



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

January 07, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Access National Bank
Charter Number 23880**

**14006 Lee Jackson Memorial Hwy
Chantilly, VA 20151**

**Comptroller of the Currency
ADC – Maryland/National Capital Area Field Office
250 E Street, SW
Washington, DC 20219**

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.

INSTITUTION'S CRA RATING

This institution is rated "SATISFACTORY".

The primary factors supporting the bank's overall rating include:

- o A more than reasonable loan-to-deposit ratio of 130%;
- o A majority of loans, representing 78% of the number and 74% of the dollar amount, originated within the assessment area; and
- o A more than reasonable record of lending to businesses of different sizes.

DESCRIPTION OF INSTITUTION

Access National Bank (Access NB) is a wholly owned subsidiary of Access National Corporation, a holding company headquartered in Chantilly, VA. Access NB was chartered in November 1999. As of September 30, 2002, the bank's total assets were \$227 million; gross loans were \$198 million; and total deposits were \$171 million. Access NB has a mortgage operating subsidiary, Access National Mortgage, located in Vienna, Virginia. In accordance with 12 CFR 25.22, Access National Mortgage is considered an affiliate of the bank and management has the option to request to include affiliate lending activity in the bank's Community Reinvestment Act (CRA) evaluation. This option was not exercised and as such, Access National Mortgage's loan originations are not included in this review. The bank's lending activities, excluding Access National Mortgage, are comprised of commercial (65%), commercial real estate (10%), home equity (12%), residential real estate (10%), and consumer (3%) loans. The bank offers a wide range of deposit products and services.

Access National Bank serves the community from its main banking office located in Chantilly, Virginia. There are no branch locations. It is a full-service bank, including a drive-up facility and 24-hour internet access. Management has identified small business lending as the primary credit need within the bank's assessment area. This need was also highlighted by three community contacts consisting of two local area chambers of commerce and a city economic development board.

There are no impediments, legal or otherwise, which would hinder efforts to meet the credit needs of the assessment area. However, strong competition from other community and regional banks, thrifts, credit unions, and non-financial institutions is evident in the community. This is the bank's first CRA performance evaluation

DESCRIPTION OF ASSESSMENT AREA

Access NB's assessment area encompasses Fairfax, Arlington, Loudon, and Prince William Counties including the cities of Fairfax, Falls Church, Manassas and Manassas Park. This assessment area is situated within the Washington, D.C.-MD-VA Metropolitan Statistical Area (MSA) 8840. The assessment area complies with the legal requirements of CRA and does not arbitrarily exclude low- and moderate- income areas. According to 1990 Census Bureau data, the population of the assessment area is 1,336,028 individuals. Based on information provided by local area chambers of commerce and a city economic development board, the population in the assessment area has risen over 200,000 in the last 10 years to approximately 1.6 million individuals.

During the last 10 years, the assessment area economy has experienced significant growth and is highly prosperous as noted by the substantial increase in median family income levels, which have risen from \$52,807 in 1990 to \$91,500 in 2002. This prosperity has been precipitated by the arrival of many new major employers in the community including Exxon/Mobil, AOL, AMS, and numerous technology industries, as well as by a substantial expansion of the retail service sector.

These significant shifts in population and employment have impacted the current demographics of the assessment area, making it considerably more challenging for community banks to identify and attract the few remaining low- and moderate- income borrowers in the assessment area.

The following table reflects the breakdown of census tract characteristics within the MSA, based on 1990 Census Bureau information. As noted, at that time only 11% of the assessment area was considered low- and moderate- income. This information is not yet available from the Census Bureau for 2000; however, local community contacts indicate that these percentages have narrowed even further in the last 10 years.

ASSESSMENT AREA DEMOGRAPHICS

Designation	# Census Tracts	% of Total Tracts
Low Income	2	<1%
Moderate Income	32	11%
Middle Income	139	46%
Upper Income	104	35%
Not Applicable *	25	8%
Totals	302	100%

* No income reported for these tracts

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

LOAN-TO-DEPOSIT RATIO

Access NB's loan-to-deposit ratio is more than reasonable and is commensurate with the bank's size and financial condition. The ratio of loans to deposits reflects the bank's efforts to meet the credit needs of the assessment area. It averaged 130% over the last 12 quarters from December 31, 1999 through September 30, 2002. This compares quite favorably to the 77% average loan-to-deposit ratio for similarly situated banks during the same time period.

LENDING IN ASSESSMENT AREA

A majority of the bank's lending activity is within its assessment area. We tested and relied on total loan origination data through September 30, 2002 provided by bank reports. Based on our analysis, 595 of 763 in total number of loans, or 78%, were originated in the assessment area during the evaluation period. This represents \$128 million of \$173 million in total dollar volume of loans, or 74%.

LENDING TO BUSINESSES OF DIFFERENT SIZES & BORROWERS OF DIFFERENT INCOMES

The bank's record of lending to businesses of different sizes is more than reasonable. We tested and relied on business loan data provided by bank reports. As the following table illustrates, 72% of the number and 76% of the dollar volume of loans originated were to small businesses. Small businesses are defined as those with gross annual revenues of \$1 million or less.

LENDING TO BUSINESSES OF DIFFERENT SIZES

Business Revenue Size	# of Loans	% of Total	\$(000s)	% of Total
<= \$1 Million	290	72.14	85,349	75.50
>= \$1 Million	112	27.86	27,699	24.50
Totals	402	100.00	113,048	100.00

The bank also actively pursues government guaranteed loan programs to provide financing to small businesses that might not qualify otherwise. As of September 30, 2002, the bank provided financing to 13 small business borrowers through the Small Business Administration (SBA) 504 program and to 7 small businesses under the SBA's 7a program.

The bank's record of lending to borrowers of different incomes, particularly low- and moderate-income families, does not meet standards. We tested and relied on home equity loan origination data provided by bank reports to make this determination. As the following table illustrates, only 9% of the number and 8% of the dollar volume of the bank's home equity loans were extended to low- and moderate- income borrowers. These percentages compare unfavorably to the 28% of low- and

moderate- income families residing in the bank’s assessment area based on 1990 Census Bureau data.

LENDING TO BORROWERS OF DIFFERENT INCOMES

Income Designation	# of Loans	% of Total	\$(000s)	% of Total	Family Income Characteristics
Low	0	0.0	0	0.0	12%
Moderate	17	8.8	844	7.6	16%
Middle	81	41.7	4,649	42.0	25%
Upper	96	49.5	5,577	50.4	47%
Totals	194	100.00	11,070	100.00	100%

It is important to note however, demographic data used for comparison purposes in this analysis is derived from 1990 Census Bureau information. Again, the assessment area economy has experienced significant growth and median family income levels, based on 2002 HUD information, have risen from \$52,807 to \$91,500. Accordingly, low-income levels would have also risen, \$26,404 in 1990 to \$45,750 in 2002. In addition, based on information provided by local community contacts, the majority of the population growth in the last ten years has been in the middle- and upper- income borrower categories. As such, the 1990 Census Bureau data is not indicative of current area demographics. In addition, the bank does not advertise its home equity loans to the general populace. The vast majority of them are to existing commercial loan customers.

GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution of loans was not performed as it does not provide a meaningful analysis. Only 2 census tracts, a military base and a tract in Manassas City, are designated as low-income in the bank’s assessment area.

RESPONSE TO COMPLAINTS

The bank received no complaints applicable to its performance under the CRA regulation since it began operations in November 1999.

FAIR LENDING REVIEW

A review of technical compliance with the fair lending regulations was performed in March 2000. We found no evidence of illegal discrimination or other illegal credit practices.