



Comptroller of the Currency
Administrator of National Banks

Large Bank

Northeastern District
Eastern Pennsylvania Field Office
Four Greenwood Square, Suite 120
3325 Street Road
Bensalem, PA 19020

Public Disclosure

August 17, 1998

Community Reinvestment Act Performance Evaluation

**Woodstown National Bank and Trust Company
Charter Number: 11734
One South Main Street
Woodstown, New Jersey 08098**

**Comptroller of the Currency
Eastern Pennsylvania Office
Four Greenwood Square, Suite 120
3325 Street Road
Bensalem, Pennsylvania 19020**

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.

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 **Woodstown National Bank and Trust Company** prepared by the **Comptroller of the Currency**, the institution's supervisory agency, as of **August 17, 1998**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

Institution's CRA Rating: This institution is rated "**Satisfactory**".

Primary factors supporting the bank's overall rating include:

- A high percentage of loans are made within the assessment area.
- There is a good distribution of loans among borrowers of different income levels, and businesses and farms of different sizes.
- Lending levels to small businesses is good which is responsive to the credit needs in the assessment area.
- The geographic distribution of HMDA reported, small business, and small farm loans reflects good penetration throughout the assessment area.
- There is a good level of qualified community development loans.
- Investments, and grants are adequate.
- There is a relatively high level of community development services.

The following table indicates the performance level of **Woodstown National Bank and Trust Company** with respect to the lending, investment, and service tests.

Table I. Results of Performance Tests

Performance Levels	Blue Ball National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory	X		X
Low satisfactory		X	
Needs to improve			
Substantial noncompliance			

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

Scope of the Examination

This evaluation of Woodstown National Bank and Trust Company's (WNB) CRA performance covers the period from January 1, 1996 through August 17, 1998. The analysis is based on the bank's Home Mortgage Disclosure Act - Loan Activity Reports (HMDA-LAR) and Loan Registers. We tested these reports for accuracy during the examination. Specific loan products evaluated include: HMDA-reportable loans (i.e. home purchase mortgage, refinance, and home improvement loans), loans to small businesses, loans to small farms, community development loans, and consumer loans at the bank's request. We also evaluated community development investments, retail services, and community development services.

Description of Institution

WNB is a \$276 million institution located in Woodstown, New Jersey. Woodstown is situated approximately 20 miles southeast of Philadelphia in a relatively rural area of southern New Jersey. The bank is a wholly-owned subsidiary of Fulton Financial Corporation (FFC), a \$4.5 billion bank holding company formed in 1982 and headquartered in Lancaster, Pennsylvania. FFC has twelve affiliate banks in Pennsylvania, Maryland, Delaware, and New Jersey. WNB was purchased by FFC in February 1997. There are no operating subsidiaries of the bank.

WNB operates seven full service branches throughout both Salem and Gloucester counties all within the Philadelphia Metropolitan Statistical Area (MSA). The bank offers automated teller machines (ATMs) at each branch location. WNB did not close any branches during the evaluation period. However, the bank has opened a branch in Sewell, New Jersey (Mantua Township) in April of 1997 which is located in a middle-income CT. In addition, there are no

financial or legal impediments impacting WNB's ability to help meet its community credit needs.

The following table illustrates the composition of WNB's loan portfolio as of June 30, 1998.

Loan Type	\$ Amount (000)	% of Portfolio
Commercial Mortgages	72,636	36%
Residential Mortgages	69,499	34%
Commercial Loans	20,816	10%
Consumer Loans	31,549	15%
Construction Loans	9,528	5%
Totals	204,028	100%

Strong competition is provided by several community banks within the area. Bank management has identified primary competitors as Commerce Bank, NA, Sun National Bank, and the Bank of Gloucester County.

Description of Assessment Area

WNB has defined its assessment area as 83 contiguous census tracts (CTs) within Salem and Gloucester Counties. The assessment area is located in the Philadelphia MSA #6160. There are 5,712 companies which qualify as small businesses which equates to 75% of the total businesses within the assessment area. There are 259 small farms which equates to 89% of the total farms within the assessment area. WNB's assessment area meets the requirements of the CRA regulation, and does not arbitrarily exclude any low- or moderate-income areas.

Detail of the demographics of the assessment area is included in the following table.

Assessment Area Demographics			
Income Designation	# of Census Tracts	% of Total Tracts	% of Households Residing in the Census Tracts
Low	1	1%	1%
Moderate	8	10%	10%
Middle	60	72%	71%
Upper	14	17%	18%
Total	83	100%	100%

Based on 1990 census data, WNB's assessment area has a population of 295,376 which includes total households of 102,559. As seen in the above table, 11% of households in the assessment area are located in low- and moderate-income tracts.

The median family income for the assessment area averages \$42,850. Housing units total 107,808 of which 84% are one-to-four family units. Owner-occupied housing is 73% of the total, and rental occupied housing is 23% of the total. Vacant housing units equal 4% of the total units.

The local economy remains stable and is dominated by the agricultural and manufacturing industries. Unemployment rates for both counties within the assessment area have decreased over the past six months and approximate the state level of 5.3%. Major employers include Manington Mills, DuPont, PS&G, Salem Memorial Hospital, and several community banks in the area.

Credit needs of the community were determined during this examination through discussions with management and by reviewing local community contacts made by other regulatory agencies. Both indicated that primary credit needs are affordable housing loans that provide flexible underwriting standards; small unsecured consumer loans; and readily available small business loans.

Conclusions with Respect to Performance Tests

Lending Test

Lending Activity

WNB originates a high percentage of loans in its assessment area. The following tables provide a breakdown of HMDA, business, farm, and consumer loans for 1997 and 1998. For 1996, 91% of the total number and 88% of the total dollar volume of HMDA loans were within the bank's assessment area. Information regarding small business, small farm, and consumer loans originating within WNB's assessment area is not available for 1996. During 1997, an average of 84% of the number and 85% of the dollar amount of originations are within the assessment area. During 1998, an average of 86% of the number and 84% of the dollar amount of originations are within the assessment area.

HMDA, Small Business, Small Farm, and Consumer Loan Originations within the Assessment Area - 1997					
Number of Loans					
	HMDA Loans	Small Business Loans	Small Farm Loans	Consumer Loans	Total
# of Loans Made in AA	166	225	28	824	1,243
Total Loans	187	265	28	1,002	1,482
% Originations in AA	89%	85%	100%	82%	84%
Dollar Amount of Loans (\$000)					
\$ Amount of Loans Made in AA	11,696	36,112	1,103	21,472	70,383
Total \$ Amount of Loans	14,178	42,629	1,103	24,517	82,427
% \$ Amount in AA	83%	85%	100%	88%	85%

Note: AA = Assessment Area

HMDA, Small Business, Small Farm, and Consumer Loan Originations within the assessment Area - 1998					
Number of Loans					
	HMDA Loans	Small Business Loans	Small Farm Loans	Consumer Loans	Total
# of Loans Made in AA	97	107	25	382	611
Total Loans	108	126	25	448	707
% Originations in AA	90%	85%	100%	85%	86%
Dollar Amount of Loans (\$000)					
\$ Amount of Loans Made in AA	8,504	9,975	1,079	5,860	25,418
Total \$ Amount of Loans	9,693	12,566	1,079	7,063	30,401
% \$ Amount in AA	88%	79%	100%	83%	84%

Note: HMDA loan data is through June 30, 1998; Small business, small farm, and consumer loan data is through July 31, 1998; AA = Assessment Area.

WNB's loan-to-deposit ratio averaged 80% while exhibiting gradual increases during the examination period. This compares favorably to the national peer group average of 71% during the same period. WNB also sells all conforming fixed-rate mortgages to Fannie Mae (FNMA) which impacts its loan-to-deposit ratio. Mortgages sold total \$2.7 million in 1996, \$3.6 million in 1997, and \$6.6 million in 1998.

Lending to Borrowers of Different Income Levels

The bank's record of lending to borrowers of different income levels was evaluated using various reports generated from HMDA loan information from 1996 through June 30, 1998. Additionally, bank generated information regarding all consumer loan originations during 1997 and through July 31, 1998 were also evaluated.

Overall, our review revealed good lending penetration to borrowers of different income levels, including low- and moderate-income borrowers. The data illustrates an excellent level of consumer loan originations to low- and moderate-income borrowers when compared to the percentage of such families residing within the assessment area. HMDA loan originations to moderate-income borrowers are also good compared to the percentage of such families living within the assessment area. However, the percentage of HMDA loans made to low-income borrowers is low when compared to the percentage of low-income families residing in the assessment area.

The median average cost of housing is \$98,171 and owner-occupied housing represents 73% of

total housing units within the assessment area. The updated median family income is \$52,900, the income levels for low-income families are well below this figure. Low income is less than 50% of the median family income. A low income family could be at an income level range of \$21,000 up to \$26,000 based on a median family income of \$52,900. Therefore, it is evident that low-income families will encounter difficulty achieving home ownership.

Lender market share reports for 1996 HMDA-reportable loans reflect favorably on the bank. Specifically, WNB's market share equates to 1.56% of total loans within its assessment area. The bank originated 16 loans equating to \$561 thousand for a market share of 2.44% to low-income borrowers during this time frame. WNB also originated 28 loans equating to \$1,714 thousand for a market share of 1.47% to moderate-income borrowers during this time frame.

The following two tables depict HMDA and consumer lending levels to borrowers of all income levels.

HMDA Loan Originations to Borrowers of Different Income Levels by Number and Dollar Amount										
Income Category	Low		Moderate		Middle		Upper		Total	
	# of Loans	%	# of Loans	%	# of Loans	%	# of Loans	%	# of Loans	%
1996	16	9%	28	16%	50	29%	77	45%	171	100%
1997	12	7%	33	20%	48	29%	73	44%	166	100%
1998	4	4%	18	19%	22	23%	53	55%	97	100%
	\$ Amt. (000)	%	\$ Amt. (000)	%	\$ Amt. (000)	%	\$ Amt. (000)	%	\$ Amt. (000)	%
1996	561	5%	1,714	15%	2,776	25%	6,274	55%	11,325	100%
1997	461	4%	2,075	18%	3,125	27%	6,035	52%	11,696	100%
1998	115	2%	1,130	13%	1,561	18%	5,698	67%	8,504	100%
Total Families	17%		18%		27%		38%		100%	

Note: 1998 HMDA loan data is through June 30, 1998.

Consumer Loan Originations to Borrowers of Different Income Levels by Number and Dollar Amount										
	Low		Moderate		Middle		Upper		Total	
	# of Loans	%	# of Loans	%	# of Loans	%	# of Loans	%	# of Loans	%
1997	235	33%	161	23%	165	23%	145	21%	706	100%
1998	122	34%	78	22%	76	21%	83	23%	359	100%
	\$ Amt. (000)	%	\$ Amt. (000)	%	\$ Amt. (000)	%	\$ Amt. (000)	%	\$ Amt. (000)	%
1997	2,391	12%	2,068	10%	2,966	14%	13,486	64%	20,911	100%
1998	807	15%	747	13%	1,264	23%	2,804	49%	5,622	100%
Total Families	17%		18%		27%		38%		100%	

Note: 1998 consumer loan data is through July 31, 1998.

Lending to Small Businesses and Small Farms

We evaluated WNB's record of lending to small businesses and small farms during 1997 and 1998. Data for 1996 was not available. Small businesses are defined as businesses with less than or equal to \$1 million in gross annual revenues.

The bank is very responsive to the credit needs of small businesses and small farms in its assessment area. There are 5,712 companies which qualify as small businesses which equates to 75% of total businesses within the assessment area. There are 259 small farms which equates to 89% of total farms within the assessment area. In 1997, 92% of WNB's business loans by number and 91% by dollar amount were made to small businesses. In 1998, 100% of the bank's business loans by both number and dollar amount were made to small businesses. Additionally, 100% of WNB's farm loans in both 1997 and 1998 were made to small farms.

The following four tables provide a breakdown by original loan amount of business and farm loans originated in the bank's assessment area during 1997 and 1998. The information illustrates that the vast majority (80%) of these loans are for less than \$100,000. Although the level is nominal, loans granted to firms with annual revenues greater than \$1 million are also depicted within the following tables.

Small Business Loans Originated in 1997 within the Assessment Area				
Original Loan Amounts to Businesses with Revenue <= \$1 Million	Small Business Loans Made to Small Businesses			
	# of Loans	%	\$ Amount (000)	%
Less than \$100,000	168	81%	5,441	16%
\$100,000 to \$250,000	15	7%	2,803	9%
\$250,000 to \$1,000,000	19	9%	9,258	28%
Over \$1,000,000 ***	4	2%	15,500	47%
Total	206	100%	33,002	100%
Original Loan Amounts to Businesses with Revenue >= \$1 Million	Additional Business Loans			
	# of Loans	%	\$ Amount (000)	%
Less than \$100,000	11	58%	561	18%
\$100,000 to \$250,000	4	21%	754	24%
\$250,000 to \$1,000,000	4	21%	1,795	58%
Over \$1,000,000	0	0%	0	0%
Total	19	100%	3,110	100%

*** Loans over \$1 million are not considered small business loans. However, these loans were extended to small businesses.

Small Farm Loans Originated in 1997 within the Assessment Area				
Original Loan Amounts to Farms with Revenue <= \$500 Thousand	Small Farm Loans Made to Small Farms			
	# of Loans	%	\$ Amount (000)	%
Less than \$100,000	25	89%	493	45%
\$100,000 to \$250,000	2	7%	335	30%
\$250,000 to \$500,000	1	4%	275	25%
Over \$500,000	0	0%	0	0
Total	28	100%	1,103	100%

Note: No loans were extended to farms with revenue >= \$500 thousand in 1997.

Small Business Loans Originated in 1998 within the Assessment Area				
Original Loan Amounts to Businesses with Revenue <= \$1 Million	Small Business Loans Made to Small Businesses			
	# of Loans	%	\$ Amount (000)	%
Less than \$100,000	83	78%	2,766	27%
\$100,000 to \$250,000	12	11%	2,041	21%
\$250,000 to \$1,000,000	12	11%	5,168	52%
Over \$1,000,000	0	0%	0	0%
Total	107	100%	9,975	100%

Note: No loans were extended to businesses with revenue >= \$1 million in 1998; Data is from 1997 through July 31, 1998.

Small Farm Loans Originated in 1998 within the Assessment Area				
Original Loan Amounts to Farms with Revenue <= \$500 Thousand	Small Farm Loans Made to Small Farms			
	# of Loans	%	\$ Amount (000)	%
Less than \$100,000	22	88%	411	38%
\$100,000 to \$250,000	2	8%	393	36%
\$250,000 to \$500,000	1	4%	275	25%
Over \$500,000	0	0%	0	0%
Total	25	100%	1,079	100%

Note: No loans were extended to farms with revenue >= \$500 thousand in 1998; Data is from 1997 through July 31, 1998.

Geographic Distribution of Loans

We evaluated the bank's geographic distribution of loans using various reports generated from HMDA loan information from 1996 through June 30, 1998. Additionally, information regarding all consumer, small business, and small farm loans for 1997 through July 31, 1998 was also evaluated.

Our analysis shows that WNB has a good record of lending in geographies with various income characteristics. The data shows the geographic distribution of loans is representative of the demographic composition of the assessment area. Our analysis illustrates that most penetration exists within middle- and upper-income CTs. Lending within low- and moderate-income CTs is not as prevalent because a low percentage of such tracts exist within WNB's assessment area. Overall, the percentage of loan originations within low- and moderate-income CTs approximate the percentage of such tracts within the assessment area. An exception is the percentage of HMDA originations within moderate-income CTs is below the percentage of such tracts within the assessment area (6% versus 10%). However, the level of HMDA originations within moderate-income CTs (6%) does approximate the percentage of housing stock which is owner-occupied within these CTs (7%).

Lender market share reports from 1996 HMDA loan data reflect favorably on the bank. Specifically, WNB originated 3 loans equating to \$51 thousand for a market share of 10.34% within low-income CTs in the assessment area. The bank also originated 11 loans totaling \$407 thousand for a market share of 1.62% within moderate-income CTs during the same time frame.

HMDA Loan Originations by Census Tract Characteristic During Examination Period							
Census Tract Characteristic	# of Loans	%	\$ Amount (000)	%	Census Tracts Within AA	% of Total Census Tracts	% of Owner Occupied CTs
Low	4	1%	111	1%	1	1%	< 1%
Moderate	27	6%	1,512	5%	8	10%	7%
Middle	366	84%	26,680	85%	60	72%	73%
Upper	37	9%	3,222	9%	14	17%	20%
Total	434	100%	31,525	100%	83	100%	100%

Note: AA = Assessment Area; Data is from 1996 through June 30, 1998.

Consumer Loan Originations by Census Tract Characteristic During Examination Period						
Census Tract Characteristic	# of Loans	%	\$ Amount (000)	%	Census Tracts Within AAs	% of Total Census Tracts
Low	22	2%	161	1%	1	1%
Moderate	129	11%	1,662	6%	8	10%
Middle	984	82%	24,245	89%	60	72%
Upper	71	5%	1,264	4%	14	17%
Total	1,206	100%	27,332	100%	83	100%

Note: AA = Assessment Area; Data is from 1997 through July 31, 1998.

Small Business and Small Farm Loan Originations by Census Tract Characteristic During Examination Period						
Census Tract Characteristic	# of Loans	%	\$ Amount (000)	%	Census Tracts Within AAs	% of Total Census Tracts
Low	3	1%	52	1%	1	1%
Moderate	29	8%	11,319	24%	8	10%
Middle	316	82%	30,835	63%	60	72%
Upper	37	9%	6,063	12%	14	17%
Total	385	100%	48,269	100%	83	100%

Note: AA = Assessment Area; Data is from 1997 through July 31, 1998.

Community Development Lending

The bank has made a good level of community development loans. In August of 1996, WNB provided a \$1.5 million construction loan to a limited partnership. The funds were used to construct the Delsea View Senior Assisted Living Complex, a multifamily rental property serving only low-income individuals. To reside in this complex, an applicant must be 62 years of age or older with income within allowable Housing of Urban Development (HUD) guidelines for low-income applicants in both Gloucester and Salem counties.

The bank extended two additional small business loans totaling \$95 thousand which both had community development as their primary purpose. These loans were included in the small business figures previously discussed in this evaluation. In December of 1997, the bank extended a \$45 thousand working capital loan to a non-profit organization located in Salem County. This organization solely serves the rather large Latino population of Salem County. They primarily address the needs of low- and moderate-income individuals within the Hispanic community by developing strategies and programs that facilitate socioeconomic growth and self-sufficiency. Services offered include home ownership counseling, assistance with immigration issues, health management, and assistance regarding employment opportunities.

In February of 1998, the bank extended a \$50 thousand loan to a non-profit home ownership counseling agency. The funds were used solely to restore low- to moderate-income single family housing units throughout Salem and Gloucester counties.

Product Innovation

WNB uses innovative and/or flexible lending practices in order to serve the credit needs of its assessment area. The bank developed and introduced an Affordable Housing Program (AHP) in early 1998 for individuals who do not meet standard underwriting criteria. The AHP is solely intended for low- and moderate-income individuals. For an individual to qualify, their income must fall within HUD guidelines which are adjusted for family size. WNB has extended five loans totaling \$267 thousand under this program. Additionally, two loans equating to \$106 thousand are currently pending approval. Highlights of the program include the following:

- 30 year, fixed rate mortgage with interest rates up to 1/2% below the current Fannie Mae rate.
- A reduced application fee of \$250 compared to the standard fee of \$350.
- Only 3% - 5% down payment is required.
- No commitment fee, no lock-in fee, and no points.
- Applicants are not required to be a first-time homebuyer.

WNB was approved to participate in the Federal Home Loan Bank (FHLB) of New York's First Home Club (FHC) program during April of 1998. The FHC provides low- and moderate-income applicants the necessary funds for down payment and closing costs. Through its membership with the FHLB, the bank obtains \$3 subsidies from the FHLB for every \$1 saved in a dedicated savings account for qualified low- to moderate-income homebuyers who meet the HUD income guidelines.

FHC applicants are required to open a dedicated savings account at WNB and agree to make regular deposits in the account. Participants are required to adhere to an individual deposit schedule set in consideration of each applicant's financial position. The home ownership/credit counselor (Genesis Housing Corporation) assists in determining the amount to be regularly deposited by the applicant into the WNB savings account. Applicants must participate in the "Savings Club" for a minimum of ten months, and up to a maximum of thirty months to achieve a specific amount of savings. This period of regular savings helps establish desired saving patterns, and helps incorporate the equity element into the homebuying process. Participants in the FHC also must complete the homebuyer counseling program and obtain financing through WNB. Currently, three individuals have completed the counseling program and are enrolled in the FHC program.

Investment Test

The bank has an adequate level of qualified community development investments and grants. WNB has made an aggregate amount of \$636 thousand in qualified community development investments and grants during the examination period. All investments are directly responsive to the development of affordable housing, which has been identified as one of the assessment area's primary credit needs.

During March of 1998, the bank engaged in a 10% equity investment of \$100 thousand in the

completed Delsea View Senior Assisted Living Complex project. As noted earlier in this evaluation, the project provides housing for senior citizens with low-incomes which are determined per HUD guidelines. This project was funded through a partnership between Clayton Apartments Limited Partnership and the Rural Housing Service (division of United States Department of Agriculture). Since the project is funded through equity investments and other contributions, there are no debt service requirements and costs to the tenants can be kept reasonable.

WNB holds a \$500 thousand mortgage backed security (MBS) issued by Freddie Mac which is considered a qualified investment. The MBS is backed 97% by housing loans made to low- and moderate-income borrowers. The remaining 3% of mortgage loans were made to borrowers with incomes higher than the allowable guidelines for CRA mortgage loans. Only 26% of the total mortgage loans were originated in the state of New Jersey. The remaining 74% of the mortgages do not benefit WNB's assessment area, the state of New Jersey, or a broader regional area. These loans originated from the District of Columbia and fifteen other states scattered throughout the eastern half of the United States.

WNB recently reinvested \$10 thousand in the New Jersey Community Loan Fund (NJCLF). The bank originally invested \$10 thousand to the NJCLF prior to this examination period. The fund was created solely for the purpose of creating improved housing conditions or aiding other community development needs of low- and moderate-income residents of New Jersey. Within the past two years, the NJCLF has provided \$140 thousand for community development projects in Salem and Gloucester counties.

During April of 1998, the bank made a \$25 thousand grant to Habitat for Humanity (Habitat) which will aid in the construction of low-income housing in Salem County. The grant is entirely restricted to actual construction costs of low-income housing in Salem County.

As noted under the Service Test section of this evaluation, a Vice President of the bank serves as Treasurer for the local chapter of Habitat. This responsibility is carried out during business hours at the bank's Alloway branch. WNB paid all requisite expenses associated with this endeavor which totaled \$792. Specifically, the bank purchased both the necessary computer software (QuickBooks Pro 5.0 for Windows with non-profit organization template) and filing cabinets that are used strictly in conjunction with the books and records of Habitat.

Service Test

Retail Banking Services

The bank provides banking services in Salem and Gloucester counties through seven full-service banking facilities. All seven offices offer ATMs to WNB's customers. As noted earlier in this evaluation, no branches were closed during this evaluation period while one branch was opened in a middle-income CT in Sewell, New Jersey. Offices are reasonably accessible to all parts of the assessment area. All branches are located within middle- and upper-income CTs. However, four

of the seven branch offices are located in close proximity to the nine low- to moderate-income CTs within the assessment area. Based on results from the bank's own analysis, the Sharptown, Mannington, Swedesboro, and Sewell branches are each located in distances ranging from a one to five mile radius from the nine low- to moderate-income CTs within the assessment area.

Office hours meet the convenience and needs of the entire community and include extended weekday and Saturday hours at all locations. In addition, services do not vary in any way that materially inconvenience low- and moderate-income individuals living within the assessment area. The majority of low- and moderate-income families reside within low- and moderate-income CTs. As noted above, four branches are located within close proximity to these areas. Additionally, low- and moderate-income families comprise 35% of total families living within middle-income CTs and 22% of total families residing within upper-income CTs. Offices and service delivery systems are readily accessible to all of these areas and individuals residing within these locations.

The bank provides alternative systems for delivering retail banking services to its community, including ATMs, Bank-by-Mail, and Bank-by-Phone services. Telephone banking provides customers more convenient automated access for loan and deposit account inquiries. The bank also has a website on the internet. The website discloses all services and products offered by WNB. Additionally, customers are able to send WNB electronic mail and request such information as loan applications and account disclosures.

WNB offers a standard array of products and services appropriate for an institution of its size and capacity. Consumer products include various demand deposit and savings plans priced to meet the needs of a variety of customers. WNB also offers a Special Checking Account that could appeal to low- and moderate-income customers. This non-interest bearing product has no minimum balance requirements. Loan products include fixed rate unsecured and secured consumer loans with no minimum loan amount. These consumer loan products meet the needs of low- and moderate-income customers as evidenced by the high lending levels to low- and moderate-income borrowers discussed earlier in this evaluation.

Community Development Services

WNB provides a relatively high level of community development services within its assessment area which is responsive to the needs of its assessment area. WNB works extensively with Habitat, which is a vital non-profit organization that provides affordable housing for low- and moderate-income individuals. WNB has volunteered bank officers to participate in fundraising efforts which benefit Habitat. WNB has established a Fundraising Committee that organizes different fundraising events solely for Habitat's benefit. These fundraisers started during the first quarter of 1998, with several different drives having taken place throughout the year. WNB has raised about \$3,000 for Habitat in conjunction with fundraising activities in 1998.

A Vice President of the bank serves as Treasurer for the local chapter of Habitat. This responsibility is carried out during banking hours at the bank's Alloway branch office. WNB also paid all requisite expenses associated with this endeavor. Please refer to the Investment Test

section of this evaluation for details. Additionally, the designated Treasurer recently attended a Habitat for Humanity International conference for Habitat Treasurers and Board members in Lancaster, Pennsylvania.

WNB has volunteered the services of its Compliance Officer to help standardize and administer mortgage documents for Habitat mortgage files that are housed at WNB's Alloway branch. This responsibility includes the following: the preparation of Lotus/Excel spreadsheets to ensure financial accuracy of mortgage escrow account analyses; actual preparation of initial escrow account disclosure statements; actual preparation of annual escrow account disclosure statements; and a review of mortgage loan documentation for adequacy to ensure lien positions are secured.

WNB supports the Genesis Housing Corporation, the leading home ownership counseling agency within WNB's assessment area targeted to low- and moderate-income first-time homebuyers. The bank has assisted the agency in funding, participating in, and marketing home buying seminars. The advertisements primarily promote home buying seminars offered by Genesis and the bank. The advertisements will be shown on local television stations within WNB's assessment area. Additionally, the advertisements will be shown on cable stations such as TBS, USA, Lifetime, and Nick at Nite.

Senior management also assumed an active role with the Tri County Community Agency, Inc. WNB's Chairman of the Board of Directors has served as the President for the Board of Trustees of Tri County for the last two terms. This agency plays a pivotal role in community development in the bank's assessment area. Specifically, Tri County works with Genesis Housing Corporation by rehabilitating low- to moderate-income housing units throughout the bank's assessment area. Tri County also provides credit and home ownership counseling for prospective low- and moderate-income borrowers.

Compliance with Antidiscrimination Laws

A fair lending review performed in conjunction with this CRA examination revealed that WNB is complying with fair lending regulations. We noted no practices intended to discourage or impede potential borrowers from applying for credit.

Scope of Examination			
Time Period Reviewed	January 1, 1996 through August 17, 1998		
Financial Institution: Woodstown National Bank & Trust Company Woodstown, NJ	Products Reviewed: HMDA reportable Loans Small Business Loans Small Farm Loans Consumer Loans		
Affiliates	Affiliate Relationship	Products Reviewed	
Fulton Financial Corporation Lancaster, Pennsylvania	WNB is a Wholly-Owned Subsidiary of Fulton Financial	None	
List of Assessment Areas and Type of Examination			
Assessment Area	Type of Exam	Branches Visited	Other Information
Philadelphia MSA 6160	On-Site	None	None