

PUBLIC DISCLOSURE

September 8, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**SunTrust Bank, Northeast Georgia, N.A.
Charter Number 1639**

**101 North Lumpkin Street
Athens, Georgia 30601**

**Comptroller of the Currency
Southeastern District Office
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, NE
Atlanta , Georgia 30303-1223**

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.	7
III.	Athens Metropolitan Statistical Area.	17
IV.	Atlanta Metropolitan Statistical Area.	22
V.	Appendix	
	a. Definition of Terms	25

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 **SunTrust Bank, Northeast Georgia, N.A. (STBNE)** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **September 8, 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 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: This institution is rated **Satisfactory**.

The following are the primary factors supporting STBNE's performance under the Lending, Investment, and Service tests.

Lending Test

- STBNE has originated a high level of community development loans, very small business loans (\$20,000 or less), and very small consumer loans (\$1,000 or less).
- A high percentage of loans were made within the bank's assessment areas.
- The bank's geographic distribution of loans was good. Its distribution of loans to borrowers of different income levels and businesses of different sizes reflected adequate performance.
- Flexible lending practices were used on a limited basis to meet identified credit needs.

Investment Test

- STBNE has made an adequate level of qualified investments.

Service Test

- Delivery systems were accessible to areas and individuals of different income levels.
- The bank has provided a high level of community development services, such as payroll check cashing services, in response to identified needs.

The following table indicates the performance level of STBNE, with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>SUNTRUST BANK, NORTHEAST GEORGIA, N.A.</u>		
	PERFORMANCE TESTS		
	Lending Test ¹	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

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

DESCRIPTION OF INSTITUTION AND ASSESSMENT AREA

STBNE is a subsidiary of SunTrust Banks, Inc. (STI), a \$56 billion institution headquartered in Atlanta, Georgia. STI, one of the twenty largest banking companies in the nation, operates financial institutions in Georgia, Florida, Tennessee, and Alabama. STBNE, with total reported assets of \$623 million as of June 30, 1997, operates seventeen branch offices in Clarke (6), Fannin (1), Forsyth (3), Habersham (1), Hall (4), Morgan (1), and White (1) counties. As of June 30, 1997, the bank's loan portfolio included commercial (\$55,321,000), agricultural (\$777,000), real estate (\$396,940,000), and consumer (\$45,936,000) loans. The bank also provides trust services. There are no legal, financial, or other reasons that would impede the bank's ability to meet the credit needs of its assessment areas.

STBNE has five assessment areas comprising seven counties (see Table 1). In 1996, STBNE originated 65% of its HMDA, consumer, small business, and small farm loans within Clarke and Forsyth counties. As of June 30, 1996, 55% of STBNE's total deposits were derived from these two counties. Demographic data for the bank's five assessment areas is detailed below. Table 1 details the distribution of geographies by income level and number of families within each assessment area. Table 2, on page 4, details the distribution of families by income level and the median family income for each assessment area.

Table 1 Distribution of Geographies and Number of Families²						
Distribution of Geographies by Income Level						
Assessment Areas	# of Families	Low	Moderate	Middle	Upper	Total
Clarke County (Athens MSA)	18,200	5	4	4	6	19
Forsyth County (Atlanta MSA)	12,871	0	0	6	0	6
Habersham, Hall, and White Counties	38,198	0	0	12	13	25
Morgan County	3,397	0	0	3	2	5
Fannin County	4,889	0	2	3	0	5
Total	77,555	5	6	28	21	60

Clarke County is part of the Athens Metropolitan Statistical Area (MSA) that also includes Madison and Oconee counties. As of 1990, approximately 18,200 families lived in this county.

² Based on 1990 census data.

Twenty-seven percent of families lived below the poverty level, which is significantly higher than the percentage for the state of Georgia (14%). All five of the low income geographies and four of the six moderate income geographies within the bank's five assessment areas are located in Clarke County. Government (26%), services (22%), retail trade (20%), and manufacturing (17%) represent 85% of the workforce. The University of Georgia is the largest employer in the county. As of 1990, there were approximately 2,200 non-farm businesses and 40 farm businesses located in Clarke County. The number of non-farm businesses and farm businesses with gross revenues of less than \$1,000,000 was approximately 1,500 and 35, respectively.

Forsyth County is part of the Atlanta MSA consisting of twenty counties. The county is a fast growing bedroom community of Atlanta, Georgia, with many of its residents working in the city of Atlanta. Eight percent of the county's families lived below the poverty level, which is significantly lower than the state's average. All six of the geographies in Forsyth County are middle income geographies. Services (23%), manufacturing (19%), retail trade (17%), and construction (13%) represent 72% of the workforce. Tysons Foods, Inc., a poultry processing plant, is the largest employer in the county. As of 1990, there were approximately 1,100 non-farm businesses and 40 farm businesses located in Forsyth County. The number of non-farm businesses and farm businesses with gross revenues of less than \$1,000,000 was approximately 800 and 30, respectively.

The counties of Fannin, Habersham, Hall, Morgan, and White are not located in an MSA. Hall County is the largest of the five, with approximately 27,000 families as of 1990. Hall County resembles a metropolitan area with diverse educational and employment opportunities. The largest employer is the Northeast Georgia Medical Center. Fannin County is a mountainous area with a large number of retired households. One of the two moderate income geographies within Fannin County primarily lies within the Cohutta Wilderness Area. This area is sparsely populated with manufacturing as the primary industry. The main industry in White and Habersham counties is also manufacturing. The main industries in Morgan County are farming and manufacturing.

Table 2 Distribution of Families and Median Family Income						
Distribution of Families by Income Level						
Assessment Areas	Median Family Income	Low	Moderate	Middle	Upper	Total
Clarke County (Athens MSA)	\$39,800	25%	17%	19%	39%	100%
Forsyth County (Atlanta MSA)	\$53,100	17%	20%	26%	37%	100%
Habersham, Hall, and White counties	\$33,600	14%	15%	21%	50%	100%
Morgan County	\$33,600	20%	14%	20%	46%	100%
Fannin County	\$33,600	26%	21%	23%	30%	100%

Competition is strong. Approximately twenty deposit taking financial institutions have branch offices within the bank's assessment areas. STBNE is the third largest financial institution in Hall and Clarke counties and the smallest institution in Forsyth County, based on deposit market share as of June 30, 1996. Competition in Morgan County for agricultural loans is very strong, due to the presence of a financial institution that specializes in agricultural lending.

The credit related needs in the bank's assessment areas include the following.

- Affordable housing (i.e., single family rental, multifamily rental, home ownership, and rehabilitation) for low income individuals. Public and rental assisted housing is especially needed in Athens, Georgia, as evidenced by a backlog of applicants waiting for housing assistance. The high demand for affordable housing by University of Georgia students limits available housing stock for low income, non student residents.
- Small business loans. According to two community contacts from the University of Georgia Small Business Development Center in Athens and Gainesville, loans for amounts of \$20,000 or less are especially needed for newly established or proposed businesses. Insufficient collateral was noted as a primary reason why small business owners do not qualify for a loan.
- Small farm loans primarily in Morgan County.
- Small consumer loans with loan amounts of \$1,000 or less.
- Education pertaining to financial services such as home buying seminars, credit counseling, and small business counseling.
- Free payroll check cashing services. This was identified as a significant need as many low income residents do not have a deposit banking relationship with a financial institution.

These community needs were determined by reviewing a combination of prior community contacts and a U.S. Department of Housing and Urban Development (HUD) Consolidated Strategy and Plan for the city of Athens, Georgia. HUD Consolidated Strategies and Plans are comprehensive planning documents that identify community needs. We also met with four community representatives during this examination pertaining to housing and small business needs.

We did not identify any opportunities for the bank to make qualified equity investments within its assessment areas. However, opportunities for donations, although not extensive, do exist within the bank's assessment areas. These opportunities include several nonprofit housing organizations, a credit counseling agency, small business development centers, and organizations whose primary mission is to revitalize low- and moderate-income geographies by making small business and affordable housing loans.

STBNE received a rating of “Satisfactory” at the last CRA examination, dated September 22, 1994. This examination covers STBNE’s performance under the investment and service tests from January 1, 1995 to the present. The bank’s performance under the lending test was evaluated from January 1, 1996 to the present. See the Appendix of this report for a definition of terms used within this public evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

In assessing STBNE's lending performance, we focused our review on HMDA, consumer, small farm, and small business loans. The bank elected to provide us consumer loan data for our review.

Assessment Area Concentration

Table 3 indicates a good percentage of STBNE's loans were made within its assessment areas. In 1996, 73%, 74%, 77%, and 78%, respectively, of HMDA, consumer, small business, and small farm loans were originated within the bank's assessment areas. Seventy five percent and 77% of all loans originated in 1996 and 1997, respectively, were made within the bank's assessment areas.

Table - 3 Ratio of Loans Inside the Bank's Assessment Area (AA) - 1996 and YTD 6/30/97								
	HMDA		Consumer		Small Business		Small Farm	
	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97
Number								
# of Loans Inside AA	1,017	456	2,950	1,949	826	443	18	6
% of Loans Inside AA	73%	74%	74%	77%	77%	79%	78%	67%
Dollars (000's)								
\$ of Loans Inside AA	\$91,410	\$45,166	\$40,142	\$45,853	\$73,741	\$40,614	\$2,039	\$751
% of Loans Inside AA	68%	71%	70%	80%	74%	77%	95%	77%

Lending Activity

STBNE's level of lending is considered very good and responsive to identified credit needs. Identified credit needs included very small business loans (\$20,000 or less), very small consumer loans (\$1,000 or less), and multifamily loans. STBNE has originated 11 (\$8,096,000) multifamily loans, 439 (\$4,429,000) very small business loans, and 279 (\$279,000) very small consumer loans within its assessment areas. Approximately 34% and 9% of all small business and consumer loans, respectively, were very small loans. Table 3 and 4 reflect STBNE's volume of HMDA, consumer, small business, and small farm loans, within the bank's assessment areas.

Table 4 Number and Dollar Amount of HMDA Loans - 1996 & YTD 6/30/97				
Loan Type	1996		YTD 6/30/97	
	Number	Dollar (000's)	Number	Dollar (000's)
Home Purchase	412	\$39,427	207	\$22,428
Refinance	545	\$45,490	203	\$17,848
Home Improvement	55	\$1,833	40	\$1,454
Multifamily	5	\$4,660	6	\$3,436
Total	1,017	\$91,410	456	\$45,166

Geographic Distribution

STBNE’s geographic distribution of HMDA, consumer, and small business loans reflected a good penetration throughout its assessment areas. There were no conspicuous gaps in the penetration of geographies within the bank’s assessment areas. Small farm loans were not used to draw conclusions due to the low volume of loan originations.

In 1996, 2% of HMDA loans were made in low income geographies and 2% in moderate income geographies. In 1997, 1% and 2% of HMDA loans were made in low- and moderate-income geographies, respectively. Refer to Table 5. As previously mentioned, all five of the low income geographies and four of the six moderate income geographies are located in Clarke County. There were two low income geographies (census tract 16.98 and 1.00) in which no HMDA loans were originated. The absence of loans in census tract 16.98 is not significant given the relatively few number (10) of families residing in this area. Census tract 1.00 has a very low median income of \$6,535, which limits the number of individuals who could qualify for a home loan.

In 1996, 2% and 3% of consumer loans were made in low- and moderate-income geographies, respectively. In 1997, 1% and 4% of consumer loans were made in low- and moderate-income geographies. There was only one low income geography (census tract 16.98) in which no consumer loans were made.

Overall, STBNE’s penetration of HMDA and consumer loans is considered good for low income geographies given the percentage of owner occupied units (1%) and families (2%) in these areas. The bank’s penetration of loans is adequate for moderate income geographies given 5% of the owner occupied housing units and 5% of families are located in these areas. Refer to Table 5.

Table 5 Geographic Distribution of HMDA and Consumer Loans by Geography Income Designation - 1996					
Geography Designation	Geography Characteristics			Distribution of Loans for HMDA Consumer	
	Distribution of Geography by Income Level	Distribution of Families by Geography Designation	Distribution of Owner Occupied Housing Units by Geography Designation		
Low Income	8%	2%	1%	2%	2%
Moderate Income	10%	5%	5%	2%	3%
Middle Income	47%	53%	55%	45%	39%
Upper Income	35%	40%	39%	51%	56%
Total	100%	100%	100%	100%	100%

In 1996, 13% and 9% of STBNE's small business loans were originated in low- and moderate-income geographies, respectively. This penetration was considered good when compared to the percentage of businesses located in low (8%) and moderate (5%) income geographies. In 1997, the percentage of small business loans made in low income geographies fell to 8%, while the percentage made in moderate income geographies rose to 12%. STBNE's performance in 1997 was also considered good. Refer to Table 6.

Table 6 Geographic Distribution of Small Business Loans by Geography Designation - 1996 and YTD 6/30/97				
Geography Designation	Distribution of Geography by Income Level	Distribution of Businesses by Geography Designation	Distribution of Small Business Loans by Geography Designation	
			1996	YTD 6/30/97
Low Income	8%	8%	13%	8%
Moderate Income	10%	5%	9%	12%
Middle Income	47%	54%	32%	31%
Upper Income	35%	33%	46%	49%
Total	100%	100%	100%	100%

Distribution by Borrower Characteristics

STBNE's distribution of HMDA, consumer, small business, and small farm loans to borrowers of different income levels and businesses of different sizes was adequate.

In 1996 and 1997, STBNE originated 5% and 3%, respectively, of HMDA loans to low income individuals. Eighteen percent of all families are considered low income. The bank's distribution is reasonable given that 16% of the population in the five assessment areas live below the poverty level. This high poverty rate would severely hamper an individual's ability to qualify for a home loan. Eleven percent and nine percent of HMDA loans were originated to moderate income individuals in 1996 and 1997, respectively. This distribution is considered adequate when compared to the percentage (16%) of moderate income people within the bank's assessment area. Refer to Table 7.

Although STBNE originated a low level of HMDA loans to low income individuals, the bank did increase its lending to this segment of the population by originating consumer loans. In 1996 and 1997, STBNE originated 17% and 15%, respectively, of all consumer loans to low income individuals. This penetration was considered adequate when compared to the percentage of low income families (18%). In 1996 and 1997, the bank originated 19% and 21% of all consumer loans to moderate income people. This percentage is considered good when compared to the percentage of moderate income families (16%).

Table 7 Distribution of HMDA and Consumer Loans by Borrower Income Level - 1996 & YTD 6/30/97					
Distribution of Families by Income Level		Distribution of Borrower Income Level			
		HMDA Loans		Consumer Loans	
		1996	6/30/97	1996	6/30/97
Income Level					
Low Income	18%	5%	3%	17%	15%
Moderate Income	16%	11%	9%	19%	21%
Middle Income	22%	22%	24%	20%	20%
Upper Income	44%	62%	63%	38%	43%
Income Not Available	N.A.	0%	1%	6%	1%
Total	100%	100%	100%	100%	100%

In 1996, 77% and 50% of small business and farm loans, respectively, were for amounts of \$100,000 or less. See Table 8. Furthermore, 34% of all small business loans were for \$20,000 or

less. Seventy-nine percent (654 loans) and 83% (15 loans) of small business and farm loans respectively, were made to businesses that had gross revenues of less than \$1,000,000. Furthermore, 65% of small business loans with original amounts of \$100,000 or less were made to businesses that had gross revenues of less than \$1,000,000. The percentage for small farm loans was 50%. This indicates STBNE has an adequate record of serving the credit needs of very small businesses and farms. The bank's performance in 1997 was similar to that of 1996.

Table 8 Distribution of Small Business and Farm Loans by Loan Size - 1996 & YTD 6/30/97				
Loan Size	Small Business Loans		Small Farm Loan	
	1996	6/30/97	1996	6/30/97
Less than \$100,000	77%	79%	50%	66%
Between \$100,000 and \$250,000	15%	12%	33%	17%
Greater than \$250,000	8%	9%	17%	17%
Total	100%	100%	100%	100%

Community Development Lending

In Athens, Georgia (Clarke County), a primary community development lending need was affordable housing for low income individuals. STBNE has originated a relatively high level of multifamily housing loans for rental units that are affordable to low- and moderate-income individuals. The bank also issued standby letters of credit on behalf of a nonprofit organization and a business that were used to provide community services for low- and moderate-income individuals. A summary of these loans is detailed below.

STBNE has originated \$7,252,000 (347 units) of multifamily loans in Clarke, Hall, and Forsyth counties. Table 9 indicates that 322 of the units were located in Clarke County and that 271 units are affordable for even low income individuals. Clarke County has the highest number of low income families (4,596) of any of the seven counties within the bank's assessment areas.

Table 9 Community Development - Multifamily Loans			
County	Dollar Amount	Number of Units	Number of Units Affordable for Low Income Individuals
Clarke County	\$6,343,000	322	252
Hall County	\$134,000	6	0
Forsyth County	\$775,000	19	19
Total	\$7,252,000	347	271

STBNE has issued two letters of credit for \$650,000 and \$1,000 that were not reported as small business loans.

- A \$650,000 letter of credit was issued on behalf of a nonprofit organization located in Clarke County. The organization provides job training for mentally and physically challenged adults, who are primarily low- and moderate-income individuals. The letter of credit was used to guarantee the construction of the organization's new facility, in order to receive a \$137,000 Community Block Grant from HUD.
- A \$1,000 letter of credit was issued on behalf of a grocery store to the United States Department of Agriculture, to allow this business to accept food stamps. The grocery store is located in a moderate income geography in Clarke County and is the only grocery store that accepts food stamps in this area, according to bank personnel.

Flexible or Innovative Lending Practices

STBNE makes limited use of flexible lending programs to meet identified credit needs of its assessment areas. The bank's only flexible lending program is the SunTrust Affordable Housing Mortgage Program. This program is designed to promote home ownership by financing single family, owner occupied housing units to qualified low- or moderate-income individuals. This program allows for a reduced down payment, more lenient debt-to-income ratios, and the use of non-traditional credit references. The bank has originated eighteen loans for \$1,115,000, all within Hall County.

Investment Test

The only opportunities that were identified for STBNE to make qualified investments were for donations. STBNE has made an adequate level of donations given its business strategy, financial capacity, and available opportunities within its assessment area. The dollar amount of qualified investments totaled \$29,590. None of the investments, summarized below, was considered innovative or complex.

- \$10,000 was donated to Gainesville Hall County Neighborhood Revitalization, Inc. (GHCNRI). This organization is a nonprofit entity with a primary goal of providing and maintaining affordable housing for low- and moderate-income individuals in Hall County. In order to meet this goal, a \$1,000,000 revolving loan fund is proposed for the construction and warehousing of permanent mortgages until they are sold in the secondary market. GHCNRI will also provide grants and seminars pertaining to home ownership and credit. As of yet, no loans or grants have been made. However, home ownership and credit seminars have been conducted.
- \$5,620 was donated to the scholarship fund of three colleges and/or universities located in

Clarke and Hall counties. STBNE's donations were exclusively for low- and moderate-income individuals.

- \$5,000 was donated to a nonprofit organization in Clarke County that provides a variety of community services primarily benefiting low- and moderate-income individuals. These services include disaster relief aid, emergency financial assistance, free lodging and meals for the homeless, shelter for abused women and children, and medical care.
- \$5,620 was donated to various nonprofit organizations that provide community services relating to the needs of the mentally disabled, abused and neglected children, and individuals who are involved with some family crises. Individuals receiving these services are primarily low- and moderate-income individuals residing in Clarke and Hall counties.
- \$3,350 was donated to nonprofit organizations that provide youth programs for low- and moderate-income individuals primarily residing in Clarke County.

Service Test

Accessibility of Delivery Systems

STBNE's delivery systems were accessible to areas and individuals of different income levels. The bank currently operates seventeen branch offices located in Clarke (6), Fannin (1), Forsyth (3), Habersham (1), Hall (4), Morgan (1), and White (1) counties. Branch hours are reasonable and do not significantly vary among the different branches. All seventeen branch offices provide the same level of financial services. STBNE's five ATMs not located at a branch are located in low (2), middle (1), and upper (2) income geographies in Clarke (4) and Hall (1) counties. One of the ATMs is located in a low income geography not served by a branch office.

STBNE has a reasonable distribution of branches in low, moderate, middle, and upper income geographies. Twelve percent of STBNE's branches are located in low income geographies. This distribution is reasonable given 8% of the geographies are categorized as low income areas. Although the bank doesn't have any branches in moderate income geographies, five of the six moderate income areas are adjacent to other geographies in which branches are located. Loan data contained in Table 4 and Table 5 indicate the bank is doing a reasonable job of serving the credit needs of business owners and families located in moderate income geographies.

Table 10 Distribution of Branch Offices			
Geography Characteristics	# of Branches	Distribution of Geography by Income Level	
		% of Total Branches	
Low Income	2	12%	8%
Moderate Income	0	0%	10%
Middle Income	9	53%	47%
Upper Income	6	35%	35%
Total	17	100%	100%

Changes in Branch Locations

STBNE’s record of closing branch offices has not affected the accessibility of its services to low or moderate income individuals or geographies. Since January 1, 1995, the bank has not closed or relocated any branch offices. However, the bank has opened two branch offices in Forsyth County, both of which are located in middle income geographies. Additionally, the bank has received approval from our agency to open a new branch office in a Publix grocery store located in an upper income geography in Athens, Georgia. The proposed opening date of the branch has not been determined.

Community Development Services

STBNE provides a high level of community development services within its assessment areas. The bank’s community development services have primarily been related to housing and community services targeted to low- and moderate-income individuals. Examples of these services are detailed below.

- **Gainesville Hall County Neighborhood Revitalization, Inc. (GHCNRI):** As previously mentioned, GHCNRI is a non profit entity with a primary goal of providing and maintaining affordable housing for low- and moderate-income individuals in Hall County. In order to meet this goal, a revolving loan fund is proposed. A representative of STBNE has been involved in establishing this organization and is presently a member of the board of directors, chairperson of the Loan Committee, and serving as the entity’s treasurer. As the chairperson, the bank’s representative assisted in developing the underwriting guidelines for the revolving loan fund.
- **Free payroll check cashing services:** STBNE provides this service every Friday, at the Prince Avenue branch office in Athens, Georgia. This service meets a critical need of individuals who do not have a banking relationship with a local financial institution. Although this service is available to all individuals, it was primarily established to meet the

needs of low- and moderate-income individuals. Approximately 3,000 payroll checks are cashed on a monthly basis.

- **First Time Home Buyers Program:** STBNE representatives have assisted in instructing first time home buyer seminars in Clarke (3) and Hall (4) counties.
- **Workplace Banking - Free Checking Accounts:** Workplace banking is a financial services program that is designed to enhance local businesses' benefit package for their employees at no cost to them. One of the services that is offered to employees of participating businesses is a no cost checking account. Presently, the bank has fifteen Workplace Banking relationships in Clarke (7), Morgan (5), and Hall (3) counties. Many of the employees of these fifteen businesses earn a minimum wage or are considered low or moderate income individuals.
- **Fund raising and accounting services:** Representatives of STBNE have assisted in fund raising and have provided bookkeeping services to various non profit organizations within Hall and Clarke counties. These organizations provide community services to the homeless, mentally disabled, and other individuals who are involved with some family crises. Individuals receiving these services are primarily low- and moderate-income individuals.

Fair Lending Review

No violations of the substantive provisions of the antidiscrimination laws or regulations were identified. STBNE's fair lending policies, procedures, training programs, and internal self-assessments are satisfactory.

ATHENS, GEORGIA METROPOLITAN STATISTICAL AREA

Description of the Athens, Georgia, MSA

Refer to pages 3, 4, and 5 for a description of the Athens, Georgia, MSA.

Conclusions with Respect to Performance Tests in the Athens, Georgia, MSA

STBNE's performance in meeting the credit needs of Clarke County is consistent with the overall rating assigned to STBNE. Small farm loans were not used to draw conclusions since only six loans for \$889,000 were originated. 1997 loan data are not detailed below since there was no material difference between 1996 and 1997 performance.

Lending Test

Lending Activity

STBNE's level of lending is considered good and responsive to the credit needs within Clarke County. Credit needs included very small business loans, very small consumer loans, and multifamily loans. STBNE has originated 5 (\$4,660,000) multifamily, 231 (\$2,271,000) very small business, and 46 (\$46,000) very small consumer loans. Approximately 36% and 8% of all small business and consumer loans, respectively, were very small loans. Table 9 reflects STBNE's total volume of HMDA, consumer, and small business loans.

Table 11				
Number and Dollar Amount of HMDA, Consumer, and Small Business - 1996				
	HMDA	Consumer	Small Business	Total
Number	300	1,054	632	1,986
Dollar Amount (000's)	\$28,359	\$20,260	\$57,273	\$105,892

Geographic Distribution

STBNE's geographic distribution of HMDA, consumer, and business loans reflected a reasonable penetration within Clarke County. There were no conspicuous gaps in the penetration of geographies within the bank's assessment areas.

In 1996, 6% and 7% of HMDA loans were made in low income and moderate income geographies, respectively. This penetration is good for the low income geographies and adequate for the moderate income geographies, given 5% and 15% of owner occupied housing units are located in low- and moderate-income geographies, respectively. As previously mentioned, all five of the low income geographies are located in Clarke County. The two low income geographies in which no HMDA loans were originated had very low median incomes. This fact limits the number of individuals who could qualify for a home loan. Refer to Table 12.

In 1996, 5% and 8% of consumer loans were made in low- and moderate-income geographies, respectively. This penetration is considered adequate given 9% and 17% of families reside in low- and moderate-income geographies, respectively. There was only one low income geography in which no consumer loans were made. The absence of loans in this geography is not significant given the relatively few number of families residing in this area. Refer to Table 12.

Table 12 Geographic Distribution of HMDA Loans by Geography Income Designation - 1996					
Geography Designation	Geography Characteristics			Distribution of Loans for	
	Distribution of Geography by Income Level	Distribution of Families by Geography Designation	Distribution of Owner Occupied Housing Units by Geography Designation	HMDA	Consumer
Low Income	26%	9%	5%	6%	5%
Moderate Income	21%	17%	15%	7%	8%
Middle Income	21%	29%	30%	29%	30%
Upper Income	32%	45%	50%	58%	57%
Total	100%	100%	100%	100%	100%

In 1996, 17% and 11% of small business loans were made in low- and moderate-income geographies, respectively. This penetration was considered adequate when compared to the percentage of businesses located in low (24%) and moderate (13%) income geographies. Refer to Table 13.

Table 13			
Geographic Distribution of Small Business Loans by Geography Designation - 1996			
Geography Designation	Distribution of Geography by Income Level	Distribution of Businesses by Geography Designation	Distribution of Small Business Loans by Geography Designation
Low Income	26%	24%	17%
Moderate Income	21%	13%	11%
Middle Income	21%	28%	27%
Upper Income	32%	35%	45%
Total	100%	100%	100%

Distribution by Borrower Characteristics

STBNE’s distribution of HMDA, consumer, and small business loans to borrowers of different income levels and businesses of different sizes was adequate.

In 1996, STBNE originated 6% of HMDA loans to low income individuals. Twenty-five percent of all families are considered low income. The bank’s distribution is reasonable given the extremely high poverty rate (27%) in Clarke County. Nine percent of HMDA loans were originated to moderate income individuals. This distribution is considered adequate when compared to the percentage (17%) of moderate income families within Clarke County. Refer to Table 14.

STBNE increased its lending to low- and moderate-income individuals by originating consumer loans. Twenty percent and 21% of consumer loans were made to low- and moderate-income individuals, respectively. This distribution is reasonable given the percentage of low (25%) and moderate (17%) income families within Clarke County. Refer to Table 14.

Table 14			
Distribution of HMDA and Consumer Loans by Borrower Income Level - 1996			
Income Level	Distribution of Families by Income Level	Distribution by Borrower Income Level for	
		HMDA Loans	Consumer Loans
Low Income	25%	6%	20%
Moderate Income	17%	9%	21%

Middle Income	19%	12%	15%
Upper Income	39%	73%	34%
Income Not Available	N.A.	0%	10%
Total	100%	100%	100%

In 1996, 75% of small business loans were for amounts of \$100,000 or less. See Table 15. Eighty percent (508 loans) of small business loans were made to businesses that had gross revenues of less than \$1,000,000. Furthermore, 65% of small business loans with original amounts of \$100,000 or less were made to businesses that had gross revenues of less than \$1,000,000. This indicates STBNE has an adequate record of serving the credit needs of very small businesses.

Table 15	
Distribution of Small Business Loans by Loan Size	
Loan Size	Percentage
Less than \$100,000	75%
Between \$100,000 and \$250,000	16%
Greater than \$250,000	9%
Total	100%

Community Development Lending

The primary community development lending need within Clarke County is affordable housing. STBNE has originated a relatively high level of multifamily housing loans for rental units that are affordable for low- and moderate-income individuals. Refer to pages 11 and 12 for a discussion of these and other community development loans.

Flexible or Innovative Lending Practices

None of the SunTrust Affordable Housing Mortgage Program loans were made in Clarke County.

Investment Test

STBNE has made an adequate volume of donations in Clarke County. Refer to page 12 and 13 for a description of these investments.

Service Test

Retail banking services and alternative delivery services are accessible to all portions of Clarke County. STBNE has a reasonable distribution of branches. See Table 16. As previously mentioned, the bank doesn't have any branches in moderate income geographies. However, loan data in Table 5 and 6 indicate the bank is doing a reasonable job of serving the needs of business owners and families in moderate income geographies.

Table 16 Distribution of Branch Offices			
Geography Characteristics	# of Branches	% of Total Branches	Distribution of Geography by Income Level
Low Income	2	33%	26%
Moderate Income	0	0%	21%
Middle Income	1	17%	21%
Upper Income	3	50%	32%
Total	6	100%	100%

STBNE provides a reasonable level of community development services. Community development services have primarily been related to housing and community services targeted to low- and moderate-income individuals. Refer to pages 14 and 15 for a description of these services.

ATLANTA, GEORGIA METROPOLITAN STATISTICAL AREA

Description of the Atlanta, Georgia, MSA

Refer to pages 3, 4, and 5 for a description of the Atlanta, Georgia, MSA.

Conclusions with Respect to Performance Tests in the Atlanta, Georgia, MSA

STBNE's performance in meeting the credit needs of Forsyth County is consistent with the overall rating assigned to STBNE. The need for community development loans, qualified investments, and community development services is significantly less in Forsyth County due to the low poverty rate and high median family income. Small farm loans were not used to draw conclusions since only one loan for \$86,000 was originated. 1997 loan data are not detailed below, since there was no material difference between 1996 and 1997 performance.

Lending Test

Lending Activity

STBNE's level of lending is considered good and responsive to the credit needs within Forsyth County. The primary credit need was very small business loans. STBNE has originated seven (\$90,000) very small business loans. Approximately 28% of all small business loans were very small loans. Table 17 reflects STBNE's total volume of HMDA, consumer, and small business loans.

Table 17				
Number and Dollar Amount of HMDA, Consumer, Small Business Loans - 1996				
	HMDA	Consumer	Small Business	Total
Number	127	516	25	668
Dollar Amount (000's)	\$16,455	\$5,415	\$2,791	\$24,661

Geographic Distribution

Not applicable. All six census tracts located in Forsyth county are middle income geographies.

Distribution by Borrower Characteristics

STBNE’s distribution of HMDA, consumer, and small business loans to borrowers of different income levels and businesses of different sizes was adequate.

In 1996, STBNE originated 4% and 17% of HMDA loans to low- and moderate-income individuals. The distribution of HMDA loans to low income individuals is reasonable given individuals who make less than \$26,550 per year would have a difficult time affording a home in Forsyth County. According to a local Realtor, the average priced home exceeds \$100,000. The distribution of HMDA loans to moderate income individuals is reasonable given that 20% of families are considered moderate income. Refer to Table 18.

STBNE increased its lending to low income individuals by originating consumer loans. Nineteen percent and 20% of consumer loans were made to low- and moderate-income individuals, respectively. This distribution is reasonable given the percentage of low- and moderate-income families within Forsyth. Refer to Table 18.

Table 18 Distribution of HMDA and Consumer Loans by Borrower Income Level - 1996			
Income Level	Distribution of Families by Income level	Distribution by Borrower Income Level	
		HMDA Loans	Consumer Loans
Low Income	17%	4%	19%
Moderate Income	20%	17%	20%
Middle Income	26%	34%	19%
Upper Income	37%	45%	31%
Income Not Available	N.A.	0%	11%
Total	100%	100%	100%

In 1996, 76% of small business loans were for amounts of \$100,000 or less. See Table 19. Eighty percent (20 loans) of small business loans were made to businesses that had gross revenues of less than \$1,000,000. Furthermore, 68% of small business loans with original amounts of \$100,000 or less were made to businesses that had gross revenues of less than \$1,000,000. This indicates STBNE has an adequate record of serving the credit needs of very small businesses.

Table 19 Distribution of Small Business Loans by Loan Size	
Loan Size	Percentage
Less than \$100,000	76%
Between \$100,000 and \$250,000	12%
Greater than \$250,000	12%
Total	100%

Community Development Lending

None of STBNE’s community development loans were made in Forsyth County.

Flexible or Innovative Lending Practices

None of the SunTrust Affordable Housing Mortgage Program loans were made in Forsyth County.

Investment Test

STBNE has not made any donations in Forsyth County.

Service Test

Retail banking services and alternative delivery services are accessible to all portions of Forsyth County. STBNE’s has three branch offices among the six middle income geographies of this county. No community development services were provided in Forsyth County.

APPENDIX

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 median 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.