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Comptroller of the Currency  
Administrator of National Banks

LARGE BANK

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## **PUBLIC DISCLOSURE**

February 8, 1999

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**First National Bank of Naples  
Charter Number 21830**

**900 Goodlette-Franke Road  
Naples, Florida 33940**

**Office of the Comptroller of the Currency  
Southeastern District  
Marquis One Tower, Suite 600  
245 Peachtree Center Avenue, NE  
Atlanta, GA 30303**

**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.**

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## GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **First National Bank of Naples (FNB-Naples)** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of February 8, 1999. The agency evaluates performance in assessment areas, 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.

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

The factors supporting the bank's overall rating include:

- good responsiveness to assessment area credit needs;
- a high percentage of home mortgage and small business loans made within the assessment area;
- adequate penetration of small business loans throughout the assessment area based on the location of the business;
- very good loan penetration to small businesses based on loan size;
- adequate distribution of home mortgage loans within the assessment area and among borrowers of different income levels;
- very good use of flexible lending practices to serve assessment area credit needs;
- an good level of investments throughout the assessment area; and
- a high level of community development services provided.

The following table shows the performance level of **First National Bank of Naples** with respect to the lending, investment, and service tests.

<b>Performance Levels</b>	<b>First National Bank of Naples Performance Tests</b>		
	<b>Lending Test*</b>	<b>Investment Test</b>	<b>Service Test</b>
Outstanding			
High satisfactory	<b>X</b>	<b>X</b>	<b>X</b>
Low satisfactory			
Needs to improve			
Substantial noncompliance			

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

### **Description of Institution**

First National Bank of Naples is a subsidiary of F.N.B. Corporation, headquartered in Hermitage, Pennsylvania with total assets of \$3 billion at year end 1998. At year end 1998, FNB-Naples had total assets of \$664 million (22% of holding company), total loans of \$486 million (21% of holding company), and total deposits of \$519 million (20% of holding company). At December 31, 1998, the bank's loan-to-deposit ratio was 94%. Table 1 shows the loan mix of the bank:

<b>DISTRIBUTION OF LOANS OUTSTANDING DECEMBER 30, 1998 TABLE 1</b>		
<b>Type of Loan</b>	<b>Amount (000's)</b>	<b>Percent</b>
Residential Real Estate	183,013	38%
Commercial Real Estate	127,481	26%
Commercial and Industrial	54,266	11%
Consumer	62,640	13%
Other	59,212	12%
Total	486,612	100%

### **Description of Assessment Area (AA)**

Naples, Florida is one of the more affluent resort and retirement areas in the State of Florida. Of the 20 metropolitan statistical areas (MSAs) in the state, the Naples MSA had the highest estimated median family income (\$51,300 for 1997) according to the U.S. Department of Housing and Urban Development. A large percent of Naples' population are retirees. Approximately 24% of the population is 65 years of age or older. Naples' economy is seasonal and its population is a mix of wealthy retirees and low waged workers. Seventy percent (70%) of Naples' population is employed in low paying jobs such as retail, services, and the hospitality industry. Tourism and construction are also vital industries. The area's largest employers include Naples Community Hospital, Publix Grocery Stores, and Marriott Resorts International. In March 1998, Collier County's unemployment rate was 3.1% compared to 4.4% for the State of Florida.

FNB - Naples has defined 23 of 31 census tracts in the Naples Metropolitan Statistical Area (MSA) as its assessment area (AA). The 23 geographies are contiguous and do not arbitrarily exclude low or moderate income areas. Designating the entire MSA would create an area the bank cannot reasonably be expected to serve. The bank's assessment area had a population of 116,869 according to the 1990 census. The AA 1990 census median family income was \$44,999. The 1998 updated Department of Housing and Urban Development (HUD) median family income was \$54,100. Tables 2 and 3 show the income level distributions of geographies and families based on 1990 census data.

<b>ASSESSMENT AREA DEMOGRAPHICS</b>				
<b>Table 2</b>				
<b>Income Level of Geographies</b>	<b># of Geographies</b>	<b>% of Total Geographies</b>	<b>Families in Geographies</b>	<b>% of Families in Geographies</b>
<b>Low</b>	1	4%	256	1%
<b>Moderate</b>	0	0%	0	0%
<b>Middle</b>	12	52%	25,519	73%
<b>Upper</b>	10	44%	9,041	26%
<b>Total</b>	23	100%	34,816	100%

Table 3 shows the distribution of families in the assessment area by income level.

<b>DISTRIBUTION OF FAMILIES IN AA BY INCOME LEVEL</b>		
<b>Table 3</b>		
<i>Income Level</i>	<i># of Families</i>	<i>% of Total</i>
<b>Low</b>	4,874	14%
<b>Moderate</b>	6,963	20%
<b>Middle</b>	8,356	24%
<b>Upper</b>	14,623	42%
<b>Total</b>	34,816	100%

The AA had 71,660 housing units. The median housing value for the bank's assessment area was \$159,407 per the 1990 census with a median year built in 1980. Because of the high cost of real estate in Naples, it is difficult for low and moderate income people to afford to buy homes. Political opposition by local governing bodies adds to real estate developers' difficulty and expense of building low income housing. Many people who work in Naples cannot afford to live there. Table 4 shows how the owner-occupied units are distributed among geography income levels.

<b>HOUSING CHARACTERISTICS</b>		
<b>Table 4</b>		
<i>Geography Income Level</i>	<i># of Owner-Occupied Units</i>	<i>% of Total</i>
<b>Low</b>	100	.3%
<b>Middle</b>	24,743	70.3%
<b>Upper</b>	10,342	29.4%
<b>Total</b>	35,185	100.0%

First National Bank of Naples has strong competition throughout its assessment area in all product lines. In addition to subsidiaries of large inter-state banks, there are community banks and thrift institutions, as well as mortgage brokerage and investment firms which offer similar services and products.

Contacts with community groups identified affordable housing for low and moderate income residents, particularly multifamily housing, as the primary credit need in Naples. Some privately owned subsidized housing is available, but not enough to provide for all low and moderate income persons who live and work in Collier County. Community groups contacted included a civil rights organization and a local government organization responsible for promoting affordable housing.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### *Scope of Review*

This review covered the time period from January 1, 1997 to December 31, 1998. Residential real estate loans and small business loans originated during this evaluation period were evaluated. Consumer loans were not evaluated. The bank made no small farm loans during the evaluation period.

## LENDING TEST

### Lending Activity

Loans originated during the evaluation period reflected good responsiveness to the credit needs of the bank's assessment areas. As noted in the **Description of the Assessment Area** section of this report, community contacts identified affordable housing loans as a principal credit need of the AA. Trends are good, with the rate of combined originations of HMDA and small business loans during 1998 ahead of 1997 both in terms of numbers and dollars. The results of individual loan products vary. Table 5 shows the distribution of assessment area originations during the evaluation period.

<b>LOAN ORIGINATIONS DURING EVALUATION PERIOD</b>						
<b>Table 5</b>						
<b>Loan Type and Year</b>	<b>Total # Originated &amp; Bought</b>	<b>Total \$ Originated &amp; Bought (000's)</b>	<b>Number Originated &amp; Bought Inside AA</b>	<b>Percent # Originated &amp; Bought Inside AA</b>	<b>\$ (000's) Originated &amp; Bought Inside AA</b>	<b>Percent # Originated &amp; Bought Inside AA</b>
Home Mortgages	306	38,392	272	89%	35,979	94%
Small Business	737	33,725	652	88%	29,423	87%
<b>Total 1997</b>	<b>1,043</b>	<b>72,117</b>	<b>924</b>	<b>89%</b>	<b>65,402</b>	<b>91%</b>
Home Mortgages	585	71,054	523	89%	64,396	91%
Small Business	895	46,219	779	87%	39,542	86%

<b>Total 1998</b>	<b>1,480</b>	<b>117,273</b>	<b>1,302</b>	<b>88%</b>	<b>103,938</b>	<b>89%</b>
<b>Grand Total</b>	<b>2,523</b>	<b>189,390</b>	<b>2,226</b>	<b>88%</b>	<b>169,340</b>	<b>89%</b>

The primary cause of the significant increase in the number of home mortgage loans from 1997 to 1998 was more refinancings due to lower interest rates. During 1997, there were 29 refinancings compared to 207 refinancings during 1998. Another reason for increased home mortgage volume included changing affordable home loan programs and adjustable rate mortgages (ARMs) to make them more flexible and, hence, more competitive. The bank also joined the Collier County Loan consortium in February 1998 which increased production.

### **Assessment Area Concentration**

A substantial majority of the bank's loans (89% in 1997 and 88% in 1998) were originated in the assessment area. Columns five and seven of Table 5 show the percent of loans in terms of number and dollars, respectively, originated in the bank's AA during 1997 and 1998.

### **Geographic Distribution of Loans**

Loans originated during the evaluation period were distributed adequately throughout the assessment area. Tables 6 and 7 show the distribution of loans by product type and among different geographies. There were no conspicuous geographic gaps in the bank's lending patterns. The distribution of housing-related and small business loans is discussed separately in subsequent sections of this Public Performance Evaluation.

### **Residential Mortgage Loans**

Given the demographics of the assessment area, the distribution of housing-related loans was adequate. The percent of loans subject to the Home Mortgage Disclosure Act (HMDA) originated during this evaluation period was comparable to the percent of owner-occupied units in low, middle and upper income geographies. Table 6 shows that less than 1% of the bank's HMDA loans originated in low income tracts compared to less than 1% of owner-occupied units being in low income tracts. The bank's performance during 1997 also paralleled market performance in low, middle and upper geographies. All HMDA reporters, on average, originated less than 1% of their HMDA loans in low income tracts, which was

comparable to FNB-Naples. Market data was not available for 1998. There were no moderate income geographies in the AA.

<b>GEOGRAPHIC DISTRIBUTION OF HOME MORTGAGE LOANS INSIDE AA</b>						
<b>Table 6</b>						
<b>Owner Occupied Housing Units</b>		<b>1998</b>		<b>1997</b>		
<b>Tract Income Level</b>	<b># %</b>	<b># Loans % Total</b>	<b>\$ (000's) % Total</b>	<b># Loans % Total</b>	<b>\$ (000's) % Total</b>	<b>Market Performance(a)</b>
Low	99 .3%	1 0.2%	46 0.1%	1 0.4%	4 0.1%	0.2%
Moderate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle	24,743 70.3%	343 65.6%	30,681 47.7%	174 64.0%	13,435 37.3%	63.4%
Upper	10,343 29.4%	179 34.2%	33,669 52.2%	97 35.6%	22,540 62.6%	36.4%
Total	35,185 100.0%	523 100.0%	64,396 100.0%	272 100.0%	35,979 100.0%	100.0%

(a) **The market consists of HMDA reporters in the bank's assessment areas. Market performance is based on the number of loans as a percent of the total.**

The 1998 annual updated information obtained from Claritas Data Service identified 4 census tracts in the bank's assessment area (105.01, 105.02, 107, 108) as being moderate income census tracts based upon median family income of \$54,100. These census tracts were identified as middle income tracts in the 1990 census information. Considering the changes that have taken place in Collier County in the past 8 years, this updated information lends additional support to the bank's lending efforts in moderate income census tracts in their assessment area.

*Small Business Loans*

The distribution of small business loans showed adequate penetration throughout the assessment area. During the evaluation period, the banks 1% level of small business lending in low income geographies approximated the 2% of businesses in low income geographies. See Table 7 for additional detail regarding geographic distribution of small business and small farm loans.

<b>GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS INSIDE AA</b>										
<b>Table 7</b>										
<b>Geography Designation</b>	<b>Businesses By Location</b>		<b>1998</b>				<b>1997</b>			
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$(000 )</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$(000 )</b>	<b>%</b>
Low Income	184	2%	7	1%	287	1%	9	1%	376	1%
Moderate Income	0	0%	0	0%	0	0%	0	0%	0	0%
Middle Income	5,731	73%	530	68%	22,662	57%	457	70%	16,961	58%
Upper Income	1,963	25%	242	31%	16,593	42%	186	29%	12,086	41%
Total	7,878	100%	779	100%	39,542	100%	652	100%	29,423	100%

### **Borrower's Profile**

Loans originated during the evaluation period were distributed adequately among retail customers of different income levels. Distribution among business customers of different

sizes was very good. Tables 8 and 9 show the distribution of residential and small business loans.

Residential Mortgage Loans

The bank’s distribution of HMDA loans to low and moderate income borrowers was adequate.

Table 8 shows that the percent (by number) of HMDA loans originated to low and moderate income borrowers during 1997 was 7% and 17%, respectively. These percentages were comparable to the 7% and 19% market performance to low and moderate income borrowers, respectively. During 1998, the level of HMDA lending to low and moderate income borrowers increased slightly over 1997 levels. The bank’s 20% HMDA lending level to moderate income families during 1998 paralleled the 20% of moderate income borrowers residing throughout the bank’s assessment area. The bank’s 7% lending level to low income borrowers during 1998 was less than the 14% of low income families residing throughout the bank’s assessment area. The lack of affordable housing was identified as a primary credit need. The bank has done an adequate job meeting this need.

<b>DISTRIBUTION OF HOME MORTGAGE LOANS INSIDE AA BY BORROWER INCOME</b>						
<b>Table 8</b>						
<b>Family Income</b>		<b>1998</b>		<b>1997</b>		
<b>Distributions of Families</b>	<b>%</b>	<b># Loans % Total</b>	<b>\$ (000's) % Total</b>	<b># Loans % Total</b>	<b>\$ (000's) % Total</b>	<b>Market Performance(a)</b>
Low	14.2%	37 7.1%	2,049 3.2%	18 6.6%	446 1.2%	6.7%
Moderate	19.6%	106 20.4%	7,521 11.8%	47 17.3%	2,020 5.6%	18.6%
Middle	24.5%	110 21.0%	8,678 13.5%	53 19.5%	3,310 9.2%	20.0%
		214	41,437	135	28,021	

Upper	41.7%	40.8%	64.2%	49.6%	77.9%	50.5%
Income Not Available	0.0%	56 10.7%	4,711 7.3%	19 7.0%	2,182 6.1%	4.2%
Total	100.0%	523 100.0%	64,396 100.0%	272 100.0%	35,979 100.0%	100.0%

- (a) **The market consists of HMDA reporters in the bank's assessment areas. Market performance is based on the number of loans as a percent of the total.**

### Small Business Loans

Table 9 shows very good loan penetration among business customers of different size. In 1997 and 1998, 91% and 89%, respectively, of loans to businesses were for amounts of \$100,000 or less. Almost all small business loans originated during the evaluation period were to businesses with annual revenues less than \$1 million. During 1997 and 1998, 84% and 83%, respectively, of the of loans (#) in Table 9 were to small businesses with annual revenues less than \$1 million.

<b>DISTRIBUTION OF SMALL BUSINESS LOANS BY LOAN SIZE INSIDE AA</b>								
<b>Table 9</b>								
<b>Loan Size</b>	<b>1998</b>				<b>1997</b>			
	<b>#</b>	<b>%</b>	<b>\$(000)</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$(000)</b>	<b>%</b>
Less than or equal to \$100,000	696	89%	14,330	36%	596	91%	12,186	41%
Between \$100,000 and \$250,000	46	6%	8,141	21%	25	4%	4,239	14%
Greater than \$250,000	37	5%	17,071	43%	31	5%	12,998	45%
Total	779	100%	39,542	100%	652	100%	29,423	100%

### Community Development Lending Activities

The bank made no community development loans during this evaluation period.

### Flexible and/or Innovative Lending Programs

The bank participates in flexible lending programs within its assessment area which are very responsive to identified credit needs. These loan products are available at all full service banking offices. Special programs in which the bank participates are described below.

- *Collier County Loan Consortium.* FNB-Naples has taken a leadership role in this 12 member bank lending consortium that facilitates the acquisition of affordable housing for low and moderate income borrowers in Collier County. The consortium helps applicants prequalify for credit by assisting with budget planning and improving credit histories. This stage takes about 6 months. The consortium then helps participants complete loan applications and obtain mortgage loans from member banks. FNB-Naples joined the consortium in February 1998 and its present \$3 million commitment is the largest of the 12 member banks. A FNB-Naples officer is also Chairman of the Board of the consortium. During 1998, this bank's 18 loans totaling \$1,677,815 was more than any other consortium member.
- *Own-A-Home Program.* This proprietary bank program is designed to offer affordable home loans to low and moderate income individuals. The program offers low down payments, reduced closing costs, elimination of private mortgage insurance requirements, high loan-to-value (LTV) guidelines, and relaxed underwriting standards. During 1997, 22 loans totaling \$2,050,270 were originated. During 1998, 98 loans totaling \$8,977,009 were originated.
- *Collier County Micro Enterprise Corporation (CCMC).* This organization, started in November 1998, offers a micro loan program for very small businesses of low and moderate income people. Through a Community Advisory Board coordinated by an officer at FNB-Naples, the CCMC offers a Management Development Program including a small dollar amount business loan with a maximum limit of \$5,000. The program provides initial and ongoing consultation and support for the borrower. Because of the newness of the program, no loans were made during 1998.
- *Farmers Home Administration (FmHA) Loan Program.* This program, targeted for low and moderate income borrowers, offers more flexible terms than standard mortgages including 100% financing, no down payments, no required mortgage insurance, and financing of closing costs. Loans are 100% guaranteed by the FmHA. During 1998, the bank originated 2 loans totaling \$183,000. During 1997, 4 loans totaling \$333,200 were originated.
- *Community Home Buyers Program - Federal National Mortgage Association (FNMA)* Fixed rate mortgage program for low income applicants whose income does not exceed 100% of the published HUD updated median family income. The program allows a maximum loan-to-value ratio of 95%. Three percent (3%) of the 5% down

payment must be from the borrower's own funds but the remaining 2% can be from gifts, grants, or an unsecured loan. The qualifying ratios are 33% for housing debt and 40% overall. Credit histories can be developed from utility and rent payments. The program requires PMI and an escrow account for taxes and insurance. Also, the borrower must be certified in a home ownership training class. During 1997, the bank originated 2 loans totaling \$116,500. No loans were made under this program during 1998.

- *Chase Manhattan Affordable Home Program.* This program is similar to the FNMA Home Buyer's program and is targeted for low and moderate income borrowers. The 5% down payment requirement is the same. The difference is in the amount of down payment that must come from the borrower's own funds. In this program, only 2% of the down payment must be from the borrower's own funds. The remaining 3% of the down payment can come from a loan or be gifted or from grants. During 1997, 2 for \$116,500 were originated. No loans were made under this program during 1998.
- *Ginger Mae Program.* This is a subprime lending program with extremely liberal credit terms, especially regarding credit history. Under this program, derogatory credit does not have to be satisfied. The bank sells all these loans to Ginger Mae. Most of the applicants are low and moderate income people. Loans originated under this program during 1997 - 7 for \$733,000. During 1998, 5 loans totaling \$523,000.

## **INVESTMENT TEST**

The following community development opportunities are generally available in the bank's assessment area: donations and contributions to community development organizations and community development securities. The last HUD Consolidated Plan in 1995 stated that there was no public housing within the city limits of Naples. The only Federal funds available at that time were \$350,000 in Community Development Block Grant funds. The city of Naples entered into an agreement with Collier County to administer State of Florida Housing Initiative (SHIP) program funds. The bank makes SHIP assisted loans in conjunction with its *Own-A-Home* loan program. Private programs for affordable housing include local affordable housing programs and loan consortiums. FNB-Naples offers affordable home mortgage programs and participates in a loan consortium that provides affordable housing for low and moderate income people. Given opportunities available, the bank made a good level of qualified investments.

During this evaluation period, the bank made \$568,290 in qualified investments. None of the investments are considered innovative or complex. A breakdown of qualified investments is shown below:

- 500,000 Housing Finance Authority of Lee County, Florida Bonds issued for the express purpose of providing adequate residential housing for persons and families of low and moderate income. This Housing Finance Authority serves 5 counties: Lee, Collier, Charlotte, Hendry, Glades. The payment of the bond is secured pass thru certificates issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), or the Federal Home Loan Mortgage Corporation.
- 68,290 in donations to and contributions to organizations that support activities needed by low and moderate income areas and persons.

**SERVICE TEST**

The bank’s delivery systems are reasonably accessible to different geographies and persons of different income levels. The bank has provided an high level of community development services.

**Branch Distribution**

FNB-Naple’s delivery systems are reasonably accessible to different geographies and persons of different income levels. Given the demographics of the area and the bank’s lending philosophy, the bank has an adequate distribution of branches in geographies of different incomes. The bank has no branch located in the low income tract in its assessment area. See Table 10. However, there is a branch located in an upper income tract that is within walking distance of the low income tract. According to updated 1998 median family income data, which reclassifies four census tracts in the bank’s AA as moderate income, FNB-Naples has one branch in a moderate income tract (105.01)

<b>DISTRIBUTION OF OFFICES BY GEOGRAPHY INCOME LEVEL</b>					
<b>Table 10</b>					
<b>Income Level of Geographies</b>	<b>Office Distribution</b>		<b>Geography</b>		<b>% of Population</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
Low	0	0%	1	4%	1%
Moderate	0	0%	0	0%	0%

Middle	4	57%	12	52%	76%
Upper	3	43%	10	44%	23%
Total	7	100%	23	100%	100%

### **Hours of Operation**

Specific hours for each branch are tailored to the needs of the particular location. Four office lobbies are open on Saturdays until noon. All drive-in facilities, except one, are open on Saturdays. A list of hours is available in the public file.

### **Record of Opening and Closing Branches**

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. During 1997, the bank opened two branches in upper income geographies. One of these branches resulted from the acquisition of another financial institution. During 1998, the bank closed two branches, one in a middle income tract and one in an upper income tract. Both closed branches resulted from the 1997 purchase of another financial institution. These acquired branches were near existing FNB-Naples branches which were already serving their respective areas.

### **Availability and Effectiveness of Alternative Delivery Systems**

Alternative delivery systems are limited. To the extent they are available, they do not substantially improve access among low and moderate income persons or geographies. Automated Teller Machines (ATMs) are available at each branch. However, The bank has one non-branch ATM at the Naples regional airport. A 24 hour phone number is available for all bank customers for account inquiry.

### **Community Development Services**

The bank has provided a high level of community development services, and has assumed a leadership role in some instances. Primary services include providing financial expertise to a variety of community service and development organizations through board membership, credit counseling, and providing technical financial assistance for consumers and small businesses.

Following is a list and description of some of the community development services provided in the assessment area:

**pCollier County Loan Consortium** - This nonprofit organization consists of 12 banks and provides education and counseling services to low and moderate income people seeking to

buy a home. FNB-Naples joined the consortium in February 1998 and, during that year, participated in home buyers workshops attended by 175 people.

**p***Collier County Micro Enterprise Corporation (CCMC).* This organization, started in November 1998, offers a micro loan program for very small businesses of low and moderate income people. Through a Community Advisory Board coordinated by an officer at FNB-Naples, the CCMC offers a Management Development Program including a small dollar amount business loan with a maximum limit of \$5,000. The Community Advisory Board provides initial screening of applications. The program provides initial and ongoing consultation and support for the borrower. About 50 people have been interviewed for the program and approximately 20 of these people have begun the process.

**p***Collier County Economic Development Council.* This organization is jointly funded by Collier County government and private business. The organization networks with businesses and community organizations and provides support to promote economic and business development. A bank officer serves on the Business Recruitment and Retention Committee which recruits out of area businesses to Collier County and identifies area businesses in need of special assistance.

**p***Service Corps of Retired Executives (SCORE).* This organization provides counseling, consultation, and ongoing technical support to startup businesses. A bank officer makes periodic presentations at workshops sponsored by SCORE and meets with prospects one-on-one to help put together loan applications.

**p***Small Business Development Center.* Sponsored by SBA whose target is the small business sector. It provides consulting and technical support. A bank officer provides consultation and helps develop business plans for people referred by SBDC.

**p***Workshops for First Time Home Buyers.* A bi-lingual (English/Spanish) bank officer conducts monthly workshops for first time home buyers. Most people attending these workshops are low and moderate income people. An estimated 350 prospective first time home buyers have attended these workshops.

**p***Habitat for Humanities of Collier County.* A bank officer has provided awareness training for potential home owners regarding budgeting, applying for the loan, and the importance of maintaining a satisfactory mortgage payment history.

**p***Collier County Banking Partnership.* A bank officer is currently president of this organization. A group of banks that have as a mission to identify and address financial needs of low and moderate income areas, focusing on small businesses, residential and education. Residential was addressed through formation of the Collier County Loan Consortium. Small business needs were addressed through formation of the Collier County Micro Enterprise Corporation. The education portion of the mission was served by conducting several credit fairs targeted to first time home buyers. During these credit fairs, prospects were interviewed and prequalified to finance a house and might be referred to a bank in the loan consortium or to the Consumer Credit Counseling Service.

## **FAIR LENDING**

A concurrent fair lending review did not identify any violations of the various anti-discrimination laws and regulations. FNB-Naples has an effective system in place to comply with fair lending regulations.

## APPENDIX A

### GLOSSARY OF TERMS

#### GEOGRAPHY TERMS

**Block numbering areas (Geographies):** Statistical subdivisions of a county for grouping and numbering blocks in nonmetropolitan counties where local census statistical area committees have not established Geographies.

**Geographies:** Small subdivisions of metropolitan and other relatively densely populated counties. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending on population density. Geographies are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Metropolitan area:** One or more large population centers and adjacent communities that have a high degree of economic and social integration.

**Metropolitan statistical area (MSA):** One or more metropolitan areas that have economic and social ties.

**Nonmetropolitan areas:** All areas outside of metropolitan areas.

#### HOUSING TERMS

**Family:** Includes a householder and one or more other persons living in the same household who is related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters.

**Householder:** Includes, in most cases, the person or one of the persons in whose name the home is owned, being bought or rented.

**Housing unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or, if vacant, is intended for occupancy) as separate living quarters.

**Occupied units:** Represents the sum of all owner-occupied and renter-occupied housing units.

**Owner-occupied units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

## **INCOME TERMS**

**Family income:** Includes the income of all members of a family that are age 15 and older.

**Median income:** The median divides the income distribution into two equal parts, one having incomes above the median and the other having incomes below the median.

**Area median income:** The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Low-income:** Individuals and geographies having a median family income less than 50 percent of the area median income.

**Moderate-income:** Individuals and geographies having a median family income of at least 50 percent but less than 80 percent of the area median income.

**Middle-income:** Individuals and geographies having a median family income of at least 80 percent but less than 120 percent of the area median income.

**Upper-income:** Individuals and geographies having a median family income of 120 percent or more of the area median income.