



Comptroller of the Currency
Administrator of National Banks

Midwestern District
2345 Grand Boulevard, Suite 700
Kansas City, Missouri 64108

PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

July 9, 1997

**Norwest Bank New Mexico, National Association
Charter Number 6187
200 Lomas Boulevard, N.W.
Albuquerque, New Mexico 87102**

<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, conclusions, 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 **Norwest Bank New Mexico, National Association, Albuquerque, New Mexico** 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 **July 9, 1997**. 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 LMI 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, Norwest Bank New Mexico, National Association (Norwest) has a:

- **Satisfactory Record of Meeting Community Credit Needs.**

The purpose of CRA is to ensure that financial institutions help meet the credit needs of their local community. We rated this institution's CRA record as Satisfactory because:

- Norwest, in conjunction with its affiliate, Norwest Mortgage, Inc. (NMI), originates a significant volume of Home Mortgage Disclosure Act (HMDA) loans within its delineated communities in New Mexico;
- Norwest/NMI's geographic distribution of residential, consumer, and small business lending is reasonable;
- Norwest lends to businesses of all sizes and is highly responsive to the credit needs of small businesses and small farms; and
- Norwest participates in community development activities in its communities.

Bank Profile

Norwest is the second largest bank in New Mexico. Norwest is a wholly-owned subsidiary of Norwest Corporation, a multi-bank holding company headquartered in Minneapolis, Minnesota. Norwest Corporation had total assets of \$80 billion as of December 31, 1996.

Norwest operates 69 banking offices in 17 counties in New Mexico. A substantial portion of its community is rural and sparsely populated. Norwest is primarily a commercial lending bank with increasing activity in consumer lending. It offers traditional business and consumer products, as well as trust and investment services. As of March 31, 1997, the bank had \$2.2 billion in assets, \$1.1 billion in loans, and \$1.9 billion in deposits. As of the same date, the loan portfolio mix was 65% real estate, including 23% secured by 1-4 family residences and 37% commercial, construction and land development; 19% commercial; 15% consumer; and 2% agricultural. In addition, 92% of Norwest's deposits consist of traditional core deposits.

Norwest affiliates provide lending services throughout the bank's delineated community. NMI originates most of the purchase money and refinance residential real estate loans for Norwest. Other affiliates provide student loans and credit card services.

Community Profiles

Norwest has designated its community delineation as the following New Mexico counties in their entirety: Bernalillo, Chaves, Dona Ana, Eddy, Grant, Guadalupe, Lea, Lincoln, Luna, McKinley, Otero, Roosevelt, Sandoval, Santa Fe, Socorro, Torrence, and Valencia. This delineation includes three Metropolitan Statistical Areas (MSAs): Albuquerque MSA (Bernalillo, Sandoval, and Valencia Counties), Las Cruces MSA (Dona Ana County), and Santa Fe MSA (Santa Fe County). Common credit needs throughout the delineated communities consists of loans to small businesses and consumers for installment as well as residential purposes.

Albuquerque MSA - Based on 1990 Census data, the population was approximately 589,000. Minorities comprise 45% of the population, including approximately 37% Hispanic origin (22% of which indicate White for race and 15% indicate other races), 5% American Indian, 2% African Americans, and 1% Asian/Pacific Islanders. The MSA has 138 census tracts (CTs), of which 41 or 29% are designated as low-to-moderate income (LMI). LMI represents geographies and applicants with incomes less than 80% of the median family income. The Department of Housing and Urban Development's (HUD) 1996 MSA Median Family Income is \$42,000.

Las Cruces MSA - The 1990 Census indicated a population of approximately 136,000. Minorities comprise 59% of the population, including approximately 56% Hispanic origin (51% of which indicate White for race and 5% indicate other races), 2% African Americans, 1% American Indian, and 1% Asian/Pacific Islanders. The MSA has 23 CTs, of which 8 or 34% are designated as LMI. The HUD 1996 MSA Median Family Income is \$31,600.

Santa Fe MSA - The 1990 Census indicated a population of approximately 99,000. Minorities comprise 53% of the population, including approximately 49% Hispanic origin (33% of which indicate White for race and 15% indicate other races), 3% American Indian, and 1% African Americans. The MSA has 26 CTs, of which 9 or 35% are designated as LMI. The HUD 1996 MSA Median Family Income is \$50,600.

Non MSA portions of Norwest's delineated communities - The 1990 Census indicated a population of approximately 379,000. Minorities comprise 47% of the population, including approximately 32% Hispanic origin (21% of which indicate White for race and 10% indicate other races), 13% American Indian, 2% African Americans, and 1% Asian/Pacific Islanders. These

areas are comprised of 108 CTs, of which 35 or 33% are designated as LMI. The HUD 1996 non MSA Median Family Income is \$29,200.

Reasonableness of Delineated Community

Norwest's community delineation is reasonable and does not arbitrarily exclude any LMI areas. The delineation includes entire counties in which all of the bank's branches are located. The delineation contains approximately 98% of the bank's 1996 HMDA loan originations.

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.

- **Management maintains ongoing, meaningful contact with a wide range of individuals and groups representing various community interests.**

Norwest has developed a process that incorporates direct contact with individuals in its communities who represent housing services, small businesses, community development, and government agencies. Bank employees are members of or serve on governing boards and committees of these organizations. In addition, the bank has established Community Advisory Boards in each local community bank. This allows the bank to receive ongoing information on community credit needs. The bank's 1997 Community Reinvestment Act Statement lists the nature of these organizations and the bank's involvement with them.

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.

- **The Board of Directors and senior management have developed an effective program to meet the credit needs of the bank's community.**

Norwest uses the corporate Community Reinvestment Act Community Marketing Initiative (CMI) planning process. This process provides the framework for determining community credit needs and developing the bank's response to those needs. The plan is monitored quarterly, updated annually, and incorporates information such as demographic data, ascertainment efforts,

marketing strategies, and lending goals. A CMI plan is prepared for each community bank market in order to respond to any special local needs.

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.

- **The Board and senior management have implemented a sound marketing program designed to reach all segments of Norwest's community.**

Management annually develops a marketing plan designed to promote various products and services throughout the bank's communities. Regional advertising, directed by the marketing staff, focuses on broad based general media activities including television, radio and newspapers. Direct-mail, brochures, and product point-of-sale information are also produced. A variety of brochures are available in English and Spanish, including a Consumer Loan Application form and the Community Homeowners Program (CHOP) brochure.

Managing Officers initiate local marketing efforts. Working with the bank's marketing unit, they develop a customized marketing plan designed for their local market which includes newspaper, direct mail, and participation in community events. Norwest also uses bilingual media when applicable. This allows each market to tailor its marketing efforts to its community.

Assessment Factor I - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community.

- **Norwest originates a significant amount of housing related, small business, small farm and consumer credit in its communities.**

Norwest/NMI originated more conventional home purchase money, refinance, and home improvement loans in its delineated communities in 1995 than any other lender. That year, Norwest/NMI originated 10.5% of the HMDA loans in the market while its closest competitor originated 8.2%. In 1996, Norwest/NMI originated a similar volume of loans in the MSAs; however, the bank's lending in non MSA areas more than doubled over 1995 volume. The following table shows the volume of loans originated in 1995 and Norwest/NMI's corresponding

share of loans and ranking in the market. It also compares the volume of HMDA loans originated in 1995 to 1996 volume.

Lender Market Share

1995 HMDA Lending				1996 HMDA Lending		
Norwest/NMI by MSA	# of applicants	% Market Share - Ranking	Total Amount \$ (000s)	% Market Share	# of applicants	Total Amount \$ (000s)
Albuquerque	2,252	10.3% - 1st	\$181,764	9.9%	2,288	\$175,795
Las Cruces	335	8.9% - 2nd	27,686	12.8%	396	31,104
Santa Fe	320	7.3% - 3rd	39,842	8.2%	274	36,006
Non MSA areas	607	25.8% - 2nd	41,755	35%	1,910	85,415
Total	3,514	10.52%	\$291,047	10.63%	4,868	\$328,430

Norwest offers flexible residential real estate credit terms and conditions to LMI individuals through its CHOP. During 1995 and 1996, Norwest extended 28 or \$9.7 million and 79 or \$6.6 million purchase money CHOP loans, respectively, in New Mexico. CHOP loans are included in the tables above. During 1995 and 1996, 100% and 98%, respectively, of Norwest's conventional real estate related loans were extended to applicants living within Norwest's delineated communities.

Norwest also originates direct and indirect consumer instalment loans and lines of credit. In 1996, the bank originated 12,490 secured and unsecured loans and lines of credit totaling \$125 million in its communities.

Norwest is an active small business lender. As per CRA data reporting requirements, Norwest collected data on small business and small farm loans originated in 1996. Using this data, Norwest produced internal reports for this Evaluation. Note that the data was not fully validated by examiners. The following table represents small loans (\$1 million or less at origination) to small businesses (those with less than \$1 million in gross revenues) extended by Norwest in 1996.

1996 Small Business Lending								
MSA	<= \$100 thousand		>\$100 thousand < 250 thousand		\$250 thousand < \$1 million		Total	
	# of loans	Total Amount \$ (000s)	# of loans	Total Amount \$ (000s)	# of loans	Total Amount \$ (000s)	# of loans	Total Amount \$ (000s)
Albuquerque	1,042	\$38,577	199	\$33,611	86	\$41,036	1,327	\$113,224
Las Cruces	113	4,754	27	4,525	16	6,976	156	16,255
Santa Fe	67	2,831	16	2,769	8	4,397	91	9,997
Non MSA areas	1,245	33,279	111	16,991	39	17,865	1,395	68,135
Total	2,467	\$79,441	353	\$57,896	149	\$70,274	2,969	\$207,611

Assuming that loan size is an indicator of the size of the borrowing entity, the data indicates that Norwest lends to businesses of all sizes. Of the \$208 million in small loans, 83% of the number and 38% of the dollar amount was granted in original loan amounts of \$100 thousand or less. The highest portion of small loans were originated in the non MSA areas of the state where small loans represented 89% of the number and 49% of the dollar amount.

In Albuquerque, Norwest has established the Business Solutions Center which targets small businesses with established operations and annual revenues of \$2 million or less. It handles credit requests of \$250 thousand and less with no minimum loan size.

Norwest actively lends to small farms. The following table shows the volume of small loans (those originated in amounts of \$500 thousand or less) granted to small farms (those with gross revenues of \$1 million or less) by Norwest.

1996 Small Farm Lending								
MSA	<= \$100 thousand		>\$100 thousand <250 thousand		\$250 thousand < \$500 thousand		Total	
	# of loans	Total Amount \$ (000s)	# of loans	Total Amount \$ (000s)	# of loans	Total Amount \$ (000s)	# of loans	Total Amount \$ (000s)
Albuquerque	53	\$ 933	2	\$ 474	1	\$ 500	56	\$1,907
Las Cruces	12	491	0	0	1	292	13	783
Santa Fe	11	246	1	155	0	0	12	401
Non MSA areas	573	15,110	56	9,468	24	8,634	653	33,032
Total	649	\$16,780	59	\$10,097	26	\$9,426	734	\$36,123

More than 88% of the small farm loans were originated in amounts of \$100 thousand or less. Naturally, the largest volume of small farm lending (89%) is in non metropolitan areas. The table indicates that Norwest is highly responsive to the credit needs of small farms throughout its delineated communities.

Per Norwest's internal reporting systems, the bank originated approximately \$637 million in residential, consumer, small business, small farm, and home equity loans and lines of credit in 1996. Of these loans, 95% were originated inside its delineated community.

Assessment Factor J - The institution's participation in governmentally-insured, guaranteed or subsidized loan programs for housing, small businesses, or small farms.

- **Norwest participates in government-related lending programs for small business and housing.**

NMI was active in government related real estate loan programs in 1995 and 1996. In 1995, NMI originated \$40 million or 467 loans to applicants living within Norwest's community delineations. Based on the number of loans originated, this volume represents 10% of the total market share of government related loans made in Norwest's communities. In 1996, the bank's performance was very similar. Norwest originated \$40 million or 448 loans to applicants living within its communities. Government loans include those sponsored by the Federal Housing Authority (FHA), the Department of Veteran's Affairs (VA), and the Farmers Home Administration (FmHA) for purchase money and refinance purposes. The following tables show the volume of lending in 1995.

NMI Lender Market Share

VA/FHA Lending							
MSA	1995 Lending Volume	1995 Lending Percent	1995 % Market Share	1995 Amount \$ (000s)	1995 % Market Share	1996 Lending Volume	1996 Lending Percent
Albuquerque	263	56%	6.62%	\$27,008	7.37%	195	43%
Las Cruces	50	11%	11.09%	\$3,739	11.74%	65	15%
Santa Fe	9	2%	6.77%	\$782	5.67%	18	4%
Non MSA areas	145	30%	45.74%	\$8,677	45.57%	170	36%
Total	467	100%	9.58%	\$40,206	9.32%	448	100%

In addition to traditional business banking, Norwest is an active Small Business Administration (SBA) lender with a Preferred Lender status. The table below details lending volume for 1995 & 1996:

	1995 SBA Lending		1996 SBA Lending	
	Number	Dollars (000s)	Number	Dollars (000s)
504 Program	8	\$ 3,624	22	\$8,052
7(a) Program	41	8,033	26	4,844
LowDoc Program	37	2,101	22	1,207
Total	86	\$ 13,658	70	\$ 14,103

More than half of the SBA loans made by Norwest in the 1996 fiscal year (42 loans totaling \$10,284 thousand) were originated in the Albuquerque area where the bank ranked first in SBA lending.

Norwest Bank South Dakota, National Association continues to originate student loans through the government guaranteed Stafford loan program on behalf of Norwest. In 1995 and 1996, this affiliate originated more than 4,600 student loans totaling \$12 million in New Mexico.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

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

- **Norwest/NMI shows a reasonable distribution of loans within and throughout its delineated community, including LMI areas.**

Norwest and its mortgage affiliate originated more than \$291 million in HMDA reportable loans in 1995. Of the \$291 million in originated loans, approximately \$14 million (5% of the total) was granted in LMI areas, representing 290 (8%) of the number of originated loans. The following chart demonstrates that Norwest/NMI's share of lending in LMI geographies was lower than its overall share of HMDA lending in all of the MSAs. However, the bank's share of residential lending in non MSA areas is significantly higher than its overall market share. Based on the small number of loans originated by all lenders in the non MSA counties, it indicates that Norwest is responsive to the residential lending needs of the under served, rural areas of its communities. The following table shows Norwest/NMI's volume of lending, market share percentages and ranking in MSA and non-MSA areas of its communities.

Lending in LMI Census Tracts

1995 HMDA Lending					
Norwest/NMI by MSA	Lending Volume	% Market Share	Rank in Market Place	Total Amount \$ (000s)	% Market Share
Albuquerque	213	6.5%	4	\$9,474	5.2%
Las Cruces	15	1.8%	8	665	1.9%
Santa Fe	24	2.3%	13	2,757	4.0%
Non MSA areas	38	48.1%	N/A	\$1,835	56.9%

Note: For many loans, the bank did not provide or could not determine the census tract or Block Numbering Area (BNA). Therefore, the total loans above will not agree with other tables shown. Readers should be aware that not all of Norwest's competitors are HMDA reporters in the non-MSA areas. As a result, ranking is not applicable.

Norwest/NMI's lending based on applicant income shows a higher responsiveness to the credit needs of LMI applicants in the MSAs. Overall, Norwest's market share of LMI applicant loans is most favorable in the Albuquerque market, where its share of loans is similar to its overall market share of HMDA lending.

Lending to LMI Applicants

1995 HMDA Lending					
Norwest/NMI by MSA	Lending Volume	% Market Share	Rank in Market Place	Total Amount \$ (000s)	% Market Share
Albuquerque	526	9.6%	4	\$24,401	9.7%
Las Cruces	33	3.9%	7	1,370	6.6%
Santa Fe	75	5.5%	3	5,981	9.6%
Non MSA areas	71	14.9%	N/A	2,872	20.9%

A comparison of Norwest/NMI's performance to the geographic characteristics of its communities shows that the bank is doing a reasonable job of reaching the LMI areas of its communities. The comparison includes the bank's lending by census tract and by applicant income. In their delineated communities, LMI geographies represent 25%, middle-income geographies represent 43% and upper-income geographies represent 24% of the bank's communities.

HMDA Lending as % of Total Number of Loan Originations by Geography

Type of Census Tract/BNA*	NMI Lending				Norwest Lending			
	1995 Lending Volume	1995 Lending Percent	1996 Lending Volume	1996 Lending Percent	1995 Lending Volume	1995 Lending Percent	1996 Lending Volume	1996 Lending Percent
LMI	136	6%	169	7%	154	15%	491	21%
Middle Income	922	37%	942	37%	349	34%	1,286	55%
Upper Income	881	35%	973	39%	261	26%	570	24%
CT/BNA Not Available	558	22%	437	17%	253	25%	0	0%

Middle Income represents applicants with income 80% - 120% of median income. Upper Income represents applicants with income greater than 120% of median income. BNAs are a Bureau of Census statistical subdivision of counties for which census tracts have not been established.

Although market share information was not available during this review, Norwest's volume of lending to LMI applicants in 1996 was proportionately similar to its lending in 1995. A comparison of Norwest/NMI's lending to applicant income characteristics of persons living in its communities indicates that Norwest/NMI is responsive to applicants of all income levels. On a

combined basis, 39% of applicants were LMI, 21% were middle-income, and 41% were upper-income. The following table shows Norwest's 1995 HMDA lending volume compared to 1996.

HMDA Lending as % of Total Number of Loan Originations by Applicant Income

Type of Applicant	NMI Lending				Norwest Lending			
	1995 Lending Volume	1995 Lending Percent	1996 Lending Volume	1996 Lending Percent	1995 Lending Volume	1995 Lending Percent	1996 Lending Volume	1996 Lending Percent
LMI	343	14%	390	15%	362	36%	729	31%
Middle Income	622	25%	520	21%	183	18%	539	23%
Upper Income	1,506	60%	1,128	45%	415	41%	1,011	43%
Income Not Avail.	26	1%	483	19%	57	5%	68	3%

Norwest's distribution of small business lending in its communities is reasonable and shows good responsiveness to the credit needs of small businesses. The following table compares Norwest's geographic distribution of small business lending to the income characteristics of its geographies.

1996 Small Business Loans by Income Level of Census Tract/BNA						
Income Level of Census Tract or Block Numbering Area	Small Loans to Small Businesses Originated in Norwest's Delineated Communities				Tract Characteristics of Norwest's New Mexico Communities	
	# of Loans	%	\$ Amount (000s)	%	# of Census Tracts	%
Low to Moderate Income	713	24%	\$48,754	23%	93	31%
Middle Income	1,297	44%	79,283	38%	127	43%
Upper Income	961	32%	82,044	39%	72	24%
Other	2	0%	163	0%	3	1%
Total	2,973	100%	210,244	100%	295	100%

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

- **Norwest's offices are reasonably accessible to all segments of the community.**

Norwest operates 69 full service banking offices in 38 New Mexico communities. Twenty-two or 32% of the branches are in LMI geographies. Certain locations offer trust, investment and insurance services through the bank or affiliated companies. Eighteen of the 60 Norwest Automatic Teller Machines (ATMs) are in LMI geographies and all offer a Spanish language option. Norwest also offers 24-hour toll-free phone service for taking loan applications, conducting deposit transactions, and making limited credit transactions. Refer to the Norwest Location Guide for specific information on branch locations and hours.

Norwest closed one office during 1995 and 1996. Although the branch was located in a LMI geography, it had been acquired through a bank acquisition and was located less than one half mile from Norwest's main office.

During 1996, a new branch was opened in Dulce, New Mexico. It is located on and primarily serves the Jicarilla Apache Reservation. In the county, 88% of the households are American Indian. The branch is in a middle-income BNA; however, it borders a moderate income area, Tierra Amarilla, which is one of the more depressed areas of the state. The branch is the only banking office in Dulce. Although it is a full-service branch, its lending officer typically travels from Cuba, New Mexico (approximately 65 miles away) to meet with loan customers one or more days per week.

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).

- **We found no practices intended to discourage applicants for any type of credit listed on the bank's CRA Statement.**

The bank solicits applications from all portions of its community, including LMI areas. Corporate policies set forth basic fair lending requirements. All loan-related employees receive regular training on fair lending regulations. The bank has an independent second review program for all potential HMDA reportable denials.

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

- **The bank meets the substantive provisions of antidiscrimination laws and regulations.**

We did not identify any instances in which Norwest denied credit to similarly situated applicants based on the applicant's gender. We performed a comparative analysis of direct unsecured loan applications to determine whether applicants with comparable qualifications received similar treatment. The sample included 21 denied female applications and 84 approved male applications originated between January 1, 1996 and December 31, 1996.

V. COMMUNITY DEVELOPMENT

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

- **Norwest participates in community development programs, providing technical expertise and financial support throughout its community.**

Examples of community development involvement by Norwest and NMI include:

- During 1995 and 1996, Norwest provided a \$100,000 revolving line of credit to ACCION New Mexico, a non-profit micro-lender in the Albuquerque area. ACCION (Spanish version of the word action) offers a "step-up lending" program beginning with loans as small as \$500 and up to a maximum of \$25,000. ACCION also provides technical assistance to new businesses. Norwest provided more than \$40,000 in cash and in-kind services in 1995 and 1996 to support ACCION's operations. In addition, a senior vice president of Norwest served on the Board of Directors in 1995 and 1996.
- Throughout the evaluation period, Norwest continued to provide a revolving line of credit to the New Mexico Development Loan Fund, Inc. (NMDLF), a non-profit economic development organization. NMDLF provides guaranteed and direct loans and technical assistance to economically disadvantaged businesses. Its focus is economic development in rural New Mexico. Loans are made for the development of affordable housing, creation and preservation of jobs and the provision of basic human services in low-income communities. Both the \$100,000 revolving line of credit and \$50,000 term loan are used to fund loans to NMDLF borrowers. Norwest has also provided a \$10,000 two-year grant to support operations.
- In 1996, Norwest provided the Laguna Rainbow Corporation \$3 million for construction and land development, as well as for operating funds and term financing. This non-profit, nursing care facility for the elderly is 100% owned by Laguna Pueblo. The primary source of repayment is Medicaid entitlement from LMI patients. A treasury note secures the loan.

- In 1997, Norwest sponsored a \$25,000 grant from NMI to finance the construction of an LMI home in Silver City, New Mexico. The grant is part of Norwest Housing Foundation's pledge to Habitat for Humanity's International Rebuilding Our Communities campaign.
- In 1996, Norwest funded four loans totaling approximately \$26,000 for emergency home repair and weatherization. The low-income applicants were referred to Norwest through the Midwest New Mexico Community Action Program's (Midwest CAP) weatherization program in Belen, New Mexico.
- In 1996 and 1997, Norwest issued letters of credit totaling \$8.6 million to two manufacturing plants desiring to expand their operations. Both plants are located in an LMI census tract in the southwest valley of Albuquerque. Both expansions significantly improve employment opportunities of LMI residents in the area.

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.

- **Norwest's efforts to meet community credit needs are consistent with its size and resources.**

Norwest has sufficient resources to meet the credit needs of its community. The bank also has access to additional resources through its Norwest affiliates, including NMI, Norwest Investment Services, Inc., Norwest Funding, Inc. and Norwest Business Credit, Inc. Norwest has demonstrated its willingness to support the development and implementation of programs and products to meet community growth and redevelopment needs. No other legal impediments or factors limit the bank's efforts.

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

- **Norwest has engaged in other meaningful activities that contribute to its efforts to help meet the community's credit needs.**

Such activities have included sponsoring home ownership and credit education seminars as well as small business training sessions. The bank also provides financial assistance to organizations that support the needs of LMI people.

ADDITIONAL INFORMATION

Examination Profile

The scope of our examination included an analysis of the bank's 1995 and 1996 HMDA lending as well as 1996 consumer and small business/small farm lending. Community development activity included some 1997 activity. We reviewed information prepared by bank management and obtained through contacts with community groups and government offices.

Home Mortgage Disclosure Act

Federal law requires Norwest to gather home loan data for the Albuquerque, Las Cruces, and Santa Fe MSAs. Individuals may obtain this information from the following office:

Government Documents Section
Zimmerman Library
University of New Mexico
Albuquerque, New Mexico 87108
(505) 277-5441

The Office of the Comptroller of the Currency (OCC) is the regulatory agency responsible for the supervision of this bank. If you should have comments regarding this bank's performance under the CRA or questions regarding the Act, contact the OCC Midwestern District Office, 2345 Grand Boulevard, Suite 700, Kansas City, Missouri 64108.