illustrated in the table above, 83% (295/355) of the small business/farm loans in the assessment area were provided to businesses or farms with revenues of \$1 million or less. Furthermore, 78% of the 355 loans were to borrowers with revenues not exceeding \$1 million and in amounts of \$100,000 or less. This level of lending significantly exceeds 1997 aggregate small business/farm data, in which 49% of all reportable business and farm loans within the bank's assessment area were to businesses or farms with revenues not exceeding \$1 million.

Given the product lines offered by the institution and its mortgage subsidiary, the distribution of loans to borrowers of different income levels and to businesses of different sizes is considered excellent and demonstrates the bank's willingness to meet the credit needs of all segments of its community.

Community Development Loans

The bank has extended a loan to the Front Royal/Warren County Industrial Development Authority in the amount of \$1.3 million. The Industrial Development Authority aids in the establishment of small businesses and the retention of current employees. The Tri-County Virginia O.I.C. has received a \$20,000 line of credit from the bank to aid in its operations. The Tri-County Virginia O.I.C offers head-start programs and training to people just entering the job market within Clark, Frederick, Warren, Rappahannock, and Shenandoah Counties.

**INVESTMENT TEST**

Qualified investments in this assessment area are limited to donations for various nonprofit organizations. The contributions totaling \$5,500 were to organizations that primarily benefit low- and moderate-income people. Overall, the level of qualified investments needs to improve considering institution's size, market area, and investment levels of similarly situated banks.

**SERVICE TEST**

Accessibility of Delivery Systems

Delivery systems are accessible to all portions of this assessment area. Fifteen Automated Teller Machines (ATMs) are located in the metropolitan market area. The ATM locations provide local residents with 24-hour nationwide network access. One of the metropolitan ATMs is located within the moderate-income census tract in Warren County. Telephone and mail banking services are also available to provide customers with 24-hour accessibility.

### Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. The institution operates twelve full-service offices in the assessment area, five of which are located in moderate-income census tracts. Branches generally are open Monday through Thursday from 8:30 a.m. until 2:00 p.m., Friday until 7:00 p.m., and Saturday until noon. A branch closing policy has been adopted as required by the Federal Deposit Insurance Corporation Improvement Act of 1991. The bank has not opened or closed any new branches since the previous evaluation.

### Community Development Services

The bank offers low-cost checking and savings accounts to school children, individuals and nonprofit organizations. These accounts benefit all segments of the community including low- and moderate-income individuals. In addition, senior bank officers and directors currently serve on a variety of community oriented and development boards, including the Loudoun County Small Business Development Center, Clarke County Economic Development, and the Virginia Asset Financing Corporation.

Bank personnel also routinely provide credit counseling and other assistance to many low- and moderate-income individuals in applying for and understanding credit. In particular, representatives from the bank's mortgage subsidiary participate in the VHDA Homeownership Educational Program, which provides information concerning budgeting for a mortgage and purchasing a home. The institution also participates in a school partnership with various elementary schools, which includes the establishment of a school savings program on school premises. The bank also provides Social Security check cashing for non-customers. The institution's array of community development services is considered responsive to area needs.

## **NONMETROPOLITAN ASSESSMENT AREAS**

(for metropolitan areas with some or all assessment areas reviewed using the examination procedures)

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WINCHESTER AND RAPPAHANNOCK ASSESSMENT AREAS:**

The bank's second assessment area includes the City of Winchester and Frederick and Shenandoah Counties. Sixteen branches are located within this community. The third assessment area consists of Rappahannock County, Virginia, and includes one branch office. These two nonmetropolitan market areas contain 34 census tracts or block numbering areas (BNAs) of which 24 are populated. Of the populated geographies, 14 are middle-income and ten are upper-income. There are no populated low- or moderate-income geographies within these two assessment areas. According to 1990 census data, the population for the assessment areas is 105,928. The median housing values for the Winchester and Rappahannock assessment

areas are \$84,491 and \$89,306, respectively. The owner-occupancy rate for both assessment areas is 61%, which is slightly lower than the 65% rate for nonmetropolitan portions of the Commonwealth. The 1997 and 1998 median family incomes for nonmetropolitan areas of Virginia are \$34,800 and \$35,900, respectively.

The following table provides demographics for the combined nonmetropolitan assessment areas by the percentage of population living in census tracts/BNAs of varying income levels and by the income level of families. Also included are owner-occupancy and poverty rates for each geographic area.

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	12%	15%	23%	50%	100%
Percentage of Population Residing in Census Tracts/BNAs by Income Level of Tract	N/A	N/A	55%	45%	100%
Percentage of Owner-Occupied Units by Income Level of Tract/BNA	N/A	N/A	53%	47%	100%
Percentage of Families Below Poverty Level by Income of Tract/BNA	N/A	N/A	8%	5%	N/A

The bank's assessment area is located in the northwestern crest of Virginia, near the West Virginia and Maryland borders. As of April 1999, the unemployment rates for Rappahannock, Frederick, and Shenandoah Counties and the City of Winchester ranged from 1.6% to 2.6%. The Commonwealth had a jobless rate of 2.3% during this time. Major local employers include Valley Health Systems (hospital supplies and services), Frederick County schools, Federal Mobile (brakes and asbestos), Rubbermaid (rubber products) and VDO-North America (dials, gauges, instrumentation).

Community contacts were made during the examination to assist in evaluating the bank's CRA performance. The contacts indicated that area banks are meeting the growing credit needs of the community; however, the need for a small business fund was mentioned.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE WINCHESTER AND RAPPAHANOCK ASSESSMENT AREAS:**

**LENDING TEST**

### Geographic Distribution of Loans

The evaluation included a geographic distribution analysis of 546 small business/farm loans totaling \$35 million, 5,514 consumer loans totaling \$36 million, and 789 HMDA loans totaling \$44 million. These loans were extended in the assessment area from September 1997 through December 1998. As noted previously, the nonmetropolitan assessment areas contain no populated low- or moderate-income census tracts/BNAs.

Overall, 53% (3,649 of a total 6,849) of the bank's loans were extended to individuals and businesses located in middle-income census tracts or BNA's. This level of lending is proportional to the percentage of the population (55%) residing in such areas.

The bank's overall loan distribution is considered reasonable when area demographics are used as proxies for demand.

### Borrower Profile

The following charts illustrate the distribution of small business/farm, consumer, and HMDA loans extended in the nonmetropolitan assessment areas by income level of the borrower and business size. The 546 small business/farm, 5,514 consumer, and 789 HMDA loans were also analyzed to determine the bank's level of lending to borrowers of different sizes and income levels. Twenty (1%) of the HMDA loans and 60 (1%) of the consumer loans did not contain income information and 103 (19%) of the business loans did not report revenues. As a result, these loans could not be included in this analysis.

#### Distribution of Lending by Loan Amount and Size of Business and Farm

	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
Total Revenues ≤ \$1 Million	308	70%	16	3%	17	4%	341	77%
Total Revenues > \$1 Million	71	16%	17	4%	14	3%	102	23%
Totals	379	86%	33	7%	31	7%	443	100%

According to 1997 aggregate small business/farm data, 54% of all business and farm loans reported by subject financial institutions within these communities were to businesses and farms with revenues of \$1 million or less. As indicated in the table above, 77% (341/443) of the bank's loans were to entities with revenues of \$1 million or less and 70% (308/443) of these loans were in amounts of \$100,000 or less. This level of lending significantly exceeds the aggregate data and demonstrates the bank's willingness to meet the credit needs of local small businesses and farms.

As mentioned previously, F & M Bank-Winchester continues to offer loans guaranteed by the SBA, the VHDA and the RECD. Furthermore, small business lending is a primary goal in the bank's commercial lending program.

Distribution of Consumer Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Consumer Loans	1,243	1,502	1,333	1,385	5,463
Percentage of Total Loans	23%	27%	24%	26%	100%
Total Amount of Consumer Loans (000's)	\$4,609	\$7,438	\$8,702	\$14,625	\$35,374
Percentage of Total Amount	13%	21%	25%	41%	100%

Distribution of HMDA Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of HMDA Loans	49	125	202	393	769
Percentage of Total Loans	7%	16%	26%	51%	100%
Total Amount of HMDA Loans (000's)	\$592	\$3,634	\$7,918	\$30,037	\$42,181
Percentage of Total Amount	1%	9%	19%	71%	100%

As depicted in the previous tables, the percentage of consumer loans (50%) extended to low- and moderate-income borrowers significantly exceeds the percentage of such families (27%) in the assessment area. HMDA loans extended to low- and moderate-income borrowers (23%) in the assessment area are comparable to market demographics.

Overall, the bank's level of lending to businesses and farms of different sizes and borrowers of different income levels is considered good, and demonstrates the bank's successful efforts to meet the credit needs of all segments of its community.

Community Development Loans

As mentioned previously, F & M Bank-Winchester extended a line of credit (\$20,000) to the Tri-County Virginia O.I.C., a head-start program provider within Clark, Frederick, Warren, Rappahannock, and Shenandoah Counties. In addition, the bank made a loan for \$260,000 to the Good Shepherd Alliance, which provides food and shelter to low-income and homeless individuals and families.

## **INVESTMENT TEST**

The institution maintains a qualified investment (\$10,000) in the City Light Development Corporation, which serves assessment areas that include the City of Winchester and Frederick County. This organization encourages the development and rehabilitation of affordable housing for low- and moderate-income families and assists in the revitalization of affordable housing for low- and moderate-income families and blighted and deteriorated neighborhoods.

As noted previously, the bank has made investments and contributions to organizations that serve both the metropolitan and nonmetropolitan assessment areas. These activities were discussed earlier. Overall, the level of qualified investments needs to improve considering institution's size, market area, and the investment levels of similarly situated banks.

## **SERVICE TEST**

### Accessibility of Delivery Systems

Delivery systems are accessible to all portions of this assessment area. Thirteen ATMs are included within the nonmetropolitan assessment areas. The ATM access provides local residents with 24-hour nationwide network access to their accounts. Additionally, a 24-hour telephone information line is available to all customers.

### Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment areas with most branches offering Saturday hours. Several branches are open Monday through Friday until 6:00 p.m.; specific branch hours vary. The 17 nonmetropolitan offices are accessible to all segments of the community, and five of the nonmetropolitan branches are located in moderate-income census tracts.

### Community Development Services

A bank director serves on the board and loan committee for the Virginia Asset Financing Corporation and the Frederick County Economic Development Commission. Also, bank personnel routinely provide credit counseling and other assistance to many low- and moderate-income individuals in applying for and understanding credit. The bank also provides Social Security check cashing for noncustomers at no charge. The institution's provision of community development services is considered reasonable.