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Comptroller of the Currency  
Administrator of National Banks

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Central District  
One Financial Place, Suite 2700  
440 South LaSalle Street  
Chicago, Illinois 60605

PUBLIC DISCLOSURE

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

April 18, 1996

EST National Bank  
Charter # 15577  
105 Court Street  
Elyria, OH 44035

<p>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.</p>
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## GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (CRA) performance of EST National Bank, Elyria, Ohio prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency.

The evaluation represents the OCC's current assessment and rating of the institution's CRA performance based on an examination conducted as of April 18, 1996. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U.S.C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

### Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under 5 performance categories, as detailed in the following section of this evaluation.

## ASSIGNMENT OF RATING

### Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

#### Outstanding record of meeting community credit needs.

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

#### Satisfactory record of meeting community credit needs.

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

#### Needs to improve record of meeting community credit needs.

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

#### Substantial noncompliance in meeting community credit needs.

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

## ABBREVIATIONS

The following abbreviations are used in the Public Evaluation:

- EST - EST National Bank, Elyria, Ohio (subject bank)
- FMER - FirstMerit Corporation, parent corporation of EST National Bank and several other financial institutions, headquartered in Akron, Ohio
  
- ATM - Automatic Teller Machine
- PMI - Private Mortgage Insurance (Commonly required when a mortgage loan exceeds 80% of the appraised value of collateral)
  
- CRA - Community Reinvestment Act (12 USC 2901) (12 CFR 25)
- ECOA - Equal Credit Opportunity Act (15 USC 1691) (12 CFR 202)
- HMDA - Home Mortgage Disclosure Act (12 USC 2801) (12 CFR 203)
- MSA - Metropolitan Statistical Area
- BNA - Block Numbering Areas (A subdivision for which demographic information is available within a county having no census tracts, i.e., not part of an MSA)
- CDBG - Community Development Block Grant (A federal grant available to improve some neighborhoods targeted for redevelopment)
- FHA - Federal Housing Administration (U.S. Department of Housing and Urban Development)
- FmHA - Farmers Home Administration (U.S. Department of Agriculture)
- HUD - U. S. Department of Housing and Urban Development
- OHFA - Ohio Housing Finance Agency
- OSLC - Ohio Student Loan Commission
- OLDP - Ohio Linked-Deposit Program
- SBA - United States Small Business Administration
- VA - Department of Veteran's Affairs (f/k/a Veteran's Administration)
  
- LMI - Low- and moderate-income (family income below 80% of the median family income for the MSA)
- MI - Middle income (family income between 80% and 120% of the median family income for the MSA)
- HI - High income (family income greater than 120% of the median family income for the MSA)

## DISCUSSION OF INSTITUTION'S PERFORMANCE

### Institution's Rating:

Based on the findings presented below, this institution is rated Outstanding record of meeting community credit needs.

Evaluation Period - This Performance Evaluation covers the period from April 22, 1994 until April 18, 1996. Our evaluation focused on 1994 and 1995, although 1996 year-to-date numbers are included to the extent they were available.

Bank Profile - EST has approximately \$500,000,000 in total assets as of December 31, 1995.

EST is wholly owned and operated by FirstMerit Corporation (formerly known as First Bancorporation of Ohio). FMER presently operates six (6) commercial banks in the State of Ohio, and a federal savings bank in the State of Florida. FMER had total assets of approximately \$5,600,000,000 as of December 31, 1995.

EST operates branches in the following municipalities: Elyria (3 full service branches, 2 ATM's, 2 Auto Banks [drive-up branch], and 1 credit office); Avon Lake (3 full service branches); Sheffield (1 full service branch); North Ridgeville (2 full service branches); Olmsted Township (1 full service branch); Columbia Township (1 full service branch); Grafton (1 full service branch); LaGrange (1 full service branch); Wellington (1 full service branch); Lorain (2 full service branches); Vermilion (1 full service branch); Huron (1 full service branch); Berlin Heights (1 full service branch); and Sandusky (1 full service branch and 1 ATM).

EST offers a full range of banking services through its offices, either on a stand alone basis or in conjunction with FMER.

Community Profile - The present delineated community includes all of Erie and Lorain Counties, and twelve (12) census tracts in southwestern Cuyahoga County. The Cuyahoga County tracts consist of Olmsted Township (1905.01 & 1905.02), the Village of Olmsted Falls (1761 & 1762), the City of Berea (1341, 1342.03, 1342.05, 1342.06, & 1343), and the northwestern corner of the City of Strongsville (1861.04 & 1861.05).

The charts shown as Figure 1 and Figure 2 illustrate the demographics of the delineated community. The Lorain and Cuyahoga County portions of the community are considered as one unit for this analysis since this is the way EST views the market.

The municipalities which make up this delineated community are widely diverse. The eastern edge of Lorain County (Avon Lake, Avon, North Ridgeville, and Columbia Township) and that section of Cuyahoga County which this bank services are experiencing growth as outlying bedroom communities for Cleveland. These areas are experiencing the normal problems of recent development in terms of strained infrastructure (especially water, sewer, and roads) and adjusting the perceptions/values of long-term residents with newcomers. The southern parts of Lorain and Erie Counties are rural. The area along the south shore of Lake Erie west from the City of Lorain are heavily dependent on a seasonal tourist economy based on Lake Erie fishing, the Cedar Point amusement park, and other ancillary activities. The economies of the cities of Lorain, Elyria, and Sandusky are heavily influenced by the automotive industry, with large Ford/Nissan and General Motors plants. Economic growth has been slower than both the state and the country as a whole in this section of the community.

Population Demographics for EST Community

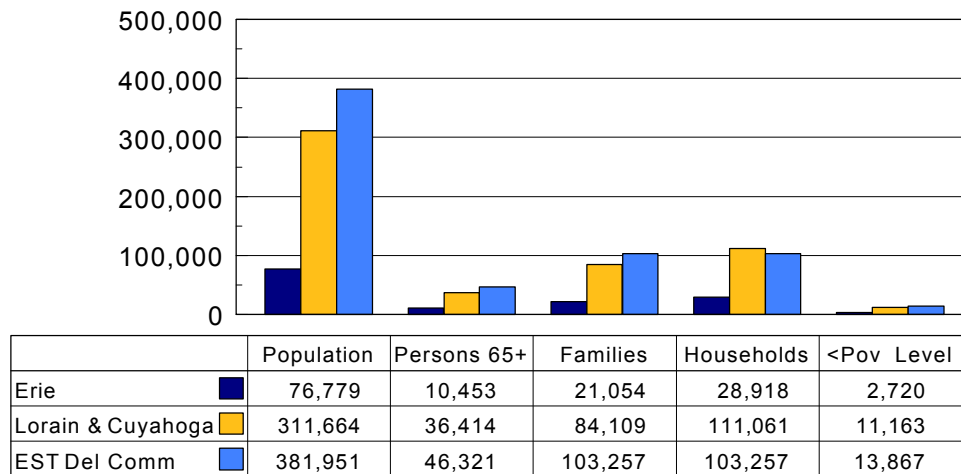
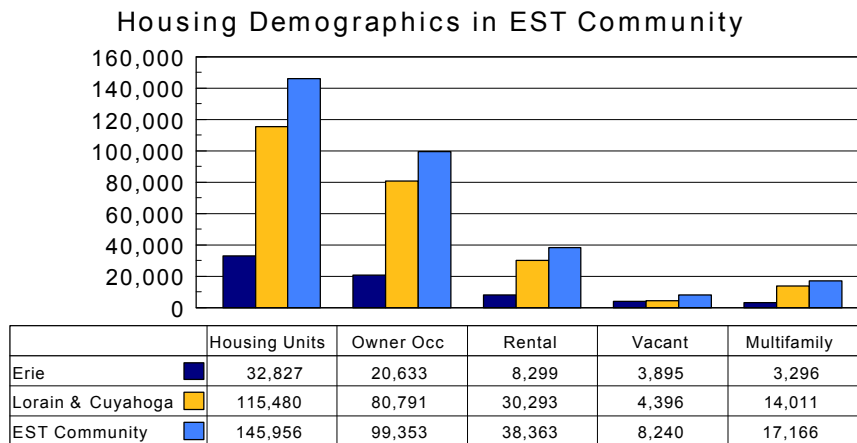


Figure 1

Figure 2



## I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Assessment Factor A - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

- EST has conducted reasonable activities to ascertain the credit needs of the delineated community.

The ascertainment program is still based in an officer call program, including regular calls on local real estate agents. This program continues to emphasize the need for affordable mortgage and small business/venture capital type lending, among others.

EST has become involved with the Bay Area Neighborhood Development Corporation. This is a new organization which is designed to deal with community problems in Sandusky and nearby Perkins Township. At this point, the organization is involved in helping residents

achieve compliance with local zoning codes. EST has assisted in financing some of these projects.



EST has continued its involvement with a wide range of community based organizations in the immediate Elyria/Lorain community. These include the Lorain Metropolitan Housing Authority, the Urban League of Lorain County, and the Community Housing Improvement Program (CHIPs) process in the cities of Elyria and Lorain.

Assessment Factor C - The extent of participation by the institution's board of directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

- The Board of Directors and senior management have shown a reasonable level of activity in supervising the CRA activities of EST. Formal policies, procedures, and training are in place.

The Board of Directors have adopted an expanded CRA Statement which addresses the significant efforts undertaken to improve CRA performance. This statement includes a detailed listing of the types of credit available.

In addition to the CRA Statement, the Board of Directors has approved a formal CRA program which was designed by FMER to ensure consistency throughout the corporation. It has also approved a formal branch closing policy.

CRA activities are routinely considered in the Board and senior management's activities and meetings. Reports to the Board by the CRA Officers are noted in the Board's minutes. These minutes indicate an adequate level of understanding and review of CRA activities by the Board.

EST complies with the technical requirements of CRA.

## II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

Assessment Factor B - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services it offers.

- EST's performance in this area is very strong. It is quick to find and explore opportunities to provide technical assistance to a wide range of economically disadvantaged customers. Its product offerings are responsive to the indicated needs of the community.

EST offers a wide range of conventional products. More complex products are available in conjunction with its parent (FMER) or with its affiliated banks.

Of greater significance is the degree of technical assistance which EST offers to LMI customers and/or small businesses. It has been involved in designing and offering credit counseling and enhancement in conjunction with a job training program offered by the Lorain Metropolitan Housing Authority (LMHA). EST was instrumental in setting up the job training program, as well as the banking related components of the total program. Other programs being offered in conjunction with LMHA have a principal focus on converting LMHA tenants into homeowners. EST is very creative in finding and developing opportunities such as those just described.

Both fixed and adjustable rate mortgages are offered by EST. However, some significant changes in pricing and procedures surrounding real estate mortgages have been implemented since our previous review. The most significant of these is that all fixed rate mortgages (other than those offered under the B.E.S.T. I and II programs discussed below) are now being underwritten using the standards established by the secondary market agencies.

Included among the types of credit presently being offered are the B.E.S.T. I and B.E.S.T. II loans. These are home purchase loans which offer minimal down payments, reductions in closing costs, and, under certain conditions, home rehabilitation costs included in the purchase money loan (purchase/rehab loans). Where possible, these loans are offered in conjunction with local government programs offering down payment assistance, remodeling, or other financial incentives to home ownership.

Figure 3

	B.E.S.T. I	B.E.S.T. II
Purpose	Purchase and Rehabilitation	Purchase and Rehabilitation
Down Payment	5%	5%
Closing Costs	EST contributes up to \$1,000	EST contributes up to \$500
Debt Ratios	33% Housing/ 38% Total	33% Housing/ 38% Total
Maximum Income	\$33,360	\$38,000
PMI	Required	Required
Restrictions	Limited to certain areas	Available throughout the delineated community

EST also continues to actively advertise in Spanish to assist in reaching the significant size Latino community in the City of Lorain. This program includes Spanish language billboards,

flyers, and take-away brochures in its banking lobbies.

Assessment Factor I - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business and small farm loans within its community, or the purchase of such loans originated in its community.

- EST's level of loan originations within its community is significant given its size.

A number of conclusions can be drawn from the data in Figures 4, 5, and 6. Across all of its lending categories, clearly EST has been willing to make loans. In addition, the vast preponderance of those loans have been extended within the delineated community. It is worth mentioning that a number of the loans extended outside the delineated community were to borrowers who live in portions of western Cuyahoga County which are directly adjacent to the delineated community.

In 1994 (Figure 4), new loans granted were in excess of \$150,000,000. For 1995 (Figure 5), lending slowed but new loans were still in excess of \$100,000,000. The 1996 year-to-date loan totals (Figure 6), show new loans in excess of \$23,000,000. As was shown in the Bank Profile earlier in this document, EST's assets have averaged approximately \$500,000,000 during the period under review. The amount of lending cited above on the total asset base shown supports the conclusions that a significant amount of loans are being extended. The decline in overall lending volumes is reasonable given the lack of growth in most of the local economy during the period under review.

The following figures show the level of loan originations from EST during 1994, 1995, and year- to-date (March 31) 1996. The category "Lorain and Cuyahoga Counties" only includes those portions of Cuyahoga County which are within EST's delineated community. Loans elsewhere in Cuyahoga County, or loans within that county which were not geocoded by EST, are included in the "Total" loan figures but are not in the delineated community total.

Figure 4  
Originations in 1994

Types of Credit	Lorain and Cuyahoga Counties	Erie County	Total
Personal Lines of Credit	312 accounts \$7,858,000	53 accounts \$1,137,000	382 accounts \$9,613,000
Commercial Loans	270 accounts \$41,055,000	40 accounts \$4,738,000	349 accounts \$51,210,000
Credit Cards	518 accounts \$1,125,000	64 accounts \$149,000	734 accounts \$1,637,000
Installment Loans	3,318 accounts \$34,665,000	495 accounts \$5,062,000	4,818 accounts \$52,987,000
Mortgage Loans	441 accounts \$31,889,000	68 accounts \$5,583,000	576 accounts \$43,179,000

Source: EST Internal Reports

Figure 5  
Originations in 1995

Types of Credit	Lorain and Cuyahoga Counties	Erie County	Total
Personal Lines of Credit	347 accounts \$8,514,000	62 accounts \$1,446,000	442 accounts \$10,827,000
Commercial Loans	226 accounts \$30,809,000	19 accounts \$1,799,000	282 accounts \$36,833,000
Credit Cards	731 accounts \$1,511,000	118 accounts \$253,000	1,048 accounts \$2,123,000
Installment Loans	2,164 accounts \$21,263,000	303 accounts \$2,931,000	3,153 accounts \$33,844,000
Mortgage Loans	123 accounts \$9,778,000	25 accounts \$2,430,000	176 accounts \$14,514,000

Figure 6

Originations Year-to-Date 1996

Types of Credit	Lorain and Cuyahoga Counties	Erie County	Total
Personal Lines of Credit	52 loans \$1,482,000	4 loans \$ 89,000	61 loans \$1,695,000
Commercial Loans	58 loans \$9,189,000	6 loans \$716,000	66 loans \$9,969,000
Credit Cards	394 loans \$899,000	58 loans \$170,000	501 loans \$1,172,000
Installment Loans	385 loans \$4,090,000	52 loans \$505,000	578 loans \$5,689,000
Mortgage Loans	60 loans \$4,449,000	1 loan \$ 77,000	67 loans \$4,972,000

Source: EST Internal Reports as of Mar-31-96

Assessment Factor J - The institution's participation in governmentally-insured, guaranteed or subsidized loan programs for housing, small business, or small farms.

- EST does an excellent job of forming and participating in public/private partnerships, including those specifically designed to help meet the credit needs of small businesses.

It can be seen in Figure 7 (below) that EST is involved in a large number of public/private partnership lending programs.

EST offers the following governmentally-related credit programs: SBA (both section 504 and 7A, as well as the Low-Doc Programs); State of Ohio (166 Business Development Loan, Ohio Linked Deposit Program - both Blackwell and D'Onofrio, Ohio Mini-Loan Program); and the Elyria City Downtown Development program

In the Cleveland SBA District, EST was the fifth most active (out of over 50 banks) lender among community banks (as defined by the SBA). It had twenty-one (21) approved applications during 1995; during 1994 it had eleven (11) approved loans.

At the end of March 1996, EST had the following loan totals outstanding in their most significant governmentally-related loan programs:

Figure 7

Type of Loan	# of Loans	Original Amount (\$)	Current Balance (\$)
State of Ohio/166	1	340,000	53,687
State of Ohio Mini-Loan	1	42,000	32,927
SBA/504	5	2,407,900	1,360,926
SBA/7A	16	2,648,613	1,889,619
SBA/Low-Doc	14	773,100	543,580

Source: EST Internal Reports as of 3/31/96

### III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

#### Reasonableness of Delineated Community

- EST's delineated community is reasonable.

The approach taken by EST to delineate its community is that if it operates an office in a county, then it will include the entire county in its delineation. The only exception is in Cuyahoga County, where EST operates one (1) branch in Olmsted Township. It is important to note, however, that another bank operated by FMER (First National Bank of Ohio) has identified all of Cuyahoga County as part of its delineated community. This delineation is considered reasonable and does not arbitrarily exclude any low or moderate income areas.

Assessment Factor E - The geographic distribution of the institution's credit extensions, credit applications, and credit denials.

- EST's overall performance in this area is strong.

The distribution of non-HMDA credit is reasonable given the context within which EST operates. The distribution of HMDA reportable credit is very strong for purchase money mortgages, and strong for both home improvement and mortgage refinance lending.

Looking at the non-HMDA products over the period under review, EST's performance is good. The bulk of lending is located within the Lorain/Cuyahoga County area delineated by the bank. Approximately 10% to 15% of EST's total lending is extended in Erie County, which is reasonable given the limited branch structure and the relatively short period of time EST has operated in most of that county (since late 1993). Most of the Erie County lending comes from the Sandusky/Huron/Vermilion area, where EST has its largest presence and the vast majority of the county's population lives and/or works. Fewer loans are extended in southern Erie County, however this is reasonable given the factors stated previously. Support for the analysis of non-HMDA products is contained in Figures 4, 5 and 6.

In Lorain and Cuyahoga Counties, EST has loans extended in over 90% of the census tracts in the delineated community. Most of the tracts missed are in Cuyahoga County, which are middle- and upper-income tracts. Circumstances surrounding the delineation in that county are discussed above in the Reasonableness of Delineated Community comment.

From the market share analysis contained in Figures 8, 9, and 10, EST's performance in HMDA- reportable loans is as follows:

For purchase money mortgages (Figure 8), EST does better at lending both in LMI neighborhoods, and to LMI persons than it does for any other income category, or for the market as a whole.

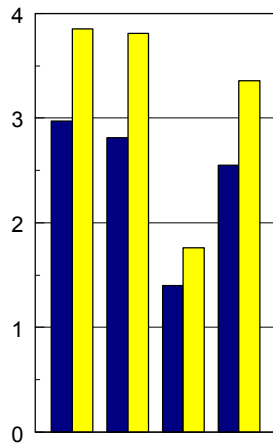
For home improvement loans (Figure 9), EST's performance in LMI census tracts is comparable to its performance in the other income categories. However, in analyzing the data by the borrower's income, again EST's performance is better with LMI applicants than with any other individual income group, or for the market as a whole.

For mortgage refinancing loans (Figure 10), EST extends loans in LMI neighborhoods and to LMI borrowers at levels significantly lower than those at which it extends similar loans in the community as a whole. However, mortgage refinances tend to be very price sensitive, i.e. customers will tend to look for the lowest price, regardless of who is offering that price. A review of publicly quoted mortgage rates in The Plain Dealer (a Cleveland daily newspaper which publishes a

comparative mortgage rate survey every Saturday) showed that EST was generally not the lowest cost provider in the market.

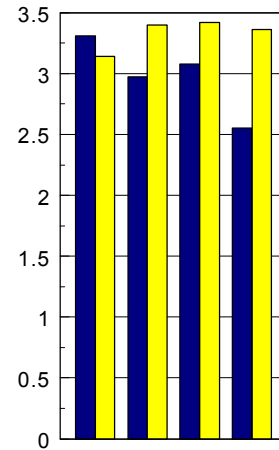
The only year which could be reviewed on a market share basis was 1994. Aggregate HMDA data for 1995 will not be available until after mid-year 1996. Because of this, mortgage loans (in aggregate including both purchase money and refinancing mortgage loans) are also reported in Figures 4, 5 and 6.

EST (Lorain and Cuyahoga Cos.)  
Purchase Money Mortgage Market Shares  
By Location of Property (Census Tract)



	LMI	MI	HI	Total
% of Applications	2.97	2.81	1.40	2.55
% of Approvals	3.85	3.81	1.76	3.36

EST (Lorain and Cuyahoga Cos.)  
Purchase Money Mortgage Market Shares  
By Income of Applicant



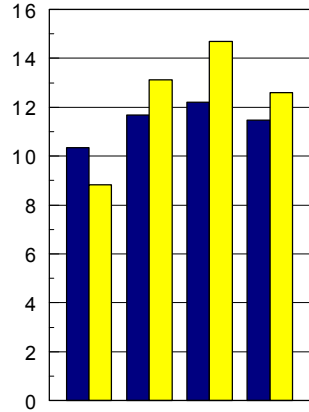
	LMI	MI	HI	Total
% of Applications	3.31	2.97	3.08	2.55
% of Approvals	3.14	3.40	3.42	3.36

Figure 8



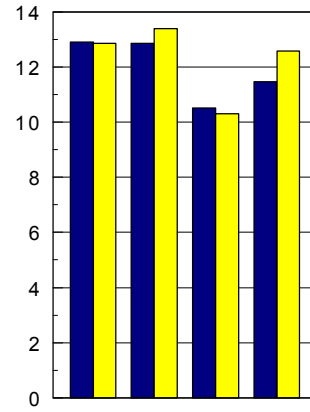
Figure 9

EST (Lorain and Cuyahoga Cos.)  
Home Improvement Loan Market Shares  
By Location of Property (Census Tract)



	LMI	MI	HI	Total
% of Applications	10.36	11.69	12.20	11.47
% of Approvals	8.82	13.12	14.68	12.59

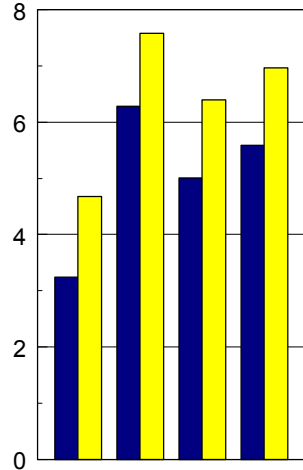
EST (Lorain and Cuyahoga Cos.)  
Home Improvement Loan Market Shares  
By Income of Applicant



	LMI	MI	HI	Total
% of Applications	12.90	12.85	10.51	11.47
% of Approvals	12.86	13.39	10.31	12.59

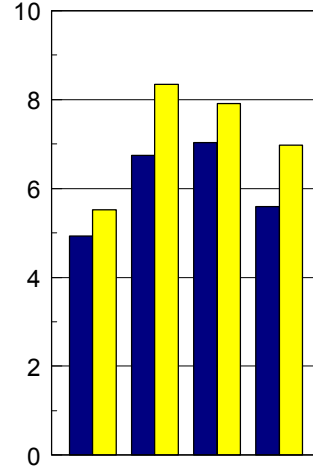
Figure 10

EST (Lorain and Cuyahoga Cos.)  
Refinancing Mortgage Loan Market Shares  
By Location of Property (Census Tracts)



	LMI	MI	HI	Totals
% of Applications	3.24	6.29	5.01	5.59
% of Approvals	4.68	7.58	6.40	6.97

EST (Lorain and Cuyahoga Cos.)  
Refinancing Mortgage Loan Market Shares  
By Income of Applicant



	LMI	MI	HI	Totals
% of Applications	4.93	6.75	7.04	5.59
% of Approvals	5.52	8.34	7.91	6.97

Source for Figures 8, 9 and 10 is aggregate HMDA data supplied by PCI Services, Inc.

Assessment Factor G - The institution's record of opening and closing offices and providing services at offices.

- EST's performance in this area is reasonable.

The hours and services available throughout the delineated community are responsive to the needs of the community. A detailed review of the branching network is located in the Bank Profile section of this document. A listing of the types of credit available is included in EST's CRA Statement.

#### IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES

Assessment Factor D - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement.

- We did not identify any practices intended to discourage anyone from applying for credit.

EST has taken steps to ensure that no illegal discrimination occurs. These include the implementation of an ongoing compliance testing program (designed by FMER). No problems were noted in these internal reviews. Senior management has amended all lending policies to include policy statements forbidding discrimination on any illegal basis.

A second review program is in place for all purchase money mortgage applications that may not appear to meet the bank's underwriting guidelines. Various senior loan officers are involved in these reviews, which are designed to ensure that all bank policies are properly and consistently applied in credit decisions.

Assessment Factor F - Evidence of prohibited discriminatory or other illegal credit practices.

- No evidence of discrimination was noted.

We reviewed 119 home improvement loan applications received during 1995. Decisions made on denied applications from African-Americans were compared to approved applications from whites. All credit decisions reviewed were made based on internal credit criteria applied consistently amongst all applicants.

## V. COMMUNITY DEVELOPMENT

Assessment Factor H - This institution's participation, including investments, in local community development and redevelopment projects or programs.

- EST is recognized by both the American Bankers Association and the U.S. Department of Housing and Urban Development (among others) as a national innovator in its home recycling/renovation project in conjunction with the Community Housing Cooperative. This program, and others, demonstrate its ongoing strong commitment to community development.

EST has designed, developed, and then persuaded the community of the efficacy of the programs discussed in this section. These programs are designed to comprehensively deal with community development issues through financial education, job skills training, life skills enhancement, and start-up business creation, technical advice and financing. The programs have been both innovative and flexible in meeting the development needs and opportunities of its delineated community. Among the more significant projects:

1) EST has continued its involvement in the Community Housing Cooperative of Elyria. The Community Housing Cooperative was created as a result of work done by EST's CRA Officer to help develop affordable housing. This organization has coordinated the efforts of a number of institutions (including the United Methodist Village, The Chronicle-Telegram, and The Nord Family Foundation, among others) to recycle housing that would otherwise be destroyed. The housing was in locations where the United Methodist Village needed to expand. Rather than tear the houses down, arrangements were made to move them to previously vacant lots, rehabilitate them, and then sell them to low- and/or moderate-income persons already in the community. This program has been recognized by HUD as "historic": it is the only known program of its kind in the country. EST provides the mortgage financing for the purchasers of the houses, and has been the leader and chief coordinator of the entire project. Five homes were moved in 1995 and two so far this year, making a total of nine homes since the project began in 1993. EST has contributed \$85,000 (approximately) to CHC's operating budget in 1994, 1995, and year-to-date 1996, for a total over the period under review of approximately \$250,000. In addition to this direct funding of CHC, EST provided approximately \$300,000 in below market rate mortgage financing for the purchasers of the homes moved under this program. And finally, EST has provided short-term financing directly to CHC when needed (totaling \$13,000 in 1995).

2) EST, in conjunction with the Nord Family Foundation, created, provided technical support for, and has funded the Women's Development Corporation (WDC). The WDC is a local organization which is dedicated to helping women develop ideas for, and opening small businesses. EST provides significant assistance to the operations of the WDC: it provides cash support of \$25,000 per year, in-kind support (office space and other ancillary services) of approximately \$40,000, and technical assistance in developing business and financial plans valued at \$40,000 (involving two staff people in addition to the CRA Officer). The WDC has helped 125 women (predominantly single-family heads-of-households) start up small businesses. Five (5) of these start-ups have developed to a point where bank financing was appropriate: EST has loans to these entities of approximately \$100,000. It is important to note that the WDC has been granted the ability to waive eligibility rules for various public sector income support programs by the Ohio Department of Human Services. This authority has allowed the WDC to be very aggressive in working with clients to both open new businesses and help those clients off public assistance and into income producing occupations.

3) EST has worked with the State of Ohio's Department of Development in introducing the Child Day Care Revolving Loan Program in its local community. It is working with the local Child Care Assistance Committee to assist participants in the Child Care Assistance Program (CCAP) in applying for credit under this loan program. The overall priorities of CCAP focus on the continued operation of day-care programs that serve low-income families and the start-up/ expansion of programs that serve infants and school-age children. To date, eighteen (18) applications have been processed through this program; three loans for approximately \$2,500 total have been extended at a 3% interest rate; 10 emergency grants have been funded by the state for a total of \$5,500. EST plays a significant role in this entire process through providing credit analysis of the applicants to this program, and processing and funding approved applications under delegated authority from the Ohio Department of Human Services. The state has recently agreed to a program where EST takes the funds which the state allows to be charged for obtaining and analyzing a credit report on potential participants in this program, and places those funds in an escrow account for the benefit of the applicant. The funds become available when the credit training and savings enhancement training which is part of this program is completed. These accounts are handled without service charge or minimum balance requirements.

4) EST has continued its work with the Lorain Metropolitan Housing Authority (LMHA). The programs with LMHA have involved a coordinated approach to developing life skills, work skills, and financial management skills. The component parts of the programs address such areas as: credit and financial counseling classes; job training classes in connection with various repair projects in LMHA housing; and, escrow accounts held by EST which allow participants in other LMHA programs to retain some of their earnings without violating LMHA income and/or asset restrictions. These held back funds must be used either for the purchase of a residence or a vehicle which is used principally for obtaining and maintaining employment. This program has been authorized as a pilot program by the U.S. Department of Housing and Urban Development as a result of prior program successes. The goal of the program is to develop sufficient skills in both work and financial management to allow the participants to exit public and/or subsidized housing. The original program consisted of 18 participants, all of whom were public housing residents: of those, 4 have purchased residences of their own, and 10 are out of LMHA housing with full-time employment in various components of the building trades. The counseling classes continue to attract approximately 20 persons per session (2 or 3 sessions per year), with the work training program being filled to capacity. EST contributes approximately \$3,000 per year in supplies, and approximately \$30,000 in staff time in the areas of technical support and financial management training. After the conclusion of the pilot program phase of this test, the escrow accounts are now being held directly by LMHA, although EST continues to provide technical support.

Assessment Factor K - The institution's ability to meet various credit needs based on its financial condition and size, legal impediments, local economic conditions, and other factors.

- EST is capable of competing for, and participating in, community development projects consistent with the size and scope of its operations.

There are no legal impediments to EST's ability to meet the credit and banking needs of the community. Refer to the discussion under Community Profile for details about current economic conditions. Refer to the discussion under Bank Profile for information about EST's size and ownership.

Assessment Factor L - Any other factors that, in the regulatory authority's judgment, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

- No additional factors were considered.