

Public Disclosure

July 25, 1996

Community Reinvestment Act Performance Evaluation

Texaco Credit Card Bank, National Association
Charter Number 22568

11059 West Maple Road
Omaha, Nebraska 68164

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

General Information

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

This document is an evaluation of the CRA performance of Texaco Credit Card Bank, National Association prepared by The Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of July 25, 1996. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C. F. R. § Part 25.

Institution

Institution's CRA Rating: Texaco Credit Card Bank, National Association is rated Satisfactory.

Texaco Credit Card Bank, National Association (TCCB), in combination with the Texaco Foundation and Texaco, Inc., reasonably supports investment and community development activities which meet the needs of its assessment area as well as various community needs outside its immediate assessment area. TCCB complies with the substantive provisions of antidiscrimination laws and regulations.

Description of Institution:

TCCB was chartered on December 1, 1994 and is a credit card bank as defined by the Competitive Equality Banking Act of 1987 (CEBA). The bank's functions are limited to performing services related to consumer credit card operations. The bank may not accept retail deposits or make commercial loans due to CEBA restrictions. The OCC approved TCCB's request for a limited purpose bank designation for CRA purposes effective May 1, 1996. No legal or financial impediments exist which would preclude the bank from fulfilling its obligations under the Community Reinvestment Act.

TCCB is located in Omaha, Nebraska and is a wholly owned subsidiary of Texaco Refining and Marketing, Inc. (TRMI) which is located in Houston, Texas. TRMI is a wholly owned subsidiary of TRMI Holdings which is an indirect subsidiary of Texaco, Inc. Texaco, Inc. is the third largest integrated oil company in the United States. There are approximately 14,000 retail locations in the United States and Puerto Rico ranking Texaco as the second largest retailer by number of locations. Texaco reports a total of approximately 21,300 retail locations world-wide. As of May 31, 1996, TCCB has approximately 3.7 million active credit card accounts. These accounts are concentrated in the states of: Texas; California; and, Florida.

As of June 30, 1996, TCCB reported total assets of \$12 million. The bank's asset size is small due to the agreement with TRMI to sell its daily credit card receivables.

Numerous financial institutions compete in the provision of financial services and participation in community development activities and qualified investments. Of the 19 banks chartered in Douglas County, TCCB is the third smallest bank with its assets representing only .10% of the total assets outstanding as of March 31, 1996.

Conclusions with Respect to Performance:

The level of TCCB's community development activities is reasonable given the regulatory restrictions on activities of CEBA banks and the short period of time which the bank has been chartered. TCCB meets the needs of its local assessment area and a broader national area through direct purchases of qualified investments and community development services. Texaco, Inc. makes qualified investments for which the bank receives additional consideration.

TCCB purchased qualified investments consisting of affordable housing revenue bonds. These bonds address single family housing needs within the state of Nebraska encompassing the assessment area. These qualified investments totaling \$75,000 equate to 2% of TCCB's capital.

Another qualified investment involves TCCB's monthly contributions to Consumer Credit Counseling Services (CCCS). From February 1995 through June 1996, TCCB contributed \$378,323 or 14.5% of the gross amount collected by CCCS. Local CCCS organizations rely on these contributions to fund credit counseling services and debt management programs. The contributions are distributed to CCCS organizations inside and outside of the assessment area and are used to provide counseling to low- and moderate-income individuals.

TCCB has good representation in the local chapter of the International Credit Association. Two of the bank's five employees are members of this organization. This association is involved in credit educational programs in Omaha targeting low- and moderate-income individuals. In addition, one director of the bank is a member of the Houston, Texas chapter.

Texaco, Inc., through grants provided by the Texaco Foundation, made significant contributions to local United Way chapters outside of the bank's local assessment area. This qualified investment receives favorable consideration under the community development test for limited purpose banks because of TCCB's adequate efforts in addressing credit needs within its assessment area. Grants to United Way chapters totaled \$1,796,025 in 1994 and \$1,784,525 in 1995. Nonadministrative portions of the grants approximated at least \$1,563,000 and \$1,553,000, respectively. The nonadministrative proceeds funded projects to revitalize low- or moderate-income geographies and provide community services to predominately low- or moderate-income individuals.

TCCB complies with the substantive provisions of antidiscrimination laws and regulations. The bank has not received any consumer complaints.

Assessment Area

Description of Assessment Area:

TCCB designates its assessment area as Douglas County, Nebraska. Its sole office is located in this county. As a result of its charter, the functions performed at this location are limited to those associated with credit card processing. The assessment area designated by the bank complies with the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income census tracts.

The Douglas County assessment area includes predominately middle-income households. According the 1990 Census, the population of the assessment area is 416,444. The 1996 statewide metropolitan median family income is 45,900. The assessment area is a county included in the Omaha Metropolitan Statistical Area #5920. Employment data indicates a low unemployment rate of 2%.

The assessment area includes 108 census tracts and 161,137 households. The tracts and households have the income characteristics described in the following table.

Income Levels	Census Tracts		Households	
	#	%	#	%
Low-Income	15	14%	12,061	7%
Moderate-Income	33	31%	39,068	24%
Middle-Income	35	32%	62,859	39%
Upper-Income	24	22%	47,149	29%
Not Applicable	1	1%	0	0%

Credit needs identified in the assessment area include affordable housing for low- and moderate-income families and first-time, home-buyer financial assistance. These credit needs were identified through various contacts with community organizations operating in Douglas County.

Scope of Examination

In reviewing the bank's performance under the CRA, we reviewed community development activities from December 1, 1994 through the date of this examination. Due to the bank's limited purpose designation, we evaluated its performance using the Community Development Test. We reviewed the nature of the bank's community development loans, qualified investments, and community development services. At the bank's option, we also considered community development lending, investments, and services provided by its affiliates.