



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

June 12, 2000

# **Community Reinvestment Act Performance Evaluation**

Wells Fargo Bank Iowa, National Association  
Charter Number: 2307

666 Walnut Street  
Des Moines, Iowa 50304

Office of the Comptroller of the Currency

Large Bank Supervision  
250 E Street SW  
Washington, D.C. 20219-0001

**NOTE: This evaluation is not, and should not 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 CRA performance of **Wells Fargo Bank Iowa, National Association** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **June 12, 2000**. 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 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate** - Any company that controls, is controlled by, or is under common control by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

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

**Community Development (CD)** - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA)** - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Full-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA)** - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Limited-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

**Low-Income** - Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** - Loans with original amounts of \$1 million or less that are: (1) secured by non-farm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital** - The total of common shareholders' equity, perpetual preferred shareholder's equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income** - Income levels that are 120% or more of the MFI.

## Overall CRA Rating

**Institution's CRA Rating:** This institution is “**Satisfactory.**”

The following table indicates the performance level of Wells Fargo Bank Iowa, National Association, with respect to the Lending, Investment, and Service Tests:

Performance Levels	Wells Fargo Bank Iowa, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- An overall good distribution of loans by borrower and adequate distribution of loans by geography.
- Flexible and innovative loan programs represent a positive response to the bank’s AAs.
- Investment activities represent an adequate responsiveness to the bank’s AAs.
- Delivery systems that have adequate accessibility to geographies and individuals of different income levels.

## Description of Institution

Wells Fargo Bank Iowa, National Association (WFIA), is headquartered in Des Moines, Iowa, and conducts business through 43 branch offices in eleven assessment areas (AAs) within the state. WFIA was formerly known as Norwest Bank Iowa, NA. Wells Fargo & Company changed the name of the bank in May 2000. The bank has branch offices in each of its AAs; Davenport-Moline-Rock Island MSA (Scott County), Des Moines MSA (Dallas, Polk and Warren Counties), Atlantic (Cass County), Benton County, Cedar Rapids MSA (Linn County), Denison (Crawford County), Fort Dodge (Webster County), Northern Rural (Butler, Cerro, Gordo, Floyd, Franklin, Grundy, Hancock, Marshall, Story, and Worth Counties), Ottumwa (Wapello County), Sioux City MSA (Woodbury County), Waterloo-Cedar Falls MSA (Black Hawk County).

WFIA is a subsidiary of Wells Fargo & Company (WFC), San Francisco, California, a multi-bank holding company. WFC recently merged with Norwest Corporation, which formerly was headquartered in Minneapolis, Minnesota. WFC has total assets in excess of \$200 billion and conducts business through 2,916 offices and over 6,000 ATMs in 21 states.

As of March 30, 2000, WFIA had total assets of approximately \$6,124 million, and total deposits of some \$4,074 million. Loans, net of allowances for losses, approximated \$2,852 million, equating to about 47% of total assets and about 70% of total deposits. Approximately 10% of the bank's loans were for individuals for household, family, and personal use. Another 35% of the loan portfolio financed commercial and industrial businesses. The remainder of the portfolio was largely secured by real estate for purposes such as construction and land development, personal use, and farming. WFIA's total Tier-1 Capital approximated \$320 million.

At the request of WFIA and in accordance with provisions of the CRA, this evaluation considers lending activities of Wells Fargo Home Mortgage, Inc., Norwest Home Improvement, Inc., and Wells Fargo Funding, Inc. These affiliates are related subsidiaries of WFC and are not subsidiaries of WFIA.

WFIA is a full service bank offering a typical array of retail banking services and loan products. Its business strategy is in no way limited or specialized to any narrow field of endeavor. Through the bank's affiliate, Wells Fargo Home Mortgage, borrowers can obtain home purchase and refinance lending that is sometimes not available through other local commercial banks.

There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs of its AAs.

The bank was rated "Outstanding" at the previous evaluation dated July 25, 1996.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This evaluation included a review of the bank's HMDA-reportable, small business, small farm, and CD lending; CD investments; and retail and CD services. In accordance with OCC policy, HMDA-reportable, small business, and small farm lending was evaluated for the calendar years 1997, 1998, and 1999. All other products and activities were evaluated for the period beginning at the date of the previous CRA public evaluation (July 25, 1996) and concluding June 12, 2000.

### Data Integrity

In association with this review, small business and small farm data submitted by the bank in compliance with requirements of the CRA and utilized for analysis were reviewed for accuracy utilizing a selected sample. This activity revealed no significant errors in reporting. Some minor errors were detected and corrected for analysis purposes. The accuracy of HMDA data was reviewed utilizing reports and working papers of the bank's internal auditors as well as a review of a sample of loan applications. The HMDA, Small Business, and Small Farm data were determined to be accurate and useful for analysis.

Information presented to the examiners to support the bank's compliance with the Investment Test and with the CD portions of the Lending and Service Tests was reviewed to ensure qualification under the definitions and requirements of the CRA.

### Selection of Areas for Full-Scope Review

The Des Moines and Davenport-Moline-Rock Island MSA AAs were selected for full-scope reviews due to the significance of the bank's deposit and lending activities in these markets.

### Ratings

The bank's overall rating is based primarily on its performance in the Des Moines and Davenport-Moline-Rock Island MSA AAs. These two AAs contribute a substantial amount of the bank's deposit gatherings at 43% and 17% respectively (as of June 30, 1999). Accordingly, greater weight was given to the bank's performance in the Des Moines MSA, followed by the Davenport-Moline-Rock Island MSA.

### Other

We evaluated information received from contacts held with community group organizations. These were comprised of organizations supporting various initiatives such as housing and economic endeavors. The comments indicated that there is a strong need for affordable housing, both for ownership and rental. We received no comments that generated specific concerns regarding the bank's CRA performance during this review.



## **Fair Lending Review**

An analysis of 1998 HMDA and Small Business lending data, public comments, and consumer complaint information was performed according to the OCC's risk based fair lending approach. The analysis of this data revealed no basis for the OCC to conduct a comprehensive fair lending examination in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed in 1996.

### **Conclusions:**

- There is no evidence of any violations of the substantive provisions of the anti-discrimination laws and regulations.
- Wells Fargo & Company has a satisfactory process in place, including training, to help ensure ongoing corporate-wide compliance with fair lending laws.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "High Satisfactory." Based on full-scope reviews, the bank's performance is good in the Davenport-Moline-Rock Island MSA and good in the Des Moines MSA.

#### Lending Activity

*Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.*

Home mortgage loans comprise the largest volume of total reported loans, representing approximately 75% of the reported loans originated/purchased during the evaluation period.

Small loans to businesses and farms represent about 18% and 7%, respectively, of the total. These profiles are fairly representative of the bank's loan distribution in the full-scope AAs.

Within the Des Moines MSA, home purchase and refinance loans represent the greatest volumes. Home purchase loans represent 52% of the bank's home mortgage loans and refinance loans 40%. In the Davenport-Moline-Rock Island MSA, home purchase loans comprise 27% of its home mortgage lending and refinance loans 63%.

WFIA's lending activity is good. In both the Des Moines and Davenport-Moline-Rock Island MSAs, the bank ranks first in deposit market share. Based on 1998 HMDA aggregate data, the bank (including affiliates) ranks first in the origination/purchase of home purchase loans in the Des Moines MSA, but fourth in the Davenport-Moline-Rock Island MSA. In both AAs, the bank holds a first position in market share in the origination/purchase of refinance loans, and a second market share position in the origination/purchase of home improvement loans. Also, in both AAs, the bank holds a first position in the origination/purchase of small loans to businesses. In the Davenport-Moline-Rock Island MSA, the bank has a third market share position in the origination/purchase of small loans to farms and a fifth position in the Des Moines MSA.

#### Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans by income level is good. The bank's geographic distribution of home lending and small loans to business is good in the Davenport-Moline-Rock Island MSA. In the Des Moines MSA the distribution of home lending is poor while the distribution of small loans to businesses is good. We based our conclusions primarily upon the bank's lending distribution compared to area demographics. The demographic comparison was then supplemented by a market share analysis.

### ***Home Mortgage Loans***

*Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.*

The overall geographic distribution of home mortgage loans is good in the Davenport-Moline-Rock Island MSA and poor in the Des Moines MSA.

### ***Home Purchase Loans***

Home purchase loan distribution is good in the Davenport-Moline-Rock Island MSA and poor in the Des Moines MSA. In the Davenport-Moline-Rock Island MSA, the portion of home purchase loans made in low-income geographies matches the portion of owner-occupied housing units (demographics) that are within those geographies, and the respective market share of such loans exceeds the bank's overall market share. In moderate-income geographies, the bank's portion of home purchase loans is below demographics, as is the respective market share versus the bank's overall market share. In the Des Moines MSA, the portion of home purchase loans made in low-income geographies is below the portion of owner-occupied housing units within those geographies, and the respective market share is half the bank's overall market share. In moderate-income geographies, the bank's portion of home purchase loans is below demographics, as is the respective market share versus its overall market share.

### ***Home Improvement Loans***

Home improvement loan distribution is good in both full-scope AAs. In the Davenport-Moline-Rock Island MSA, the portion of loans made in low-income geographies is near to the portion of owner-occupied housing units within those geographies. The market share of loans made in low-income tracts is below the bank's overall market share. In moderate-income geographies, the bank's portion of home purchase loans is near demographics and the respective market share exceeds the bank's overall market share. In the Des Moines MSA, the portion of home purchase loans made in low-income geographies is also near to the portion of owner-occupied housing units within those geographies, and the respective market share exceeds the bank's overall market share. In moderate-income geographies, the bank's portion of home purchase loans is below demographics, as is the respective market share versus its overall market share.

### ***Home Refinance Loans***

Refinance loan distribution is adequate in the Davenport-Moline-Rock Island MSA and poor in the Des Moines MSA. In the Davenport-Moline-Rock Island MSA, the portion of loans made in low-income geographies is below the portion of owner-occupied housing units within those geographies. The market share of loans made in low-income tracts, however, exceeds the bank's overall market share. In moderate-income geographies, the bank's portion of home purchase loans is below demographics and the respective market share

is moderately below the bank's overall market share. In the Des Moines MSA, the portion of home purchase loans made in low-income geographies is below the portion of owner-occupied housing units within those geographies, and the respective market share is below the bank's overall market share. In moderate-income geographies, the bank's portion of home purchase loans is below demographics, as is the respective market share versus its overall market share.

### ***Small Loans to Businesses***

*Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.*

The geographic distribution of small loans to businesses is good in both full-scope AAs. In the Davenport-Moline-Rock Island MSA, the portion of small loans made to businesses in low-income geographies is near to the portion of businesses that are in those geographies.

The bank's market share of such loans exceeds the bank's overall market share. In moderate-income areas, the portion of small loans to businesses is also moderately below the portion of small businesses in those geographies. The market share of such loans is near to the bank's overall market share. In the Des Moines MSA, the portion of small loans to businesses made in low-income geographies is near to the portion of businesses there.

The bank's market share of such loans is also near to the bank's overall market share. In moderate-income areas, the portion of small loans to businesses is also near to the portion of businesses there. The market share of such loans exceeds the bank's overall market share.

### ***Small Loans to Farms***

*Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.*

In both full-scope AAs, the bank made only 133 small loans to farms over the three-year evaluation period. This does not constitute a level sufficient to draw any meaningful analysis. Accordingly, no conclusions are rendered for this component.

### ***Lending Gap Analysis***

Our analysis of WFIA's home mortgage loans, and small loans to businesses and farms did not reveal any conspicuous gaps in the geographic distribution of loans in the two full-scope AAs.

### ***Inside/Outside Ratio***

A substantial majority of the bank's loans were originated/purchased within the bank's AAs. During the evaluation period, 87% of the bank's home mortgage loans originated within its AAs. In addition, 86% and 72% of its small loans to businesses and farms respectively were originated within its AAs.

### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of home mortgage loans and small loans to businesses reflects good penetration in both full-scope AAs. We based our conclusions primarily upon the bank's lending to borrowers of different income levels compared to the population demographics of the area. The demographic comparison was then supplemented by a market share analysis.

#### ***Home Mortgage Loans***

*Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.*

The overall distribution of home mortgage loans is good for both full-scope AAs.

#### ***Home Purchase Loans***

Home purchase loan borrower distribution is good in both full-scope AAs. In the Davenport-Moline-Rock Island MSA, the portion of home purchase loans made to low-income borrowers is below the portion of borrowers defined as such, however, the bank's market share of loans made to low-income borrowers matches the bank's overall market share. The bank's portion of loans made to moderate-income borrowers exceeds the portion of such borrowers and the respective market share of lending to such borrowers matches the bank's overall market share. In the Des Moines MSA, the portion of home purchase loans made to low-income borrowers is below the portion of borrowers defined as such, however, the bank's market share of loans made to low-income borrowers is near to the bank's overall market share. The bank's portion of loans made to moderate-income borrowers exceeds the portion of such borrowers and the respective market share of lending to such borrowers matches the bank's overall market share.

#### ***Home Improvement Loans***

Home improvement loan borrower distribution is adequate in both full-scope AAs. In the Davenport-Moline-Rock Island MSA, the portion of home improvement loans made to low-income borrowers is below the portion of borrowers defined as such, however, the bank's market share of loans made to low-income borrowers is only moderately below the bank's overall market share. The bank's portion of loans made to moderate-income borrowers exceeds the portion of such borrowers and the respective market share of lending to such borrowers matches the bank's overall market share. In the Des Moines MSA, the portion

of home improvement loans made to low-income borrowers is below the portion of borrowers defined as such and the bank's market share of loans made to low-income borrowers is below the bank's overall market share. The bank's portion of loans made to moderate-income borrowers, however, exceeds the portion of such borrowers and the respective market share of lending to such borrowers matches the bank's overall market share.

### *Home Refinance Loans*

Refinance loan distribution is adequate in both full-scope AAs. In the Davenport-Moline-Rock Island MSA, the portion of home refinance loans made to low-income borrowers is below the portion of borrowers defined as such, however, the bank's market share of loans made to low-income borrowers matches its overall market share. The bank's portion of loans made to moderate-income borrowers is near to the portion of borrowers defined as such, and its respective market share of lending to such borrowers matches its overall market share. In the Des Moines MSA, the bank's portion of home refinance loans made to low-income borrowers is below the portion of borrowers defined as such, although its market share of loans made to low-income borrowers is only moderately below its overall market share. The bank's portion of loans made to moderate-income borrowers is moderately below the portion of such borrowers, as is, the respective market share of lending to such borrowers versus the bank's overall market share.

### **Small Loans to Businesses**

*Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.*

The borrower distribution of small loans to businesses is excellent in the Davenport-Moline-Rock Island MSA and good in the Des Moines MSA. In the Davenport-Moline-Rock Island MSA, the bank's portion of small loans to small businesses (businesses with annual revenues of \$1 million or less) is near to the portion of businesses that are defined as such. In addition, the market share of small loans made to small businesses exceeds the bank's overall market share for small loans to all businesses. In the Des Moines MSA, the bank's portion of small loans to small businesses (businesses with annual revenues of \$1 million or less) is below the portion of businesses that are defined as such, however, its market share of small loans made to small businesses exceeds its overall market share for small loans to all businesses.

### **Small Loans to Farms**

*Refer to Table 11 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.*

In the two full-scope AAs, the bank had nominal lending activity (133 loans) with small loans to farms over the three-year evaluation period. Accordingly, no conclusions are rendered as the data was insufficient to draw any meaningful analysis.

## Community Development Lending

*Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of CD lending.*

CD lending had a neutral impact on the Lending Test conclusion for both of the full-scope AAs.

WFIA's CD lending in the Davenport-Moline-Rock Island MSA totaled \$2.2 million (12 loans originated). The loans are considered responsive to credit needs within the bank's AA, primarily by financing needed affordable housing projects throughout the AAs, although none of the loans exhibits an exceptionally high level of complexity or innovation.

In addition, WFIA has originated other loans with CD characteristics in the AA that were included in the home mortgage and small loans to businesses lending totals that had a positive impact on the AA. The bank also issued a \$2.2 million letter of credit for bond financing for the construction of a new medical clinic facility. The borrower provides health services targeted to LMI residents of the area.

The following are examples of CD loans that address the needs of LMI neighborhoods or individuals:

WFIA provided partial funding for a new 32-unit apartment complex, providing a \$1.3 million in funds for the construction financing, bridge loan, and permanent mortgage. The project serves LMI elderly individuals.

WFIA financed several LMI multifamily projects. Loan size ranged from \$38,000 to \$132,500. Projects included loans to a not-for-profit organization that used funds to provide transitional living and outreach programs for the area's homeless.

WFIA's CD lending in the Des Moines MSA totaled \$4.1 million (13 loans originated). The loans are considered responsive to credit needs within the bank's AA, primarily by financing needed affordable housing projects throughout the AAs. None of the loans exhibits an exceptionally high level of complexity or innovation.

The following are examples of CD loans that target low- and moderate-income neighborhoods or individuals:

The bank worked with a state agency to provide financing for a 30-unit affordable multi-family apartment complex. The bank financed \$1.3 million with additional financing provided by the state agency and the sale of low-income housing tax credits. The project provides below-market rents and is part of an overall plan to revitalize the neighborhood.

The bank facilitates the revitalization of targeted areas in the City of Des Moines by providing a revolving credit in the amount of \$1 million to a CD corporation. The financed

property is eventually to be sold to the city for redevelopment purposes.

The bank provided \$500,000 in financing for a shelter for homeless children that is located in a low-income census tract.

### **Product Innovation and Flexibility**

Product innovation and flexibility had a positive impact on the Lending Test conclusions for both full-scope AAs. The bank, and/or its affiliates, offer and/or participate in several flexible mortgage-related lending programs. As an example, the bank offers loans through its Community Home Ownership Program, which targets LMI borrowers with home ownership possibilities. Flexible criteria here include 100% financing. The bank provided 462 loans through this program for over \$26 million to borrowers throughout the state of Iowa. The bank also participates in a program (Freddie 97) designed for borrowers with limited income and who have minimal cash reserves. Throughout the state, the bank originated 36 such loans totaling \$2.7 million through this program.

Other programs that WFIA participated in that are designed to assist borrowers with home ownership, including home improvement initiatives, include the 3% Solution, Renovation Program (FHA 203K), and the Wells Fargo Homeownership Assistance Program. Each of these programs feature flexible underwriting aspects which in aggregate have helped provide an additional 48 loans totaling approximately \$4 million to borrowers throughout the state.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based upon limited-scope reviews, the bank's performance under the Lending Test in the limited-scope AAs is not inconsistent with the bank's overall "High Satisfactory" performance under the Lending Test. Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.



## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in both the Davenport-Moline-Rock Island MSA and the Des Moines MSA area is adequate.

*Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments. To assist in gauging the relative volume of investments, we calculated their relationship to Tier 1 capital, allocated by AA as discussed below.*

In the Davenport-Moline-Rock Island MSA, WFIA has made 43 qualified investments totaling \$1.3 million over the four-year evaluation period which represents 2.4% of the bank's prorated Tier 1 Capital. The majority of this volume consists of the AA's allocated portion of LMI-mortgage-backed securities and multifamily mortgage-backed securities. It also includes a variety of local grants and contributions within this AA. These primarily have supported community services for LMI persons, along with some small business development.

In the Des Moines MSA, WFIA has made 89 qualified investments totaling \$3.5 million over the four-year evaluation period which represents 2.6% of the bank's prorated Tier-1 Capital. The majority of this volume consists of the AA's allocated portion of LMI-mortgage-backed securities and multifamily mortgage-backed securities. These securities were purchased by WFIA's affiliate Wells Fargo Bank Minnesota. The portion of securities that were supported by LMI-mortgages in Iowa was allocated to WFIA for CRA consideration. The allocated portion was not considered in any other affiliate's CRA performance. Also included are a variety of local grants and contributions within this AA. These primarily have supported community services for LMI persons, along with some small business development.

Although all of these investments are responsive to identified needs in the bank's AAs, none is notable for its innovation or creativity.

### Conclusions for Area Receiving Limited-Scope Reviews

Based upon limited-scope review of the level of investments, the bank's performance under the Investment Test is not inconsistent with its overall "Low Satisfactory" rating in the limited scope AAs (Atlantic, Benton County, Cedar Rapids, Denison, Fort Dodge, Northern Rural, Ottumwa, Sioux City, and Waterloo-Cedar Falls).

## SERVICE TEST

### Conclusion for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Low Satisfactory." Based on the full-scope review, the bank's performance in the Des Moines MSA is adequate, and the Davenport-Moline-Rock Island MSA is good. More weight was given to the conclusions for the Des Moines MSA since its market share is more than double that of the Davenport-Moline-Rock Island MSA.

### Retail Banking Services

*Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's delivery system and branch openings and closings.*

WFIA's delivery systems have adequate accessibility to geographies and individuals of different income levels in the Des Moines MSA, and good accessibility in the Davenport-Moline-Rock Island MSA. In the Des Moines MSA, the distribution of WFIA offices in low-income CTs exceeds the distribution of families living there. However, in the Des Moines MSA, none of the bank's ten branches is located in moderate-income CTs, although 13.5% of the population reside in these areas. In the Davenport-Moline-Rock Island MSA, the distribution of WFIA offices in moderate-income geographies exceeds the distribution of families living there. Including the one branch that borders (across the street from) a moderate-income CT, the distribution of branches significantly exceeds the distribution of families living there. None of the six branches in the Davenport-Moline-Rock Island MSA is in a low-income CT, however only 4% of the population live in these areas.

Branch openings and closures have not adversely affected the accessibility of delivery systems in either full-scope AA. There were no closures in low-or moderate-income CTs in either AA.

WFIA offers a wide range of alternative delivery systems, including telephone banking and ATMs. The bank could not provide specific information on how low- and moderate-income individuals and geographies are impacted by the services, weight was not placed on alternative delivery systems when drawing conclusions for each full-scope area under the Service Test. In the Des Moines MSA, the distribution of ATMs in low-income geographies significantly exceeds the distribution of families living there. However, none of the seven ATMs is located in a moderate-income geography, although 13.5% of the population reside in these geographies. In the Davenport-Moline-Rock Island MSA, the distribution of ATMs in moderate-income geographies exceeds the distribution of families there. None of the bank's six ATMs is in a low-income geography, however, only 3.9% of the population reside in these geographies.

WFIA's hours and services offered throughout both full-scope AAs are similar. Banking hours and services provided Monday through Friday are supplemented by Saturday hours at all branches except for one branch in a low-income CT in the Des Moines MSA and one branch in a moderate-income CT in the Davenport-Moline-Rock Island MSA. The Des Moines branch is located in the downtown business district. WFIA does not have a branch in any of the MSA's other LMI CTs where more than 17% of the population resides. The Davenport-Moline-Rock Island branch is also located in the downtown business district. WFIA does not have a branch in any of the MSA's other LMI CTs where 16% of the population resides. It is noted that the branches located in middle- and upper-income areas that are in downtown business districts do not maintain Saturday hours. WFIA offers a no-minimum-balance/no fee checking account in all AAs that allow customers, including those who are low- and moderate-income.

### **Community Development Services**

WFIA's performance in providing CD services to both the Des Moines and Davenport-Moline-Rock Island MSAs are adequate.

In the Des Moines MSA, WFIA has targeted its CD service efforts on economic development, affordable housing, and small business in response to an identified need within the AA. WFIA is involved in three economic development, six affordable housing, three small business, and six community service organizations. WFIA's involvement is primarily centered in board member participation, serving on the loan committee of five organizations, and assisting in fund raising.

In the Davenport-Moline-Rock Island MSA, WFIA targeted its CD service efforts on affordable housing and small business. WFIA is involved in four affordable housing, two small business, and seven community service organizations. WFIA's involvement is primarily centered in board member participation and assisting in fund raising.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited scope reviews, the bank's performance under the Service Test in the Cedar Rapids MSA and Fort Dodge AA is stronger than the bank's overall performance. This is because the distribution of branches in moderate-income geographies significantly exceeds the portion of the population that lives in those geographies. Neither area has branches in the low-income geographies; however, there are no low-income census tracts in the Fort Dodge AA, and in Cedar Rapids less than 3% of the population resides there. This stronger performance did not influence the bank's rating under the Service Test. Performance in the Sioux City MSA, the Waterloo-Cedar Falls MSA, Atlantic, Benton County, Denison, Northern Rural, and Ottumwa AAs is not inconsistent with the bank's overall performance. Refer to Table 13 in Appendix C for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term "Full-Scope") and those that received a less comprehensive review (designated by the term "Limited-Scope").

<b>Time Period Reviewed</b>	Lending Test: January 1, 1997 to December 31, 1999 Investment Test: July 25, 1996 to June 12, 2000 Service Test: July 25, 1996 to June 12, 2000	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Wells Fargo Bank Iowa, N. A. Des Moines, Iowa	Home mortgage loans, small loans to businesses and farms and CD loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Wells Fargo Home Mortgage Corporation	Holding company Subsidiary	Home purchase and refinance loans
Home Improvement, Inc.	Holding company subsidiary	Home improvement loans
Wells Fargo Funding, Inc.	Holding company subsidiary	Home purchase and refinance loans
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Atlantic AA Benton County AA Cedar Rapids MSA #1360 Davenport-Moline-Rock Island MSA #1960 Denison AA Des Moines MSA #2120 Fort Dodge AA Northern Rural AA Ottumwa AA Sioux City MSA #7720 Waterloo-Cedar Falls MSA #8920	Limited-Scope Limited-Scope Limited-Scope Full-Scope  Limited-Scope Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope	

## **Appendix B: Market Profiles for Full-Scope Areas**

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#### **Market Profiles for Areas Receiving Full-Scope Reviews**

Des Moines MSA .....B-2

Davenport-Moline-Rock Island MSA .....B-4

## Appendix B: Market Profiles for Full Scope Areas

### Des Moines MSA

Demographic Information for Full-Scope Area: Des Moines MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	98	4.08	15.31	62.24	18.37	0.00
Population by Geography	392,928	3.79	13.48	61.49	21.24	0.00
Owner-Occupied Housing by Geography	102,367	1.56	11.53	64.40	22.51	0.00
Businesses by Geography	18,682	13.07	11.38	47.90	27.65	0.00
Farms by Geography	1,785	0.50	5.27	80.73	13.50	0.00
Family Distribution by Income Level	104,788	16.96	18.79	27.01	37.24	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	37,456	5.51	21.18	63.27	10.03	0.00
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$37,304 = \$55,300 = 8.91%	Median Housing Value Unemployment Rate (1999)				= \$58,731 = 1.9%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census and 1999 HUD updated MFI.

The Des Moines MSA comprises the most significant portion of WFIA deposits at 43%. WFIA also holds the number one deposit, market rank in the Des Moines MSA, with a 30% deposit market share. Its next competitor, Banker's Trust, holds only 10% of the market share. There are many mortgage providers; however, WFIA and its affiliates have the number one market rank with an 18% market share. The next competitor, Brenton Mortgages, has only a 9% market share. There are several small business lenders in the AA. Wells Fargo ranks first with a 20% market share. The next two competitors, Mountainwest Financial Corp. and West Des Moines State Bank, each hold a 16% market share. There are only a small group of farm lenders, of which Wells Fargo ranks fifth. WFIA has 23% of its branches located in this AA.

The bank's AAs includes the entire Des Moines MSA. The MSA is comprised of three counties, Dallas, Polk, and Warren. Centered in the Midwest's agricultural heartland, Des Moines has a population of about 450 thousand. The metro area has a relatively diverse economy, with considerable investment in education, transportation, and market facilities. Major employers include US West, Maytag, and United Parcel Service. As the state capital, Des Moines also provides much of the government support for surrounding areas and the state. The metro area has an extensive financial services sector and the third highest concentration of insurance headquarters in the world. Despite its diversified services sector, it is still vulnerable to the vagaries of agriculture, with local farm equipment manufacturers, transportation firms, and farm lending banks dependent on farm incomes. Unemployment is extremely low at 1.9%. Housing prices have increased significantly to \$162 thousand for a new home and \$109 thousand for

an existing home. (Source: Metro Economics and Haver Regional Economic Focus)

As part of our evaluation, we considered information from local community organizations, supporting housing, small business and economic development. The contacts expressed the need for affordable housing.

### Davenport-Moline-Rock Island MSA (Iowa)

Demographic Information for Full-Scope Area: Davenport-Moline-Rock Island MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	39	7.69	17.95	51.28	23.08	0.00
Population by Geography	150,979	3.86	12.08	58.96	25.10	0.00
Owner-Occupied Housing by Geography	38,115	1.57	8.73	62.12	27.58	0.00
Businesses by Geography	6,079	5.44	16.55	53.56	24.44	0.00
Farms by Geography	543	0.18	1.47	86.56	11.79	0.00
Family Distribution by Income Level	40,501	18.97	15.80	23.30	41.93	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	14,082	7.10	17.33	61.53	14.04	0.00
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$34,082 = \$47,900 = 12.33%	Median Housing Value Unemployment Rate (1999)				= \$49,502 = 4.5%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census and 1999 HUD updated MFI.

The Davenport-Moline-Rock Island MSA comprises 17% of WFIA deposits. The bank holds the number one deposit, market rank in this MSA, with a 36% deposit market share. Its next competitor, Quad City Bank holds only 10% of the market share. There are many bank's competing for mortgage loans. WFIA and its affiliates are ranked third in HMDA reported mortgage loan originations. They have a 6.9% market share behind American Bank and Mercantile Bank Midwest, which have respective market shares of 10.3% and 9.3%. There are only a small group of small business and small farm lenders in this AA. WFIA and its affiliate rank first in both small business and small farm lending. First Midwest Bank ranks a close second behind WFIA in small business lending. WFIA dominates the small farm market with an 86% market share. The remaining 14% market share is spread among nine other lenders. 14% of its branches are located in this AA.

WFIA's AA consists of Scott County, Iowa. The remainder of the MSA is located in Illinois. The MSA's economy is largely reliant on agriculture and manufacturing. Trade and services are also strong with government a major area employer. Major employers include Deere and Company, Rock Island Arsenal, Genesis Medical Center, Aluminum Company of America, Eagle Food Center, IBP, Trinity Medical Center, and Oscar Meyer Foods. The area population totals about 350 thousand. Unemployment is stable at 4.5%. Housing prices have increased to \$83 thousand for existing housing. (Source: Haver Regional Economic Focus) As part of our evaluation, we considered information from local community organizations, supporting housing, small business and economic development. The contacts expressed the need for affordable housing.



## Appendix C: Standardized Tables

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### Content of Standardized Tables

The tables cover the entire CRA evaluation period. References to the bank include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of HMDA Home Improvement Loan Originations**
- Table 4. Geographic Distribution of HMDA Refinance Loan Originations**
- Table 5. Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (<\$1 million) to businesses originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Farm Loan Originations** - The percentage distribution of the number of small loans (<\$500,000) to farms originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of HMDA Home Improvement Loan Originations**

**Table 9. Borrower Distribution of HMDA Refinance Loan Originations**

**Table 10. Borrower Distribution of Small Business Loan Originations** - Compares the percentage distribution of the number of small loans (<\$1 million) originated by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

**Table 11. Borrower Distribution of Small Farm Loan Originations** - Compares the percentage distribution of the number of small loans (<\$500 thousand) originated by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area.

**Table 13. Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the banks retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.

**Table 1. Lending Volume**

LENDING VOLUME		Evaluation Period: 01/01/1997 TO 12/31/1999										
MSA/Assessment Area	% of Rating Area Deposits in AA*	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Rating Area Loans in AA (% of #)
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
<b>Full Scope</b>												
Davenport MSA	17	4,205	260,069	1,240	176,860	32	3,411	12	2,182	5,489	442,522	12
Des Moines MSA	43	12,432	1,069,611	2,530	402,408	101	9,285	13	4,115	15,076	1,485,419	33
<b>Limited Scope</b>												
Atlantic AA	2	600	23,458	114	7,944	305	20,675	0	0	1,019	52,077	2
Benton County AA	1	531	31,605	25	2,448	143	12,057	0	0	699	46,110	1
Cedar Rapids MSA	10	4,967	354,787	758	146,244	133	10,257	4	370	5,862	511,658	13
Denison AA	1	585	21,178	236	15,861	435	24,451	3	702	1,259	62,192	3
Fort Dodge AA	3	1,071	52,223	420	42,024	410	27,898	3	1,375	1,904	123,520	4
Northern Rural AA	6	4,629	297,351	814	98,482	965	63,602	6	1,072	6,412	460,507	14
Ottumwa AA	2	1,098	46,093	307	25,111	125	5,141	3	1,325	1,533	77,670	3
Sioux City MSA	9	2,276	126,132	1,030	128,471	183	12,763	6	2,420	3,495	269,786	7
Waterloo- Cedar Falls MSA	6	2,398	126,795	934	98,664	284	21,577	2	605	3,618	247,641	8

\* Deposit Data as of June 30, 1999.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE										Evaluation Period: 01/01/1997 TO 12/31/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
Davenport MSA	2	2	9	6	62	48	28	45	4	10.5	12.1	7.3	9.1	13.3	1,119	8
Des Moines MSA	2	1	12	5	64	55	23	39	1	22.0	10.4	15.1	20.9	25.4	6,487	47
<b>Limited Scope</b>																
Atlantic AA	0	0	19	14	81	86	0	0	1	39.6	0.0	35.3	40.4	0.0	136	1
Benton County AA	0	0	0	0	100	100	0	0	1	24.7	0.0	0.0	24.7	0.0	202	1
Cedar Rapids MSA	1	0	7	5	73	66	19	28	1	14.3	15.0	17.9	13.5	15.7	2,138	15
Denison AA	0	0	0	0	100	100	0	0	1	73.2	0.0	0.0	73.2	0.0	141	1
Fort Dodge AA	0	0	2	1	87	87	11	12	1	54.7	0.0	21.4	58.3	45.2	395	3
Northern Rural AA	0	0	0	0	75	53	25	47	1	30.8	0.0	0.0	29.1	32.9	1,691	12
Ottumwa AA	0	0	30	26	57	52	12	22	1	50.3	0.0	39.5	53.0	58.3	423	3
Sioux City MSA	2	1	15	9	52	39	31	50	3	11.2	13.3	6.5	9.7	14.5	653	5
Waterloo- Cedar Falls MSA	2	2	17	12	51	46	30	41	5	7.6	7.4	6.1	7.0	8.9	513	4

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

\*\* Home purchase loans within an MSA/AA as a % of all home purchase loans in the rating area.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1997 TO 12/31/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Improvement Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
Davenport MSA	2	1	9	8	62	59	28	32	2	10.6	5.4	11.7	9.2	14.7	417	13
Des Moines MSA	2	2	12	8	64	63	23	27	2	15.2	18.6	10.8	15.0	17.7	963	30
<b>Limited Scope</b>																
Atlantic AA	0	0	19	5	81	95	0	0	1	59.2	0.0	0.0	60.4	0.0	63	2
Benton County AA	0	0	0	0	100	100	0	0	2	30.6	0.0	0.0	30.6	0.0	61	2
Cedar Rapids MSA	1	0	7	9	73	70	19	21	2	13.0	0.0	16.7	13.0	12.2	382	12
Denison AA	0	0	0	0	100	100	0	0	1	82.1	0.0	0.0	82.1	0.0	95	3
Fort Dodge AA	0	0	2	0	87	84	11	16	1	53.4	0.0	0.0	55.0	46.2	120	4
Northern Rural AA	0	0	0	0	75	72	25	28	1	34.7	0.0	0.0	33.3	37.9	416	13
Ottumwa AA	0	0	30	26	57	48	12	25	1	57.8	0.0	40.6	58.2	93.3	155	5
Sioux City MSA	2	2	15	12	52	44	31	41	4	10.6	18.2	10.3	8.9	13.1	252	8
Waterloo- Cedar Falls MSA	2	1	17	9	51	60	30	30	2	16.0	0.0	13.3	19.1	12.8	269	8

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.  
 \*\* Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 TO 12/31/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
Davenport MSA	2	1	9	5	62	55	28	39	1	19.0	22.2	16.6	18.1	20.5	2,645	15
Des Moines MSA	2	1	12	5	64	61	23	34	1	17.1	5.4	10.8	16.0	20.7	4,963	28
<b>Limited Scope</b>																
Atlantic AA	0	0	19	13	81	87	0	0	1	66.7	0.0	70.4	66.2	0.0	401	2
Benton County AA	0	0	0	0	100	100	0	0	1	21.5	0.0	0.0	21.5	0.0	268	2
Cedar Rapids MSA	1	0	7	5	73	70	19	25	1	16.3	9.5	16.6	16.3	16.3	2,445	14
Denison AA	0	0	0	0	100	100	0	0	1	72.3	0.0	0.0	72.3	0.0	346	2
Fort Dodge AA	0	0	2	1	87	84	11	15	1	44.4	0.0	20.0	43.5	58.9	549	3
Northern Rural AA	0	0	0	0	75	65	25	35	1	30.6	0.0	0.0	31.7	29.2	2,501	14
Ottumwa AA	0	0	30	24	57	54	12	22	1	45.4	0.0	27.8	50.0	65.3	519	3
Sioux City MSA	2	1	15	10	52	46	31	43	1	22.9	23.8	21.1	21.1	25.7	1,360	8
Waterloo- Cedar Falls MSA	2	1	17	7	51	51	30	40	1	19.1	8.8	9.6	20.8	20.1	1,587	9

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

\*\* Refinance loans within an MSA/AA as a % of all refinance loans in the rating area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL BUSINESS										Evaluation Period: 01/01/1997 TO 12/31/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
Davenport MSA	5	4	17	14	54	45	24	37	1	31.6	38.2	26.6	27.0	41.4	1,240	15
Des Moines MSA	13	11	11	10	48	40	28	38	1	19.9	18.1	21.3	18.8	22.3	2,530	30
<b>Limited Scope</b>																
Atlantic AA	0	0	16	5	84	95	0	0	1	68.3	0.0	50.0	67.2	0.0	114	1
Benton County AA	0	0	0	0	100	100	0	0	5	7.3	0.0	0.0	7.5	0.0	25	0
Cedar Rapids MSA	9	6	11	13	66	63	14	18	4	11.9	5.3	9.0	14.4	14.9	758	9
Denison AA	0	0	0	0	100	100	0	0	1	78.4	0.0	0.0	78.9	0.0	236	3
Fort Dodge AA	0	0	31	38	65	53	4	9	1	51.7	0.0	65.2	44.4	66.7	420	5
Northern Rural AA	0	0	0	0	78	76	21	24	5	9.8	0.0	0.0	11.2	7.1	814	10
Ottumwa AA	0	0	38	34	52	50	11	16	1	40.6	0.0	28.4	54.2	40.0	307	4
Sioux City MSA	22	24	13	17	38	20	23	30	1	28.0	31.6	27.5	22.3	30.7	1,030	12
Waterloo- Cedar Falls MSA	16	11	15	12	47	52	23	25	1	26.8	22.6	28.0	29.0	25.6	934	11

\* Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

\*\* Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area.

**Table 6. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL FARM										Evaluation Period: 01/01/1997 TO 12/31/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans Small Farm Loans	
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
Davenport MSA	0	6	1	0	87	63	12	31	3	16.1	0.0	0.0	7.1	50.0	32	1
Des Moines MSA	1	0	5	1	81	55	14	44	5	3.5	0.0	0.0	2.8	21.9	101	3
<b>Limited Scope</b>																
Atlantic AA	0	0	26	22	74	78	0	0	1	89.3	0.0	90.0	81.9	0.0	305	10
Benton County AA	0	0	0	0	100	100	0	0	2	17.4	0.0	0.0	17.2	0.0	143	5
Cedar Rapids MSA	0	0	1	0	91	78	7	22	1	43.4	0.0	0.0	35.1	84.2	133	4
Denison AA	0	0	0	0	100	100	0	0	1	93.4	0.0	0.0	94.1	0.0	435	14
Fort Dodge AA	0	0	3	1	94	93	3	6	1	66.0	0.0	100.0	64.6	100.0	410	13
Northern Rural AA	0	0	0	0	87	94	13	6	3	15.2	0.0	0.0	18.1	4.7	965	31
Ottumwa AA	0	0	10	7	79	90	12	2	2	38.3	0.0	30.8	37.6	20.0	125	4
Sioux City MSA	2	4	2	19	80	43	16	33	1	33.9	66.7	100.0	21.3	54.3	183	6
Waterloo- Cedar Falls MSA	2	0	3	0	62	67	33	33	2	28.2	50.0	0.0	31.8	24.6	284	9

\* Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

\*\* Small Farm loans within an MSA/AA as a % of all Small Farm loans in the rating area.



**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HMDA HOME PURCHASE										Evaluation Period: 01/01/1997 TO 12/31/1999						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Davenport MSA	19	7	16	18	23	26	42	47	4	10.5	10.3	9.8	11.4	18.9	1,119	8
Des Moines MSA	17	11	19	25	27	31	37	30	1	22.0	20.7	21.7	25.2	25.1	6,487	47
<b>Limited Scope</b>																
Atlantic AA	19	16	23	24	25	35	34	23	1	39.6	70.0	38.9	41.2	33.3	136	1
Benton County AA	17	3	18	20	24	32	41	45	1	24.7	21.4	28.3	23.2	32.2	202	1
Cedar Rapids MSA	16	12	19	24	29	31	36	32	1	14.3	13.3	14.2	16.5	18.7	2,138	15
Denison AA	22	7	19	30	29	29	29	34	1	73.2	83.3	87.0	62.5	80.0	141	1
Fort Dodge AA	18	9	20	28	26	32	37	31	1	54.7	45.7	57.7	59.6	63.8	395	3
Northern Rural AA	15	6	17	19	25	30	43	44	1	30.8	20.9	33.5	30.7	35.4	1,691	12
Ottumwa AA	22	14	22	27	23	29	33	29	1	50.3	52.7	56.2	43.3	58.7	423	3
Sioux City MSA	19	6	19	18	24	30	39	44	3	11.2	6.0	9.4	11.2	16.8	653	5
Waterloo- Cedar Falls MSA	21	11	18	19	21	26	40	42	5	7.6	6.5	5.3	6.4	11.7	513	4

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

\*\* As a percentage of loans with borrower income information available.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1997 TO 12/31/1999						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Davenport MSA	19	8	16	19	23	22	42	46	2	10.6	7.7	10.0	10.8	11.2	417	13
Des Moines MSA	17	8	19	20	27	25	37	34	2	15.2	10.8	15.2	12.1	15.7	963	30
<b>Limited Scope</b>																
Atlantic AA	19	0	23	11	25	43	34	40	1	59.2	0.0	44.4	64.7	61.9	63	2
Benton County AA	17	5	18	11	24	26	41	56	2	30.6	50.0	13.3	23.5	40.0	61	2
Cedar Rapids MSA	16	9	19	22	29	31	36	36	2	13.0	7.9	12.1	12.1	17.9	382	12
Denison AA	22	6	19	16	29	41	29	33	1	82.1	100.0	100.0	85.7	70.6	95	3
Fort Dodge AA	18	6	20	11	26	33	37	49	1	53.4	27.3	37.5	70.8	61.5	120	4
Northern Rural AA	15	5	17	14	25	27	43	53	1	34.7	21.9	35.2	37.0	34.8	416	13
Ottumwa AA	22	5	22	20	23	30	33	43	1	57.9	8.3	47.8	56.5	82.1	155	5
Sioux City MSA	19	6	19	20	24	27	39	40	4	10.6	5.6	9.8	8.5	11.3	252	8
Waterloo- Cedar Falls MSA	21	6	18	13	21	28	40	52	2	16.0	10.7	13.3	13.9	20.5	269	8

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

\*\* As a percentage of loans with borrower income information available.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 TO 12/31/1999						
MSA/Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*					Total Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Davenport MSA	19	5	16	14	23	23	42	50	1	19.0	18.7	19.1	19.1	23.2	2,645	15
Des Moines MSA	17	7	19	16	27	24	37	37	1	17.1	14.0	14.2	14.9	17.8	4,963	28
<b>Limited Scope</b>																
Atlantic AA	19	9	23	17	25	34	34	32	1	66.7	60.7	59.5	69.4	67.5	401	2
Benton County AA	17	3	18	10	24	26	41	58	1	21.5	21.4	17.9	16.2	30.4	268	2
Cedar Rapids MSA	16	7	19	17	29	29	36	40	1	16.3	16.7	14.7	17.4	18.8	2,445	14
Denison AA	22	6	19	16	29	37	29	37	1	72.3	64.3	65.7	79.0	75.9	346	2
Fort Dodge AA	18	3	20	13	26	26	37	52	1	44.4	28.0	39.2	45.6	49.8	549	3
Northern Rural AA	15	4	17	12	25	25	43	52	1	30.6	30.5	24.9	31.6	30.4	2,501	14
Ottumwa AA	22	9	22	17	23	28	33	40	1	45.4	30.4	38.5	46.4	49.2	519	3
Sioux City MSA	19	5	19	13	24	25	39	50	1	22.9	18.4	17.3	23.8	26.7	1,360	8
Waterloo- Cedar Falls MSA	21	5	18	12	21	24	40	53	1	19.1	10.5	14.2	16.7	23.4	1,587	9

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

\*\* As a percentage of loans with borrower income information available.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL BUSINESS				Evaluation Period: 01/01/1997 TO 12/31/1999						
MSA/Assessment Area	Businesses With Revenues of \$1 million or less			% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*		Total Small Business Loans	
	% Business**	% Bank Loans***	% Market Loans*	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total
<b>Full Scope</b>										
Davenport MSA	65	64	34	66	17	17	31.6	36.2	1,240	15
Des Moines MSA	66	60	41	64	16	20	19.9	21.4	2,530	30
<b>Limited Scope</b>										
Atlantic AA	79	93	17	81	14	5	68.3	78.0	114	1
Benton County AA	75	87	65	78	17	5	7.3	7.0	25	0
Cedar Rapids MSA	66	64	28	54	22	24	11.9	22.5	758	9
Denison AA	77	79	11	83	12	5	78.4	85.9	236	3
Fort Dodge AA	73	71	26	79	11	10	51.7	58.5	420	5
Northern Rural AA	72	72	48	73	13	14	9.8	12.1	814	10
Ottumwa AA	71	82	24	84	9	7	40.6	59.3	307	4
Sioux City MSA	68	65	32	71	15	14	28.0	35.4	1,030	12
Waterloo- Cedar Falls MSA	69	74	27	75	14	11	26.8	41.8	934	11

\* The market consists of all other Small Business reporters in Wells Fargo Bank Iowa's assessment area and is based on 1998 Aggregate Small Business Data only.

\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses.

\*\*\* Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No revenue information was available for 3% of small loans to businesses reported by the BANK.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL FARM				Evaluation Period: 01/01/1997 TO 12/31/1999						
MSA/Assessment Area	Farms With Revenues of \$1 million or less			% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small Farm Loans	
	% Farms**	% Bank Loans***	% Market Loans*	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total
<b>Full Scope</b>										
Davenport MSA	94	100	82	68	27	5	16.1	14.8	32	1
Des Moines MSA	89	92	72	69	19	12	3.5	4.4	101	3
<b>Limited Scope</b>										
Atlantic AA	92	99	13	84	11	5	86.3	90.4	305	10
Benton County AA	90	100	72	70	25	5	17.4	19.5	143	5
Cedar Rapids MSA	92	99	50	76	18	6	43.4	45.7	133	4
Denison AA	92	94	6	88	7	5	93.4	93.8	435	14
Fort Dodge AA	88	97	32	80	17	3	66.0	66.8	410	13
Northern Rural AA	92	96	81	81	15	4	15.2	15.3	965	31
Ottumwa AA	93	100	62	87	12	1	38.3	59.3	125	4
Sioux City MSA	90	99	44	80	16	4	33.9	43.7	183	6
Waterloo- Cedar Falls MSA	92	94	44	74	23	3	28.2	38.0	284	9

\* The market consists of all other Small Farm reporters in Wells Fargo Bank Iowa's assessment area and is based on 1998 Aggregate Small Farm Data only.

\*\* As a Percentage of Farms with known revenues.

\*\*\* As a percentage of loans with borrower income information available. No revenue information was available for less than 1% of small loans to farms reported by the BANK.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS									
Evaluation Period: 07/25/1996 TO 06/12/2000									
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investment			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Scope</b>									
Davenport MSA	0	0	43	1,297	43	1,297	15.04	0	0
Des Moines MSA	0	0	89	3,540	89	3,540	41.05	0	0
<b>Limited Scope</b>									
Atlantic AA	0	0	6	215	6	215	2.49	0	0
Benton County AA	0	0	2	107	2	107	1.24	0	0
Cedar Rapids MSA	0	0	48	1,115	48	1,115	12.93	0	0
Denison AA	0	0	8	109	8	109	1.26	0	0
Fort Dodge AA	0	0	25	420	25	420	4.87	0	0
Northern Rural AA	0	0	8	29	686	29	686	0	0
Ottumwa AA	0	0	25	286	25	286	3.32	0	0
Sioux City MSA	0	0	73	654	73	654	7.58	0	0
Waterloo- Cedar Falls MSA	0	0	24	195	24	195	2.26	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that remains outstanding as of the examination date.

\*\* "Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L-"Off-Balance Sheet Items".

**Table13. Distribution of Branch Delivery System**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM																	Evaluation Period: 07/25/1996 TO 06/12/2000			
MSA/Assessment Area	Deposits	Branches						Branch Openings/Closings						Population						
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Branch Closings	# of Branch Openings	Net gain(+) / loss(-) of branches due to openings/closings				% of the Population with Each Geography*						
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
<b>Full Scope</b>																				
Davenport-Moline-Rock Island MSA	17.0	6	14.0	0.0	16.7	50.0	33.3	0	0	0	0	0	0	3.9	12.1	59.0	25.1			
Des Moines MSA	43.2	10	23.3	10.0	0.0	50.00	40.0	1	0	0	0	0	-1	3.8	13.5	61.5	21.2			
<b>Limited Scope</b>																				
Atlantic AA	1.7	1	2.3	0.00	0.00	100.0	0.0	0	0	0	0	0	0	0.0	19.6	80.4	0.0			
Benton County	0.7	3	7.0	0.0	0.0	100.0	0.0	0	0	0	0	0	0	0.0	0.0	100.0	0.0			
Cedar Rapids MSA	10.0	5	11.6	0.0	20.0	80.0	0.0	1	0	0	-1	0	0	2.9	7.6	72.1	17.3			
Denison AA	1.1	1	2.3	0.0	0.0	100.0	0.0	0	0	0	0	0	0	0.0	0.0	100.0	0.0			
Fort Dodge AA	3.0	2	4.7	0.0	50.0	50.0	0.0	0	0	0	0	0	0	0.0	4.9	85.9	9.2			
Northern Rural AA	6.0	5	11.6	0.0	0.0	80.0	20.0	0	0	0	0	0	0	1.4	0.0	72.1	26.5			
Ottumwa AA	1.7	1	2.3	0.0	0.0	100.0	0.0	0	0	0	0	0	0	0.0	32.4	56.2	11.4			
Sioux City MSA	9.4	4	9.3	50.0	0.0	25.0	25.0	1	0	0	-1	0	1	4.6	17.0	50.0	28.4			
Waterloo-Cedar Falls MSA	6.2	5	11.6	20.0	0.0	60.0	20.0	2	0	0	0	-2	0	4.3	17.3	50.5	27.9			

\* The percentage of the population in the MSA/AA that resides in these geographies.