



SMALL BANK

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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

**September 9, 2002**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**United Americas Bank, N. A.  
Charter Number 23781**

**3789 Roswell Road  
Atlanta, GA 30342**

**Office of the Comptroller of the Currency  
Atlanta Field Office  
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Atlanta, GA 30338-5417**

**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, 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.**

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## 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 **United Americas Bank, N. A. (UAB)**; Atlanta, Georgia prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **September 9, 2002**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## GLOSSARY OF TERMS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation.

**Metropolitan Statistical Area (MSA)** - Area consisting of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Census Tract (CT)** - Small, locally defined statistical areas within a **MSA**. These areas are determined by the U. S. Census Bureau in an attempt to group homogeneous populations. A **CT** has defined boundaries per ten-year census and an average population of 4,000.

**Median Family Income (MFI)** - The median income as determined by the U. S. Census Bureau. This amount is based on estimates developed by the Department of Housing and Urban Development and is updated annually.

**Low-Income** - Income levels which are less than 50% of the **MFI** of the **MSA**.

**Moderate-Income** - Income levels which are less than 80% of the **MFI** of the **MSA**.

**Middle-Income** - Income levels which are less than 120% of the **MFI** of the **MSA**.

**Upper-Income** - Income levels which are 120% or greater of the **MFI** of the **MSA**.

**Community Reinvestment Act (CRA)** - This statute requires federal regulators to evaluate a financial institution's lending performance in light of the credit needs in the institution's local community. The regulator must also evaluate whether the institution's defined community is reasonable. This is a general description of the bank's requirements and not a legal explanation of the requirements contained in 12 USC 2901 and 12 CFR 25 as amended, respectively.

**Home Mortgage Disclosure Act (HMDA)** - This statute requires certain mortgage lenders that do business or have banking offices in a **MSA** to file annual summary reports of their lending activity. The reports include such data as the race, gender, and the income of applicant(s), the amount of loan requested and its disposition (e.g. made, denied, or withdrawn). The types of loan applications reported include governmentally-guaranteed home purchase and home improvement loans, conventional home purchase and home improvement, refinancing of home purchase and home improvement loans, and loans for the purchase of multi-family (5 or more units) dwellings. This is a general description of the bank's requirements and not a legal explanation of the requirements contained in 12 USC 2801 and 12 CFR 203 as amended, respectively.

## **INSTITUTION'S CRA RATING**

This institution is rated “**Satisfactory.**”

UAB’s performance rating is supported by the following:

- a more than reasonable loan-to-deposit ratio;
- a majority of loans are in the assessment area;
- lending to borrowers of different incomes and businesses of different sizes is reasonable; and,
- a very poor geographic distribution of loans throughout the assessment area.

## **DESCRIPTION OF INSTITUTION**

United Americas Bank, N. A. (UAB) is a wholly owned subsidiary of United Americas Bankshares, Inc., a one-bank holding company located in Atlanta, Georgia. As of December 31, 2001, the holding company had total assets of \$52 million. The holding company does not have any other subsidiaries or affiliates.

UAB is a full-service bank having two office locations in Atlanta, Fulton County, Georgia. The bank offers a variety of traditional deposit and loan products with small business and home mortgage loans being its primary credit products. The bank also has one automated teller machine located at its branch on Chamblee Tucker Road for customer convenience. UAB wants to be known in the community as a small business and residential mortgage lender and, as a result, has developed loan products and services to meet these credit needs.

As of June 30, 2002, the bank had total assets of \$66 million with a loan portfolio approximating \$55 million. The percentage of net loans to total assets is 83%. Lending activity is centered in non-farm and non-residential loans (18%), construction and land development loans (8%), commercial and industrial loans (29%), residential real estate loans (29%) and consumer loans/other (16%). Total deposits in the bank approximate \$50 million with capital accounts aggregating \$9 million.

There are no financial conditions, legal constraints, or other factors that hinder the bank's ability to help meet the credit needs of its assessment area. There have been no changes in the bank's corporate structure during this evaluation period.

This is the first CRA examination since the bank commenced business on September 20, 1999.

## **DESCRIPTION OF ASSESSMENT AREA**

UAB's assessment area (AA) meets the technical requirements of the Act and does not arbitrarily exclude low- or moderate-income census tracts. The AA is defined as all of Cobb, Dekalb, Fulton, and Gwinnett Counties. All of these counties are located in and are a part of the Greater Atlanta Metropolitan Statistical Area (MSA). This bank's AA is comprised of 343 census tracts containing 60 low-income, 58 moderate-income, 109 middle-income, and 113 upper-income census tracts. Three census tracts do not have an income designation.

According to the 1990 United States Census, the population of this AA is approximately 2 million. The census median family income for the assessment area is \$45,997. The Department of Housing and Urban Development's (HUD) *updated* median family income for the assessment area is \$66,500 for 2001. Owner occupied housing in the AA is 52% with the median housing value at \$106,938. Households living below poverty level are 10% with unemployment low at 3%.

The Atlanta MSA is a twenty-county area surrounding the city of Atlanta with a total of 504 census tracts. Greater Atlanta is internationally recognized as the transportation, communication, industrial, and cultural center of the Southeastern United States. The Atlanta MSA has one of the strongest economies of any major urban area. Due to its location and extensive transportation network, Atlanta has developed as a major distribution center for the Southeast. Distribution and associated industrial activities are gradually being transferred to other urban centers in the South, while Atlanta has evolved as a major provider of technological and financial support services.

The Atlanta MSA has a diverse industrial base that includes manufacturing, transportation, distribution, retailing, wholesaling, finance, government, research, education, medicine, and technical support. Ninety percent (90%) of the Fortune 500 companies maintain regional offices in the Atlanta area. In addition, ninety-eight of the nation's top industrial firms maintain some type of operational facility in the greater Atlanta area. Foreign trade has played a significant role in the area's growth over the last two decades. More than 200 foreign firms have established their U.S. headquarters in Atlanta. Of these companies, thirty-one are foreign-based banks with offices in Atlanta.

The local business community includes national and international corporate giants such as Coca-Cola, Delta Airlines, AT&T, Kimberly Clarke, Siemens Energy & Automation, CibaVision, UPS, Herman Miller, Lucent Technologies and American Honda.

Competition for financial products and services is keen and includes nonfinancial institutions as well as large multi-national banks, local community banks, savings banks, and credit unions.

As part of our examination, we obtained information from community leaders regarding local economic conditions and community credit needs. Based on information obtained through our review and those provided by three community contacts, the primary credit needs in the community are loans for affordable housing, consumer credit counseling, and loans for small businesses.

The following table highlights the demographic composition of the bank's assessment area.

**Table 1**

<b>Demographic and Economic Characteristics of Assessment Area (AA)</b>	
<b>Population</b>	
Number of Families	514,544
% Low Income Families	19%
% Moderate Income Families	16%
% Middle Income Families	22%
% Upper Income Families	43%
<b>Geographies</b>	
<b>Number of Census Tracts</b>	
Number of Census Tracts	343
% Low Income Census Tracts - (60)	17%
% Moderate Income Census Tracts - (58)	17%
% Middle Income Census Tracts - (109)	32%
% Upper Income Census Tracts - (113)	33%
% NA - (3)	1%
<b>Median Family Income (MFI)</b>	
1990 MFI for AA	\$45,997
2001 HUD Adjusted MFI	\$66,500
<b>Economic Indicators</b>	
Unemployment Rate	2.97%
1990 Median Housing Value	\$106,938
% of Households Below Poverty Level	10%



## CONCLUSIONS ABOUT PERFORMANCE CRITERIA

### Loan-to-Deposit Ratio

UAB's loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's average loan-to-deposit ratio since opening for business is approximately 89%. During these quarters, the loan-to-deposit ratio ranged from a low of 5% in December 1999 to a high of 123% in June 2000. The bank's average ratio compares favorably to four similarly situated community banks having an average loan-to-deposit ratios of 72%, 68%, 73%, and 66%. These peer banks have total assets ranging from \$50 million to \$125 million and are located in UAB's assessment area (AA).

### Lending in Assessment Area

Lending levels reflect a satisfactory responsiveness to community credit needs. An analysis of a sample of 20 home purchase loans (prior to becoming HMDA reporter), 20 business loans, and all HMDA loans originating between September 20, 1999 to August 31, 2002 reveals that a majority of loans were granted in the AA. The results of this analysis are highlighted below:

Table 2

Assessment Area Lending (Evaluation Period - September 20, 1999 through June 30, 2002)								
Loan Type	In Assessment Area				Out of Assessment Area			
	#		\$000's		#		\$000's	
Home Purchase	48	55%	\$6,062	59%	39	45%	\$4,266	41 %
Business	17	85%	\$2,388	61%	3	15%	\$1,550	39%
Total	65	61%	\$8,450	59%	42	39%	\$5,816	41%

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Overall, the distribution of home purchase and business loans to borrowers of different income levels (including low- and moderate-income) and to businesses of different sizes is satisfactory. In evaluating the borrower distribution of home purchase loans, we considered the number of families that live below the poverty level and the barriers that this may have on home ownership. According to 1990 Census data, nineteen percent of low-income families within the AA, or 8% of all families in the AA, live below the poverty level.

The distribution of home purchase loans to borrowers of different income levels is reasonable when compared to the demographics of the AA (see Table 3). Considering the percentage of families in the AA that live below the poverty level, the percentage of home purchase loans to low-income borrowers is somewhat lower than the percentage of low-income families residing in the AA. The percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families residing in the AA.

An analysis was performed of twenty business loans originated during the evaluation period. The distribution of loans to businesses of different sizes is excellent (see Table 4). The portion of loans to businesses with annual revenues of \$1 million dollars or less equals the percentage of businesses in the AA. The percentage of loans \$100,000 or less in the AA is lower than the percentage of businesses defined as small in the AA.

The analysis also revealed that a majority of the business loans by dollar volume were loans to small businesses. Seventy-one percent of the dollar volume represented loans to small businesses with annual revenues of less than \$1 million. The number of small businesses in the AA having annual revenues of less than \$1 million totals 110,066.

The following tables highlight the bank's performance in the assessment area:

**Table 3**

<b>Lending to Borrowers of Different Incomes in the Assessment Area (Evaluation Period - September 20, 1999 through August 31, 2002)</b>								
<b>Type of Borrower By Income Level and % of families in AA</b>	<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
	<b>19%</b>		<b>16%</b>		<b>22%</b>		<b>43%</b>	
	<b># of loans</b>	<b>\$ of loans</b>	<b># of loans</b>	<b>\$ of loans</b>	<b># of loans</b>	<b>\$ of loans</b>	<b># of loans</b>	<b>\$ of loans</b>
<b>Home Purchase</b>	11%	9%	58%	57%	20%	22%	11%	12%

**Table 4**

<b>Borrower Distribution Of Small Loans To Businesses (Evaluation Period - January 1, 1998 through December 31, 2001)</b>				
<b>Business Revenues</b>	<b>≤\$1,000,000</b>		<b>Loans by Original Amount Regardless of Business Size</b>	
<b>% of AA Businesses</b>	85%	<\$100,000	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000
<b>% of Bank Loans in AA by #</b>	85%	60%	25%	15%

### **Geographic Distribution of Loans**

Overall, the geographic distribution of home purchase loans and business loans is poor. The percentage of home purchase loans made in the moderate-income tracts is significantly lower than the percentage of owner-occupied housing units in those geographies. In addition, there were no home purchase loans made in any low-income census tract (see Table 5).

The percentage of business loans made in the moderate-income tracts is significantly lower than the percentage of businesses in moderate-income geographies. In addition, there were no business loans made in a low-income geography (see Table 6).

The low level of loan penetration in low-income and moderate-income census tracts is attributable to management's efforts to purchase loans and increase loan volume. In this regard, management's initial strategy was to purchase loans until it could generate sufficient loan volume

through its own business pipeline. This strategy, ultimately, resulted in the bank purchasing loans that resided mostly in middle-income and upper-income census tracts. Middle-income and upper-income census tracts total 212 or 65% of the census tracts in the AA.

The following tables reflect the distribution of sampled loans within the bank's AA by income designation of census tracts.

Table 5

Geographic Analysis of Loans Originating between September 20, 1999 to August 31, 2002 By Number and Dollar Amount (000)								
Geography	Low		Moderate		Middle		Upper	
% Owner Occupied Housing Units	4%		11%		37%		48%	
Loan Type	# of loans	\$ of loans	# of loans	\$ of loans	# of loans	\$ of loans	# of loans	\$ of loans
Home Purchase	0%	0%	1%	2%	46%	55%	33%	40%

Table 6

Geographic Analysis of Loans Originating between September 20, 1999 to August 31, 2002 By Number and Dollar Amount (000)								
Geography	Low		Moderate		Middle		Upper	
Small Business Demographic Data by number and % in AA	5,956 5%		11,820 11%		41,460 38%		50,830 46%	
Loan Type	# of loans	\$ of loans	# of loans	\$ of loans	# of loans	\$ of loans	# of loans	\$ of loans
Business	0	0	1%	2%	60%	62%	38%	36%

## Responses to Complaints

UAB has not received any CRA complaints since opening for business on September 20, 1999.

## Fair Lending Review

An analysis of the most recent years' public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. Since opening for business, the bank has not had a fair lending examination.