



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

April 28, 1997

Marine National Bank of Jacksonville

Charter Number 15653
300 West Adams Street
Jacksonville, Fl. 32202

by

Office of the Comptroller of the Currency
Southeastern District
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, N.E.
Atlanta, Georgia 30303

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 Community Reinvestment Act (CRA) performance of **Marine National Bank** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **April 28, 1997**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

Marine National Bank (MNB) has a satisfactory record of meeting the credit needs of its local community. MNB has a satisfactory record of extending loans to borrowers throughout its assessment area of Duval County, Florida. Records compiled under the requirements of the Home Mortgage Disclosure Act (HMDA) and other internally prepared reports, which were verified for accuracy, indicate that the bank lends to all segments of its community, including low- and moderate-income neighborhoods.



The following table indicates the performance level of **Marine National Bank** with respect to each of the five performance criteria. The bank's level of performance under each of the criteria by the inclusion of an "X" in the appropriate column.

Small Institution Assessment Criteria	<u>Marine National Bank</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan-to- Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the last examination.		



INSTITUTION & COMMUNITY PROFILE

DESCRIPTION OF THE INSTITUTION

Marine National Bank (MNB) is a \$53 million nationally chartered financial institution headquartered in Jacksonville, Florida. Including the main office, the bank has three branch offices within Duval County. The bank is primarily a consumer and small business lender. However, it also originates residential and guaranteed SBA (Small Business Administration) loans which it predominately sells into the secondary market. The bank has a history of satisfactory performance under the Community Reinvestment Act.

DESCRIPTION OF THE DUVAL COUNTY ASSESSMENT AREA

Marine National Bank's assessment area consists of Duval County, Florida. It is part of the Jacksonville Metropolitan Statistical Area (MSA). Duval County is located in Northeast Florida and was consolidated with the city of Jacksonville in 1968. Federal, State and city governments are three of the top four employers in the area. Jacksonville is also home to three naval bases. Governments and a variety of service industries dominate the local economy. Unemployment levels, last reported at 3%, have remained well below the national average.

The 1990 U.S. Census reported Duval County as having a total population of slightly over 670,000 with 178 thousand families. The 1996 weighted average median income, per family, was reported at \$43,000. Based on this data, the distribution of families by income is 20.6% low-income, 18.4% moderate-income, 23.6% middle-income and 37.4% high-income. We estimate that of Duval County's 138 census tracts, 40 or 29%, are low- and moderate-income areas. The City of Jacksonville, in its Consolidated Plan filed with the Department of Housing and Urban Development (HUD), states that it has two important housing needs: increasing affordability of housing and rehabilitating the existing housing stock. Other community contacts indicate the need for affordable consumer loan products.

DISCUSSION OF INSTITUTION'S PERFORMANCE

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The prior Community Reinvestment Act examination for Marine National Bank conducted by our Office was dated June 29, 1994. This Public Evaluation covers the CRA-related actions undertaken by the institution from that time forward.

Overall, Marine National Bank has a satisfactory record of meeting the credit needs of its community, including low- and moderate-income areas. The bank has an acceptable record of lending funds within the local community. MNB's loan-to-deposit ratio from September 30, 1994 through December 31, 1996 averaged 71.3%. This is comparable to the average loan-to-deposit ratio of 69% reported for community banks within the southeast for the same period.

Data on home purchase and improvement loans, collected under the requirements HMDA, and internal consumer loan reports, show that the bank makes the majority of its loans within the



Duval County area. Based on the number of HMDA-related loans originated in 1995 and 1996, an average of 72% were to borrowers located within the county. Additionally, of the bank's consumer lending extend in 1995 and 1996, 82% were to borrowers within the bank's assessment area.

Further analysis of 1995 HMDA data shows that, on average 6.4% (by number) of the bank's residential related loan originations were within low- and moderate-income census tracts. All other lenders reported 14% of the HMDA loans in the same segment. MNB reported a slight increase in its 1996 HMDA lending at 7.2% by number of loans originated in low- and moderate-income tracts. The lower distribution within these census tracts can be attributed to the fact that these tracts are predominantly comprised of rental housing units which results in limited opportunity to extend residential loans. Additionally, the Duval County area is served by a large number of mortgage lenders making residential lending highly competitive.

Marine National Bank's record of lending to individuals of different income levels is satisfactory. Without regard to census tract, the bank extended 29% and 22% (percentage of number of loans extended) of home loans to low- and moderate-income borrowers in 1995 and 1996, respectively. Additionally, the bank lends to companies of many sizes, focusing its efforts on small businesses. As of March 12, 1997, the bank had 188 outstanding loans totaling over \$7.4 million to small business borrowers.

The bank has satisfactory policies, procedures, training programs, and other practices in place to prevent discriminatory or other illegal credit practices. A review of the Marine National Bank's residential lending practices was performed to determine if any discriminatory practices exist based on the race and national origin of the applicant. Our analysis of loan terms included interest rates, repayment terms and finance charges. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified. Based on our sample, we determined that the MNB treats borrowers equitably.