



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

June 25, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**U.S. Trust Company of Texas, N.A.
Charter No. 18782**

**2001 Ross Avenue
Dallas, Texas 75201**

**Office of the Comptroller of the Currency
Southwestern District
1600 Lincoln Plaza, 500 North Akard
Dallas, TX 75201**

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 U.S. Trust Company of Texas, N.A. prepared by the **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **June 25, 1997**. 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.*

SCOPE OF THE EXAMINATION

We evaluated the bank's CRA performance for the period of March 1995 to June 1997 using CRA examination procedures for Wholesale Purpose Institutions. We considered the number and dollar amount of qualifying community development loan originations, community development investments, as well as community development services rendered since the last CRA examination. We did not consider community development investments and services of the bank's affiliate companies during this review.

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

The bank has an adequate level of community development loans, community development services, and qualified investments consistent with its designation as a wholesale institution. The bank meets the credit needs of its community through originating or purchasing loans to low- and moderate-income individuals and small businesses within the bank's assessment area. The bank also provides grants to, or purchases stock in qualified community development organizations. Bank management is active in community development organizations.

Description of Institution

U.S. Trust Company of Texas, N.A. (**U.S. Trust Company of Texas**) is a wholly owned subsidiary of U.S.T.P.L.C., which is a wholly owned subsidiary of U.S. Trust Corporation, New York. U.S. Trust Company of Texas operates as a trust company and commercial bank. The company has only one office in Texas, staffed with seven employees. U.S. Trust Company of

Texas offers banking services primarily to its trust customers as an accommodation. Loan products offered include mortgage, consumer and small business loans.

As of March 31, 1997, the bank has total assets of \$ 152.9 million and trust assets of approximately \$1.2 billion. The bank's asset size increased from \$45 million in June 1996 to its current level due to approximately \$90 million in trust deposits placed in the bank by U.S. Trust Corporation, New York.

Performance Context

On October 4, 1996, U.S. Trust Company of Texas received approval for designation as a wholesale institution. A wholesale institution does not extend home mortgage, small business, small farm, or consumer loans to retail customers unless it is incidental and is done on an accommodation basis. CRA performance for a wholesale institution is assessed based on its record of meeting the credit needs of its assessment area through community development lending, qualified investments, or community development services.

Description of Dallas County

The bank defines its assessment area as Dallas County. Dallas County currently has 415 census tracts with 13% low-income, 27% moderate-income, 32% middle-income, 26% upper-income and 1% not applicable. The 1996 population was approximately 1,852 thousand. The 1996 median family income for Dallas County is \$48 thousand. The median housing value in 1996 in Dallas County is \$73,400.

Community contacts performed in Dallas County disclosed the need for affordable housing and small business loans. U.S. Trust Company of Texas offers both these loan products with the affordable home loans offered primarily through Habitat for Humanity, Inc.

Conclusions with Respect to Performance

Community Development Lending

U.S. Trust Company of Texas' volume of community development lending is reasonable given the bank's size. In 1996 and 1997, the bank originated eight home loans totaling \$334 thousand for low-and moderate individuals through Habitat for Humanity. In addition, the bank has a \$300 thousand guidance line of credit with an outstanding loan balance of \$135 thousand to Habitat for Humanity for lot acquisition and construction. The bank purchased two SBA loans totaling \$272 thousand in 1995. These loans are located in the bank's assessment area.

Qualified Investments

The bank's level of community development investments is adequate. Currently, the bank has invested \$27 thousand in the South Dallas Development Corporation (SDDC) and the Minority Enterprise Small Business Investment Corporation. In 1996, the bank made contributions totaling \$8 thousand to the SDDC, Vogel Alcove (helps fund a day care for homeless individuals) and the Center for Non-Profit Management (provides services and funding for non-profit organizations). In 1996, the Center for Non-Profit Management provided funding to the Interfaith Housing Corporation.

Community Development Services

Senior Vice President Al Childs is a board member of the South Dallas Development Fund. This organization is a subsidiary of the SDDC and is involved in providing financing for small businesses located in South Dallas. Vice President Diana Brown serves on the board of the Dallas Women's Foundation. This organization provides funding and services for low- and moderate-income women.

U. S. Trust Company of Texas, on behalf of Habitat for Humanity, applied for two \$90 thousand grants through the Federal Home Loan Bank. The bank serves as the administrator for the grant money which is used for down payments on Habitat for Humanity home loans.

Other

We identified no violations of the substantive provisions of the antidiscrimination laws and regulations.