



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**First National Bank of America
Charter Number: 14740**

**241 East Saginaw Street
East Lansing, Michigan 48826-0980**

Office of the Comptroller of the Currency

**Detroit Field Office
Omni Officentre, Suite 411
26877 Northwestern Highway
Southfield, Michigan 48034**

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, and should not 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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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The following table indicates the performance level of First National Bank of America with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank of America Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- The level of lending activity in the assessment area is low, but reflects an adequate degree of responsiveness to community credit needs.
- The geographic distribution and borrower distribution of home mortgage loans and small loans to businesses is excellent. Regardless, loan volumes are low.
- Qualified investments demonstrate an adequate responsiveness to addressing the credit and community development needs of the assessment area.
- Delivery systems are reasonably accessible to all geographies and individuals of different income levels throughout the assessment area. The level of CD services is adequate.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. 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 the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): 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 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.

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.

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 non-relatives 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 household 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 United States 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 area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing 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.

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).

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.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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.

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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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 non-mortgage, 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 Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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.

Description of Institution

First National Bank of America (FNBA) is a full-service intrastate bank headquartered in East Lansing, Michigan. As of December 31, 2001, the bank had assets totaling \$600 million, deposits totaling \$397 million, and Tier One capital of \$61 million. FNBA operates exclusively out of its headquarters office. For CRA purposes, FNBA has one assessment area (AA), comprised of the Lansing-East Lansing MA. A description of the AA is provided in Appendix B.

FNBA is a wholly owned subsidiary of First National Bancshares, Inc., a \$735 million one-bank holding company also headquartered in East Lansing. Non-bank affiliates include a wholesale lending unit that lends to land contract brokers, and a workout company. FNBA has seven operating subsidiaries, none of which materially impact FNBA's capacity for community reinvestment in the bank's local market area. Activities of the subsidiaries are operational in nature, and include payroll, managing the bank's main office building, loan servicing, advertising, and property tax collections. Subsidiary activities also include wholesale lending to land contract brokers and the purchase of land contracts from various parts of the country. No products and services of operating subsidiaries were included in our evaluation. However, upon management's request we gave consideration to CD service activities performed by employees of First National Acceptance Corporation – North America, an operating subsidiary of FNBA. No merger or acquisition activity occurred during the evaluation period, although some operations were moved from holding company affiliates to the bank.

FNBA's primary focus is providing residential real estate secured loan products, and includes lending to customers with credit problems. The bank also offers agricultural, commercial and consumer loans, as well as deposit products and services. In addition, FNBA and its subsidiaries purchase seller-created mortgages and other receivables, substantively all of which are from outside the bank's assessment area. During 2000 and 2001, approximately 70 percent of FNBA's residential and commercial mortgage loans were obtained from mortgage brokers, the substantial majority of which are located outside of the local area.

The bank's loan portfolio, totaling \$506 million at year-end 2001, is 93 percent real estate, 1 percent commercial, and 6 percent other various loan types. Less than one-half of one percent of the loan portfolio is comprised of consumer loans. Within the real estate segment, 62 percent of loans are residential with the remainder commercial.

No legal impediments hinder FNBA's ability to address community needs. One factor we considered during our evaluation is that FNBA's deposit base is not substantially derived through local sources. A significant majority of FNBA's deposits are obtained through brokers, service agencies, and institutions located throughout the county. Bank management determined that as of February 2002, local deposits totaled \$117 million. The last CRA evaluation was performed as of June 14, 1999, which resulted in a "Needs to Improve" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending, Investment and Service Tests is June 15, 1999 through April 24, 2002. The start of the evaluation period corresponds to the date that the prior evaluation was performed. We analyzed HMDA and small loans to businesses and farms data for the period of June 15, 1999 through December 31, 2001. The review period for CD loans, qualified investments, and CD services is June 15, 1999 through April 24, 2002. Refer to appendix A for additional information.

Data Integrity

Prior to conducting this CRA evaluation, we tested the accuracy of FNBA's publicly filed information on home mortgage loans, and small loans to businesses and farms. We also reviewed CD loans, qualified investments, and CD services to ensure that they met the regulatory definition for CD. We determined that the degree of data accuracy was not sufficient. Management made corrections to its 2000 HMDA and 2000 small business/farm data, and took additional steps to ensure that 2001 data were filed accurately. This evaluation is based on corrected data.

Selection of Areas for Full-Scope Review

We performed a full-scope review on FNBA's only AA, the Lansing-East Lansing MA. Refer to appendix A for more information.

Ratings

The bank's overall rating is based on our assessment of FNBA's performance in its AA.

When determining conclusions for the Lending Test, loan products were generally weighed according to their relative volume. Home mortgage loans were weighed greater than small loans to businesses and small loans to farms. Among the home mortgage products, refinances received the most weight. Consideration was also given to the manner in which loan products addressed identified needs of the AA.

Other

Our evaluation took into consideration information derived from members of the local community. We contacted three organizations that focus on affordable housing, and one organization with a small business focus. The contacts identified a need for affordable single-family and multifamily housing units (owner and rental), and the need to rehabilitate existing

homes. They also cited a need for flexible home loan underwriting, small dollar business loans, small dollar consumer loans, and extended lobby hours at banks.

During our evaluation we determined that there have been opportunities for financial institutions to make CD loans, qualified investments, and provide CD services within the AA. This is further discussed within the Market Profile section in appendix B.

Fair Lending Review

An analysis of the most recent public comments and consumer complaint information, HMDA loan data, and small business and small farm lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1999.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Lansing-East Lansing MA is good.

Lending Activity

Refer to Table 1 Lending Volume and Table 1 Other Products in appendix C for the facts and data used to evaluate the bank's lending activity.

The volume of FNBA's lending activity in the AA is low. However, when both reported and non-reported lending activities are taken into consideration, overall lending levels reflect an adequate degree of responsiveness to the community's credit needs. FNBA reported 314 loans totaling \$25.4 million within the AA during the evaluation period. Based on the number of loans, 85 percent are home mortgages, 10 percent are small loans to businesses, 3 percent are small loans to farms, and 1 percent CD loans. Considering the bank's size, capacity, and lending opportunities in the local market area, this level of lending activity is low.

FNBA's lending market shares are substantially less than its share of the deposit market. For home purchase loans, home improvement loans, home refinance loans, and small loans to businesses, FNBA's market shares in 2000 ranged from 0.21 percent to 0.85 percent, while market rankings ranged from 22 to 59. FNBA is not a substantial lender for any reported product type.

According to June 30, 2001 FDIC deposit data for the AA, FNBA is ranked fifth in size among 24 institutions, and has an 8.25 percent share of the insured deposit market. However, a significant majority of FNBA's deposits are not from local sources. FNBA obtains the majority of its deposits through brokers, service agencies, and institutions located throughout the county. Bank management determined that as of February 2002, local deposits totaled \$117 million. Based on its local deposits only, FNBA ranks 14th in size with a 2.5 percent share of the deposit market. Regardless, FNBA's lending levels are considered low.

A loan volume analysis reflected that relative to its size, the level of FNBA's lending within the AA is low in comparison to its local competitors. The analysis used 2000 and 2001 lending data for home mortgage loans, small loans to businesses, and small loans to farms within the AA by the 24 deposit institutions operating in the market. Each institution's volume of lending in the AA was measured relative to the size of its AA deposit base. FNBA had the lowest relative level of lending activity among the 24 banks. When FNBA's size was based on local deposits only, FNBA ranked 21st in terms of number and dollar of loans.

In drawing our overall conclusions relative to FNBA's lending activity, we also considered FNBA's CD lending activity and the bank's loan activity within the AA that was not reportable as home mortgage loans, small loans to businesses, small loans to farms, or CD loans. As

reflected in Table 1 Other Products, FNBA made an additional 65 loans totaling \$6.8 million within the AA during the evaluation period. These loans are a mix of commercial loans, construction loans, land development loans, land contracts, leases, consumer loans, and loans secured by certificates of deposit that are not otherwise reportable for HMDA or CRA purposes. When taking into consideration all lending activities combined, we determined that FNBA has been adequately responsive to the credit needs of the local community. However, we gave additional weight to lending volume when forming our Lending Test conclusions.

Distribution of Loans by Income Level of the Geography

The geographic distribution of home mortgage loans and small loans to businesses reflects excellent penetration throughout the AA. The volume of small loans to farms by FNBA is not large enough to perform a meaningful geographic distribution analysis.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of FNBA's home mortgage loans by income level is excellent. The percentages of FNBA's home purchase, home improvement, and home refinance loans in both low-income and moderate-income geographies substantially exceed the percentage of owner-occupied housing units that are within those geographies. Furthermore, FNBA's 2000 market share in low-income geographies and moderate-income geographies for each of the three product lines exceeds the bank's overall market shares for those product lines in the AA. Significant weight is not placed on market share information. As FNBA's market shares are very small, differences in performance levels are represented by small numbers of loans.

FNBA reported six multi-family housing loans for the evaluation period. A geographic distribution analysis using a small number of loans is not meaningful.

Small Loans to Businesses

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of FNBA's small loans to businesses by income level is excellent. The percentage of FNBA's loans in low-income geographies substantially exceeds the portion of businesses that are within those geographies. The percentage of FNBA's loans in moderate-income geographies slightly exceeds the percentage of businesses that are within those geographies. FNBA's market share of small loans to businesses in both low-income and moderate-income geographies slightly exceed the bank's overall small business market share. Significant weight is not placed on market share information. As FNBA's market shares are very small, differences in performance levels are represented by small numbers of loans.

Small Loans to Farms

Refer to Table 7 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The volume of small loans to farms by FNBA is not large enough to perform a meaningful analysis. It is noted that FNBA did not originate or purchase any small loans to farms that are located in low- or moderate-income geographies during the evaluation period.

Other Optional (Non-Reported) Loans

Of the 65 loans reflected on Table 1 Other Products in appendix C, 20 percent are to borrowers located in low-income geographies, 15.4 percent located in moderate-income geographies, 52.3 percent located in middle-income geographies, and 12.3 percent located in upper-income geographies. A comparison to demographics cannot be readily performed as the loans represent a mix of types that do not share common demographic characteristics.

Lending Gap Analysis

We reviewed maps and reports of FNBA's home mortgage loans and small loans to businesses in the AA to identify gaps in the geographic distribution of these loans. We did not identify any unexplained conspicuous gaps in lending.

Inside/Outside Ratio

A small percentage of FNBA's reported loans are located within the AA. Based on the number of loans, only 19 percent of home mortgage loans, 8 percent of small loans to businesses, and 14 percent of small loans to farms are to borrowers located in the AA. Overall, 17 percent of loans reported by FNBA are located in the AA. When drawing conclusions, we gave consideration to the bank's narrow business focus, the fact that the majority of bank loans are obtained through brokers that do not operate locally, and the fact that a high percentage of deposits are not from the local area. Given these factors, the inside/outside ratio had a neutral impact on our conclusions regarding the bank's geographic distribution of lending.

Distribution of Loans by Income Level of the Borrower

The distribution of FNBA's home mortgage loans, small loans to businesses, and small loans to farms reflect an excellent dispersion among borrowers of different income levels and business customers of different sizes within the bank's AA.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of FNBA's home mortgage loans by borrower income level is excellent. The percentages of FNBA's home purchase, home improvement, and home refinance loans to both low-income and moderate-income borrowers substantially exceed the percentage of low-income and moderate-income families living throughout the AA. Furthermore, FNBA's 2000 market shares to low-income borrowers and moderate-income borrower for each of the three product lines exceed the bank's overall market shares for those product lines in the AA. Significant weight is not placed on market share information. As FNBA's market shares are very small, differences in performance levels are represented by small numbers of loans.

Small Loans to Businesses

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The bank's distribution of loans to businesses of different sizes is good. FNBA's percentage of reported loans to businesses with gross annual revenues of \$1 million or less is near to the percentage of businesses in the AA with revenues of \$1 million or less. FNBA's 2000 market share of loans to businesses with revenues of \$1 million or less exceeds the bank's overall market share for small loans to businesses. Significant weight is not placed on market share information. As FNBA's market shares are very small, differences in performance levels are represented by small numbers of loans.

Small Loans to Farms

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

The bank's distribution of small loans to farms of different sizes is adequate, although the percentage of loans to entities with gross annual revenues of \$1 million or less is less than the percentage of farms in the AA with revenues of \$1 million or less. As FNBA did not report any small loans to farms in 2000, a market share analysis was not performed.

Other Optional (Non-Reported) Loans

A meaningful borrower distribution analysis cannot be performed for the 65 loans reflected on Table 1 Other Products in appendix C. The loans are a mix of types that do not share common demographic characteristics. Furthermore, sufficient income information is not consistently available.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

FNBA's CD lending activity is adequate. Performance has a neutral impact on the Lending Test rating.

During the evaluation period, FNBA originated four CD loans for \$342 thousand within the AA. The loans were all for affordable multifamily housing purposes involving a total of 31 housing units. Affordable housing is an identified credit need of the AA. None of the loans are innovative or complex in nature.

FNBA adequately addressed the CD needs of its AA through CD loans and qualified investments. Therefore, consideration was also given to CD loans that FNBA extended outside its assessment area. FNBA originated 10 CD loans totaling \$1.1 million, primarily

within the City of Detroit, Michigan. The loans were all for affordable multifamily housing purposes. None of the loans are innovative or complex in nature, and do not impact the AA.

Product Innovation and Flexibility

FNBA engages in some flexible financing practices that help address the credit needs of the low- and moderate-income segments of the community. Performance has a neutral impact on the Lending Test rating.

FNBA has a flexible residential loan program designed to assist homeowners who are at risk of losing their home because of delinquent property taxes. The program is flexible because it has a small dollar minimum (\$5 thousand) and allows loan proceeds to be used to pay delinquent property taxes. Low- and moderate-income individuals have primarily used this program. During the evaluation period, FNBA extended seven loans for \$112 thousand to borrowers in the AA, all who are low- or moderate-income. FNBA also participates in flexible HUD and Federal Home Loan Bank lending programs, although only small numbers of loans have resulted.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Lansing-East Lansing MA is adequate.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, FNBA made qualified investments totaling \$1.5 million, which demonstrates an adequate degree of responsiveness to addressing the credit and community development needs of the AA. All investments have a direct impact on the bank's AA by addressing the need for affordable housing, an identified need of the local community. None of the investments are considered innovative or complex in nature. In drawing our conclusions, we recognized that qualified investment opportunities exist in the market. Refer to the Market Profile section in appendix B.

FNBA purchased a \$1.2 million mortgage backed security. Each of the 13 home mortgages comprising the underlying pool of loans are to low- and moderate-income borrowers located within the bank's AA.

The bank invested \$290 thousand in a qualified investment fund where proceeds were used to finance a 117 unit multifamily affordable housing complex located in a moderate-income geography in Lansing. While the investment is not considered innovative or complex, the bank took good initiative in working with the administrators of the fund to tailor the product to the AA.

The bank made cash and in-kind contributions totaling \$19 thousand to 18 local organizations for CD purposes during the evaluation period. These contributions helped to address the

community's affordable housing needs, social service needs for low- and moderate-income individuals, and small business financing needs.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Lansing-East Lansing MA is adequate.

Retail Banking Services

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNBA's delivery systems are reasonably accessible to all geographies and individuals of different income levels throughout the AA. FNBA operates exclusively out of its main office located in an upper-income section of East Lansing. While FNBA does not have a physical presence in the low- and moderate-income sections of the AA, the bank's lending activity reflects that the bank has reached all segments of the market. Office hours and services do not vary in a way that inconveniences certain portions of the AA, particularly low- to moderate-income geographies and individuals. Regular lobby hours are 9:30 a.m. to 4:30 p.m. Monday through Friday, with hours extended to 6:30 p.m. on Thursday. Customers can also call in for loan services starting at 7:30 in the morning. No branches have been opened or closed during the evaluation period.

As an alternative delivery system, FNBA offers access to products and services through ATMs. The bank operates one full-service ATM at its main office. Furthermore, customers can use any non-FNBA ATM without charge as FNBA reimburses customers for all ATM access fees.

Community Development Services

FNBA provides an adequate level of CD services to the AA. The bank's primary CD services include providing financial and technical expertise to organizations involved in providing affordable housing, social services to low- and moderate-income individuals, and small business financing. Primary examples of FNBA's activities are described below.

On a recurring basis, bank employees have participated in a CD micro-enterprise training program for low- and moderate-income individuals. Employees provide training to participants on various topics such as business plan development and credit repair. FNBA also provides participants with credit reports at no cost.

An employee of the bank's operating subsidiary serves on a housing coalition's budget and finance committee. The coalition rehabilitates affordable housing in the local area.

An employee of the bank's operation subsidiary serves as the treasurer of a local child development center. The center's focus is on providing CD services to low- and moderate-income children, including a head start program.

An employee of the bank's operating subsidiary has been an active participant in a community center program for low- and moderate-income individuals. Participants learn interview, telephone, and resume creation skills for use at job fairs.

The bank actively participated in a local charitable program where gifts were collected and donated to low- and moderate-income families.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): 6/15/99 to 12/31/01 Investment and Service Tests and CD Loans: 6/15/99 to 4/24/02)	
Financial Institution	Products Reviewed	
First National Bank of America (FNBA)	Home mortgage loans, small loans to businesses and farms, CD loans. In addition, at the request of management, we considered miscellaneous other non-reportable loans originated by FNBA within the AA. These include commercial loans, construction loans, land development loans, land contracts, leases, consumer loans, and loans secured by certificates of deposit.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
First National Acceptance Corporation - North America	Wholly-owned operating subsidiary	CD service activities by employees
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Lansing- East Lansing MA	Full Scope	N/A

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

FNBA Assessment Area	Appendix B-2
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FNBA AA (Lansing-East Lansing MA)

Demographic Information for Full-Scope Area: Lansing-East Lansing MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	116	8.62	15.52	53.45	22.41	0.00
Population by Geography	432,674	5.40	13.55	55.60	25.45	0.00
Owner-Occupied Housing by Geography	101,535	2.70	8.82	64.16	24.32	0.00
Businesses by Geography	18,649	7.85	12.06	51.54	28.55	0.00
Farms by Geography	1,405	0.78	2.28	83.35	13.59	0.00
Family Distribution by Income Level	106,447	19.31	17.82	24.67	38.20	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	39,520	9.92	18.42	59.69	11.97	0.00
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$38,660 = \$56,600 = 12.53%	Median Housing Value Unemployment Rate		= 66,821 = 3.30%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2001 HUD updated MFI.

FNBA’s AA consists of the entire Lansing-East Lansing MA. This area is comprised of Clinton, Eaton, and Ingham Counties in the central part of Michigan’s lower peninsula. The area is a mix of urban, suburban and rural neighborhoods, with the cities of Lansing and East Lansing being the focal point. Lansing is Michigan’s capitol, and Michigan State University is based in East Lansing.

According to June 30, 2001 FDIC deposit data for the AA, FNBA is ranked fifth in size with an 8.25 percent share of the insured deposit market. The institutions with the largest deposit shares in the area are Republic Bank (15 percent), Fifth Third Bank (14 percent), Standard Federal Bank, N.A. (formerly Michigan National Bank) with 13 percent, and National City Bank of Michigan/Illinois (9.5 percent). Competition is strong as 24 institutions operate a total of 127 offices within the AA. Competitors include large regional banks and local community institutions. According to aggregate HMDA data, 358 lenders reported home loan originations in the AA during 2001, 53 of which originated at least 100 loans. Aggregate small business data reflects that 18 lenders originated more than 100 small loans to businesses in 2001. Competition for CD loans, qualified investments, and CD services is high, with a large number of banks and holding companies operating in the market.

The economy of the Lansing metropolitan area is stable and diversified. Automotive, government, service, and education are the primary industries within the region. Local unemployment levels have been low during the evaluation period. According to the State of Michigan’s Local Area Unemployment Statistics information, the average unemployment rate

during the first three months of 2002 was 4.5 percent in Ingham County, 4.1 percent in Eaton County, and 3.1 percent in Clinton County.

Assessment Area Needs

The members of the community we contacted during the evaluation identified a need for affordable single-family and multifamily housing units (owner and rental), and rehabilitation of existing homes. This is also reflected in the 2000-2005 Consolidated Strategy and Plan Submission prepared by the City of Lansing for the U.S. Department of Housing and Urban Development. Increasing the number of standard and affordable housing units through rehabilitation and new construction is a priority outlined within the five-year plan. Contacts report that there are long waiting lists for Section 8 housing units and public housing. Contacts also identified the need for flexible home loan underwriting, small dollar business loans, small dollar consumer loans, and extended lobby hours at banks.

There have been opportunities for financial institutions to make CD loans, make qualified investments, provide CD services, and participate in CD initiatives. Community resources and opportunities exist where banks can participate to address local credit and CD needs. There are various organizations in the local area that are active in helping to address the housing and economic development needs of the community. Furthermore, various local and state sponsored programs and initiatives exist. Ten low-income housing tax credit projects occurred within the Lansing-East Lansing MA between 1999 and 2001. A portion of the City of Lansing has been designated as a Renaissance Zone by the State of Michigan. Under the program, property taxes are reduced to encourage housing improvements and new commercial development. The City of Lansing has also designated low-income areas for participation in the State's Neighborhood Enterprise Zone program. In these areas property tax relief is available to residential property owners that make home improvements.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME												
Geography: MICHIGAN												
Evaluation Period: June 15,1999 TO December 31,2001												
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Lansing-E Lansing MA	100	268	19,602	32	4,558	10	849	4	342	314	25,351	100.00
CD Loans Out of Assessment Area	0	0	0	0	0	0	0	10	1,143	10	1,143	0

* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is June 15, 1999 to April 24, 2002.

*** Deposit Data as of December 31, 2001. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME														
Geography: MICHIGAN														
Evaluation Period: JUNE 15, 1999 TO DECEMBER 31, 2001														
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:														
Lansing-E Lansing MA	100.00	65	6,812	0	0	0	0	0	0	0	0	0	0	100.00

* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is From June 15, 1999 to April 24, 2002.

*** Deposit Data as of December 31, 2001. Rated area refers to either the state, multi-state MA, or institution as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: MICHIGAN		Evaluation Period: June 15, 1999 to December 31, 2001	
MA/Assessment Area:	Other Unsecured Consumer Loans		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
Lansing-E Lansing MA	0	0	65	6,812	

* The evaluation period for Optional Product Line(s) is from June 15, 1999 to December 31, 2001.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: MICHIGAN						Evaluation Period: June 15, 1999 to December 31, 2001							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% FNBA Loans	% Owner Occ Units***	% FNBA Loans	% Owner Occ Units***	% FNBA Loans	% Owner Occ Units***	% FNBA Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Lansing-E Lansing MA	54	100.00	2.70	27.78	8.82	18.52	64.16	35.19	24.32	18.52	0.26	2.35	0.58	0.12	0.21

* Based on 2000 Peer Mortgage Data: Central Region, adjusted for corrected FNBA data.

** Home purchase loans originated and purchased in the MA as a percentage of all Home Purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: MICHIGAN				Evaluation Period: From June 15, 1999 to December 31, 2001					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% FNBA Loans	% Owner Occ Units***	% FNBA Loans	% Owner Occ Units***	% FNBA Loans	% Owner Occ Units***	% FNBA Loans						
Full Review:																
Lansing-E Lansing MA	40	100.00	2.70	10.00	8.82	25.00	64.16	52.50	24.32	12.50	0.68	3.39	2.07	0.46	0.45	

* Based on 2000 Peer Mortgage Data: Central Region, adjusted for corrected FNBA data.

** Home improvement loans originated and purchased in the MA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: MICHIGAN				Evaluation Period: From June 15, 1999 to December 31, 2001					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% FNBA Loans	% Owner Occ Units***	% FNBA Loans	% Owner Occ Units***	% FNBA Loans	% Owner Occ Units***	% FNBA Loans						
Full Review:																
Lansing-E Lansing MA	168	100.00	2.70	17.26	8.82	16.67	64.16	51.79	24.32	14.29	0.85	4.63	1.75	0.65	0.26	

* Based on 2000 Peer Mortgage Data: Central Region, adjusted for corrected FNBA data.

** Home mortgage refinance loans originated and purchased in the MA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: MICHIGAN						Evaluation Period: June 15, 1999 to December 31, 2001						
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of MF Units***	% FNBA Loans	% MF Units***	% FNBA Loans	% MF Units***	% FNBA Loans	% MF Units***	% FNBA Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Lansing-E Lansing MA	6	100.00	11.60	33.33	22.99	0.00	36.65	66.67	28.77	0.00	12.90	40.00	0.00	18.18	0.00

* Based on 2000 Peer Mortgage Data: Central Region, adjusted for corrected FNBA data.

** Multi-Family loans originated and purchased in the MA as a percentage of all Multi-Family loans originated and purchased in the rated area.

*** Percentage of Multi-Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 1990 Census Information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: MICHIGAN				Evaluation Period: From June 15, 1999 to December 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses***	% FNBA Loans	% of Businesses***	% FNBA Loans	% of Businesses***	% FNBA Loans	% of Businesses***	% FNBA Loans						
Full Review:																
Lansing-E Lansing MA	32	100.00	7.85	15.63	12.06	12.50	51.54	62.50	28.55	9.38	0.21	0.32	0.24	0.26	0.09	

* Based on 2000 Peer Small Business Data: US & PR.

** Small loans to businesses originated and purchased in the MA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet 2001

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: MICHIGAN				Evaluation Period: From June 15, 1999 to December 31, 2001					Market Share (%) by Geography				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% FNBA Loans	% of Farms***	% FNBA Loans	% of Farms***	% FNBA Loans	% of Farms***	% FNBA Loans						
Full Review:																
Lansing-E Lansing MA	10	100.00	0.78	0.00	2.28	0.00	83.35	90.00	13.59	10.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2000 Peer Small Business Data: US & PR.

** Small loans to farms originated and purchased in the MA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2001)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: MICHIGAN						Evaluation Period: June 15, 1999 to December 31, 2001							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% FNBA Loans****	% Families***	% FNBA Loans****	% Families***	% FNBA Loans****	% Families***	% FNBA Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Lansing-E Lansing MA	54	100.00	19.31	25.00	17.82	30.77	24.67	25.00	38.20	19.23	0.26	0.67	0.35	0.17	0.16

* Based on 2000 Peer Mortgage Data: Central Region, adjusted for corrected FNBA data.

** As a percentage of loans with borrower income information available. No information was available for 3.70% of loans originated and purchased by FNBA.

*** Percentage of Families is based on the 1990 Census information.

**** Home purchase loans originated and purchased in the MA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: MICHIGAN					Evaluation Period: From June 15, 1999 to December 31, 2001					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% FNBA Loans****	% Families* **	% FNBA Loans****	% Families* **	% FNBA Loans****	% Families* **	% FNBA Loans****						
Full Review:																
Lansing-E Lansing MA	40	100.00	19.31	42.50	17.82	40.00	24.67	10.00	38.20	7.50	0.68	1.68	1.62	0.16	0.00	

* Based on 2000 Peer Mortgage Data: Central Region, adjusted for corrected FNBA data.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by FNBA.

*** Percentage of Families is based on the 1990 Census information.

**** Home improvement loans originated and purchased in the MA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: MICHIGAN				Evaluation Period: From June 15, 1999 to December 31, 2001					Market Share				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% FNBA Loans****	% Families**	% FNBA Loans****	% Families**	% FNBA Loans****	% Families**	% FNBA Loans****						
Full Review:																
Lansing-E Lansing MA	168	100.00	19.31	22.29	17.82	33.13	24.67	22.89	38.20	21.69	0.85	2.47	1.44	0.55	0.43	

* Based on 2000 Peer Mortgage Data: Central Region, adjusted for corrected FNBA data.

** As a percentage of loans with borrower income information available. No information was available for 1.19% of loans originated and purchased by FNBA.

*** Percentage of Families is based on the 1990 Census information.

**** Home mortgage refinance loans originated and purchased in the MA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MICHIGAN			Evaluation Period: From June 15, 1999 to December 31, 2001				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% FNBA****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Lansing-E Lansing MA	32	100.00	88.05	78.13	46.88	46.15	15.63	0.21	0.43

* Based on 2000 Peer Small Business Data: US& PR.

** Small loans to businesses originated and purchased in the MA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

No information was available for 9.38% of small loans to businesses originated and purchased by the FNBA.

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: MICHIGAN			Evaluation Period: From June 15, 1999 to December 31, 2001				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% FNBA Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Lansing-E Lansing MA	10	100.00	94.95	50.00	70.00	20.00	10.00	0.00	0.00

* Based on 2000 Peer Small Business Data: US & PR.

** Small loans to farms originated and purchased in the MA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

No information was available for 50.00% of small loans to farms originated and purchased by FNBA.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: MICHIGAN				Evaluation Period: June 15, 1999 TO April 24, 2002			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Lansing-E Lansing MA	0	0	20	1,528	20	1,528	100	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: MICHIGAN Evaluation Period: June 15, 1999 TO April 24, 2002																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of FNBA Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Lansing-E Lansing MA	100	1	100	0	0	0	100	0	0	0	0	0	0	5.40	13.55	55.60	25.45