





## **Public Disclosure**

September 4, 1997

### **Community Reinvestment Act Performance Evaluation**

**SunTrust Bank, South Central Tennessee, NA  
Charter Number 6093**

**222 West Madison  
Pulaski, TN**

**Office of the Comptroller of the Currency  
Southeastern District  
Marquis One Tower, Suite 600  
245 Peachtree Center Avenue, NE  
Atlanta, Georgia 30303-1223**

**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 CRA performance of **SunTrust Bank, South Central Tennessee, NA** prepared by **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of September 4, 1997. 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 following table indicates the performance level of **SunTrust Bank, South Central Tennessee, NA**, with respect to the lending, investment, and service tests.

Performance Levels	SunTrust Bank, South Central Tennessee, 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

SunTrust Bank, South Central Tennessee, NA (STBSCT), headquartered in Pulaski, TN, had total assets of \$336 million as of June 30, 1997. Pulaski is approximately 75 miles south of Nashville, TN and 50 miles northwest of Huntsville, AL. The bank serves Lawrence, Hardin, Giles and Franklin Counties, all of which are along the Tennessee-Alabama border. STBSCT is a subsidiary of SunTrust Banks, Inc. (STI), a \$56 billion institution headquartered in Atlanta, Georgia. STI, one of the 20 largest banking companies in the nation, operates financial institutions in Georgia, Florida, Tennessee, and Alabama. STBSCT offers a full range of banking services.

STBSCT currently operates a main office in Pulaski and 13 branches in four counties in south-central Tennessee as follows: Giles/Lawrence Counties-7, Hardin County-4, and Franklin County-3. All branches generally maintain the same hours of operations. Six of the branches, at least one in each assessment area, are full service branches. Two branches (14%) are located in one of the two moderate income census tracts in the bank's three assessment areas. One branch, in Lawrence County, is located in the Wal-Mart Supercenter.

Management defines their primary business focus as consumer lending and residential mortgages. In 1996 and through June 30, 1997, the distribution by dollar of total loans originated was as follows: 33% home mortgage; 35% small business and small farm; and 32% consumer. The bank has one full-time mortgage originator who accepts applications in the four county assessment areas.

There are more than twelve other financial institutions with branches in the area, including three regional banks. Each assessment area has at least one other large regional bank (although not locally chartered) and two community banks. None of the institutions are similar in size to this bank. These institutions are operating in different assessment areas and are either substantially larger or substantially smaller than STBSCT.

There are no impediments which would hamper STBSCT's ability to help meet the credit needs of its community. The bank had a Return on Average Assets of 1.46% as of June 30, 1997. Capital at June 30, 1997 was approximately \$28 million with all measures above regulatory minimums. The bank's rating in its immediately preceding CRA examination was "***Satisfactory Record of Meeting Community Credit Needs.***"

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

Lending practices, qualified investments and the system for delivering retail banking and community development services meet the credit needs of the entire assessment area, including low- and moderate-income borrowers in a satisfactory manner.

### **Lending Test**

Performance under the lending test is rated “*high satisfactory.*” Overall STBSCT’s lending activity demonstrates:

- a high percentage of loans are made in the assessment areas,
- a good record of lending to moderate-income individuals and small businesses and farms, and
- an adequate level of community development loans.

No violations of the substantive provisions of the antidiscrimination laws and regulations --Equal Credit Opportunity Act (ECOA), Fair Housing Act (FHA)-- were identified. STBSCT’s fair lending policies, procedures, training programs and internal assessment efforts have been effective in assisting lenders in these issues.

### **Investment Test**

Performance under the investment test is rated “*low satisfactory.*” Investment levels are considered adequate based on the limited opportunities for qualified investments in the assessment areas.

### **Services Test**

Performance under the services test is rated “*low satisfactory.*” The system for delivering retail banking services is adequate:

- delivery systems are reasonably accessible to essentially all portions of the assessment areas,
- services do not vary in a way that inconveniences certain portions of the assessment area, and
- STBSCT provides an adequate level of community development services.

## **Assessment Areas**

SunTrust Bank, South Central Tennessee, N.A. (STBSCT) has defined three assessment areas: (1) Lawrence & Giles Counties in TN, (2) Hardin County TN and (3) Franklin County TN. These are the counties in which the bank operates banking facilities (either offices or deposit taking Automatic Teller Machines (ATMs)) and in which they originate the substantial majority of loans. Ninety percent of all loans made from January 1, 1996 through June 30, 1997 originated in these counties. Giles and Lawrence are two contiguous counties while the remaining two counties are noncontiguous and are assessed individually. The assessment areas meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate- income areas. The assessment areas include 37 census tracts with two, or 5%, designated as moderate-income. The two moderate-income tracts are located in Hardin County TN.

The economy in south-central Tennessee is diverse and stable. Unemployment is usually slightly above the national average. The primary industries are light manufacturing and agriculture. The 1990 statewide median family income (MFI) for the non-metropolitan Tennessee was \$24,936. By 1997, the updated statewide MFI was \$33,200 for non-metropolitan Tennessee. The total population in the four counties in the assessment area is approximately 120,000 with the majority of the residents living in rural areas.

We interviewed one community contact, a city official, in Hardin County during this examination and used the reports of another two contacts from Giles County, a county official and a representative of a housing agency, that had been made by other regulators in the last year. These contacts were used to identify any community development needs, housing needs or economic revitalization programs in which area banks could participate. The credit needs identified by the community contacts included affordable home mortgages and small business loans. Projects that meet the community development definition of the CRA regulation are limited in this part of Tennessee.

### **Giles/Lawrence Counties**

All 17 census tracts in Giles and Lawrence Counties are middle income. The total population is 61,044 with 15% over the age of 65 and 23% under the age of 16. There are approximately 23,000 households in the assessment area and 18% earn below the poverty level. Twenty percent of families are low-income and 17% are moderate-income families. The housing stock consists of 69% owner-occupied units, 23% rental units and 8% vacant units. Most of the homes were built during the late 1960s and the median home value is approximately \$42,000. The 1996 unemployment rate averaged 6.6% in Giles county and 12.1% in Lawrence County, compared to the statewide rural average of 7.6%. Half (50%) of the Giles County labor force is employed in manufacturing while 43% of Lawrence County is employed in manufacturing. Lawrence County has 57% of its residents that have not completed high school. There are 27 branches of 11 commercial banks operating in the assessment area.

### **Hardin County**

There are two moderate income census tracts and five middle income census tracts in Hardin County. The total population of these middle income tracts is 22,633 with 15% over the age of 65 and 22% under the age of 16. There are approximately 8,700 households. Twenty-one percent of the households earn below the poverty level. Twenty-seven percent of families are classified as low-income and 19% moderate-income families. The housing stock consists of 65% owner-occupied units, 19% rental units and 16% vacant units. The median home value is approximately \$36,000. Hardin County experienced the closing of an apparel manufacturer in July 1996 and the loss of 200 jobs. There has been no new industry to create jobs. The unemployment rate averaged 9.0% in 1996. The major employer in the county currently is Clayton Homes, a manufacturer of modular and mobile homes. There are 12 branches of five commercial banks operating in the county.

### **Franklin County**

There are seven middle income census tracts and three upper income census tracts in Franklin County; there are no low or moderate income census tracts. Three census tracts are not classified, because they are uninhabited. The total population is 34,725 with 14% over the age of 65 and 22% under the age of 16. There are approximately 12,000 households in the assessment area and 15% earn below the poverty level. Seventeen percent of the families are low-income and 17% moderate-income families. The housing stock consists of 71% owner-occupied units, 20% rental units and 7% vacant units. The median home value is approximately \$40,000. Franklin County's economy is primarily agriculturally based. The 1996 unemployment rate averaged 5.0%. Growth in the population is attributed, for the most part, to Tims Ford Lake area where retirees are locating. In addition, there is the recent addition of the Nissan plant, which when in full operation will provide 200 new jobs. There are nine branches of five commercial banks operating in the assessment area.



## Discussion of Performance Tests

### LENDING ACTIVITY

#### Assessment Area Concentration

Overall, STBSCT demonstrates a good responsiveness to serving the credit needs in its assessment areas. During the assessment period, the bank made over 90% of its loans by number and amount inside its assessment areas. The following table shows the total number and amount of home mortgage, small business, small farm and consumer loans originated January 1, 1996 through June 30, 1997. All activity is based on originations.

<b>LENDING INSIDE THE ASSESSMENT AREAS</b>								
<b>By Assessment Areas</b>	<b>1996</b>		<b>1997</b>		<b>Total</b>			
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>% #</b>	<b>\$</b>	<b>% \$</b>
Giles/Lawrence	5,092	\$ 65,285	2,467	\$ 33,224	7,559	61%	\$ 98,509	55%
Hardin	1,818	\$ 22,008	909	\$ 12,686	2,727	22%	\$ 34,694	19%
Franklin	1,374	\$ 30,123	731	\$ 16,843	2,105	17%	\$ 46,966	26%
<b>INSIDE THE ASSESSMENT AREA</b>	8,284	\$ 117,416	4,107	\$ 62,753	12,391	100%	\$ 180,169	100%
	<b>94%</b>	<b>92%</b>	<b>91%</b>	<b>87%</b>	<b>93%</b>		<b>90%</b>	
<b>TOTAL LOANS ORIGINATED</b>	8,834	\$ 127,366	4,505	\$ 71,860	13,339		\$ 199,226	

# = number of loans

\$ = dollar amount of loans in 000's

#### Geographic Distribution

As discussed in detail in the description of the assessment area, this bank's three assessment areas include only two moderate-income census tracts in their combined total of 34 census tracts. These two tracts are in the Hardin County assessment area. One of the tracts has only 300 residents, is more than 25 miles from an STBSCT office, and is served by three other financial institutions. Because of the limited number of moderate-income tracts and no low-income tracts, a geographic distribution analysis would not be meaningful. Therefore, more weight was given to the borrower characteristic analysis.

## **Borrower Characteristics**

The distribution of lending to borrowers reflects good penetration among retail customers of different income levels and good penetration for business customers of different sizes.

### Home Mortgage Loans (Home Purchase, Home Improvement, Refinance, and Multi-family)

The percentage of home mortgage loans in STBSCT's assessment area to persons with low- or moderate-incomes is satisfactory in relation to the percentage of low- or moderate-income families living in the assessment area. The percentage of low-income families in the assessment areas is: 20% in Giles/Lawrence Counties, 27% in Hardin County and 17% in Franklin County. As for moderate-income families, there are: 17% in Giles/Lawrence Counties, 19% in Hardin County and 17% Franklin County. The bank's lending to low income persons is reasonable due to the level of poverty in the assessment areas. Those households at the poverty level and below may not qualify for a home mortgage loan. The number of households below the poverty level in the assessment areas is: 18% Giles/Lawrence County, 21% in Hardin County and 15% in Franklin County. The bank's level of lending to moderate income persons exceeds the percentage of moderate income families in all areas except Franklin and in Franklin the portions are similar.

**Home Mortgage Loans within Assessment Areas by Borrower Income**  
(January 1, 1996 through June 30, 1997)

		Giles/ Lawrence	%	Hardin	%	Franklin	%	Total	Percent of Total
Low-Income	#	82	14%	53	14%	25	10%	160	13%
	\$	\$ 919	4%	\$ 595	4%	\$ 437	4%	\$ 1,951	4%
Moderate- Income	#	111	19%	91	23%	40	16%	242	20%
	\$	\$ 2,342	11%	\$ 1,721	11%	\$ 1,025	9%	\$ 5,088	11%
Middle- Income	#	137	23%	88	23%	62	25%	287	23%
	\$	\$ 4,187	20%	\$ 2,802	18%	\$ 2,517	22%	\$9,506	20%
Upper- Income	#	263	44%	159	41%	125	49%	547	44%
	\$	\$ 13,541	65%	\$ 10,681	68%	\$ 7,719	65%	\$31,841	66%
TOTAL	#	593	100%	391	100%	252	100%	1,236	100%
	\$	\$ 20,989	100%	\$ 15,699	100%	\$ 11,698	100%	\$ 48,386	100%
% Low-Income Families			20%		27%		17%		
% Moderate- Income Families			17%		19%		17%		

# = number of loans

\$ = dollar amount of number of loans in 000's

## Small Business and Small Farm Lending

The distribution of STBSCT's small business and small farm loans based on borrower characteristics is good. The data demonstrates the availability of small dollar loans and good penetration between businesses and farms of low revenue levels. Ninety-nine percent of the number and 84% of the dollar volume of small farm loans were for amounts less than \$100 thousand. Small business loan statistics are similar. Ninety six percent of the number and 63% of the dollar amount of small business loans are for amounts less than \$100 thousand.

The rural nature of the assessment areas lends itself to agricultural type lending. The table reveals that Franklin and Giles/Lawrence assessment areas are heavier in small farm lending than Hardin.

<b>Small Farm Loans within Assessment Area</b> (January 1, 1996 through June 30, 1997)										
<b>By Revenue</b>										
Assessment Area	Revenues <= \$1 million		Revenues > \$1 million		Total of Small Farm Loans		% of loans with Revenues <= \$1 million		% of loans with Revenues > \$1 million	
	#	\$	#	\$	#	\$	#	\$	#	\$
Giles/Lawrence	434	\$ 5,786	1	\$ 30	435	\$ 5,816	99%	99%	0%	1%
Hardin	52	\$ 678	1	\$ 12	53	\$ 690	98%	98%	2%	2%
Franklin	161	\$ 2,439	1	\$ 400	162	\$ 2,839	99%	86%	1%	14%
Totals	647	\$ 8,903	3	\$ 442	650	\$ 9,345	99%	95%		
<b>By Loan Size</b>										
Assessment Area	<=\$100M		>\$100<=\$250M		>\$250M<=\$500		Total			
	#	\$	#	\$	#	\$	#	\$		
Giles/Lawrence	426	\$ 4,458	7	\$ 927	1	\$ 401	434	\$ 5,786		
Hardin	52	\$ 678	0	0	0	0	52	678		
Franklin	160	\$ 2,337	1	\$ 102	0	0	161	\$ 2,439		
Totals	638	\$ 7,473	8	\$ 1,029	1	\$ 401	647	\$ 8,903		

# = number  
\$ = dollars in 000's

Even though, the assessment areas are considered rural there is a large amount of small manufacturing in the counties. The table shows that the Giles/Lawrence assessment area has a large amount of small business loans. A substantial majority of the small business loans made in the assessment areas are to businesses with less than \$1 million in revenues (93%) and less than \$100 thousand in loan size (96%).

**Small Business within Assessment Areas**  
(January 1, 1996 through June 30, 1997)

**By Revenue**

	Revenues <= \$1 million		Revenues > \$1 million		Total of Small Business Loans		% with Revenues <= \$1 million		% with Revenues > \$1 million	
	#	\$	#	\$	#	\$	#	\$	#	\$
Giles/Lawrence	689	\$ 15,823	61	\$7,585	750	\$ 23,408	92%	68%	8%	32%
Hardin	306	\$ 6,067	16	\$ 425	322	\$ 6,492	95%	93%	5%	7%
Franklin	391	\$ 15,985	21	\$ 4,848	412	\$ 20,833	95%	77%	5%	23%
Total	1,377	\$37,875	98	\$12,858	1,484	\$50,733				

**By Loan Size**

Loan size	<= \$100M		>\$100M <= \$250M		>\$250M<=500M		Total	
	#	\$	#	\$	#	\$	#	\$
Assessment Area	#	\$	#	\$	#	\$	#	\$
Giles/Lawrence	668	\$ 10,810	7	\$ 2,238	5	\$ 2,775	680	\$ 15,823
Hardin	301	\$ 5,342	5	\$ 725	0	0	306	\$ 6,067
Franklin	360	\$ 7,768	20	\$ 3,092	11	\$ 5,125	391	\$ 15,985
Total	1,329	\$ 23,920	32	\$ 6,055	16	\$ 7,900	1,377	\$ 37,875

# = number  
\$ = dollars in 000's

Consumer Loans

STBSCT exhibits a good record of lending to consumer borrowers of different income levels. Consumer credit is available to low- and moderate-income borrowers. The following chart indicates that the number of consumer loans to low- and moderate- income borrowers as compared to total loans, exceed the proportion of the low- and moderate-income families in the assessment areas individually and in total. To meet the needs of the consumers' borrowers in the assessment areas, STBSCT makes numerous small loans. In 1996 and for the first six months of 1997 lenders originated 426 loans totaling approximately \$240 thousand for amounts less than one thousand dollars, for an average loan size of \$563.

<b>Consumer Loans within Assessment Areas by Borrower Income</b>									
<b>(January 1, 1996 through June 30, 1997)</b>									
		Giles/ Lawrence	%	Hardin	%	Franklin	%	Total	Percent of Total
Low-Income	#	1,553	28%	624	32%	315	25%	2,492	28%
	\$	\$ 5,400	15%	\$ 2,176	23%	\$ 1,377	12%	\$ 8,953	15%
Moderate- Income	#	1,646	30%	543	28%	314	25%	2,503	29%
	\$	\$ 8,221	23%	\$ 2,583	22%	\$ 1,691	15%	\$ 12,495	21%
Middle- Income	#	1,150	21%	405	21%	260	20%	1,815	21%
	\$	\$ 7,642	21%	\$ 2,735	23%	\$ 2,414	21%	\$ 12,791	21%
Upper- Income	#	1,141	21%	386	20%	390	30%	1,917	22%
	\$	\$ 15,073	41%	\$ 4,313	37%	\$ 6,014	52%	\$ 25,400	42%
Unknown	#	20	0%	2	0%	0	0%	22	
	\$	\$ 183	0%	\$ 11	0%	0	0%	\$ 194	
TOTAL	#	5,510	100%	1,960	100%	1,279	100%	8,749	100%
	\$	\$ 36,519	100%	\$ 11,818	100%	\$ 11,496	100%	\$59,833	100%
% Low-Income Families			20%		27%		17%		
% Moderate- Income Families			17%		19%		17%		

# = number of loans

\$ = dollar amount of number of loans in 000's

### **Community Development Lending**

The bank currently has community development loans to two organizations which meet the regulatory definition. There are limited opportunities for such lending within the bank's assessment areas. STBSCT's efforts are adequate given the bank's size and capacity.

### Winchester Industrial Board

STBSCT has a 17% share (\$275 thousand) participation in a \$1,650 thousand loan that was made to the Industrial Board. The Board, in turn, provided financing for a small business owner to purchase a building. The plant produces plastic injection molding and interior parts for automobiles, on an assembly line. This new industry has created 120 new low-skill level jobs for the Winchester community, located in Franklin County. This is an economic development loan to a business with gross revenues less than \$1 million.

#### Franklin County Adult Center

The Center provides physically and mentally challenged adults the opportunity to live on their own by providing housing facilities and work for those capable of working. The Center employs the individuals in a furniture refinishing shop at wages of no more than \$100 week plus their housing. This is low-income. The \$91,800 loan was used to purchase two duplexes that house eight residents. This loan provided affordable housing for low income individuals.

## **INVESTMENTS**

STBSCT has an adequate level of qualified investments considering the limited availability for such investments in the assessment areas.

#### **Dollar Amount of Qualified Investments**

STBSCT purchased \$1,050,000 in the City of Savannah (Hardin County) General Obligation Capital Outlay Notes on July 21, 1997. The purpose of the notes was to finance land acquisition and construct and equip a building for use by Jackson State Community College (JSCC). The facility will be located in one of the two moderate income tracts in the Hardin County assessment area. This investment represents a permanent expansion of the college into this county. Currently, JSCC holds evening classes about two nights per week (average) at the local high school. JSCC, headquartered in Jackson TN, serves a fourteen-county service area and provides technical assistance as well as technical education and training. It also provides free counseling for small business development, including developing business plans, developing growth and managing success.

When this facility is completed, new services and programs will be offered by the college. This will benefit the local community by improving the education level of the employee base. This, in turn, will improve the employability of low- and moderate-income workers providing a benefit to the overall local economic development.

## **SERVICES**

The systems for delivering retail banking services are adequate and the level of community development services is satisfactory. Current delivery systems serve the majority of the population within the assessment areas.

## RETAIL BANKING SERVICES

### Distribution of Branches Among Geographies

Full service banking is available in each assessment area. Most of the offices are open between 9:00 A.M. - 4:00 P.M. Monday thru Thursday, and 9:00 A.M. - 5:00 P.M. on Friday. Saturday banking hours from 8:00 A.M. - 12:00 P.M. are offered at two branches in Hardin County, including one located in one of the two moderate-income census tracts and two locations in Giles County. Extended Saturday hours from 10:00 A.M. - 4:00 P.M. are offered at the Wal-Mart Supercenter branch in Lawrence County. Twenty four hours banking is available in each assessment area through Automatic Teller Machines (ATMs). The distribution of branches and ATMs by income characteristic of census tracts within each assessment area is summarized in the following table:

<b>Distribution of Delivery Systems by Assessment Area</b>									
<b>Assessment Area</b>									
	<b>Hardin County</b>			<b>Giles/Lawrence County</b>			<b>Franklin County</b>		
<b>Income characteristic of a census tract</b>	<b># of census tracts</b>	<b># of branches</b>	<b># of ATMs</b>	<b># of census tracts</b>	<b># of branches</b>	<b># of ATMs</b>	<b># of census tracts</b>	<b># of branches</b>	<b># of ATMs</b>
Low	0	0	0	0	0	0	0	0	0
Moderate	2	2	1	0	0	0	0	0	0
Middle	5	2	1	17	7	5	7	0	0
Upper	0	0	0	0	0	0	3	3	2
Total	7	4	2	17	7	5	*13	3	2

\*Franklin County includes three census tracts that are uninhabited

During 1996, the bank installed three ATMs. Two are located in rural communities, Counce (Hardin County), and Lynnville (Giles County). These machines are the only ones serving those areas, providing 24 hour conveniences to the communities. Another ATM was installed in the Wal-Mart Supercenter branch (Lawrence County), also open 24 hours. In 1997, an ATM was installed at Arvin Ride Control, the largest employer in Giles County.

### Record of Opening and Closing Offices



The bank opened a branch office during 1996 at the Wal-Mart Supercenter store, located on North Locust Avenue in Lawrenceburg, Tennessee. This is a large retail discount store. This new location offers expanded weekday hours until 7:00 P.M. and weekend hours until 4:00 P.M.

No offices have been closed since the prior CRA examination.

## **COMMUNITY DEVELOPMENT SERVICES**

STBSCT provides an adequate level of community development services. The bank's primary services include participation of bank officers and directors at various levels on organizations whose purpose is to promote community development or provide a financial service. While the services are not considered innovative, they show a good responsiveness to community needs by providing financial expertise to organizations in the assessment areas. The following community development services are provided within the bank's assessment areas:

### **Giles/Lawrence County**

- Pulaski Housing Authority - President Jones is a board member. This organization administers a federally funded public housing project that provides low cost multifamily housing with 242 units to low income families. The authority also provides 102 supplemental rent units for fixed income individuals.
- Pulaski - Giles County Industrial Development Board (IDB) - President Jones is a board member. IDB's primary focus is to acquire and finance annual lease properties to bring in new business and industry into the community. These businesses are primarily small businesses, those with revenues less than \$1 million. These activities promote economic development by financing facilities for small businesses.
- Pulaski-Giles County Industrial Development Commission - CRA Officer Helton is a member of the commission. This organization works with the IDB to recruit new industry into the community. They market to prospective businesses and present financial packages including the availability of financing through the IDB and the local financial institutions. These activities promote economic development by supporting a board that develops financing for small businesses.
- The City of Lawrenceburg Industrial Development Board/21st Century Council - Vice President Parker is a board member. This organization is a branch of city government that provides financial advice and expertise and makes recommendations for authorization of the Industrial Development Bonds. These activities promote economic development by financing facilities for small businesses.
- Habitat for Humanity - President Jones is a board member. This organization provides home ownership to individuals who are unable to otherwise qualify. Specifically, President Jones provides financial counseling to prospective applicants. This

organization's primary purpose is to provide affordable housing for low- or moderate-income individuals.

### **Hardin County**

- Savannah Corporation Industrial Development Board - Vice President Sample is a board member. This organization provides financing of tax-exempt industrial development bonds, administers community grant funds from state and federal governments to create jobs, and administers the development of the industrial park. The majority of the businesses that have been serviced by this board qualify as small businesses, those with revenues of less than \$1 million.
- Industrial Recruitment and Relations Committee - Vice President Turnbow is a board member. This organization is the recruiting arm for the Chamber of Commerce that promotes economic development for small businesses. In particular, they prepare and present financial packages and provide financial expertise and guidance to prospective small businesses. Its mission is to create jobs and attract new industry and business, primarily smaller companies, to the local community to promote economic growth.

### **FAIR LENDING REVIEW**

We did not identify any violations of the substantive provisions of the antidiscrimination law and regulations (ECOA, FHA). STBSCT's fair lending policies, procedures, training programs and internal assessment efforts have been effective in assisting lenders in these issues.

## **Appendix A: Scope of Examination**

A Community Reinvestment Act (CRA) examination commenced on August 4, 1997. The objective of the examination was to assess the bank's record of serving the credit needs of their defined assessment areas, including low- and moderate-income areas and to assign an overall rating to the bank. The examination considered the performance during 1996 and for first and second quarters of 1997. Performance was evaluated under the newly revised CRA regulation for Large Retail Banks. The examination included a review of home mortgage loans, small business and small farm loans, and consumer loans originated from January 1, 1996 through June 30, 1997. Qualified investments and services were evaluated since the prior CRA examination, November 1995.