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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

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

January 10, 1997

Guaranty National Bank  
Charter Number 21162  
1706 W. Tennessee Street  
Tallahassee, Florida 32304

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.



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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 **Guaranty National Bank** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **Close Date 1996**. 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**.

Guaranty National Bank (GNB) has a satisfactory record of meeting the credit needs of its local community. In light of the bank's financial condition, it has a satisfactory record of extending loans to borrowers throughout its assessment area of Leon County, Florida. Records compiled under the requirements of the Home Mortgage Disclosure Act and other loan documents 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 **Guaranty 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..

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



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## **INSTITUTION & COMMUNITY PROFILE**

### **DESCRIPTION OF THE INSTITUTION**

Guaranty National Bank is a nationally-chartered financial institution headquartered in Tallahassee, Florida. Including the main office, the bank has seven branch offices within Leon County. The bank is primarily a consumer and commercial/commercial real estate lender, but also offers residential loans. The bank has a history of satisfactory performance under the Community Reinvestment Act.

In late 1993 and 1994, Guaranty NB acquired deposits from Anchor Savings Bank. Since loans were not purchased, the acquisition lowered the bank's loan to deposit ratio. The ratio increased somewhat during the following quarters via the bank originating loans in its community. In 1996, GNB sold a portion of its residential loan portfolio in order to lower its asset base and thus, increase its capital ratios. As a result of the above activities, the bank has reported low loan-to-deposit ratios in comparison to its Leon County peer and its lending activity has been limited during this evaluation period.

### **DESCRIPTION OF THE LEON COUNTY ASSESSMENT AREA**

Guaranty National Bank's assessment area consists of Leon County, Florida. It is part of the Tallahassee Metropolitan Statistical Area (MSA). Gadsden County is also included within this MSA. Leon County is located in Northwest Florida and the city of Tallahassee serves as county seat and is also the capital of Florida. As the seat of state government, the county has a large government employment base. Tallahassee is also home to two major state universities and as a result, 44% of its housing stock is in rental units.

The 1990 U.S. Census reported Leon County as having a total population of slightly over 192,400. The median income, per family, within the County is \$37,000. The majority of the demographic data used in the performance of this examination used for the Tallahassee-Leon County MSA. We estimate that 13 of Leon County's 42 census tracts, or 29%, are low- and moderate-income areas.

The prior Community Reinvestment Act examination for Guaranty National Bank conducted by our Office was dated July 9, 1992. This Public Evaluation covers the CRA-related actions undertaken by the institution during the period from August 1992 through mid-October 1996.

## **DISCUSSION OF INSTITUTION'S PERFORMANCE**

### **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

Overall, Guaranty National Bank has a satisfactory record of meeting the credit needs of its community, including low- and moderate-income areas. In light of its financial condition, the bank has an acceptable record of lending funds within the local community. GNB's loan-to-deposit ratio over the period from December 31, 1992 through September 30, 1996 averaged 52%.



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Additionally, data on home purchase and improvement loans, collected under the requirements of the Home Mortgage Disclosure Act (HMDA), indicate that the bank makes the vast majority of its loans within the Leon County area. Based on the number of HMDA-related loans originated by the bank in 1993, 1994, 1995 and year-to-date 1996, an average of 85% were to borrowers located within the county. Additionally, of the 23 installment loans (a sample of those extended in 1996) reviewed for our compliance examination, 78% were to borrowers within the bank's assessment area.

Guaranty National Bank's record of lending to individuals of different income levels is satisfactory. Without regard to census tract, the bank, on average, extended 25% of home mortgage related loans to low- and moderate-income borrowers. To enhance their presence in the low- and moderate-income community, the bank participates in the Tallahassee Lenders' Consortium which assists borrowers with affordable housing. Additionally, the bank lends to corporations of many sizes, focusing its efforts on small- and medium-sized businesses. As of June 30, 1996, the bank had outstanding loans totaling over \$12,400,000 to small business borrowers.

Further analysis of HMDA data for the review period shows that, on average 16.87% (by number) of the bank's HMDA-related loan originations were within low- and moderate-income census tracts. Residents of low- and moderate-income areas account for 29% of the county's total population. The lower distribution of HMDA-related credits within these census tracts is partially attributed to the fact that these tracts are predominantly comprised of rental housing units.

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 Guaranty National Bank's installment lending practices was performed to determine if any discriminatory practices exist based on the gender and marital status of the applicant. Our analysis of loan terms included interest rate, repayment terms and finance charges. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified. Based on our installment loan sample, we determined that the GNB treats borrowers equitably.