



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

Washington, DC 20219

Public Disclosure

June 1, 1998

**Community Reinvestment Act
Performance Evaluation**

**Northern Trust Bank of Florida, National Association
Charter Number: 17487**

**700 Brickell Avenue
Miami, Florida 33131**

**Office of the Comptroller of the Currency
Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605-1073**

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.

TABLE OF CONTENTS

I. General Information.	1
II. Institution	
a. Overall Rating.	1
b. Lending, Investment, Service Test Table.	2
c. Description of Institution and Assessment Areas.	3
d. Conclusions with Respect to Performance Tests.	6
III. Miami-Dade County.	14
IV. Sarasota County.	20
V. Appendix	
a. Definition of Terms	26

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 Community Reinvestment Act (CRA) performance of **Northern Trust Bank of Florida, National Association, Miami, Florida** (NTB-Florida) prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **December 31, 1997**. 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 visits to some, but not necessarily all of the institution's branches. The agency rates CRA performance of an institution based on the provisions set forth in Appendix A to 12 C.F.R. Part 25.

INSTITUTION

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

These factors support the bank's CRA performance for the lending, investment, and service tests.

- ▶ The bank's distribution of HMDA and small business loans by geography designation and borrower income level is adequate. The bank's level of community development lending is adequate, given available opportunities. The vast majority of HMDA and small business loans are made within the bank's assessment areas.
- ▶ The bank makes an adequate level of qualified community development investments, given available opportunities.
- ▶ Loan delivery systems are reasonably accessible to different geographies and persons of different income levels. The bank's record of opening and closing branches has not adversely affected the accessibility of delivery systems throughout its assessment areas.

The table below shows the bank's performance level under the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>NORTHERN TRUST BANK OF FLORIDA, NATIONAL ASSOCIATION, MIAMI, FLORIDA</u>		
	PERFORMANCE TESTS		
	Lending Test ¹	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
Needs to Improve			
Substantial Noncompliance			

¹ The lending test is weighted more heavily than the investment and service test when arriving at an overall rating.

DESCRIPTION OF THE INSTITUTION AND ITS ASSESSMENT AREAS

Northern Trust Bank of Florida is a subsidiary of Northern Trust Corporation, a multi-bank holding company based in Illinois. Holding company subsidiaries are located in Illinois, New York, Connecticut, Arizona, California, Texas, Georgia and Florida. The Northern Trust Corporation established a presence in Florida in late 1971 by acquiring a trust company that had no banking powers. Banking powers of the bank's four Florida subsidiaries were not obtained until 1982.

NTB-Florida's customer base has developed primarily from its trust customers. The bank's lending opportunities primarily come from referrals from current or prospective trust customers. Consequently, a high percentage of lending is to customers referred to the bank by trust related sources. The bank is a trust bank and not a traditional retail bank. Trust assets under administration totaled \$18.5 billion for the year ended December 31, 1997. Total banking assets at December 31, 1997 were \$2.56 billion. There are no comparable organizations within Florida. There are no legal, financial, or other reasons which prevent the bank from meeting its assessment areas' credit needs.

Northern Trust's banking market share is only 1.3% of a market currently dominated by several large multi-state banking institutions. These institutions have extensive branch networks numbering over 2,190 branches. Northern Trust Bank of Florida has a different and non-traditional strategy and approach to the Florida market compared to other Florida banks. The bank delivers its trust and banking services through a 24 branch office network encompassing 11 counties and approximately 11,600 square miles. The 11 counties in which the bank operates are: Miami-Dade, Broward, Palm Beach, Martin, Indian River, Collier, Lee, Sarasota, Manatee, Pinellas, and Hillsborough. Each county represents an assessment area. The bank's offices are not highly visible, are not open on weekends or holidays, have only three proprietary ATM's (acquired through the purchase of the Beach Bank in 1995), and relatively small banking and lending staffs.

Each county's demographics and economic characteristics differ. For example, Miami-Dade County is more ethnically diverse than the other counties. Assessment areas in Miami-Dade, Broward and Palm Beach counties have relatively larger urban areas and more low and moderate income geographies.

Tables 1 and 2 show demographic data for the 11 counties that comprise the bank's combined assessment areas. Table 1 shows the distribution of geographies, families, households, and population by census tract income level. Table 2 shows housing stock demographics by census tract income level. The Department of Housing and Urban Development (HUD) updated median family income for the combined 11 assessment areas was \$44,137 in 1998. Median housing value was \$105,599 with a median year built in 1972.

Table 1 Demographic Information by Census Tract Income Level All Assessment Areas												
	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	75	6%	241	19%	566	45%	350	28%	23	2%	1,255	100%
Families (000)	66	4%	307	16%	933	50%	569	30%	0	0%	1,875	100%
Population (000)	306	4%	1,240	18%	3,373	49%	1,984	29%	6	nil%	6,909	100%

Source: 1990 Census, U.S. Bureau of the Census

Table 2 Housing Stock Demographics All Assessment Areas						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	% Total	% Multifamily Units
Low Income	123,815	20%	65%	15%	100%	5%
Moderate Income	586,658	43%	39%	18%	100%	17%
Middle Income	1,636,443	57%	27%	16%	100%	46%
Upper Income	997,240	60%	20%	20%	100%	32%
TOTAL	3,344,156					100%

Source: 1990 Census, U.S. Bureau of the Census

Community credit and community development needs were determined by contacting local community groups and by reviewing U.S. Department of Housing and Urban Development (HUD) Consolidated Strategies and Plans for cities and counties in the bank’s assessment areas. The HUD Consolidated Strategies and Plans are comprehensive planning documents that identify community credit needs and community development opportunities.

The primary credit needs identified were loans for affordable housing (i.e. single family rental, multi-family rental, and home ownership), funds to repair and rehabilitate existing homes, and down payment assistance for low income families seeking to own a home.

Opportunities exist for the bank to make qualified investments within its assessment areas. These opportunities include tax-exempt bonds for low and moderate-income housing, and small business investment corporations. The bank also invests in organizations who revitalize low and moderate income geographies by making small business and affordable housing loans.

Northern Trust Bank of Florida received a rating of “Satisfactory” at its last CRA examination dated June 25, 1996. This examination covers the bank’s CRA performance from January 1, 1996 to December 31, 1997. The bank’s CRA performance evaluation was completed for all 11 combined assessment areas. Additionally, the bank’s CRA performance in Miami-Dade and Sarasota counties, was also evaluated. These two counties have the most HMDA activity.

PERFORMANCE TESTS' CONCLUSIONS

LENDING TEST

We focused on housing related loans subject to the Home Mortgage Disclosure Act (HMDA) and small business loans to assess NTB-Florida's lending performance. Small farm loans and consumer loans were not included in the bank's CRA performance analysis. The bank made no small farm loans during this evaluation period and consumer loans did not represent a significant portion of the bank's total loan portfolio.

Lending Activity

Table 3 shows that a substantial majority of NTB-Florida's loans are made within its 11 assessment areas. During the 2-year evaluation period, the bank made at least 94% of both the number and dollar amount of HMDA and small business loans inside its assessment areas.

Table 3 Numbers and Ratios of Loans Inside the Bank's Assessment Areas All Assessment Areas				
	HMDA		Small Business	
	1996	1997	1996	1997
Number				
# of Loans Inside AA	1,679	1,524	508	520
% of Loans Inside AA	94%	97%	96%	98%
Dollars (000's)				
\$ of Loans Inside AA	\$313,847	\$328,683	\$82,909	\$85,998
% of Loans Inside AA	95%	97%	97%	96%

Lending activity reflects adequate responsiveness to assessment area credit needs. Affordable housing for low and moderate income people was identified as the most critical credit need throughout the bank's assessment areas. Tables 4 and 5 show adequate penetration to low and moderate income geographies and individuals.

Loan Distribution by Geography Designation and Borrower Income Level

Given the combined demographics of the bank's 11 assessment areas, the bank's distribution of HMDA loans among different geographies and borrowers of different income levels is adequate. Loan penetration to small businesses in low and moderate-income geographies and to different size businesses is also adequate. There were no conspicuous geographic gaps in the bank's lending patterns. The distribution of housing related and small business loans are discussed separately in subsequent sections of this Public Performance Evaluation.

Housing Related Loans

NTB-Florida conducts its lending business and CRA activities through relationship building and referrals. In urban areas like Miami-Dade County, the bank has built relationships with various local and state government loan programs and community development organizations. These organizations refer low and moderate-income prospects to the bank. The number of low and moderate-income referrals for affordable housing depends upon these organizations' ability to procure annual government funding. During 1997, the number of low and moderate income referrals for affordable housing declined from 1996 levels. The main reason for the decline in referrals was a slow down in government funding for referring organizations. This decline in the number of HMDA loans to low and moderate-income geographies and individuals is demonstrated in Tables 4 and 5. To reverse the declining trends, the bank has added new referral sources while retaining existing referral sources.

The distribution of housing-related loans originated in low and moderate-income geographies is adequate. Table 4 shows that HMDA loans originated in low income geographies during 1996 and 1997 were 2% and 1%, respectively. These percentages approximated the 1% of owner-occupied units in low income census tracts. During 1996, 10% (by number) of HMDA loans originated in moderate income geographies, while slightly lower, in near the 14% of owner-occupied units in moderate income geographies. Because of a reduction in referrals, the level of HMDA lending to persons residing in moderate-income geographies declined during 1997.

Table 4 Geographic Distribution of HMDA Loans All Assessment Areas										
Geographic Designation by Income Level	Owner Occupied Housing by Tract		1996				1997			
	# (000)	%	#	%	\$(000)	%	#	%	\$(000)	%
	Low Income	26	1%	37	2%	1,674	1%	13	1%	528
Moderate	257	14%	163	10%	13,421	4%	80	5%	10,792	3%
Middle	945	52%	521	31%	71,414	23%	563	37%	94,886	29%
Upper	605	33%	956	57%	226,742	72%	868	57%	222,477	68%
N/A	0	0%	2	nil	596	nil	0	0%	0	0%
Total	1,833	100%	1,679	100%	313,847	100%	1,524	100%	328,683	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Register

The bank demonstrates comparable performance in low and moderate-income geographies when compared to 1996 aggregate HMDA lending by all financial institutions within its 11 assessment areas. The bank's 2% HMDA penetration in low income geographies during 1996 slightly exceeded the 1.2% percent aggregate lending by all financial institutions in low income tracts. The bank's 10% lending in moderate-income tracts during 1996 was the same as the 10% aggregate lending by all financial institutions. Aggregate HMDA data for 1997 was not available

when this Public Performance Evaluation was written.

The bank's distribution of HMDA loans to low and moderate-income borrowers is adequate. Table 5 shows that the percent of HMDA loans originated to low and moderate income borrowers during 1996 was 6% and 14%, respectively. These percentages are comparable to the 6% and 18% aggregate lending to low and moderate income borrowers, respectively, by all financial institutions within the bank's 11 assessment areas. A significant decrease in both the number and percent of HMDA loans to low and moderate-income borrowers occurred during 1997. The reason for these declines is a decrease in referrals, explained earlier. Aggregate data was not available for 1997.

Table 5 Distribution of HMDA Loans by Borrower Income Level All Assessment Areas										
Borrower Income Levels	Families in Assessment Areas		1996				1997			
	# (000)	%	#	%	\$(000)	%	#	%	\$(000)	%
	Low Income	356	19%	104	6%	3,843	1%	57	4%	2,411
Moderate	338	18%	238	14%	13,737	4%	161	11%	9,483	3%
Middle	412	22%	132	8%	9,711	3%	84	6%	6,725	2%
Upper	769	41%	1,089	65%	265,024	85%	1,141	74%	291,685	88%
N/A	0	0	116	7%	21,532	7%	81	5%	18,379	6%
Total	1,875	100%	1,679	100%	313,847	100%	1,524	100%	328,683	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Register

Small Business Loans

The bank geographic distribution of small business loans in low income geographies is adequate. Table 6 shows that loan penetration for the number and dollar amount of small business loans in low income geographies was 3% during this evaluation period. This penetration range was comparable to the 5% of businesses located in low income geographies.

The bank has adequate penetration of small business loans in moderate income geographies. Table 6 shows that loan penetration for the number and dollar amount of small business loans ranged from 16% to 27% during this evaluation period. This penetration range approximates the 19% of businesses located in moderate income geographies.

Table 6 Geographic Distribution of Small Business Loans All Assessment Areas										
Geography Designation	Businesses By Location		1996				1997			
	#	%	#	%	\$(000)	%	#	%	\$(000)	%
Low Income	16,723	5%	16	3%	2,719	3%	15	3%	2,534	3%
Moderate Income	60,354	19%	111	22%	22,248	27%	83	16%	17,161	20%
Middle Income	143,799	45%	187	37%	26,746	32%	240	46%	34,814	40%
Upper Income	101,776	31%	194	38%	31,196	38%	182	35%	31,489	37%
Total	322,652	100%	508	100%	82,909	100%	520	100%	85,998	100%

Source: Dun & Bradstreet, Inc. and Bank prepared Small Business Data Collection Register

Table 7 shows adequate loan penetration among business customers of different size. In 1996 and 1997, 66% and 61% of business loans were for amounts of \$100,000 or less, respectively. During 1996, 74% of small business loans were to businesses with revenues less than \$1,000,000. This percentage declined to 61% during 1997 since referrals did not fall into true small business loan categories. For 1998, and beyond, the bank is exploring additional referral sources for opportunities to make additional loans to businesses with gross annual revenues \leq \$1 million within its assessment areas.

Table 7 Distribution of Small Business Loans by Loan Size All Assessment Areas								
Loan Size	1996				1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than or equal to \$100,000	333	66%	14,956	18%	315	61%	13,765	16%
Between \$100,000 and \$250,000	69	13%	12,433	15%	92	18%	15,705	18%
Greater than \$250,000	106	21%	55,520	67%	113	21%	56,528	66%
Total	508	100%	82,909	100%	520	100%	85,998	100%

Source: Bank prepared Small Business Data Collection Register

Community Development Lending

NTB-Florida's community development lending is adequate, given available opportunities. During 1996 and 1997, the bank made 41 community development loans totaling \$5,338,000. Most of these loans (60%) were for multifamily housing projects targeted for low and moderate-income persons. Approximately one-third (31%) of community development loans were made in Miami-Dade County. Twenty-eight percent (28%) of the loans were made in Sarasota County.

Flexible Lending Programs

NTB-Florida uses flexible lending programs to serve its assessment area credit needs. Descriptions of flexible programs follow. Production numbers for the programs are not shown because the number and dollar amount of loans under these programs have been considered in the analysis of lending distribution by geographic and borrower income.

- ***Home Buyers Mortgage Product***

The bank's proprietary affordable housing mortgage program is targeted to low and moderate income home buyers. The program offers 30 year, fixed rate mortgages with flexible underwriting criteria. Private mortgage insurance (PMI) is not required under the program. Borrowers with loan-to-value ratios exceeding 90% are allowed to pay the bank an amount equal to the monthly PMI premium and have the bank credit this amount to the principal until the loan balance reaches a 90% loan-to-value ratio.

The bank also utilizes its Home Buyers mortgage product in conjunction with the Miami-Dade County Surtax Loan Program. The Miami-Dade County Surtax Loan Program was established to provide opportunities to low and moderate income families to purchase homes using private financing for first mortgages and public funds for below market rate second mortgages.

- ▶ ***Housing Finance Authority of Broward County Lender's Program***

This Broward County program provides low and moderate income borrowers with assistance in obtaining mortgage financing from participating lenders. Loans are provided for construction projects, permanent loans or purchases, or rehabilitation of Broward County properties located. Flexible underwriting criteria for single family homes include higher than standardized debt to income ratios up to 35% for housing expenses and up to 45% for total debt expense. Closing costs can be a gift, a seller concession, or unsecured borrowings.

INVESTMENT TEST

NTB-Florida's qualified community development investments are adequate, given available opportunities. During this evaluation period, the bank made \$2,181,000 in qualified investments. A breakdown of qualified investments is shown below:

- \$1,000,000 investment in the Florida Housing Tax Credit Fund II (FHTCF). This is the second in a series of partnerships formed to invest in projects that address housing needs of low income families within the State of Florida. The FHTCF is a limited partnership which will acquire, construct, rehabilitate, operate and dispose of low income housing developments in Florida eligible for federal low income housing tax credits. The total capital investment by the eight limited partners was \$25 million. This bank's portion was \$1 million
- \$250,000 Government National Mortgage Association (GNMA) bond pool. The Miami-Dade

County Housing Finance Authority (HFA) issued single family revenue bonds to alleviate the affordable housing shortages and provide financing for low and moderate-income first time home buyers. The GNMA pools are comprised of first mortgage liens on single family residences located in Miami-Dade County. Loans were made to low and moderate-income families.

- \$931,000 in contributions and donations to organizations in the bank’s 11 county assessment areas that:
 - engage in affordable housing rehabilitation and construction;
 - promote community development in low and moderate income areas;
 - serve low and moderate income housing or other community development needs;
 - support activities needed by low and moderate income areas and persons to utilize credit or sustain economic development.

SERVICE TEST

Accessibility of Delivery Systems

NTB-Florida’s delivery systems are reasonably accessible to different geographies and persons of different income levels. Given the demographics of the area and the bank’s lending philosophy, the bank has an adequate distribution of branches in geographies of different incomes. The bank’s target market is high income individuals. Consequently, the bank has no offices in low income geographies and only 12% of its offices in moderate income geographies. See table 8. Lending to low and moderate income individuals is accomplished primarily through referrals from non-profit, governmental, and community development organizations and not via walk in traffic at the bank’s network of offices.

Table 8 Distribution of Branch Offices All Assessment Areas						
Tract Income Designation	Census Tracts		Families		Branches	
	Number	Percent	Number	Percent	Number	Percent
Low Income	75	6%	66,291	4%	0	0%
Moderate Income	241	19%	306,806	16%	3	12%
Middle Income	566	45%	933,257	50%	10	42%
Upper Income	350	28%	569,327	30%	11	46%
NA	23	2%	0	0%	0	0%
Total	1,255	100%	1,875,681	100%	24	100%

Changes in Branch Locations

NTB-Florida's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. Six offices were opened during 1996 and 1997, one in a moderate income tract, two in middle income tracts, three in upper income tracts. No branches were closed during this period. A branch closing policy has been approved and adopted by the Board of Directors. This policy assesses the impact of branch closings on the affected community.

Business Hours and Services

Business hours for the bank's 24 full service offices are tailored to the convenience and needs of respective assessment areas. There is no significant difference in operating hours between the offices. Standard business hours for bank lobbies are 8:30 am - 4:00 pm Monday through Friday. Thirteen offices have drive-thru facilities whose standard operating hours are the same as bank lobbies. Some offices are open until 6:00 pm on Fridays. No offices are open on Saturdays.

Community Development Services

NTB-Florida has provided a relatively high level of community development services. These community development services primarily relate to providing technical assistance, training, and fund raising activities for over eighteen organizations involved in community development activities. Examples of community development services provided include:

- ▶ *Credit Education/Credit Counseling.* During 1996 and 1997, the bank conducted, participated in, or sponsored 46 credit counseling, credit education and general banking education seminars. These sessions reached more than 1,200 low and moderate income individuals within the bank's assessment areas. Some of these seminars are conducted jointly with local community development organizations servicing low and moderate income individuals and areas.
- ▶ *Little Haiti Housing Association.* A bank officer serves on the fund raising and finance committee of this non-profit community development organization that provides affordable housing for low income families. The association serves Miami-Dade County.
- ▶ *Broward County Housing Finance Authority.* A bank officer is a member of the loan committee of the governmental agency that provides affordable housing for low and moderate income families. The organization assists low and moderate income borrowers in obtaining financing from a construction loans, permanent loans and rehabilitation loans.
- ▶ *Allapattah Business Development Authority.* A bank officer provides technical assistance to this non-profit community development corporation located in a low-to moderate-income area in the City of Miami. The bank officer assists with evaluating loan applications. The primary mission of this organization is to promote the economic development of the Allapattah area with the assistance of the City of Miami.

- ▶ *Community Financing Consortium.* A consortium of banks that provide below market rate financing to construct, rehabilitate, and purchase existing residential and commercial properties in Palm Beach, Martin, and Broward Counties. Lending efforts are targeted at low and moderate income persons. Bank officers are on the residential loan committee and the mortgage loan credit committee.
- ▶ *Consumer Credit Counseling of SW Florida.* A bank officer attends meetings of this non-profit organization. The purpose of the meetings attended was to review the home loan needs of low and moderate income clients as they complete their debt management program.

FAIR LENDING REVIEW

No violations of the substantive provisions of the anti-discrimination laws or regulations are identified. NTB-Florida's fair lending policies, procedures, and training programs are satisfactory.

Miami-Dade County, Florida

Miami-Dade County Performance Test Conclusions

NTB-Florida's CRA performance rating in Miami-Dade County is consistent with the bank's overall CRA rating.

Miami-Dade County Demographic Information

Tables 9 and 10 show Miami-Dade County assessment area demographic data. Table 9 shows the distribution of geographies, families and population by census tract income level. Table 10 shows housing stock demographics by census tract income level. The Department of Housing and Urban Development (HUD) updated median family income for Miami-Dade County was \$39,200 in 1998. The median housing value was \$100,570 with a median year built of 1968. Seventeen percent (17%) of the households had incomes below the poverty level.

Table 9 Demographic Information by Census Tract Income Level Miami-Dade County												
	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	36	14%	57	21%	96	36%	75	28%	3	1%	267	100%
Families (000)	38	8%	90	19%	192	40%	165	33%	0	0%	485	100%
Population (000)	178	9%	376	19%	764	39%	619	32%	0	0%	1,937	100%

Source: 1990 Census, U.S. Bureau of the Census

Table 10 Housing Stock Demographics Miami-Dade County						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	% Total	% Multifamily
Low Income	71,485	17%	70%	13%	100%	14%
Moderate Income	150,066	32%	58%	10%	100%	21%
Middle Income	292,074	53%	38%	10%	100%	36%
Upper Income	257,663	63%	26%	11%	100%	29%
TOTAL	771,288					100%

Source: 1990 Census, U.S. Bureau of the Census

LENDING TEST

NTB-Florida's Miami-Dade County's lending test performance is consistent with the bank's overall lending performance.

Loan Distribution by Geography Designation and Borrower Income Level

The bank's distribution of HMDA loans among different geographies and borrowers of different income levels is adequate, given Miami-Dade County demographics. Loan penetration to small businesses in low and moderate income geographies and to different size businesses is also adequate. There are no conspicuous geographic gaps in the bank's lending patterns.

Housing Related Loans

NTB-Florida lends through relationship building and referrals. The bank has built Miami-Dade County relationships with local and state government sponsored loan programs and community development organizations. These organizations refer low and moderate income prospects to the bank. The number of low and moderate income referrals for affordable housing is dependent upon these organizations receiving annual government funding. During 1996 and 1997, the bank's major sources of low and moderate income referrals were the: Miami Beach Development Corporation, Greater Miami Neighborhoods, East Little Havana Community Development Corporation (CDC), Miami-Miami-Dade County Surtax Lottery Program, New Washington Heights CDC, Opa-Locka CDC, Monticello Estates and Richmond Heights Developments.

During 1997, the number of low and moderate income loan referrals for affordable housing declined from 1996 levels. The main reason for the decline in referrals was a slow down in government funding for referring organizations. This decline in the number of HMDA loans to low and moderate income geographies and individuals can be seen in Tables 11 and 12.

The distribution of housing-related loans originated in low and moderate-income geographies was adequate. Table 11 shows that the 5% and 3%, respectively, of HMDA loans originated in low income geographies during 1996 and 1997 approximated the 3% of owner-occupied units in low income geographies. During 1996, the 17% (by number) of HMDA loans originated in moderate income geographies exceeded the 13% of owner-occupied units in moderate income geographies. The level of HMDA lending to persons residing in moderate income geographies declined to 8% during 1997 because of a decrease in loan referrals from organizations serving the housing needs of low and moderate income families. However, 1997 HMDA lending levels to moderate income geographies remained adequate.

Table 11 Geographic Distribution of HMDA Loans Miami-Dade County										
Geographic Designation by Income Level	Owner Occupied Housing by Tract		1996				1997			
	#	%	#	%	\$(000)	%	#	%	\$(000)	%
Low Income	11,280	3%	19	5%	945	2%	8	3%	245	nil
Moderate	48,881	13%	62	17%	4,818	8%	22	8%	5,013	8%
Middle	154,162	41%	87	24%	10,174	16%	56	21%	7,773	12%
Upper	161,683	43%	190	54%	46,971	74%	179	68%	54,068	80%
N/A	0	0%	0	0%	0	0%	0	0%	0	0
Total	376,006	100%	358	100%	62,908	100%	265	100%	67,099	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Register

The bank demonstrated good performance in low and moderate-income geographies when compared to 1996 aggregate HMDA lending by all Miami-Dade County financial institutions. The bank's 5% HMDA penetration in low income geographies during 1996 exceeded the 3% aggregate lending by all financial institutions in low income tracts. The bank's 17% lending in moderate-income tracts during 1996 exceeded the 11% aggregate lending by all financial institutions in moderate-income geographies. Aggregate HMDA data for 1997 was not available when this Public Performance Evaluation was written.

The bank's distribution of HMDA loans to low and moderate-income borrowers was adequate. Table 12 shows that the percent of HMDA loans originated to low and moderate-income borrowers during 1996 was 15% and 22%, respectively. These percentages exceed the 4% and 14% aggregate lending to low and moderate-income borrowers, respectively, by all Miami-Dade County financial institutions. A significant decrease in both the number and percent of HMDA loans to low and moderate-income borrowers occurred during 1997 because of a decrease in referrals. Aggregate data was not available for 1997.

Table 12 Distribution of HMDA Loans by Borrower Income Level Miami-Dade County										
Borrower Income Levels	Families in Assessment Areas		1996				1997			
	#	%	#	%	\$(000)	%	#	%	\$(000)	%
	Low Income	111,599	23%	52	15%	1,377	2%	20	8%	687
Moderate	77,634	16%	79	22%	3,649	6%	36	14%	1,620	2%
Middle	92,190	19%	27	7%	1,863	3%	14	5%	1,005	2%
Upper	203,790	42%	149	42%	40,871	65%	153	57%	51,355	76%
N/A	0	0%	51	14%	15,148	24%	42	16%	12,432	19%
Total	485,213	100%	358	100%	62,908	100%	265	100%	67,099	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Register

Small Business Loans

Small business loans in low income geographies are adequately geographically distributed. Table 13 shows that loan penetration for the number of small business loans in low income geographies for 1996 and 1997 was 8% and 7%, respectively. This penetration level was slightly below, but comparable, to the 11% of businesses in low income geographies.

The bank has adequate penetration of small business loans in moderate income geographies. Table 13 shows that loan penetration for the number of small business loans for 1996 and 1997 was 23% and 22%, respectively. This penetration level was slightly higher than, but comparable to, the 20% of businesses in moderate income geographies.

Table 13 Geographic Distribution of Small Business Loans Miami-Dade County										
Geography Designation	Businesses By Location		1996				1997			
	#	%	#	%	\$(000)	%	#	%	\$(000)	%
Low Income	6,769	11%	12	8%	1,853	5%	12	7%	1,146	4%
Moderate Income	12,308	20%	37	23%	13,476	36%	37	22%	10,680	37%
Middle Income	18,462	30%	47	30%	8,505	22%	53	32%	7,627	27%
Upper Income	24,001	39%	62	39%	13,918	37%	64	39%	9,031	32%
Total	61,540	100%	158	100%	37,752	100%	166	100%	28,484	100%

Source: Dun & Bradstreet, Inc. and Bank prepared Small Business Data Collection Register

Table 14 shows adequate loan penetration among business customers of different size. In 1996 and 1997, 50% and 58% of business loans were for amounts of \$100,000 or less, respectively. During 1996, 54% of small business loans were to businesses with revenues less than \$1,000,000. This percent declined to 38% during 1997 since referrals did not fall into true small business loan categories. For 1998, and beyond, the bank is exploring additional referral sources for opportunities to make additional loans to businesses with gross annual revenues <= \$1 million within its assessment areas.

Table 14 Distribution of Small Business Loans by Loan Size Miami-Dade County								
Loan Size	1996				1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than or equal to \$100,000	79	50%	4,069	11%	96	58%	4,526	16%
Between \$100,000 and \$250,000	22	14%	4,217	11%	28	17%	5,001	18%
Greater than \$250,000	57	36%	29,466	78%	42	25%	18,957	66%
Total	158	100%	37,752	100%	166	100%	28,484	100%

Source: Bank prepared Small Business Data Collection Register

Community Development Lending

The bank's Miami-Dade County community development lending is adequate. Six (6) community development loans totaling \$1,666,000 were made in Miami-Dade County during 1996 and 1997. Ninety-one percent (91%) of the total dollar amount was used to renovate 44 multifamily units targeted toward low and moderate-income families. A description of these multifamily projects follows:

- ▶ \$850,000 Funds used to renovate a 21 unit apartment building in a moderate-income area. The borrower has also been approved for \$210,000 in Community Block Grant funds which will also be applied towards building renovation.
- ▶ \$675,000 Funds used to rehabilitate a 23 unit apartment building in a moderate income tract in a predominantly Hispanic area known as "Little Havana". The apartment building has HUD Section 8 low income tenants.

Flexible Lending Programs

Descriptions of the bank's flexible lending programs are included in the Public CRA Performance Evaluation which discusses all 11 combined assessment areas. All NTB-Florida offices participate in the bank's flexible lending programs.

INVESTMENT TEST

NTB-Florida’s Miami-Dade County investment test performance is adequate. Miami-Dade County qualified investments are discussed under the entire bank’s CRA performance.

SERVICE TEST

NTB-Florida’s 5 Miami-Dade County offices are reasonably accessible to different geographies and persons of different income levels. Table 15 shows that the bank has no offices in low or moderate-income geographies. However, the main office located near downtown on Brickell Avenue is in close proximity to several low and moderate-income geographies. The Brickell office is within one-quarter mile of three low income census tracts and within one-half mile of a moderate-income census tract. The bank obtains referrals from organizations that provide loans and technical assistance to low and moderate-income persons. This practice allows it to serve low and moderate-income community segments where it does not have offices.

Table 15 Distribution of Branch Offices Miami-Dade County						
Tract Income Designation	Census Tracts		Families		Branches	
	Number	Percent	Number	Percent	Number	Percent
Low Income	36	14%	37,694	8%	0	0%
Moderate Income	57	21%	90,481	19%	0	0%
Middle Income	96	36%	192,219	40%	2	40%
Upper Income	75	28%	164,819	33%	3	60%
NA	3	1%	0	0%	0	0%
Total	267	100%	485,213	100%	5	100%

Community Development Services

The bank’s community development services are consistent with its available resources and Miami-Dade County presence. Specific community development services for Miami-Dade County are discussed in the previous section addressing the entire bank’s CRA performance.

Sarasota County, Florida

Sarasota County Performance Test Conclusions

NTB-Florida's CRA performance rating in Sarasota County is consistent with the bank's overall CRA rating.

Sarasota County Demographic Information

Tables 16 and 17 show Sarasota County demographic assessment area data. Table 16 shows the distribution of geographies, families and population by census tract income level. Table 17 shows housing stock demographics by census tract income level. The Department of Housing and Urban Development (HUD) updated median family income for Sarasota County was \$43,300 in 1998. The median housing value was \$107,803 with a median year built of 1975. Only six percent (6%) of households had incomes below the poverty level.

Table 16 Demographic Information by Census Tract Income Level Sarasota County												
	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	1	2%	3	7%	24	58%	13	31%	1	2%	42	100%
Families (000)	1	1%	4	5%	55	65%	24	29%	0	0%	84	100%
Population (000)	4	1%	17	6%	180	65%	77	28%	0	0%	278	100%

Source: 1990 Census, U.S. Bureau of the Census

Table 17 Housing Stock Demographics Sarasota County							
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	% Total	# /% Multifamily	
Low Income	1,582	41%	49%	10%	100%	183	nil
Moderate Income	10,155	39%	37%	24%	100%	3,205	11%
Middle Income	98,380	64%	19%	17%	100%	12,928	43%
Upper Income	46,938	59%	14%	27%	100%	13,792	46%
TOTAL	157,055					30,108	100%

LENDING TEST

NTB-Florida's Sarasota County lending test performance is consistent with the bank's overall lending performance.

Loan Distribution by Geography Designation and Borrower Income Level

The bank's HMDA loan distribution among different geographies and borrowers of different income levels is adequate, given Sarasota County demographics. Loan penetration to small businesses in low and moderate-income geographies and to different size businesses is also adequate. There are no conspicuous geographic gaps in the bank's lending patterns.

Housing Related Loans

NTB-Florida lends through relationship building and referrals. The bank has built relationships with local and state government sponsored loan programs and community development organizations. These organizations refer low and moderate-income prospects to the bank. Compared to Miami-Dade County, Sarasota County has very few local government loan programs and community development organizations to assist low and moderate income people. To meet Sarasota County affordable housing needs, the bank used mortgage brokers as referral sources. During 1996, the bank originated 85 HMDA loans to low and moderate-income borrowers, 35 of which were through mortgage brokers.

Sarasota County offices experienced increased past due loan numbers and repossessed real estate during the last two quarters of 1996 and the first two quarters of 1997. Most of the increase in past dues and repossessed real estate were from loans referred by mortgage brokers during the early part of 1996. During the second half of 1997, the bank discontinued soliciting loans from mortgage brokers and concentrated more on Realtors as referral sources. Discontinuing the use of mortgage brokers caused a noticeable decline in the number of loans originated to low and moderate income people. This drop can be seen in Tables 18 and 19.

The distribution of housing-related loans originated in low and moderate income geographies was adequate. Table 18 shows that the 1% of HMDA loans originated in low income geographies during 1996 and 1997 equaled the 1% of owner-occupied units in low income geographies.

Table 18 Geographic Distribution of HMDA Loans Sarasota County										
Geographic Designation by Income Level	Owner Occupied Housing by Tract		1996				1997			
	#	%	#	%	\$(000)	%	#	%	\$(000)	%
	Low Income	646	1%	6	1%	314	nil	2	1%	143
Moderate	3,982	4%	21	5%	1,637	2%	14	3%	2,228	3%
Middle	63,308	66%	178	40%	21,969	33%	193	48%	24,488	37%
Upper	27,662	29%	236	54%	43,374	65%	194	48%	40,429	60%
N/A	0	0%	0	0%	0	0	0	0%	0	0
Total	95,598	100%	441	100%	67,294	100%	403	100%	67,288	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Register

The bank demonstrates adequate performance in low and moderate-income geographies, compared to 1996 aggregate HMDA lending by all Sarasota County financial institutions. The bank's 1% HMDA penetration in low income geographies during 1996 approximated the ½ of 1% percent aggregate lending by all financial institutions in low income tracts. The bank's 5% lending in moderate income tracts during 1996 approximated the 4% aggregate lending by all financial institutions in moderate-income geographies. Aggregate HMDA data for 1997 was not available when this Public Performance Evaluation was written.

The bank's distribution of HMDA loans to low and moderate-income borrowers is adequate. Table 19 shows that the percent of HMDA loans originated to low and moderate-income borrowers during 1996 was 5% and 15%, respectively. These percentages were slightly less, but approximated the 6% and 19% aggregate lending to low and moderate income borrowers, respectively, by all financial institutions in Sarasota County. A significant decrease in both the number and percent of HMDA loans to low and moderate-income borrowers occurred during 1997 because of the elimination of mortgage broker referrals. Aggregate data was not available for 1997.

Table 19 Distribution of HMDA Loans by Borrower Income Level Sarasota County										
Borrower Income Levels	Families in Assessment Areas		1996				1997			
	#	%	#	%	\$(000)	%	#	%	\$(000)	%
	Low Income	11,846	14%	20	5%	1,012	2%	6	2%	275
Moderate	16,077	19%	65	15%	4,149	6%	40	10%	2,505	4%
Middle	21,153	25%	51	12%	3,811	5%	32	8%	2,623	4%
Upper	35,538	42%	295	66%	57,086	85%	318	78%	61,050	91%
N/A	0	0	10	2%	1,236	2%	7	2%	835	1%
Total	84,614	100%	441	100	67,294	100%	403	100%	67,288	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Register

Small Business Loans

The bank had good geographic distribution of small business loans in low and moderate income geographies. Table 20 shows that combined loan penetration for small business loans (by number) in low and moderate-income geographies for 1996 and 1997 was 30% and 31%, respectively. This penetration level exceeds the combined 17% of businesses in low and moderate income geographies.

Table 20 Geographic Distribution of Small Business Loans Sarasota County										
Geography Designation	Businesses By Location		1996				1997			
	#	%	#	%	\$(000)	%	#	%	\$(000)	%
Low Income	127	1%	0	0%	0	0%	1	1%	200	1%
Moderate Income	2,272	16%	44	30%	5,029	31%	33	30%	3,647	24%
Middle Income	8,125	56%	67	46%	7,487	46%	55	50%	8,786	57%
Upper Income	3,850	27%	36	24%	3,649	23%	21	19%	2,806	18%
Total	14,374	100%	147	100%	16,165	100%	110	100%	15,439	100%

Source: Dun & Bradstreet, Inc. and Bank prepared Small Business Data Collection Register

Table 21 shows adequate loan penetration among business customers of different size. In 1996 and 1997, 74% and 65% of business loans were for amounts of \$100,000 or less, respectively. In 1996, 90% of small business loans were to businesses with revenues less than \$1,000,000. This percent declined slightly to 82% during 1997.

Table 21 Distribution of Small Business Loans by Loan Size Sarasota County								
Loan Size	1996				1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than or equal to \$100,000	109	74%	4,467	28%	71	65%	3,038	20%
Between \$100,000 and \$250,000	20	14%	3,335	21%	21	19%	3,684	24%
Greater than \$250,000	18	12%	8,363	51%	18	16%	8,717	56%
Total	147	100%	16,165	100%	110	100%	15,439	100%

Source: Bank prepared Small Business Data Collection Register

Community Development Lending

The bank's Sarasota County community development lending is adequate. Nine (9) community development loans totaling \$1,471,000 were made in Sarasota County during 1996 and 1997.

The two largest loans are shown below:

- ▶ \$775,000 Funds used to purchase and renovate a 35 unit apartment building in a moderate income area. The building is currently occupied by low and moderate-income tenants.
- ▶ \$300,000 An unsecured line of credit to a non-profit housing developer in the business of providing affordable housing for low and moderate-income individuals in Sarasota and Manatee Counties.

Flexible Lending Programs

Descriptions of the bank's flexible lending programs are included in the Public CRA Performance Evaluation section discussing all 11 combined assessment areas.

INVESTMENT TEST

NTB-Florida's Sarasota investment test performance is consistent with the bank's overall investment performance.

SERVICE TEST

NTB-Florida’s three Sarasota County offices are reasonably accessible to different geographies and persons of different income levels. Table 22 shows that the bank has no offices in low income geographies. However, there is only one low income geography in Sarasota County and this bank has an office within a mile of this low income tract. The bank’s obtains referrals from organizations that provide loans and technical assistance to low and moderate-income persons. This practice allows it to serve low and moderate-income community segments where it does not have offices.

Table 22 Distribution of Branch Offices Sarasota County						
Tract Income Designation	Census Tracts		Families		Branches	
	Number	Percent	Number	Percent	Number	Percent
Low Income	1	2%	1,046	1%	0	0%
Moderate Income	3	7%	3,988	5%	1	33%
Middle Income	24	58%	55,397	65%	1	33%
Upper Income	13	31%	24,183	29%	1	34%
NA	1	2%	0	0%	0	0%
Total	42	100%	86,614	100%	3	100%

Community Development Services

The bank’s Sarasota County community development services are consistent with its available resources and presence. Specific Sarasota County community development services are discussed in the previous section addressing the entire bank’s CRA performance.

Definition of Terms

The following are definitions of terms used throughout this public evaluation. The definitions are not the strict legal definitions contained in 12 C.F.R. 25.12, but rather a more concise synopsis of their meaning.

Community Development - The primary purpose of the loan, investment, or service is for (1) affordable housing for low or moderate income individuals; (2) community services targeted to low or moderate income individuals; (3) activities that promote economic development by financing small businesses and farms; and (4) activities that revitalize or stabilize low or moderate income areas.

Consumer Loan - A loan to one or more individuals for household, family, or other personal expenditures.

HMDA Loan - A residential real estate loan (home purchase, home refinance, home improvement, or multifamily).

Geography - A census tract or block numbering area.

Low, Moderate, Middle, and Upper Income Area - A low income area is one in which the median family income is less than 50% of the area median income, moderate income is 50% to 79% of the area media Community development services have primarily been related to housing and community services targeted n family income, middle income is 80% to 119% of the area median family income, and upper income is 120% or more of the area median family income.

Qualified Investment - A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Small Business Loan - A commercial loan with an original loan amount of \$1 million or less.

Small Farm Loan - A farm loan with an original loan amount of \$500,000 or less.