



**Public Disclosure**

March 15, 1999

**Community Reinvestment Act  
Performance Evaluation**

**Pioneer American Bank, NA  
Charter Number 664**

**41 North Main Street  
Carbondale, Pennsylvania 18407**

**Office of the Comptroller of the Currency  
Northern Pennsylvania Field Office  
100 Hazle Street, Suite 202  
Wilkes-Barre, Pennsylvania 18702**

**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 **Pioneer American Bank, NA** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **March 15, 1999**. 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 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 following factors support the overall rating:

- < A high percentage of lending within the assessment area;
- < An adequate geographic distribution of HMDA and small business loans;
- < A good distribution of HMDA loans to borrowers of different incomes and to small businesses;
- < An adequate level of community development lending;
- < An adequate level of qualified investments,
- < A high level of community development services, and
- < Delivery systems are accessible to geographies and individuals of different income levels.

The following table indicates the performance level of **Pioneer American Bank, NA** with respect to the lending, investment, and service tests.

Performance Levels	Pioneer American Bank, NA Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	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.

### Description of Institution

Pioneer American Bank, NA (PAB) is the sole subsidiary of Pioneer American Holding Company Corporation. PAB, which was incorporated in 1864, has total assets of \$405 million as of December 31, 1998 and is headquartered in Carbondale, Pennsylvania. PAB is an intrastate bank. There are twenty full-service branch offices, ten of which are in supermarkets. Several of the offices have drive-in facilities, many have ATM services, most have extended evening hours, and some have Saturday and Sunday hours. See **Appendix - Table 13, Distribution of Branch and ATM Delivery System** for location of branches and ATMs by income of geographies. In addition to the branches, the bank also operates numerous remote ATMs. PAB offers telephone banking services and maintains an internet website for informational purposes only. PAB does not operate any subsidiaries.

Major competitors include LA Bank, First National Community Bank, PNC Bank, Mellon Bank, Penn Security Bank and Trust, Grange National Bank, First Liberty Bank and Trust (formerly First National Bank of Jermyn and NBO National Bank), and Fidelity Deposit and Discount Bank. Please refer to **Appendix - Table 1, Lending Volume** for data regarding market share of deposits. Market share of deposits is as of June 30, 1998 and is for all FDIC insured institutions operating in Pennsylvania.

PAB's primary loan products include fixed and adjustable rate residential mortgage, small business, and consumer installment loans. Net loans and leases represent 55% of total assets. A breakdown of the portfolio as of December 31, 1998 is as follows: 57% residential mortgages, 35% commercial and commercial real estate loans, and 8% consumer installment loans.

There are no legal or financial impediments that would hinder PAB's ability to help meet the credit needs of its community.

### Description of Assessment Area

PAB has two assessment areas, one in an MSA and one in a non-MSA. AA refers to the combined assessment areas in the paragraphs that follow. PAB's assessment area (AA) meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income (LMI) areas. The AA includes 175 census tracts (CTs) and block numbering areas (BNAs) in Lackawanna, Luzerne, Wayne, Wyoming, and Monroe counties. The population of the AA is 602,324. The median housing cost in the AA is \$68,255 and the average year built is 1952. The census median family income is \$30,527 and the updated median family income is \$38,583. The unemployment rate in Pennsylvania was 4.9% as of January 1999.

#### COMBINED AA DEMOGRAPHICS

Designation	# CTs/BNAs	% of Total CTs/BNAs	% of Families
Low	2	1	18
Moderate	20	11	18
Middle	133	76	24
Upper	19	11	40
NA	1	1	0
<b>Total</b>	<b>175</b>	<b>100</b>	<b>100</b>

Note: Tract labeled NA = Not Applicable, has no income reported.

PAB is headquartered in the Scranton/Wilkes-Barre/Hazleton MSA #7560. The MSA portion of the AA includes all of Lackawanna County; all of Luzerne County, excluding the southwest corner; and the southern part of Wyoming County. For a description of the MSA AA, refer to the **MSA Performance Conclusions** at the end of this Evaluation.

The non-MSA area includes the western part of Wayne County and the northwestern part of Monroe County. Population of the non-MSA area is 64,382. The BNAs comprise thirteen middle-income and two upper-income areas. Seventy-five percent of the families residing in the BNA are middle-income, and twenty-five percent are upper-income. The unemployment rate was 8.6% in Wayne County and 7.0% in Monroe County. The median housing cost in the non-MSA area is \$105,350 and the average year built is 1973. The census median family income is \$28,934 and the updated median family income is \$35,200. Major employers in Wayne County include state and county governments, Wayne Memorial Hospital Inc., Wayne Highlands School District, and the Western Wayne School

District. In Monroe County, major employers include the US Government, Roadway Express Inc., Pocono Medical Center, Connaught Laboratories Inc., and Pocono Mountain School District.

PAB operates twenty branches, thirty-two ATMs, and a loan production office in the AA. In addition, there are six non-deposit taking ATMs operated outside of the AA. Please refer to the **Service Test** portion of this Evaluation for specifics and **Appendix - Table 14, Distribution of Branch and ATM Delivery System.**

### **Comments from Community Groups**

During the examination two community groups were consulted and data from a third community contact was reviewed. Community groups included two housing organizations and an economic development agency. All of the groups agree that the community banks within the AA, including PAB, are committed to serving the needs of the community, particularly those of LMI individuals and areas. Credit demands consist of first time homebuyers program, pre-purchase counseling, and small business credit. The contacts also indicated that all banks need to improve their advertising of programs for first time homebuyers and pre-purchase counseling. One community group contacted also indicated that more money was needed to start up small businesses.

### **Conclusions with Respect to Performance Tests**

#### **Scope of Review**

The effective date of this evaluation is March 15, 1999. This evaluation covers the time period from January 1, 1997 to March 15, 1999 for all Home Mortgage Disclosure Act (HMDA) reported loans, small business loans, and community development loans. HMDA and small business loans were weighted equally when considering the assignment of the current rating. PAB did not originate any farm loans. Investments and services were reviewed from the date of the last Public Evaluation through the date of this Evaluation. The last Public Evaluation was dated April 28, 1997 and the assigned rating was Satisfactory.

### **LENDING TEST**

#### **Performance Criteria**

##### **Lending Activity**

Lending levels reflect a good response to the credit needs of the AA based on PAB's total asset size, ability to lend, and competition within the AA. Please refer to the **Appendix - Table 1, Lending Volume** for data regarding lending activity. Competition is strong in the AA with the number of institutions competing for loans varying among products, i.e. home purchase loans, home improvement loans, home mortgage refinance loans, and small

business loans. Market rank and share varies for each product. Please refer to individual tables for market share data on each product. For all products there is a minimum of 50 lenders competing for the same lending products PAB is offering. In the MSA, PAB originated 620 mortgages totaling \$33,424 thousand, 572 small business loans totaling \$33,957 thousand, and seven community development loans for \$495 thousand. In the non-MSA PAB originated 114 home mortgages total \$4,895 thousand, 63 small business loans totaling \$2,796 thousand, and no community development loans.

### **AA Concentrations**

Lending within the AA is excellent. Based on the total number of HMDA and small business loan originations, a substantial majority of PAB's lending, 95%, is in the AA.

### **Geographic Distribution of Loans**

#### **HMDA Lending**

Geographic distribution of HMDA loans within the AA is adequate and there are no conspicuous lending gaps. Geographic distribution of HMDA loans is considered adequate based on the comparison of PAB's lending to the distribution of owner occupied housing units within the bank's defined AA. Please refer to the following tables for ratios and market share data: **Appendix - Table 2, Geographic Distribution of Home Purchase Loan Originations; Table 3, Geographic Distribution of Home Improvement Loan Originations; and Table 4, Geographic Distribution of Home Refinance Loan Originations.**

Within the AA there are two low-income tracts, but no owner-occupied housing exists in these tracts.

Distribution of HMDA loans in moderate-income tracts is adequate. Moderate-income tracts are located in the MSA; there are no moderate-income tracts in the non-MSA. Comparison of PAB's lending levels by product to owner-occupied housing in the moderate-income tracts is as follows: home purchase originations 3%, home improvement originations 6%, and refinance originations 5%, versus owner-occupied units of 7%.

During 1998, PAB offered two special promotions for home improvement loans, which increased the level of originations for home improvement and refinance products to levels that are similar to the owner-occupied housing levels. Home improvement and refinance loans represent 77% of all HMDA originations. As noted above, the average

year built for a house is 1952, suggesting that home improvement loans are a strong credit need of the AA.

There are eight CTs in Hazleton City, including the CT where PAB's branch is located. During 1997 and 1998, PAB has not originated any HMDA loans in seven of the eight CTs in Hazleton City. The Hazleton branch has been in existence for approximately three years and is located in a supermarket. The branch is not generating any significant new business. PAB management has actively marketed this branch and attempted to generate business through various marketing promotions, but without success.

### **Small Business Lending**

Geographic distribution of small business loans within the AA is adequate given the strong competition and bank's market share of these loans. Please refer to **Appendix - Table 5, Geographic Distribution of Small Business Loan Originations** for ratios and market share data. Few small businesses are located in the low- and moderate-income areas. In 1997, PAB competed with 146 other small business lenders in their AA.

Compared to their overall market share in the AA, PAB has a good level of lending to small businesses located in low-income areas, given that the majority of businesses located in the low-income tracts are taverns and restaurants.

Lending in moderate-income geographies is adequate based on comparison of businesses located in moderate-income tracts versus the percentage of bank loans originated in these tracts.

Farm lending opportunities are limited in the AA because farmers are served by the Farm Credit Administration. PAB originated no small farm loans in the AA during this examination period.

### **Borrower's Profile**

#### **HMDA Lending**

Borrower distribution of HMDA loans is adequate to low-income borrowers and excellent to moderate-income borrowers when compared to the percentage of families within the AA. Please refer to **Appendix - Table 7, Borrower Distribution of Home Purchase Loan Originations; Table 8, Borrower Distribution of Home**

**Improvement Loan Originations; and Table 9, Borrower Distribution of Home Mortgage Refinance Loan Originations** for ratios and market share data.

Lending to low- and moderate-income borrowers for home improvement is very good when compared to the percentage of families within the AA. PAB had two successful home improvement advertising campaigns which increased originations in home improvement and refinancing, as previously discussed in **Geographic Distribution of HMDA loans**. For refinancings, lending to moderate-income borrowers is very good and lending to low-income borrowers is adequate.

Lending to low-income borrowers is below the percentage of families within the AA for home purchase and home mortgage refinance originations because several excellent programs currently exist within the area for LMI individuals. Those programs include: the Office of Economic Community Development Program, which offers help with down payments and closing costs; and the Scranton Neighborhood Housing Program, which offers counseling and financing for LMI individuals.

**Small Business Lending**

PAB's lending to small businesses in its AA is good. Please refer to **Appendix - Table 10, Borrower Distribution of Small Business Loan Originations** for business data. The majority of small business lending, 96%, was to small businesses, i.e. those with revenues of \$1 million or less. Small businesses represent approximately 75% of the businesses in the AA. The majority of the originated loans are less than \$100,000, further indicating PAB's commitment to the small business borrower. In the MSA, PAB's market share of loans to business with revenues of \$1 million or less was almost double the market share of all business loans.

**Flexible Lending Practices and Product Innovation**

PAB's flexible lending practices are adequate and the bank is involved with several "flexible" lending programs, as indicated below:

- C PAB offers a first time homebuyers program. The features of this program include: 95% loan to value ratio with PMI; 0.25% discount from current interest rates; no origination fees; maximum purchase price of \$85,000; and income of no more than 110% of median county income;
  
- C The bank is also involved with three other first time home buyer's programs through local housing agencies;
  
- C PAB offers an overdraft protection line for small businesses; and



- C Since PAB is a community bank, management has the flexibility to work with borrowers individually to accommodate their needs.

### **Community Development Lending Activities**

Community development lending levels are adequate. During 1997 and 1998, seven community development loans were originated, for a total of \$495,000.

- C PAB granted three lines of credit at \$100,000 each to a local housing agency that extends mortgages to LMI individuals and offers pre-purchase counseling.
- C An additional \$173,000 was granted to a human resource organization that provides subsidized room and board for LMI individuals.
- C PAB granted three lines of credit totaling \$22,000 to an organization that provides food to low-income individuals.

### **INVESTMENT TEST**

The level of qualified investments and donations is adequate. Investment opportunities are considered to be limited in the bank's AA since government programs fund many projects in the area. Management has elected not to become involved with any statewide programs that benefit LMI areas and/or individuals in order to better focus on their AA. PAB has made a total of eleven investments totaling \$206 thousand during the review period. Please refer to **Appendix - Table 12, Qualified Investments**. PAB works with a number of community groups in response to their needs:

- C CRA qualified donations totaled \$16,700 for 1998 and \$16,000 for 1997.
- C PAB has donated residential property with a fair market value of \$73,000 to a housing organization that promotes a home ownership program for LMI individuals. This group will rehabilitate the property and then choose an LMI family to reside in and eventually own the property.
- C PAB also committed \$100,000 in 1997 to an organization that offers technical, financial, and job training programs to LMI individuals. This commitment is legally binding on the bank.

### **SERVICE TEST**

PAB's delivery systems are accessible to geographies and individuals of different incomes within the AA and services are responsive to the needs of the community. Branch

distribution within moderate-income tracts is good. Low-income tracts are located within a few miles of moderate-income tracts with branches. Therefore, branch distribution for low-income tracts is adequate. Branch hours are reasonable and convenient to all customers. A list of branch locations and hours is available in the public file. The bank has not opened or closed any offices during the examination period.

Services are similar at all branches. PAB has a total of twenty community offices and thirty-eight ATMs.

- C Nineteen of the community offices have extended hours at least one day during the week.
- C Fifteen (including most branches in the moderate-income geographies) have Saturday hours.
- C Ten branches are located in supermarkets and have Saturday and Sunday banking hours.
- C Eight of the branch offices have drive-through facilities.
- C PAB operates a mortgage loan production office in the AA.

Refer to **Appendix - Table 14, Distribution of Branch and ATM Delivery Systems** for further information. In addition, PAB operates six cash dispensing ATMs outside the AA.

PAB offers a common set of financial services to all of its customers, including a wide range of loan and deposit products. Services are designed for both retail and business customers. The bank offers an automated telephone direct dial access system for customers to obtain information regarding their deposit or loan accounts. Customers may also transfer funds from one account to another and make loan payments by using this service. The system is available 24 hours a day, seven days a week. For the service test, no significant weight was placed on the telephone delivery system as there are no statistics available regarding how this system benefits LMI individuals.

## Community Development Services

PAB provides a high level of community development services. Primary services include providing financial and technical expertise to a variety of community service and development organizations through board and committee memberships.

- C PAB has taken a leadership role and is the only bank participating with a local housing authority to promote a home ownership program to LMI individuals. An officer of PAB provides lender expertise.
- C The bank has also taken a leadership role in an innovative project in Carbondale to promote a home ownership program to LMI borrowers. This program assists in the redevelopment of the town by providing rehabilitation monies as well. An officer of PAB provides lender expertise.
- C Management of PAB is actively involved in a lender's housing consortium that provides funding to LMI individuals who wish to purchase residences in the City of Scranton. A member of management is a director for this consortium that funds the homebuyer's program, a homeowner's rehabilitation program, and a homebuyer's counseling program. PAB is providing lender expertise.
- C A bank officer acts as a director of an organization that approves and funds loans for industrial and business development in the MSA. The same officer is also a committee member for a different organization that studies and recommends strategies for low-income housing developments throughout the Commonwealth of Pennsylvania. This officer has also been appointed as a director of a local housing authority which offers a first time homebuyer's plan and low-income housing programs.
- C Another officer serves as a director for an organization that provides homes to low- and moderate-income families.
- C An officer serves as a director for an organization that provides small business startup loans and also serves as a director for another organization that offers and funds loans to small businesses.
- C An employee of PAB is on the board of a non-profit organization that treats and serves housing needs for mentally and physically abused children primarily from low- and moderate-income families.

In summary, management and employees of PAB are actively involved in a wide variety of community development activities that support affordable housing and community services for LMI individuals. Management actively seeks opportunities by regularly contacting community groups and development organizations within their AA.

## **FAIR LENDING REVIEW**

A concurrent fair lending review did not reveal any substantive violations of antidiscrimination laws and regulations. The fair lending examination was conducted using single approved female home improvement loan applicants to single approved male home improvement loan applicants. Credit factors compared included: time needed to make the credit decision, interest rate, loan to value, term, debt to income, fees, credit score, and required collateral.

## Metropolitan Statistical Areas

### Conclusions with Respect to Performance Tests in MSA #7560 Scranton-Wilkes-Barre-Hazleton, Pennsylvania

Results for the lending, investment and service tests in the MSA are consistent with the overall performance.

#### Description of the MSA AA

The MSA portion of the AA is all of Lackawanna County; all of Luzerne County except the southwest corner; and the southern part of Wyoming County. The MSA comprises seventeen branches (85% of total branches) and twenty-seven ATMs (84% of total ATMs).

- C Population in the MSA is 537,942.
- C The MSA unemployment rate was 7.0%.
- C The median housing cost in the MSA is \$60,859 and the average year built is 1948.
- C The census median family income \$30,676 and the updated median family income is \$38,900.
- C Major employers in Lackawanna County include: the state government, WEA Manufacturing East Inc., Allied Services Foundation, Community Medical Center, and Mercy Hospital.
- C In Luzerne County, major employers include: the federal, state, and county governments, Wilkes-Barre General Hospital, and Techneglas Inc.
- C In Wyoming County, major employers include: Proctor and Gamble Paper, Tunkhannock Area School District, Tyler Memorial Hospital, Inland Industrial Contractors, and Penns Best Inc.

#### MSA AA DEMOGRAPHICS

Designation	# CTs	% of Total CTs	% of Families
Low	2	1	19
Moderate	20	13	18
Middle	121	75	24
Upper	17	11	39
<b>Total</b>	<b>160</b>	<b>100</b>	<b>100</b>

#### LENDING TEST Performance Criteria

## **AA Concentrations**

Lending within the MSA AA is excellent. Based on the number of HMDA and small business loans, a majority of the originations (83%) are in the MSA.

## **Geographic Distribution of Loans**

### **HMDA Lending**

Geographic distribution of HMDA loans within the MSA is adequate based on a comparison of the bank's lending levels to the percentage of owner-occupied housing. The geographic distribution of HMDA loans within the MSA is similar to the results for the entire AA. Please refer to the **HMDA Lending** comment for the overall AA and to the following tables for ratios and market share data: **Appendix - Table 2, Geographic Distribution of Home Purchase Loan Originations; Table 3, Geographic Distribution of Home Improvement Loan Originations; and Table 4, Geographic Distribution of Home Refinance Loan Originations.**

### **Small Business Lending**

Geographic distribution of small business loans is adequate and similar to the results for the entire AA. Please refer to the **Small Business** comment for the overall AA and to the **Appendix - Table 5, Geographic Distribution of Small Business Loan Originations.**

## **Borrower's Profile**

### **HMDA Lending**

Lending to low-income borrowers is adequate and lending to moderate-income borrowers is excellent based on a comparison of PAB's lending levels to the percentage of families. Please refer to the **HMDA Lending** comment for the overall AA and to the following tables for ratios and market share data: **Appendix - Table 7, Borrower Distribution of Home Purchase Loan Originations; Table 8, Borrower Distribution of Home Improvement Loan Originations; and Table 9, Borrower Distribution of Home Mortgage Refinance Loan Originations.**

### **Small Business Lending**

Lending to small businesses is good. MSA results are similar to the overall AA. Please refer to the **Small Business** comment for the overall AA and to **Appendix - Table 10, Borrower Distribution of Small Business Loan Originations** for business data.

### **Flexible Lending Practices and Product Innovation**

All products offered throughout the AA are also offered in the MSA. Refer to AA comments regarding **flexible and innovative lending practices**.

### **Community Development Lending Activities**

All community development lending was extended within the MSA. Please refer to AA comments regarding **community development lending** and **Appendix - Table 1, Lending Volume**.

### **INVESTMENT TEST**

All investments are within the MSA and investment levels are adequate. Please refer to comments under the **Investment Test** for the entire AA and **Appendix - Table 12, Qualified Investments**.

### **SERVICE TEST**

Services and community development services offered are consistent with those offered throughout the entire AA. Refer to the overall comments regarding **Service Test** performance.

## Scope of Examination

<b>Time Period Reviewed</b>	1/1/97 to 3/15/99	
<b>Financial institution</b>	Pioneer American Bank Carbondale, Pennsylvania	
<b>Products reviewed</b>	HMDA, Small business, Community Development Lending, Investments, and Services	
<b>Affiliate(s)</b>	None	
<b>List of AAs and Type of Examination</b>		
<b>Assessment Area(s)</b>	<b>Type of Exam</b>	<b>Branches Visited</b>
Pennsylvania  MSA 7560 - Wilkes-Barre, Scranton, Hazleton  Non-MSA - Parts of Wayne and Monroe counties	on-site	Main Office



## ***Table of Contents to Appendix***

### ***Appendix Information***

<b>Table #</b>	<b>Title</b>	<b>Included in Appendix</b>	<b>Not Applicable</b>
1	Lending Volume	X	
2	Geographic Distribution of Home Purchase Loan Originations	X	
3	Geographic Distribution of Home Improvement Loan Originations	X	
4	Geographic Distribution of Home Mortgage Refinance Loan Originations	X	
5	Geographic Distribution of Small Business Loan Originations	X	
6	Geographic Distribution of Small Farm Loan Originations		X
7	Borrower Distribution of Home Purchase Loan Originations	X	
8	Borrower Distribution of Home Improvement Loan Originations	X	
9	Borrower Distribution of Home Mortgage Refinance Loan Originations	X	
10	Borrower Distribution of Small Business Loan Originations	X	
11	Borrower Distribution of Small Farm Loan originations		X
12	Qualified Investments	X	
13	Distribution of Branch and ATM Delivery System	X	
14	Geographic and Borrower Distribution of Consumer Loan Originations		X

**Table 1. Lending Volume**

LENDING VOLUME												
State: Pennsylvania												
Evaluation Period: January 1, 1997 TO December 31, 1998												
MSA/Assessment Area:	% of Total Bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farm		Community Development *		Total Reported Loans		% of Total Reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope:												
MSA-7560		620	33,424	572	33,957	0	0	7	495	1,201	67,381	87%
Lackawanna County	7.05%											
Luzerne County	0.55%											
Wyoming County	0.37%											
Non-MSA		114	4,895	63	2,796	0	0	0	0	177	7,691	13%
Wayne County	3.96%											
Monroe County	0.61%											
Limited-Scope:												

(\*) Evaluation period of Community Development Loans is from April 27, 1997 TO March 15, 1999

**Table 2. Geographic Distribution of Home Purchase Loan Originations**

Geographic Distribution: HOME PURCHASE																
			State: Pennsylvania				Evaluation Period: January 1, 1997 TO December 31, 1998									
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
MSA 7560	0%	NA	7%	3%	78%	80%	15%	17%	22	1.66	0	0.34	2.01	1.00	165	85%
Non-MSA	0%	NA	0%	NA	72%	97%	28%	3%	21	1.49	0	0	1.67	0.57	30	15%
Limited-Scope:																

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 3. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT																
State: Pennsylvania				Evaluation Period: January 1, 1997 TO December 31, 1998												
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
MSA-7560	0%	NA	7%	6%	78%	75%	15%	19%	8	3.37	0	2.63	3.39	3.61	266	82%
Non-MSA	0%	NA	0%	NA	72%	98%	28%	2%	4	7.25	0	0	9.26	0	57	18%
Limited-Scope:																

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: HOME MORTGAGE REFINANCE      State: Pennsylvania      Evaluation Period: January 1, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
MSA-7560	0%	NA	7%	5%	78%	74%	15%	21%	26	1.12	0	0.60	1.26	0.82	189	88%
Non-MSA	0%	NA	0%	NA	72%	100%	28%	0%	37	0.53	0	0	0.72	0	27	12%
Limited-Scope:																

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 5. Geographic Distribution of Small Business Loan Originations**

Geographic Distribution: SMALL BUSINESS      State: Pennsylvania      Evaluation Period: January 1, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
MSA-7560	4%	2%	12%	7%	69%	74%	15%	17%	9	3.97	1.73	1.92	4.24	4.54	572	90%
Non-MSA	0%	NA	0%	NA	75%	98%	25%	2%	43	0.31	0	0	0.38	0.10	63	10%
Limited-Scope:																

(\*) Based on 1997 Aggregate Small Business Data only.

**Table 7. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE State: Pennsylvania Evaluation Period: January 1, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
MSA	19%	9%	18%	22%	24%	21%	39%	48%	25	1.44	2.24	1.69	1.09	2.03	165	85%
Non-MSA	14%	10%	16%	23%	23%	10%	47%	57%	25	1.24	3.85	2.88	1.38	1.27	30	15%
Limited-Scope:																

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated by BANK.  
 (\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 8. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HOME IMPROVEMENT      State: Pennsylvania      Evaluation Period: January 1, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
MSA-7560	19%	18%	18%	27%	24%	24%	39%	31%	8	3.37	6.0 3	5.48	3.08	1.92	266	82%
Non-MSA	14%	17%	16%	23%	23%	25%	47%	35%	4	7.09	23. 3	10.9 1	3.04	10.5 3	57	18%
Limited-Scope:																

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated by BANK.  
 (\*\*) Based on 1997 Aggregate HMDA Data only.



**Table 9. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HOME MORTGAGE REFINANCE																
State: Pennsylvania					Evaluation Period: January 1, 1997 TO December 31, 1998											
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
MSA	19%	9%	18%	23%	24%	21%	39%	47%	29	0.97	3.06	2.03	0.70	0.76	189	88%
Non-MSA	14%	4%	16%	18%	23%	15%	47%	63%	48	0.45	3.57	2.13	2.06	0.50	27	12%
Limited-Scope:																

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 10. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS State: Pennsylvania Evaluation Period: January 1, 1997 TO December 31, 1998											
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope:											
MSA-7560	75%	86%	51%	84%	13%	3%	3.97	7.63	572	90%	59,365
Non-MSA	77%	9%	49%	94%	5%	1%	0.31	0.50	63	10%	44,381
Limited-Scope:											

(\*) As a percentage of businesses with known revenues.  
 (\*\*) As a percentage of loans with revenue information available. No information was available for 1% of loans originated by BANK.  
 (\*\*\*) The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data only.  
 (\*\*\*\*) Based on 1997 Aggregate Small Business Data only.



