



Comptroller of the Currency
Administrator of National Banks

Multinational Banking Department
250 E Street, S. W.
Washington, DC 20219

PUBLIC DISCLOSURE

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

October 31, 1996

Bank One, Youngstown, N.A.
6 Federal Plaza
Youngstown, Ohio 44503

Charter No: 13586

<p>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.</p>
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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Bank One, Youngstown, N.A.** prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency.

The evaluation represents the OCC's current assessment and rating of the institution's CRA performance based on an examination conducted as of **October 31, 1996**. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U.S.C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under 5 performance categories, as detailed in the following section of this evaluation.

ASSIGNMENT OF RATING

Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

“Outstanding record of meeting community credit needs.”

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

“Satisfactory record of meeting community credit needs.”

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

“Needs to improve record of meeting community credit needs.”

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

“Substantial noncompliance in meeting community credit needs.”

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating

Based on the findings presented below, this institution is rated:

“Outstanding record of meeting community credit needs.”

Evaluation Period - The bank’s previous Public Disclosure was dated April 1, 1993. The current disclosure evaluates the bank’s performance from April 1, 1993 through October 31, 1996.

BANK PROFILE

Bank One, Youngstown, N.A. (BOY) is a wholly-owned subsidiary of Banc One Ohio Corporation (BOOC) which owns 17 commercial banks in Ohio and had assets of \$23.1 billion at year-end 1995. BOOC is wholly-owned by Banc One Corporation (BOC) of Columbus, Ohio. As of December 31, 1995, BOC had total assets of \$90.5 billion and operated 59 banks in Arizona, Colorado, Illinois, Indiana, Kentucky, Louisiana, Ohio, Texas, Utah, West Virginia, and Wisconsin. During the examination period, Banc One Mortgage Corporation (BOMC) and Banc One Financial Services (BOFS) made loans which help met the credit needs of BOY’s community. These loans are attributed to BOY for purposes of this evaluation, and are not a part of any other institution’s CRA evaluation.

Bank One, Youngstown, N.A.
Year End Assets, Income, and Return on Assets
\$ (thousands)

	1993	1994	1995	1996*
Total Assets	1,113,344	1,152,953	1,204,531	1,182,683
Net Income	22,262	15,097	21,025	9,198
Return on Assets	2.00%	1.31%	1.75%	1.56%

Source: 1993, 1994, 1995, and 6/30/96 Consolidated Report of Income and Condition

* June 30, 1996 year-to-date information; income has been annualized to compute Return on Assets

The following table shows BOY's loan-to-deposit ratios during the examination period. The loan-to-deposit ratios are strong, and they reflect BOY's aggressive lending throughout the delineated community.

Year-End Outstanding Loans and Deposits
\$ (thousands)

	1993	%	1994	%
Consumer Loans	375,717	47%	363,621	46%
1-4 Family Residential	160,850	20%	176,098	22%
Commercial Loans	266,438	33%	257,533	32%
Total Loans	803,005		797,252	
Total Deposits	859,910		876,072	
Total Loans/ Total Deposits	93%		91%	

Source: 1993 and 1994 Reports of Condition

	1995	%	6/30/96	%
Retail Loans	402,893	47%	406,554	47%
1-4 Family Residential	185,501	21%	181,952	21%
Commercial Loans	274,558	32%	272,204	32%
Total Loans	862,952		860,710	
Total Deposits	883,486		891,414	
Total Loans/ Total Deposits	98%		97%	

Source: 1995 and 6/30/96 Reports of Condition

Community Profile - The bank delineates its local community based on geographic boundaries. As of December 31, 1995 BOY's community delineation includes all of Trumbull and Columbiana Counties, and Mahoning County except for two census tracts in the southwestern corner of the county. These two census tracts are excluded from BOY's delineation, as they are serviced by an affiliate. The delineation remains unchanged since the last examination.

These three counties make up the Youngstown-Warren Metropolitan Statistical Area (MSA) #9320. Unemployment rates for the three counties remain above the rate for the State of Ohio.

The economy of the delineated community continues to diversify and rebound from its earlier dependence on the steel and auto industries. The largest employer in the area remains General Motors (Lordstown Assembly Plant in Lordstown and Packard Electric in Warren). Other significant sources of employment arise from the health care and government sectors of the economy.

Comparative Unemployment Statistics

Geographic Unit	June, 1995	June, 1996
Columbiana County	5.6%	5.9%
Mahoning County	6.3%	6.2%
City of Youngstown	11.2%	10.8%
Trumbull County	6.2%	5.6%
City of Warren	9.4%	8.6%
State of Ohio	4.8%	4.9%
Total United States	5.8%	5.3%

Source: Monthly report of the Ohio Bureau of Employment Services for June, 1995 and 1996

As of the 1990 census, median family income for the MSA is \$30,605. The delineated community consists of 154 census tracts, as follows:

Tract Characteristics	Number of Tracts	% of Total Tracts	% of Total Population
Low-income (50% of Median)	17	11	6
Moderate-income (50 < 80%)	28	18	14
Middle-income (80 < 120%)	75	49	55
Upper-income (120% - over)	29	19	25
Other	5	3	0

Population Characteristics (by Family Income)	Number of Families	% of Total Families
Low-income (50% of Median)	32,611	20%
Moderate-income (50 < 80%)	30,100	18%
Middle-income (80 < 120%)	37,454	23%
Upper-income (120% - over)	64,417	39%
Total	164,582	100%

The following table shows additional demographic information for the bank's delineated community.

Demographic Information for the Delineated Community	Totals
Population	591,083
Minority Population	66,347
# housing units	238,687
# occupied housing units	224,392
# owner occupied housing units	163,419
# owner occupied housing units in LMI tracts	4,589

Source: 1990 U.S. Census, County demographics

The table shows that the bank's delineated community includes a moderate (11%) minority population, a substantial level of occupied housing (94%), and a moderate level (68%) of owner occupied housing.

Community Credit Needs - Our evaluation included contacts with representatives from the local community including religious leaders, small business owners, and social services agencies. These contacts were used to identify community credit needs.

Community credit needs identified include:

o Loans for affordable single family housing and home improvement

Loans with flexible lending criteria are needed throughout the delineated community. Nontraditional housing stock, such as mobile homes are also needed. Barriers to customers obtaining these types of loans include poor credit history, high debt to income ratios, and insufficient funds for down payment and closing.

o Small business loans with flexible underwriting criteria

Funds are needed for expansion of existing businesses as well as new business start-ups. Barriers to customers obtaining these types of loans include lack of knowledge of the loan process, lack of collateral, and lack of business expertise.

These needs have also been identified by BOY (See Assessment Factor A for the bank's responses to these credit needs).

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Assessment Factor A - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

Conclusion - Management has effectively identified the community's credit needs.

Rationale - BOY has a formal, effective program to identify credit needs throughout its delineated community. Senior management has developed an array of credit products designed to meet these needs. In addition, the bank has altered existing credit products to better serve customers.

Supporting Detail - Management constructs and implements an annual CRA Business Implementation Plan. The Plan includes specific, measurable goals, demographic reports, loan and deposit analyses, ascertainment strategies, and requires management to implement product development/modification as needed. The two primary ascertainment activities conducted by BOY are ongoing contact with a variety of community groups and input from the Community Advisory Councils.

Ongoing contacts with community groups are the core of BOY's ascertainment efforts. Senior management is responsible for ensuring that ascertainment calls are made on an ongoing basis with emphasis placed on Realtors, clergy, small business owners, civic leaders, and existing customers. Some of the contacts include: a local state representative, mayors and/or council presidents of a number of local communities (including Lisbon, Girard, and McDonald, among others); a large number of local school districts; Youngstown State University's Center for Urban Studies; a significant number of churches throughout the community; all local chambers of commerce; and, the Warren-Trumbull and Youngstown Area Urban League chapters. BOY's Community Advisory Council (CAC) for Mahoning and Columbiana Counties is comprised of 12 community leaders and bank staff. Bank One's CAC for Trumbull County is comprised of 13 community leaders and bank staff. Both of these councils include representatives from the religious, social services, civic, small business, and realty sectors. They meet quarterly, and are responsible for identifying credit needs via community contacts. They also provide input in the development of credit products.

As a result of the ascertainment efforts described above, the following credit needs of the local community were identified by the bank. These credit needs, along with the bank's response is detailed below.

o Economic Development

With the economy starting to stabilize and wanting to encourage growth and diversity in the community, BOY identified the need to provide leadership from the financial sector in support of initiatives for planned, sustainable growth. A number of the initiatives discussed in Assessment Factor B are designed to address these concerns.

o Loans and Education for Small Businesses

With the area economy stabilizing, the need to assist small and emerging businesses was identified. The specific needs were education in small business and financial management resources for start-ups to access appropriate credit. Bank One offers a full range of commercial loan products including lines of credit and installment loans. In addition, the bank participates in government guaranteed commercial loan programs.

o Consumer Financial Education

Consumers needed to understand how they could qualify for credit, especially for home financing. The community outreach officer position discussed in Assessment Factor B was specifically designed to address this need.

o Access to Affordable Housing Financing

Once consumers are aware of how to qualify and apply for home financing, products to meet those requests needed to be offered. Bank One offers a variety of conventional residential loan products. In addition, the bank offers an affordable residential purchase loan product with flexible underwriting criteria. For details, refer to Assessment Factor I.

Assessment Factor C - The extent of participation by the institution's board of directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

Conclusions - The Board of Directors takes an active role in the formulation of CRA policies and practices. The Board has made compliance with CRA a central part of the bank's planning process.

Rationale - The Board has adopted a formal CRA plan, which sets specific goals and objectives, and is modified on an annual basis. The Board reviews CRA activities at each of its

regular meetings. An internal CRA committee meets quarterly to monitor the ongoing CRA activities of the bank.

Supporting Detail - As described in Assessment Factor A, the Board has established two Community Advisory Councils (CAC) to help the bank identify and address credit needs within the community. The internal management CRA committee also meets monthly to act on the recommendations of the CACs, and to review the results of CRA activities conducted during the month. Finally, the CRA and Compliance Policy Committee of the Board meets as needed to oversee BOY's CRA functions.

Members of the Board are actively involved in various community groups where they maintain contact with other community leaders. These contacts, in addition to the CRA and Compliance Policy Committee, help the Directors learn of the needs within the community.

The Board has appointed a CRA Officer who is responsible for administering daily CRA activities, ensuring compliance with corporate policy, and analyzing the bank's lending performance.

BOY is in substantial compliance with the technical requirements of CRA.

II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

Assessment Factor B - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

Conclusion and Rationale - BOY has designed and implemented an effective marketing program. It is designed to inform all members of the delineated community of the bank's credit and financial services.

Supporting Detail - The bank's advertisements stimulate awareness of its credit and financial products throughout the delineated community. BOY uses both corporate and local advertising. BOOC is responsible for creation and distribution of all television advertising. Major network affiliate stations are used to promote credit and depository products. These stations reach a large diverse audience, including low- and moderate-income (LMI) persons.

BOY uses a range of local media sources to advertise its products, including several of the local newspapers and local radio and television outlets. BOY analyzes the outlets used to attempt to ensure that potential LMI consumers are reached. For all three of the media types discussed here, the outlets reach 80% or more of the LMI households in the market.

In addition, the bank used direct marketing to target identified, underserved areas of the community. This effort was closely monitored to determine its effectiveness. When difficulties were encountered in the approaches taken, BOY developed a method for informing

the community of new products which relied on the existing network of non-profit organizations, churches, and community leaders.

The principal non-traditional means of marketing used by BOY during this period was the Consumer Outreach program. A consumer outreach lender was given responsibility for taking consumer loan applications and other banking information into the community by working with individuals and groups in their own neighborhoods.

BOY is also active in presenting: Small Business Seminars in conjunction with other area financial institutions and local business development organizations; “Small Business Mixers” at each of the branches in LMI census tracts for the purpose of bringing together small business professionals; and, the first Minority Business Directory for the Warren/Trumbull Urban League, Inc. This last project was so successful that the directory was expanded to include Mahoning County. The combined directory is now in a second printing.

Assessment Factor I - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business loans.

Conclusions - BOY’s level of originations and purchases of mortgage, home improvement, and small business loans within its community reflects a high level of responsiveness to needs identified within the community.

Rationale - The bank has addressed identified credit needs, including affordable mortgage financing and small business loans.

Supporting Detail - BOY offers a variety of consumer and commercial loan products. The current CRA Statement correctly lists the credit products offered by the bank. These products are available throughout the entire delineated community.

- o **Residential:** Purchase money mortgage loans, home improvement loans, home equity loans, and equity reserve lines of credit;
- o **Consumer:** Installment loans, lines of credit, credit cards, and education loans;
- o **Commercial:** Term loans and lines of credit.

The bank has implemented the “Bank One Affordable Dream Mortgage” which was developed by BOMC. This product is available to any qualified applicant. The product’s underwriting criteria are as follows:

- Purpose: Purchase or Refinance of owner-occupied property
- Loan to Value: Maximum of 97%
- Term: 15, 25, or 30 years
- Debt Ratios: 33-38% Housing/ 36-40.5% Total
- Credit: Non-traditional credit acceptable
- Reserves: Up to two months required
- Private mortgage insurance required when LTV exceeds 80%.

The table below shows affordable loan production during the review period. All of these loans are within the bank’s delineated community.

Affordable Housing Originations

	# of loans	\$(000)
1993	70	\$1,979
1994	73	1,959
1995	41	1,063
Sep-30-96	13	322
TOTAL	197	\$5,323

Source: Internally generated bank reports.

Conventional housing-related loan products are originated by both Bank One, Youngstown, N.A. and BOMC. The table below shows the mortgage loan activity generated within BOY’s delineated community. This table does not include the affordable housing loans that are detailed above. This information was not monitored prior to 1994.

Housing-Related Loan Originations (represents number of loans)

	1994	1995	1996*	TOTAL
Conventional	445	600	263	1,308
Home Imp.	651	564	247	1,462
TOTAL	1,096	1,164	510	2,770

Source: Internally generated bank reports.

*through June 30, 1996

In January, 1995, BOY purchased 34 housing-related loans with a total principal balance of \$340 thousand from the City of Youngstown. These loans came from the Housing Rehabilitation Loan Portfolio of the city and all were located in LMI census tracts within the city. The monies paid to the city went into the city's Community Development Agency to help fund other projects.

Although BOY does not specifically track consumer loan originations, it does analyze the distribution of its consumer loan portfolio. The analysis for 1995 shows that 82% of the direct loans in the portfolio were made to borrowers living within the delineated community. When factoring in indirect lending, the percentage of loans made within the community is still substantial, with 76% of the total consumer loan portfolio within the community.

Small business lending was another credit need identified by the bank, and BOY considers this to be one of its significant lines of business. For purposes of this evaluation, small businesses are those with sales of less than \$5 million. The following table shows small business loan origination activity during the review period. Note that the average small business loan is less than \$80 thousand.

Small Business Loan Originations

	# of loans	\$(000)
1993	252	\$14,100
1994	239	18,600
1995	328	24,000
YTD 1996*	171	18,000
TOTAL	990	\$74,700

Source: Internally generated bank reports.
*through June, 1996

The Bank One Business Line-of-Credit (BOBLOC) was introduced as a business banking loan product in July, 1995. It is targeted at small businesses and is unique in its low documentation application process, its manner of access, and in its revolving line capacity. Access is available by phone, card, and check. The account is reviewed for renewal on an annual basis. Since inception, BOY has approved 114 accounts with total limits of \$4.47 million and outstanding balances of \$2.109 million.

Assessment Factor J - The institution's participation in government insured, guaranteed, or subsidized loan programs.

Conclusions - The bank's participation in government programs is strong.

Rationale - BOY is involved in several programs sponsored by government agencies whose purposes are to assist in financing small businesses and home ownership.

Supporting Detail - BOY is involved in various Small Business Administration (SBA) programs. These program are designed for businesses with average annual sales of \$5 million or less. BOY is a certified SBA lender.

The Ohio Link Deposit Program allows lenders to discount or lower the interest rate on loans, thereby reducing the cost to the borrower.

The Agri-Linked Deposit Program was developed by the State of Ohio to help Ohio farmers lower the cost of borrowing for operational needs. Priority is given to requests for seed, feed, fertilizer, and fuel funding.

The following table shows the number and original amount of business-related loans made during the evaluation period. These numbers are in addition to the small business numbers shown elsewhere within this evaluation.

Participation in Government Loan Programs

Gov't. Program	# of Loans	\$ of originations (000)
SBA	25	\$4,064
Ohio Link Deposit	14	2,267
Agri-Link	6	545
TOTAL	45	\$6,876

Source: Internally generated bank reports.

In addition to the government-sponsored programs above, BOY is the lead bank on a multi-layered funding package for a restaurant/lounge project. The facility is part of the redevelopment of the west end of the City of Youngstown. The total project \$1.2 million, including a \$200,000 grant from the City of Youngstown, and \$75,000 loans from the City Revolving loan fund and the Mahoning Valley Industrial Loan Fund. BOY's exposure is \$23,438. Three other local financial institutions are also involved in funding this project.

The bank offers a variety of government-related housing loans which are designed to foster homeownership. These include FHA/VA, State of Ohio First Time Homebuyers, City of Youngstown First Time Homebuyers, Trumbull County/Warren First Time Homebuyers, and the Mahoning County Down Payment Assistance Program. The following table shows the bank's level of participation in each of these programs during the review period.

Participation in Government Housing Loan Programs

Gov't. Program	# of Loans	\$ of originations (000)
State of Ohio	12	\$ 528
VA	19	1,326
FHA	19	1,031
City of Youngstown	35	734
Trumbull/Warren	4	120
Mahoning County	6	149
TOTAL	95	\$3,888

Source: Internally generated bank reports.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

Reasonableness of Delineated Community

The bank's delineated area, as defined previously in the evaluation, is reasonable, and does not arbitrarily exclude LMI areas.

Assessment Factor E - The geographic distribution of the institution's credit extensions, credit applications, and credit denials.

Conclusion - The geographic distribution of the bank's credit extensions, credit applications, and denials is excellent.

Rationale - BOY has extended credit throughout its delineated community. The bank receives applications from substantially all of the Youngstown-Warren MSA. The level of lending within lower-income households is proportionate to, or higher than lending within higher-income households.

Supporting Detail - Since 1994, the BOC CRA department has performed three types of geographic distribution analyses for BOY. These analyses include consumer, small business, and HMDA reportable loans. Results of these analyses are used by BOY management to direct ascertainment, marketing, and community development efforts. In addition, results are used to direct banking center strategies.

Bank management uses an internally generated report, the Credit Distribution Report (CDR) to analyze the geographic distribution of retail loans. The report tracks the bank's penetration of consumer households with deposits and loans. The CDR uses the following in defining

consumer loans: direct and indirect installment loans, bank credit card, equity loans and lines of credit, mortgages, student loans, and commercial loans for personal financing. Deposits include checking accounts, interest bearing checking accounts, money market savings, IRAs, certificates of deposit, and other savings accounts. As of year-end 1995, the bank had a consumer depository relationship with 51,151, or 22.19% of the estimated households in the bank's community. In addition, the bank extended loans to 52,377, or 22.72% of the households.

The CDR is also used to identify areas of low consumer loan penetration. Low credit penetration is defined by BOY as any census tract with a household penetration of less than one-half the overall penetration for the bank's delineated community.

County (Number of Tracts)	% and (#) low penetration areas	% and (#) of low penetration in L/M areas	% of total L/M* areas with low penetration
Columbiana (25 - 7 L/M)	12% (3)	33% (1)	14% (1)
Mahoning (72 - 31 L/M)	6% (4)	100% (4)	13% (4)
Trumbull (57 - 7 L/M)	2% (1)	0% (0)	0% (0)
TOTAL (154 - 45 L/M)	5% (8)	62.5% (5)	11% (5)

Source: Internally generated bank reports.

*Low- and moderate-income

The table shows that five of the bank's underserved areas are located in LMI census tracts. Bank management's explanation for these undeserved areas follows:

Columbiana County -

Tract #9525. This low income tract has only 19 households. BOY has neither deposit nor loan relationships with any of these households.

Mahoning County -

Tracts #8005, #8103, and #8104. Less than 60% owner-occupied. Of the of rental units, the average rent is less than \$250 per month. Limited opportunities for home-related loan products.

Tract #8044. This targeted area consists of Downtown Youngstown, and is occupied by 522 households, 30% of which are owner-occupied. Rents are similar to those in tract 8005. Limited opportunities for home-related loan products.

The Mahoning County underserved tracts are targeted for improved deposit and lending penetration by the bank's Community Outreach Lender.

During 1995, BOY performed a detailed tracking of small business loans (loans to companies with sales of \$5 million or less). The bank had 1,640 outstanding loans for \$122.2 million; 22.2% were extended to businesses located in low- and moderate-income census tracts.

The following tables show the market distribution of various residential mortgage products that are reported on Home Mortgage Disclosure Act Loan Application Registers (HMDA-LAR) of both BOY, BOMC, and BOFS. Market share information is based on number of loans originated by all providers of mortgage products within the Youngstown-Warren MSA. There are 174 such providers within the community.

The following abbreviations are used in conjunction with the tables shown below:

- PML - Purchase Money Loans
- HIL - Home Improvement Loans
- ReFIL - Refinance Loans

Census tract and income characteristics were identified under the Community Profile section of this report.

The first two tables show that market share within low-income census tracts is significantly higher than market share in upper-income census tracts and the overall market. These tables also show the bank's position within the market. In each category, the bank is within the top ten providers of these types of loans. The tables clearly show the bank's commitment to lending in low-income areas of the delineated community.

**1994 Market Share by Tract Characteristics
MSA 9320
(Market Position)**

	Low	Mod	Mid	Upper	TOTAL
PML	11.63 (3)	7.43 (5)	3.88 (9)	4.04 (8)	4.22 (8)
HIL	26.89 (1)	18.53 (1)	17.66 (1)	20.93 (1)	19.10 (1)
ReFIL	7.47 (2)	4.14 (6)	4.39 (8)	6.53 (6)	5.17 (7)
TOTAL Loans	14.17 (2)	9.71 (2)	7.93 (3)	8.83 (3)	8.58 (3)

**1995 Market Share by Tract Characteristics
MSA 9320
(Market Position)**

	Low	Mod	Mid	Upper	TOTAL
PML	12.12 (3)	7.76 (2)	7.86 (3)	6.41 (4)	7.32 (3)
HIL	23.68 (1)	11.11 (3)	14.28 (1)	17.28 (2)	15.23 (1)
ReFIL	10.72 (2)	3.27 (7)	4.72 (6)	6.58 (4)	4.78 (7)
TOTAL Loans	17.50 (1)	6.91 (4)	8.74 (3)	8.84 (3)	8.71 (3)

The following tables show market share and position, distributed by income of the borrower. For both years for which information is available, BOY's market share of purchase money loans to low-income borrowers is higher than for upper-income borrowers and for the bank's total market share. As with the tables above, the bank is one of the top ten lenders in each category reported.

**1994 Market Share by Borrower Income Characteristics
MSA 9320
(Market Position)**

	Low	Mod	Mid	Upper	TOTAL
PML	7.46 (5)	5.57 (7)	4.27 (7)	4.45 (6)	4.22 (8)
HIL	17.35 (1)	20.46 (1)	19.96 (1)	19.66 (1)	19.10 (1)
ReFIL	2.83 (8)	5.04 (7)	5.78 (6)	6.56 (5)	5.17 (7)
TOTAL Loans	9.16 (3)	9.64 (1)	8.81 (3)	8.76 (3)	8.58 (3)

**1995 Market Share by Borrower Income Characteristics
MSA 9320
(Market Position)**

	Low	Mod	Mid	Upper	TOTAL
PML	8.11 (4)	7.97 (2)	7.65 (3)	6.89 (3)	7.32 (3)
HIL	9.70 (3)	15.31 (1)	16.51 (1)	16.75 (1)	15.23 (1)
ReFIL	4.62 (6)	5.15 (5)	6.73 (4)	6.19 (4)	4.78 (7)
TOTAL Loans	7.88 (3)	9.26 (1)	9.80 (2)	9.12 (3)	8.71 (3)

Assessment Factor G - The institution's record of opening and closing offices and providing services at offices.

Conclusion - BOY's branch offices are reasonably accessible and have a good record of providing services to all segments of the community. The bank complies with the comprehensive Banc One Corporation Branch Closing Policy.

Rationale - BOY has 27 full service offices located throughout the delineated community. Twenty-three of these offices contain ATMs. Six offices are located within LMI areas. In addition, BOY maintains ATMs in two manufacturing facilities and two discount department

stores. Five mortgage loan originators from BOMC are available to take mortgage loan applications at any branch by appointment. The bank's branch closing activity has not significantly impacted the provision of banking services to the delineated community.

Supporting Detail - The locations of BOY's branches provide reasonable service and access for customers located within the delineated community. Hours of operation are based on customer needs. Most offices are open Monday through Saturday, with one office open on Sunday afternoon. BOY's freestanding ATMs offer deposit and withdrawal services to employees of two manufacturing facilities, and to shoppers at two discount department stores.

During the review period, the bank opened one new office in a rapidly developing area of Mahoning County. BOY also relocated one office, consolidated two, and sold two. In each case, the bank complied with the Banc One Corporation's branch closing policy, which requires detailed analysis of the effect of the closings on the customer base of the branch. The analysis includes the effect on CRA activities within the area. The effect of the relocation and consolidations was mitigated by the fact that the new offices are within close proximity to the previous locations. The two offices sold will continue to provide banking services under their new owners.

BOY's Community Outreach Lender meets with individuals at six targeted, non-branch locations. Each of these community-sponsored locations is in a LMI area. The lender is regularly scheduled at these community centers and church meeting rooms to provide information, take loan applications, and offer people the benefit of their lending experience.

In addition to the branch network available to provide banking services to its community, BOY offers a 24 hour customer service telephone line, and a 24 hour Loan-by-Phone program.

IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES

Assessment Factor D - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).

Conclusion - The bank does not discourage credit applicants on a prohibited basis.

Rationale - The bank affirmatively solicits credit applications from all segments of its community. Policies and procedures promote fair lending.

Supporting Detail - The bank affirmatively solicits credit products from all segments of the community, including LMI areas. Loan policies and procedures provide a sound basis for nondiscriminatory lending. There are no policies or underwriting standards that act as barriers to credit access.

Training in fair lending laws and principles is provided to all applicable employees. Fair Lending: Just Good Business and Valuing Diversity: The Best from Everyone are corporate

training programs designed to promote fair lending and good business practices. Videos, handouts, and tests provide the basis for this training.

The bank uses a second review process on all home loan applications. The second review process helps to ensure that all applicants are treated fairly and consistently.

A corporate program to test for possible illegal discrimination in mortgage lending through a comparative file review has not been implemented.

The bank's compliance monitoring program adequately reviews for compliance with the technical requirements of various fair lending regulations.

During a portion of the evaluation period, BOMC was operating with an "overage" compensation program. This program allows lenders who originate a loan with a rate above the company's standard rate to retain a portion of the overage.

Although overage practices are not new to the lending industry, there is recognition that such programs have the potential for a disparate impact on applicants on a prohibited basis if not properly monitored. BOMC management recognized this potential problem and discontinued the program for all applications taken after March 15, 1994. However, management has not performed an analysis to determine if their program, while in effect, had a disparate impact on customers of the mortgage company. In March of 1995, the mortgage company reintroduced an overage program. Overages are limited to 1%, which significantly limits the size of any overage. Additionally, affordable mortgage lenders are prohibited from assessing overages.

This past practice is highlighted because BOMC received credit in this evaluation for loans made by the mortgage company. However, the mortgage company is not subject to regulation by the Office of the Comptroller of the Currency.

Assessment Factor F - Evidence of prohibited discriminatory or other illegal credit practices.

Conclusion - BOY is in compliance with fair lending laws and regulations.

Rationale - The examination reviewed the bank's compliance with fair lending laws and regulations. No violations or illegal practices were noted.

Supporting Detail - Our examination included testing for compliance with the Equal Credit Opportunity Act. We performed a comprehensive review of home improvement loans originated by the bank's underwriting and credit servicing office located in Akron, Ohio. We tested for illegal discrimination based on race. Our review did not include testing the lending practices of BOMC.

The bank uses an internal credit scoring system as a key component when deciding whether to approve or deny applications for retail loans. However, based upon policy guidelines and judgmental experience, designated bank personnel can approve or deny a loan request regardless of whether or not the credit score met the bank's standard.

We reviewed a sample of African-American applicants denied credit between August 15, 1995 and March 31, 1996. Our sample focused on 100% of the marginally qualified applicants based upon credit scores. We compared these applicants to marginally qualified white applicants, who typically did not pass the bank's credit score during this time period but were nonetheless approved credit. The objective was to determine if denied applicants were treated similarly and given the same level of assistance when compared to approved applicants. We found that applicants were treated equally and were provided the same level of assistance during the application process.

V. COMMUNITY DEVELOPMENT

Assessment Factor H - The institution's participation, including investments, in local community development and redevelopment projects or programs.

Conclusion - BOY actively participates in community development/redevelopment projects.

Rationale - BOY is involved in community development projects, supports local economic development initiatives, and participates in revolving loan funds that benefit its community. This involvement demonstrates the bank's commitment to community development.

Supporting Detail - During the review period, BOY participated in community development projects of various types totaling more than \$7.2 million. Some of these projects include:

- o Mahoning County Chemical Dependency Program, Inc. BOY financed the acquisition and renovation of a former nursing home for the purpose of providing housing for the homeless. (\$900,000)
- o Paul's Trailer Park. BOY financed purchase of a trailer park, which provides affordable housing options. (\$130,000)
- o Youngstown Youth Academy. BOY provided funding for the purchase of an abandoned doctor's office in a low-income area of Youngstown. The building is now a residential facility for youth offenders, as an alternative to incarceration. (\$45,000)
- o Alianza, Inc./Esperanza Mall Minority Business Incubator. BOY provided financing and in-kind financial expertise for this small business incubator, located in a low-income neighborhood on the south side of Youngstown. (\$105,000)

- o Mini-loan Funds. BOY was the leader in establishing mini-loan programs in each of the three counties that it serves. There are currently nine financial institutions participating in the program. Through September, 1996, these funds have originated 64 loans totaling \$1.4 million.
- o Warren Downtown Redevelopment. BOY donated a repossessed property to the city. This building has been demolished and will be replaced by the local office of the State of Ohio Bureau of Workers' Compensation. The project is expected to bring 100 new jobs to downtown Warren. (Estimated value of property \$250,000)

During the review period, BOY contributed over \$70,500 to a variety of organizations that promoted economic development within the local community. Some of these contributions include:

- o Consumer Credit Counseling Services to underwrite First-time Homebuyers Seminars (\$2,500).
- o Commonwealth, Inc. for administration and marketing costs for this community development corporation which provides home rehabilitation funding (\$5,000).
- o Mini-loan funds of Mahoning, Trumbull, and Columbiana counties for administration and marketing costs. These revolving funds provide loans to very small businesses (\$14,400).

Assessment Factor K - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions, and other factors.

Conclusion - There are no financial impediments which inhibit the bank's efforts to help meet the credit needs of its delineated community.

Rationale and Supporting Detail - The bank participates in CRA activities commensurate with its size and financial capacity. The Community and Bank profiles detailed earlier in this Evaluation provide further information on the financial trends of the institution and the local economy.

Assessment Factor L - Any other factors that, in the regulatory authority’s judgment, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

Conclusion - BOY participates in government sponsored student loan programs and sponsors educational programs at area schools. This participation demonstrates its commitment to improving the communities that it serves.

Rationale and Supporting Detail - BOY offers student loans through its affiliate Banc One Ohio Student Loan Services. The affiliate does not track these loans by geographic location. As a result, specific numbers for the Youngstown market are not available.

BOY sponsors the “How to do Your Banking” educational program. In 1996, the program was completed by over 7,000 high school students in 53 area high schools.