



Comptroller of the Currency
Administrator of National Banks
Limited Purpose

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**Providian National Bank
Charter Number 1333**

**295 Main Street
Tilton, New Hampshire 03276**

**Office of the Comptroller of the Currency
Western District Office
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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.

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 **Providian National Bank**, prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **February 20, 2001**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

Scope of the Examination

In evaluating the bank's performance under the CRA, we reviewed community development activities from February 23, 1998 through February 16, 2001. We reviewed the level and nature of qualified investments, community development lending, and community development services. At the prior examination dated February 23, 1998, we rated the bank "Outstanding".

Institution's CRA rating:

This institution is rated "Satisfactory".

The major characteristics that support this rating are:

- The bank demonstrates a high level of community development services and qualified investment activity, particularly investments and grants that are not routinely provided by private investors.
- The bank demonstrates extensive use of innovative or complex qualified investments.
- The bank demonstrates excellent responsiveness to credit and community development needs in its assessment area.
- The bank's violation of the Federal Trade Commission Act, which prohibits unfair or deceptive acts or practices, negatively impacted this rating.

Description of Institution

Providian National Bank (PNB) is a limited purpose institution specializing in consumer lending and deposit products, including credit cards and certificates of deposit. The main office of PNB is located in Tilton, New Hampshire, with a single branch in Belmont, New Hampshire. PNB is the result of the 1997 merger of Providian National Bank (headquartered in Concord, New Hampshire) into First Deposit National Bank (headquartered in Tilton, New Hampshire). The combined company retained the name Providian. As an accommodation to customers who used the products and services of the predecessor institution, the bank offers commercial and consumer loans and deposit products to local residents. Lending activities at the main office and branch amount to less than 1% of managed assets.

PNB was designated as a limited purpose bank for purposes of the Community Reinvestment Act on April 19, 1996. While there are no financial impediments that would prevent PNB from helping to meet the credit needs of the assessment area, it is subject to the limitations of the Competitive Equality Banking Act of 1987 (CEBA). In general, banks subject to CEBA can not make commercial loans nor accept any savings or time deposits less than \$100,000. PNB is allowed to provide commercial loans and to accept savings or time deposits at its main office in Tilton and branch in Belmont as a result of the grandfather provision in CEBA. This provision

allows “non-bank banks” chartered prior to March 5, 1987, to conduct these activities if they could lawfully conduct them prior to CEBA being enacted. The bank was chartered in 1853.

PNB is a wholly owned subsidiary of Provident Financial Corporation (PFC), a publicly traded company with total assets of \$15 billion and net income of \$665 million as of December 2000, based in San Francisco, California. PFC was incorporated in Delaware in 1984 under the name First Deposit Corporation. The name of the company was changed from First Deposit Corporation to Provident Bancorp., Inc. in 1994 and to PFC in 1997. PFC has evolved from a one-market, one-product company into a multi-market, multi-product provider of consumer financial services. Loans are sourced primarily through nationwide mail solicitations and telemarketing. As part of its funding strategy, PFC securitizes varying percentages of its receivables. In 2000, the bank securitized 43% of the its receivables and retained the remainder. Table 1 highlights basic financial information regarding PNB.

Table 1: Financial Information (000s)

	Year-end 1998	Year-end 1999	Year-end 2000	Average for Evaluation Period
Tier 1 Capital	666,423	1,224,177	1,807,829	1,232,810
Total Income	2,011,467	3,712,354	5,483,832	3,735,884
Net Operating Income	310,957	598,960	665,428	525,115
Total Assets	6,430,953	12,338,854	15,084,464	11,284,757
Pass Through Receivables	12,967,007	20,388,793	25,580,394	19,645,398

Source: Consolidated Report of Condition and Income and bank reported data.

Description of Assessment Area

PNB’s assessment area (AA) consists of the towns surrounding its main office and branch in New Hampshire. The assessment area includes the towns of Concord, Loudon, Canterbury, Boscawen, Hill, Franklin and Northfield, in Merrimack County, and Belmont, Gilford, Gilmanton, Laconia, Sanbornton and Tilton in Belknap County. The assessment area meets the legal requirements of CRA for a limited purpose bank and does not arbitrarily exclude any low- or moderate-income areas. The assessment area is not in a metropolitan statistical area.

A total of 26 block numbering areas (BNA’s) comprise the assessment area, of which 21 are designated as middle-income and five are designated as upper-income. There are no low- or moderate-income BNAs. The assessment area population totals 98 thousand. The statewide, non-metropolitan area, median family income is \$46,800. Of the assessment area’s 47 thousand housing units, 50% are owner-occupied, 29% are rental-occupied units, and 21% are vacant. Vacant units include vacation homes in the Lakes region and area ski resorts. The shift towards services and lower paying job opportunities has been identified as a barrier to housing affordability for low-income households. There are approximately 6 thousand businesses and farms in the assessment area. The majority of businesses are in the service industry (41%), retail

trade (20%) and construction (9%). Most of the businesses are in a single location (77%), hire 1-4 employees (60%) and have gross annual revenues less than or equal to \$1 million (86%).

Table 2 shows basic information about PNB’s assessment area.

Table 2: Assessment Area Description

	Number	Low	Moderate	Middle	Upper
Tract	26	0%	0%	81%	19%
Families	25,709	15%	19%	27%	39%
Small Business & Farms	5,308	0%	0%	85%	15%

Source: Demographic Data - 1990 U.S. Census, Dun & Bradstreet Data

The assessment area is located in a predominately rural region of the state. The cities of Laconia and Concord are surrounded by communities of low population per square mile, extensive open space, and traditional New England community centers. The major north-south routes of Interstate 93 and Route 106 travel through the towns of Tilton and Belmont, which recently experienced significant growth in tourist-oriented retail and service businesses along those routes. Residents of the outlying towns generally travel to Laconia or Concord for employment.

The New Hampshire economy, including the Concord/Laconia region, is strong. The Laconia area towns, in the northern part of the assessment area, have a long history of manufacturing employment. These communities also host a population of seasonal tourists drawn to both recreational activities in the Lakes region, ski resorts, and the New Hampshire International Speedway in Loudon. Concord, the capital of New Hampshire, offers job opportunities in state government, insurance, retail, and long-term and acute health care. Major employers in Concord include Concord Hospital and the associated Dartmouth-Hitchcock clinics, and the state of New Hampshire. In Laconia, major employers include LRGHealthcare, J.Jill Group, Inc., Aavid Thermalloy and NH Ball Bearings, Inc.

The growth in hospitality and retail has been encouraged by many communities as a means to increase property tax revenue. Much of the development has occurred along the state and federal highways and away from the traditional business centers of the assessment area communities. The jobs created by retail development are often low wage. Consequently, there has been renewed interest in the revitalization of small downtown districts and living wage job creation. While unemployment throughout the assessment area has remained at an extremely low level of 2% to 2.5%, job growth is strongest in the retail and service sector, typically low wage employment often without benefits. Additionally, the availability of housing in the region, including affordable housing, is low and the cost of housing, for both rental and purchase, continues to climb further out of reach for low- and moderate-income people.

Competition for community development investments and loans is strong and consists primarily of three large regional banks.

As part of this examination, we conducted three community contacts and reviewed recent community contacts the OCC and other bank regulators conducted. Two of the contacts made as part of the examination were to local community-based affordable housing development organizations, one in Concord and one in Laconia. The third contact was to a government official who is part of the Governor's Education/Child Care Policy group. The contacts cited the creation of affordable housing for both rental and purchase, access to loans for small businesses and other support services for low- and moderate-income people as community development needs. Needed support services include affordable childcare, homebuyer education and financial literacy training. The contacts were all extremely positive about PNB's participation in and contributions towards activities that address the credit needs both on a state-wide basis as well as within a geographic area limited to a town. Community contacts made as part of CRA examinations for other financial institutions made it a point to highlight the very positive impact PNB's activities have had in the communities. PNB has served as a catalyst in forging partnerships among representatives of the local public, nonprofit, and business sectors, in the assessment area and throughout the state. The Partnerships are devoted to providing affordable housing, economic development, and social services to low- and moderate-income people. PNB's continuous leadership and vision were emphasized.

Conclusions About Performance

Summary

PNB has done an excellent job serving its assessment area's community development needs through a variety of investments and services. Additionally, the bank has made an adequate level of community development loans. During the review period, the bank invested \$16 million in projects and activities that benefit their assessment area. Employees of PNB have provided many hours of qualified community services primarily in the area of affordable housing and essential services needed by low- and moderate-income people. These efforts were targeted at specific needs identified through PNB's needs assessment process. PNB has an effective ongoing process to determine the needs of their assessment area and actively addresses those needs creatively and proactively using their management team's skills and expertise.

- PNB provided a high number of investments and grants in response to their research into the needs of low- and moderate- income peoples in their assessment area and the state of New Hampshire. PNB, through their investments, grants, and membership on the Boards of community development organizations, spearheaded the development of new initiatives and programs that had not previously existed. While opportunity for community development lending and investment has been somewhat limited and highly competitive in the bank's AA, PNB has taken a leadership role in identifying and making opportunities available. They have provided a high level of CD activities in relation to the opportunities and their capacity.
- PNB developed and participated in innovative community development projects and activities, to address and help resolve needs that had not previously been met.
- PNB showed excellent responsiveness to the community development needs in its

assessment area. The bank worked with community based organizations to initiate a number of community development programs that addressed critical issues faced by low- and moderate-income people in the assessment area, including child care and the PNB Community Crisis Fund.

Consideration of Activities that Benefit Areas Outside of the Bank’s Assessment Area

PNB has adequately addressed the needs of its assessment area, and therefore outside of assessment area activities are considered. Included in outside area investments are \$3 million in Low-income Housing Task Credits owned by PFC.

Qualified Investments

During the evaluation period, the bank provided qualified community development investments of \$16 million in their assessment area or to a greater geographic area that included the assessment area. In addition, the bank provided \$59 million in investments and grants during the examination period that benefited community development initiatives that were nationwide in scope. A number of investments and grants were made in the state of California, where the bank’s parent company is headquartered. Table 3 shows the amount of the bank’s qualified investment and grant activity that benefited its assessment area and other investments and grants that benefited areas outside the assessment area. Table 4 shows the financial contributions in relation to PNB’s financial information.

Table 3: Qualified Investment Activity (000s)

	Benefits AA	Outside AA	Totals
Originated Investments	11,569	28,189	39,758
Originated Grants	4,432	30,835	35,267
Prior Period Investments	872	1,730	2,602
Totals	16,873	60,754	77,627

Table 4: Qualified Investment Percentages (000s)

	Benefits AA (%)	Outside AA (%)	Total (%)
Total Investments/Average Tier 1 Capital	1.4%	4.9%	6.3%
Total Investments/Average Total Income	.5%	1.6%	2.1%
Total Investments/Average Receivables	.1%	.3%	.4%

NOTE: Total Investments is found in Table 3. Average capital, income and receivables are found in Table 1.

The following examples illustrate the most significant community development investments and grants PNB provided that benefit the assessment area, a greater statewide area which includes the assessment area, or that are beyond the bank’s assessment area.

- PNB provided an investment of \$1.5 million to the New Hampshire Community Loan Fund, the largest investment from a New Hampshire partner in the Loan Fund history. This will enable the Fund, which is a Community Development Financial Institution (CDFI), to expand community development lending for community facilities, micro-businesses and affordable housing.
- PNB provided a grant of \$190 thousand to the PlusTime NH After School Initiative. The Initiative is the result of a unique partnership between PNB and PlusTime to address the after school child care needs of low- and moderate-income working parents. The purpose of the partnership is to assist low- and moderate-income communities or community organizations serving low- and moderate-income children to start or expand after school programs, and to attract additional funds to support these efforts.
- PNB initiated discussions with two community development affordable housing organizations, one in Concord and one in Laconia. The objective of the discussions was to determine how PNB could best assist low- and moderate-income people to move from rising rental costs to stable, asset building homeownership. The results were grants to the organizations totaling \$475 thousand which were used to establish the first homeownership centers in the bank’s assessment area.
- In partnership with the New Hampshire Housing Finance Authority, PNB initiated and developed an innovative and complex private placement bond to create a source of low-cost capital for affordable rental housing projects. The \$8 million bond purchased by the bank will create a flexible resource to fill gaps, leverage resources, and facilitate housing outcomes which would not otherwise be attainable within existing funding programs.
- PNB contributed a grant of \$310 thousand to a community house in San Francisco to sponsor

a fundraiser for programs serving low-income families victimized by domestic violence and to provide a child care center for very low-income families.

- PNB initiated discussions with the National Community Capital Association (NCAA) and provided an innovative multi-purpose grant totaling \$2.5 million to increase the supply of affordable childcare slots for disadvantaged communities nationwide. NCAA is developing and implementing a childcare financing program through CDFIs. NCAA will provide financial support to CDFIs to enable them to develop new childcare financing programs and products and increase the availability of affordable financing to childcare providers.
- PNB contributed \$400 thousand to a CDFI that has established a childcare facilities fund for low- and moderate-income families.
- PNB provided the first and most significant investment in an innovative and complex multi-year Neighborhood Reinvestment Corporation project to prevent victimization of low- and moderate-income borrowers through a financial literacy program. PNB's investment is comprised of three elements to combat predatory lending: a \$225 thousand grant to support the development and implementation of the Financial Fitness literacy curriculum; a \$782 thousand grant to support five community-based NeighborWorks organizations, including the New Hampshire network for implementation of the Financial Fitness curriculum; and a \$7.5 million investment in Neighborhood Housing Services of America (NHTSA) to create NHTSA's first loan pool targeted to refinance predatory loans and to provide low cost first and second mortgages to people at risk of being victimized by predatory lenders.
- PNB made fair share contributions to Consumer Credit Counseling Service (CCCS) organizations across the country totaling \$21.7 million. CCCS determines the fair share based on the amount of accounts collected on behalf of the bank.

In addition to large investments and grants, PNB also addressed identified assessment area needs through the establishment of small yet vital programs that are essential to low- and moderate-income people. Some examples are detailed below.

- PNB provided grants totaling \$6.5 thousand as part of the Provident National Bank Education Aid program, which offers scholarships to low-income people who need help to pay for courses required to secure a GED or to pay the GED test fee. The program was developed to help address barriers to employment and self-sufficiency.
- PNB provided grants totaling \$93 thousand through their Community Crisis Fund. The Fund assists low- and moderate-income assessment area residents with small grants, usually less than \$250, to individuals with an immediate, critical need. Examples include fuel assistance, medication funds for seniors, and rental assistance. This Fund is unique to the state and was developed in response to identified critical needs.

Additionally, PNB has committed to providing a total of \$25 million in investments going forward. These commitments include future contributions to existing low income housing tax credit investments as well as to new and unique community development related organizations

that have not yet been funded. Some examples are detailed below.

- During the evaluation period, PNB committed to providing \$7.5 million in equity financing to the National Community Capital Association to create the National Partnership for ChildCare Finance. This is the first ever bank-community development financial institution national partnership for childcare financing. The Partnership will provide grants and low-cost loans to improve, enhance, or create new childcare centers serving low- and moderate-income children. The commitment was funded during the examination.
- The bank has committed to providing a total investment of \$5 million to the CRA Fund, which invests in Small Business Investment Corporations (SBIC) which in turn invest in small businesses. PNB selected the New England region SBICs as the target for invested funds. The bank invested an initial \$250 thousand during the evaluation period.

Community Development Lending

During the evaluation period, the bank provided qualified community development loans of \$8 million in their assessment area or to a greater geographic area that included the assessment area. This is an increase over the \$6 million in community development loans made during the prior 33-month evaluation.

The bank provided \$3 million in loans that were outside their direct assessment area but were in the state of New Hampshire. Table 5 shows the amount of the bank’s community development loans that benefited its assessment area and other loans that benefited areas outside the assessment area. Table 6 shows the financial contributions in relation to PNB’s financial information.

Table 5: Community Development Loan Activity (000s)

	Benefits AA	Outside AA	Totals
CD Loans Originated	6,761	2,247	9,008
CD Loans Outstanding from Prior Periods	1,209	609	1,818
Totals	7,970	2,856	10,826

Table 6: Community Development Lending Percentages

	Benefits AA (%)	Outside AA (%)	Total (%)
Total CD Lending/Average Tier 1 Capital	.7%	.2%	.9%
Total CD Lending/Average Total Income	.2%	.1%	.3%
Total CD Lending/Average Receivables	.04%	.02%	.06%

Note: Total CD lending is found in Table 5. Average capital, income and receivables are found in Table 1.

The following examples illustrate some of the most significant community development loans that benefit the bank’s assessment area or a greater statewide area, which includes the assessment area.

- PNB was the first institution in the state of New Hampshire to use the Rural Development Guaranteed Loan Program to finance a transitional housing facility in the town of Belmont. The \$190 thousand mortgage loan enabled a community-based organization to purchase and rehabilitate the building, which will house individuals who are homeless or at risk of being homeless and offer tenant support programs on site.
- Prior to the evaluation period, PNB made a \$300 thousand working capital loan to a center providing services to low- and moderate-income youth. The loan remains outstanding.
- PNB provided a \$147 thousand loan to an affordable housing developer and manager to purchase their office space thereby reducing overhead. Within the office space, they established a multi purpose room for tenant support activities.
- PNB made over \$5 million in accommodation mortgage originations to low- and moderate-income borrowers during the evaluation period. A total of \$3 million was in the bank’s assessment area, and the remainder was within the state of New Hampshire. Lending to low- and moderate-income borrowers comprises 49% of mortgage lending activity at the Tilton main office and the Belmont branch. Of the loans made outside the bank’s assessment area, 17 loans totaling \$1.2 million were for reverse mortgages to low- and moderate-income senior citizens. PNB believes that it is the only bank in New Hampshire providing reverse mortgages throughout the state. Reverse mortgages allow senior citizens to remain in their homes and receive a monthly payment from equity conversion.
- PNB made over \$4 million in loans to small businesses (businesses with gross annual revenues less than \$1 million). The loans were primarily for working capital or to finance the purchase of real estate, vehicles or equipment.

Community Development Services

PNB's community development services are targeted to organizations and programs that address the affordable housing, economic development, and social services needs of low- and moderate-income people. PNB's senior officers and employees have demonstrated leadership and taken active roles through their Board and committee memberships in organizations that reflect the focus areas of their community development initiatives. The following is a representative sample of organizations and activities.

- A bank officer is the Chairperson of the Board and provides technical assistance to a local affordable housing organization that develops housing for low- and moderate-income people in the assessment area towns of Franklin, Tilton and Northfield.
- A bank officer provides his financial expertise as a member of the investment committee of a statewide affordable housing investment fund.
- A bank officer is a Board member of a statewide nonprofit consumer credit counseling organization, which primarily helps LMI consumers, and uses her financial expertise in providing oversight of the organization's education, outreach, and counseling activities.
- A bank officer is the Chairperson of the statewide Community Development Finance Authority (CDFA). She uses her technical expertise as the representative of the state's financial institutions to oversee the planning and activities of the Authority, which the state board authorized to award tax credits to community development projects. In addition, the Authority awards seed and capacity building grants to economic development organizations and seeks to leverage and provide investment impetus for economic development and affordable housing projects. All activities are targeted to low- and moderate-income people. She is spearheading the strategic planning process to refocus the organization to build collaborative projects and decision making between financing, development and planning organizations to become a strong voice for low- and moderate-income people. One example is the recent publication of a study detailing the housing and economic development issues facing low- and moderate-income people in the state. The publication was funded by CDFA and PNB and has been widely distributed throughout the state.
- A bank officer is a banking advisory Board member for a statewide housing fund that helps community based housing organizations achieve growth and stability and increase their capacity for community leadership. She uses her banking expertise to participate in the annual review of the technical assistance component and the approval of applications submitted for funding by individual housing organizations. All activities are targeted to low- and moderate-income people.
- A bank officer serves on the Board and is the Chairperson of the finance committee of an organization that provides nutrition services to low-income elderly.
- A bank officer uses his small business lending expertise as a member of the loan review committee of a local economic development council.

- A bank officer is a Board member of a nonprofit housing developer serving the Lakes Region. The organization develops housing for low- and moderate-income people. She has been able to use her expertise in the development of the first homebuyer education center for low- and moderate-income people in the Lakes Region. She was able to develop this expertise through her leadership capacity as developer of the first homebuyer curriculum for a similar organization located in Concord.

Compliance with Anti-Discrimination Laws and Regulations

We determined that Provident National Bank had engaged in a number of unfair and deceptive practices during the period covered by this evaluation. As a result, the bank's Board of Directors signed a *Stipulation and Consent to the Issuance of a Consent Order* and a *Consent Order*, dated June 28, 2000. The *Consent Order* required a significant amount of monetary restitution to consumers, and it required management to change certain practices prospectively. The unfair and deceptive practices leading to the Consent Order, and the OCC determination that the bank had violated the Federal Trade Commission Act, negatively impacted the bank's CRA rating. Since signing the *Consent Order*, the bank has made major changes to its solicitation, payment processing and complaint handling practices. Consumer complaints have decreased significantly.

In addition, we reviewed the bank's compliance with fair lending laws and regulations during our March 12, 2001 examination. We reviewed the bank's policies and practices with respect to the underwriting of credit card loans. We reviewed the bank's account acquisition policies and practices, use of models in prescreening and credit decisioning, use of underwriting exceptions, and handling of adverse actions. We reviewed the bank's policies and procedures, training, and monitoring. We recommended enhancements to the program. We cited no violations of law or regulation.

Definitions and Common Abbreviations

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

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

Assessment Area (AA) – A geographic area that consists generally of one or more MSAs (using the MSA boundaries that were in effect as of January 1 of the calendar year in which the delineation is made) or one or more contiguous political subdivisions, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking ATMs.

Benefit to Assessment Area – A qualified Community Development activity benefits the assessment area if (i) the activity benefits areas within the assessment area, or (ii) the activity benefits a broader statewide or regional area that includes the bank’s assessment area. If a bank has adequately addressed the needs of its assessment area, then the OCC also considers activities submitted by the bank that benefit areas outside of its assessment area.

Block Numbering Area (BNA) – Statistical subdivisions of counties in which census tracts have not been established. The United States Census Bureau has established BNAs in conjunction with state agencies.

CEBA – Competitive Equality Banking Act of 1987, which permitted corporations to form limited-purpose credit card banks, whose operations are restricted to credit card activities, without the corporation becoming subject to the limitations of a “bank holding company” under the Bank Holding Company Act. A CEBA credit card bank engages only in credit card operations, does not accept demand deposits or savings or time deposits of less than \$100,000 (other than to secure extensions of credit), maintains only one office and does not engage in the business of making commercial loans.

Census Tract (CT) – Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per 10-year census and an average population of 4,000.

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

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

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

Limited Purpose Institution – An institution that offers only a narrow product line (such as credit cards or automobile loans) to a regional or broader market and for which a designation as limited purpose bank is in effect.

Median Family Income (MFI) – The median income determined by the United States Census Bureau every 10 years and used to determine the income level category of geographies. Also, it is the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of families. For any given geography, the median is the point at which half of the families have income above it and half below it. (See the four categories of median income below.)

- **Low-Income** – An income level that is less than 50% of the MFI.
- **Moderate-Income** – An income level that is at least 50% and less than 80% of the MFI.
- **Middle-Income** – An income level that is at least 80% and less than 120% of the MFI.
- **Upper-Income** – An income level that is 120% or more of the MFI.

Metropolitan Statistical Area (MSA) – Area defined by the director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Net Operating Income – As listed in the Consolidated Report of Condition and Income: Income before income taxes and extraordinary items and other adjustments.

Pass-Through Receivables – Outstanding receivables tied to all accounts issued or owned by the bank. Pass-through receivables include receivables attributable and receivables retained on balance sheet as those terms are used in 12 CFR 8.

Tier 1 Capital – The total of common shareholders’ equity, perpetual preferred shareholders’ equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Total Assets – Total bank assets as listed in the Consolidated Report of Condition and Income.

Total Income – From the Consolidated Report of Condition and Income – Total Interest income plus Total Noninterest income.