



Comptroller of the Currency
Administrator of National Banks

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

PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

November 18, 1996

**Boatmen's First National Bank of Kansas City
Charter Number 22885
1130 Walnut
Kansas City, Missouri 64183**

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Boatmen's First National Bank of Kansas City prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency.

The evaluation represents the OCC's current assessment and rating of the institution's CRA performance based on an examination conducted as of November 18, 1996. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U.S.C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under 5 performance categories, as detailed in the following section of this evaluation.

GLOSSARY OF TERMS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation.

Boatmen's Bancshares, Inc. (BBI) - BBI is the parent company of Boatmen's First National Bank of Kansas City.

Boatmen's First National Bank of Kansas City (Boatmen's)

Boatmen's National Mortgage, Inc. (BNMI) and Boatmen's Mortgage Company (BMC)

- Mortgage companies that are, or have been, affiliated with BBI.

Census Tract (CT) - Small, locally defined statistical areas within a MSA (see definition below). These areas are determined by the United States Census Bureau in an attempt to group homogeneous populations. A CT has defined boundaries per 10-year census and an average population of 4,000.

Community Reinvestment Act (CRA) - A statute that requires federal regulators to evaluate a financial institution's lending performance in light of the credit needs in the institution's local community. The regulator must also evaluate whether the institution's defined community is reasonable. *[THIS IS A GENERIC DESCRIPTION OF THE BANK'S REQUIREMENTS AND NOT A LEGAL EXPLANATION OF THE REQUIREMENTS CONTAINED IN 12 U. S. C. 2901, AS AMENDED AND 12 C. F. R. 25, AS AMENDED.]*

Home Mortgage Disclosure Act (HMDA) - A statute that requires certain mortgage lenders that do business or have banking offices in MSAs to file annual summary reports of their lending activity. The reports include such data as the race, gender, and the income of the applicant(s), the amount of loan requested and its disposition (e.g made, turned down, withdrawn). The types of loan applications reported include governmentally-guaranteed home purchase and home improvement loans, conventional home purchase loans, home improvement loans, refinancings of home purchase and home improvement loans and loans for the purchase of multi-family (5 or more units) dwellings. *[THIS IS A GENERIC DESCRIPTION OF THE BANK'S REQUIREMENTS AND NOT A LEGAL EXPLANATION OF THE REQUIREMENTS CONTAINED IN 12 U. S. C. 2801, AS AMENDED AND 12 C.F.R. 203, AS AMENDED.]*

Low- and Moderate-Income (LMI) - Income levels which are less than 80% of the median family income. LMI CTs are based on the 1990 United States Census data unless otherwise noted.

Median Family Income - The 1990 median income determined by the United States Census Bureau.

Metropolitan Statistical Area (MSA) - Area consisting of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

ASSIGNMENT OF RATING

Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

Outstanding record of meeting community credit needs.

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Satisfactory record of meeting community credit needs.

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Needs to improve record of meeting community credit needs.

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Substantial noncompliance record of meeting community credit needs.

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating:

Based on the findings presented below, this institution is rated: **“Outstanding Record of Meeting Community Credit Needs.”** The evaluation period covers March 14, 1994 through November 18, 1996.

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

- Boatmen's remained a leader in its community development efforts.
- We found high volumes of local lending.
- During our evaluation period, Boatmen's consistently demonstrated strong HMDA lending performance in LMI CTs and to LMI borrowers.
- The Small Business Administration (SBA) recognized Boatmen's as the second largest lender in the country for SBA FA\$TRAK loans to small businesses.
- The bank had a strong record of financing affordable multi-family housing projects.

REASONABLENESS OF COMMUNITY DELINEATION

The bank's delineated community is reasonable and does not arbitrarily exclude any LMI areas. It consists of 7 counties within the 11-county Kansas City, Missouri and Kansas City, Kansas MSA. The counties are: Jackson, Cass, Clay, Ray and Platte in Missouri and Johnson and Wyandotte in Kansas. The delineation consists of 418 CTs. By income level, the tracts are 37% LMI, 41% middle- and 22% upper-income.

COMMUNITY PROFILE

According to 1990 census data, Boatmen's delineated community has a population of 1.4 million. The median family income for the delineated community, as updated in 1996 by the Department of Housing and Urban Development (HUD), is \$47,700.

Competition for banking and financial services in the Kansas City area is strong. The principal industries include automobile manufacturing, banking, food distribution, government, printing companies, and telecommunications. The general economic condition is fair. The unemployment rate is below the national average, at about 3%.

BANK PROFILE

Boatmen's is a \$4.5 billion institution with 44 branches and an extensive automated teller machine (ATM) network. It is a full service bank, providing both commercial and retail lending. As of June 30, 1996, the bank had a 99% loan-to-deposit ratio. The bank's loan mix was: 62% commercial and commercial real estate loans; 34% consumer loans to individuals, including residential real estate loans; and 4% other loans.

Our CRA analysis included the activities of Boatmen's First National Bank of Kansas City and the former Boatmen's Bank of Kansas. These banks merged in June 1996. We evaluated loans originated by BNMI and BMC within the delineated community. We did not consider BANK IV in our analysis as the merger between Boatmen's First National Bank of Kansas City and BANK IV did not occur until the examination was already in process. Effective October 18, 1996, the bank name changed to Boatmen's National Bank. As a result of the merger, Boatmen's acquired 84 additional branches in Kansas and increased its total assets to \$8.9 billion.

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Assessment Factor A - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

Boatmen's effectively identified community credit needs and maintained ongoing relationships with a variety of community representatives.

The Board of Directors and management pursued meaningful contacts with a number of groups and organizations that enabled the bank to assess the community's credit needs on an ongoing basis. Contacts included public officials; neighborhood organizations; and community groups involved in affordable housing, small business, economic and community development. A sample of the groups Boatmen's worked with in determining community needs includes: Rehabilitation Loan Corporation, Housing Authority of Kansas City, East Meyer Community Corporation, Westside Housing Organization, 18th & Vine Historic District, Neighborhood Housing Services of Kansas City, Missouri and Old North East.

Through the bank's ascertainment efforts, management identified several credit, service, and community development needs in its community. Examiners confirmed these needs through community outreach. They include:

- Affordable and flexible home loan products;
- Flexible loan products for small and start-up businesses;
- Community development projects in the form of affordable multi-family housing projects; and,

- Education for homebuyers and small business owners.

Boatmen's addressed these needs by offering a full range of credit products and services that were well-suited to meet the community's needs with an emphasis on community development. The bank participated in a large number of public and private programs which resulted in a strong record of lending and community development. Refer to Assessment Factors I, E, J, H, and L for details.

During our evaluation period, the bank modified existing products and started offering new products and services to better serve the needs of the community. This included a focus on the needs of LMI individuals and small businesses. Examples include:

- Modified the Target Mortgage program, originally designed in 1990 for home purchase loans in LMI areas. In November 1995, Boatmen's expanded the program to include refinances, to reduce closing costs, and to increase interest rate discounts. In September 1996, the bank expanded the program for eligible LMI borrowers outside of LMI CTs.
- Developed the Target Plus Mortgage for home purchases in September 1996. This program allows downpayments as low as 2%, a higher debt ratio, and does not require private mortgage insurance.
- Expanded the line of affordable government home lending programs offered. Refer to Assessment Factor J.
- Introduced Boatmen's Pro Business loan program and the Small Business Administration's (SBA) FA\$TRAK loan program. Pro Business targets businesses with credit needs of \$250,000 or less. FA\$TRAK targets those with credit needs of \$100,000 or less. These programs simplify the application process for small businesses by streamlining commercial loan applications. The programs include reduced financial reporting, quick responses, and lower interest rates.
- Developed a home equity loan in October 1994 with a loan-to-value ratio as high as 100% and no closing costs.
- Established a loan program in September 1995, specifically targeted to individuals in the Futures program. The Futures program is administered through the State of Missouri Division of Social Services to help individuals become independent of welfare. The loan program assists these individuals in buying used cars at lower rates and for longer terms than the bank normally offers.
- Introduced the Vision CD (CD) in September 1995. The CD is targeted to LMI individuals primarily to assist them in saving money to buy a home. Customers are allowed to make multiple contributions (of \$25 or more after the initial contribution of \$100) to the CD for an 18-month period. The funds can be withdrawn without penalty for mortgage downpayments, college tuition, or medical emergencies. Targeted zip codes include all those that have a median income less than 100% of the median income for the county in which the zip code is located.

Assessment Factor C - The extent of participation by the institution's board of directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

The Board and senior management maintained an effective system for formulating and reviewing the CRA process.

The Board provided active oversight of the bank's CRA program through ongoing reviews of CRA performance. The Board and senior management demonstrated a willingness to consider innovative programs and underwriting to meet community credit needs. Refer to Assessment Factors A, I, J, and H for details.

Boatmen's directors and senior officers were personally involved in activities and groups designed to develop, improve, and enhance the local community. They demonstrated their involvement through memberships in numerous community organizations.

The bank's Community Development Department regularly compiled and reviewed lending data, with a strong focus on loan penetration in LMI geographies and to LMI people. Results of these analyses were presented to the bank's Community Action Committee and considered in the development of new products.

II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

Assessment Factor B - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

Boatmen's had sound marketing and advertising programs which provided its community with a high level of awareness about the bank's credit services.

Advertisements stimulated awareness of credit services throughout the community. Marketing efforts specifically targeted to LMI individuals used a variety of media. These efforts proved effective and resulted in strong lending performance to LMI borrowers and in LMI areas. Refer to Assessment Factor E for details.

Boatmen's routinely provided direct and indirect technical assistance to individuals and groups in understanding and applying for credit. The bank strongly emphasized educating LMI homebuyers and small business owners. Refer to Assessment Factor L for details.

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

Boatmen's demonstrated a strong commitment to addressing its community's credit needs through the origination of housing and small business loans.

Boatmen's made a substantial portion of its loans within its delineated community. For 1995, Boatmen's originated 90% of its HMDA loans within the delineated community. Through September 30, 1996 the percentage of HMDA loans originated within the delineated community declined to 75%. This was due mainly to a significant number of unsecured home improvement loans (20% of all home improvement loans) which were made through dealer relationships outside of Kansas City. Excluding home improvement loans, the bank made 93% of its HMDA loans within its defined market. Internal bank reports show that Boatmen's originated 79% of its commercial loans within the delineated community in 1995.

Among local financial institutions, Boatmen's continues as one of the top HMDA lenders, though its primary business focus is commercial lending. The following table shows the number of HMDA loans Boatmen's originated within its delineated community; its rank among local depository institutions and their affiliated mortgage companies; and its market share (MS) percentage of all HMDA loan originations within its defined market. Home purchase loan totals include both conventional and government home purchase loan originations. Refer to Assessment Factor J for details on government home loan program originations.

HMDA LOAN TYPE	1994			1995			1996**
	#	Rank	%MS	#	Rank	%MS	#
Home Purchase	419	5th	1.8	474	4th	2.0	393
Refinance	589	2nd	4.1	231	2nd	2.5	366
Home Improvement	1358	1st	20.2	602	2nd	9.9	419
Multi-family	11*	2nd	14.7	10*	1st	10.5	1
Total	2377	2nd	5.3	1317	4th	3.3	1179

* Includes purchased loans. 1995 also includes one multi-family loan which the bank's St. Louis affiliate originated within the KC market.

** Through September 1996.

The decline in refinance loans is consistent with trends among all lenders in the aggregate market and corresponds to an increase in market rates. The decrease in home improvement loans is primarily due to management's decision to discontinue underwriting secured home improvement loans from dealers and to reclassify water softener loans from HMDA-

reportable to non-HMDA-reportable.

Though HMDA loan volumes declined significantly in 1995, Boatmen's increased its home purchase lending volume. HMDA loan originations showed an increasing trend in 1996 for all product types except multi-family. Market share information for 1996 was not yet available.

In 1995, Boatmen's ranked second in overall home improvement loans reported by all lenders in the market despite the decline in home improvement loans. Additionally, the bank's home improvement loan totals do not include home equity lines of credit used for home improvement purposes. Historically, the bank has not reported these loans as HMDA loans, unlike many other lenders within its market. Boatmen's did not track home equity loan originations other than those lines outstanding, some of which were used for home improvements. As of June 30, 1996, the bank had 815 home equity lines outstanding for \$23.5 million. This included the 100% home equity loan product the bank introduced in October 1994.

Boatmen's continued to be a leader in multi-family loans. In 1995, the bank ranked first with 10 multi-family loans totaling \$14.5 million. This represented 25% of the total dollars extended by all lenders in the market. Refer to Assessment Factor H for details on multi-family loans which specifically contributed to meeting the community's affordable housing needs.

Boatmen's originated a significant number of commercial loans, often in amounts less than \$250,000. Based on the June 30, 1996 Consolidated Report of Condition, Boatmen's had 4,433 outstanding small loans to businesses for \$350 million. Eighty-seven percent of those loans were originated for amounts of \$250,000 or less. The bank's Pro Business loan product specifically targets businesses with credit needs of \$250,000 or less. The bank made 2,246 Pro Business loans totaling \$85.9 million from the program's introduction in August 1994 through August 1996.

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

Boatmen's actively participated in governmentally-insured, guaranteed, and subsidized loan programs for housing and small businesses.

HOME LOAN PROGRAMS: Boatmen's offered a variety of affordable governmentally-insured, guaranteed, or subsidized home loan programs. During our evaluation period, the bank originated 385 such loans totaling \$17.4 million within the delineated community. These volumes are included in the HMDA originations shown in Assessment Factor I. These programs include:

Federal National Mortgage Association (FNMA) Community Homebuyer and Federal Home Loan Mortgage Corporation (FHLMC) Affordable Gold Programs: Boatmen's underwrote most of its affordable home loans to meet the requirements of these flexible programs with the exception of Boatmen's Target Plus Mortgage. The Target Plus Mortgage is more flexible than the FNMA and FHLMC programs (refer to Assessment Factor A). Some of the FNMA and FHLMC programs offer downpayments as low as 3%. These programs allow higher debt ratios than conventional loans. They are available in all areas, but include income limitations outside of LMI areas.

Missouri Housing Development Commission (MHDC) Downpayment Assistance Program: According to MHDC records, Boatmen's was the most active bank lender through this program from January 1, 1995 through May 31, 1996. Boatmen's originated 107 loans totaling \$4.5 million during our evaluation period. The program is targeted to LMI areas. MHDC provides a grant for up to 20% of the purchase price.

Kansas City, Missouri Rehabilitation Loan Corporation's (RLC) 70/20/10 HOME Loan Program: According to RLC records for 1995 and the first half of 1996, Boatmen's was the most active lender under this program. The bank originated 76 loans totaling \$3.2 million during our evaluation period. The program is for first-time homebuyers in targeted LMI areas of Kansas City, Missouri. The borrower is required to make only a minimal cash downpayment. The program includes the bank's loan for 70% of the purchase price, a forgivable loan from RLC, and a zero percent loan from MHDC for the remainder of the purchase price.

Kansas City, Missouri Rehabilitation Loan Corporation's (RLC) HOPE III Program: In August 1996, Boatmen's was selected as one of only two lenders for the city's HOPE III program. The bank closed one loan through this program. Under the program, the City rehabilitates homes purchased from HUD. The City provides a grant for up to 30% of the purchase price and the borrower is required to make a downpayment of only \$1,000.

Federal Housing Authority (FHA) loans and Veterans Affairs (VA) loans: Boatmen's began originating FHA and VA loans in 1995. Since then, the bank originated 86 loans totaling \$5.7 million within the bank's delineated community. Additionally, Boatmen's indirectly provided funding for FHA and VA loans by providing warehousing lines of credit totaling \$108 million to three local mortgage companies. These mortgage companies are active originators of FHA and VA loans for single-family residences in the bank's delineated community.

Other affordable government housing programs: Boatmen's recently began offering several other government-sponsored housing programs targeted to LMI people or LMI areas: These programs have not yet generated a substantial number of loans. They include: 1) Police and Teachers Homeownership Loan Program (PATH) for police officers and teachers who purchase homes in LMI areas of Kansas City, Kansas; 2) City of Independence program for LMI first time homebuyers; 3) Urban Development Action Grant (UDAG) loans through the East Meyer Community Development Corporation; and 4) Section 5(H) loans in conjunction with the Housing Authority of Kansas City, Missouri. Boatmen's also offered the Kansas City, Kansas CHIP loan targeted to first-time homebuyers, and the Kansas City, Missouri Housing Development Corporation and Information Center (HDCIC) affordable loan programs for single family new construction in targeted LMI areas.

SMALL BUSINESS LOAN PROGRAMS: Boatmen's regularly participated in governmentally-insured, guaranteed, or subsidized programs for small business. Some examples are:

Small Business Administration (SBA) Loans: The SBA ranked Boatmen's as the top lender in the Kansas City market for the past two years based on the number of loan originations. For SBA's last two fiscal years ending September 30, 1996 and September 30, 1995, the bank originated 140 and 124 loans totaling \$8.8 million and \$9.3 million, respectively. Boatmen's average SBA loan size of \$68,498 reflects its focus on smaller-sized businesses.

The SBA chose Boatmen's to pilot the FA\$TRAK program for a two-year period beginning in April 1995. This program allows a quicker response time for loan applicants. Boatmen's is the only bank in the Kansas City market, and only one of eighteen banks in the United States, that was chosen for this program. Boatmen's was the second largest FA\$TRAK lender in the nation after the program's first year. These loans are included in the 1995 and 1996 SBA loan totals.

Missouri First Link Deposit Program: According to the Missouri State Treasurer's office, Boatmen's was the third most active Jackson County lender under this program from January 1, 1995 through June 19, 1996. The program is a low interest rate, linked-deposit loan program administered by the Missouri Treasurer's office to assist in creating or sustaining jobs for Missouri businesses. Boatmen's originated 16 loans totaling \$8.1 million during our evaluation period.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

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

Boatmen's showed a good distribution of loans throughout its delineated community, including LMI CTs. Also, the bank consistently exceeded the aggregate market in the percentage of HMDA loans made to LMI borrowers across all product types.

In 1994 and 1995, Boatmen's ranked second among local lenders for HMDA originations in LMI CTs. Although Boatmen's market share declined from 8% in 1994 to 5% in 1995, it continued to make a larger portion of its total HMDA loans in LMI CTs than the average of all HMDA lenders in the market. In 1995, Boatmen's made 13% of its HMDA loans in LMI CTs, while the market made 9%.

In 1994, Boatmen's ranked second among local lenders for HMDA originations made to LMI borrowers, with 6% of the aggregate market share. In 1995, Boatmen's market share declined to 4%, which was third among local depository institutions and their affiliated mortgage companies. Despite a decrease in the total number of HMDA loans from 1994 to 1995 (refer to Assessment Factor I), the bank increased the percentage of its total HMDA loans made to LMI borrowers. The bank made 31% of its HMDA loans to LMI borrowers in 1994 and 35% in 1995. This consistently exceeded the aggregate market's percentage to LMI borrowers, which was 28% in 1994 and 29% in 1995.

Based on internal bank reports of 1995 loan originations by CT, Boatmen's made 29% of its total commercial loans and 21% of its total consumer loans in LMI CTs within its defined market. CTs designated as LMI in the bank's reports are based on the 1995 updated HUD median family income for the MSA.

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

Boatmen's offices are readily accessible to all segments of its delineated community. Bank management regularly reviewed business hours and services to ensure they met the customers' needs.

Boatmen's has 44 offices which serve its delineated community, including 6 offices in grocery stores. Eight offices are located in moderate income CTs and 12 others are located in CTs adjacent to LMI CTs. Forty-three branches have ATM machines. The bank also has 30 stand-alone ATM machines. Four of the stand-alone ATMs are in hospitals and nine are in Wal-Mart stores.

The bank closed three branches since the last CRA evaluation. There were other Boatmen's facilities located within two miles of each closed branch. One of the closed branches was near two downtown bank facilities, including the main bank. Branches near the other two were renovated and expanded. The expansions and additional staff enabled efficient handling of the increased traffic from the closed branches.

Management tailored branch hours to meet the needs of its clientele. Several locations have extended hours. All but three of the branches are open on Saturdays. The in-store branches (Bank Where You Shop) all are open on Sundays as well. Telephone Banking, including account information and Loan By Phone, is available 24 hours a day for all consumer loans and Pro Business loans. Telephone Banking is available in Spanish. The bank offers PC banking.

Boatmen's introduced several new innovative products during this evaluation period to better serve its community. These products include Target Plus Mortgage loans, Futures consumer loans, and Visions CD. See Assessment Factor A for descriptions of these products.

IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES

Assessment Factor D - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).

We did not identify any practices intended to discourage individuals from applying for credit. Boatmen's actively solicited applications from all segments of its community including LMI areas.

The Board and management developed effective policies and procedures to ensure equal treatment of all applicants. The bank, through BBI, established an internal fair lending review. BBI implemented a comprehensive fair lending training program for all employees, with special emphasis for all lending personnel.

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

Our review did not detect any evidence of disparate treatment based on gender. The bank

is in compliance with the substantive provisions of antidiscrimination laws and regulations.

We did not find any evidence of illegal discriminatory treatment of loan applicants because of their gender based on the sample we reviewed. We determined underwriters provided a comparable level of assistance to applicants regardless of gender. We performed a comparative analysis of home equity loan applications and loan applications to finance new and used automobiles. The review included 100 denied female and 150 approved male applicants.

V. COMMUNITY DEVELOPMENT

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

Boatmen's maintained a high level of participation in development/redevelopment programs, providing community leadership and financial support.

Boatmen's and Boatmen's Community Development Corporation (BCDC) individually and in partnership with other development organizations, regularly provided financing to entities and individuals for constructing affordable housing and providing economic stabilization and revitalization. Some of the more significant loans and investments during our evaluation period include:

- Invested or lent \$7.5 million for five multi-family housing projects that provided a total of 762 affordable housing units in the bank's delineated community.
- Served as lead lender and funded \$8.7 million of a \$27 million term loan to rehabilitate an existing hotel and build a new hotel in downtown Kansas City, Missouri to promote the economic revitalization of the downtown area.
- Funded a \$1.5 million participation with another local financial institution in a \$5 million construction loan to finance an ambulatory and mental health care facility which provided comprehensive health care in a LMI area. Also, provided \$1.2 million of a \$4 million loan to expand the clinic network.
- Served as lead lender and funded \$500,000 of a \$1 million construction loan to a non-profit organization to expand a battered women's shelter in a LMI area of Independence, Missouri.
- Originated a \$900,000 construction loan to a non-profit organization to build a new children's shelter in Parkville, Missouri.
- Provided \$6.4 million to four builders to construct 94 single family residences in LMI areas. Also, Boatmen's committed to loan \$59,000 for pre-development costs to

develop 12 single family residence lots in a LMI neighborhood in Kansas City, Kansas.

- Lent \$165,000 to a visiting nurse association in the Kansas City, Kansas Enhanced Enterprise Community, located in a LMI CT. The association provides home health care for LMI people and the elderly.
- Made a \$520,000 loan to a non-profit community development corporation to purchase the building they were leasing. This organization develops child care centers predominately in LMI areas. Boatmen's also provided a \$2 million construction loan for a child care center located in a LMI CT in Kansas City's east side.
- Advanced \$864,000 of a \$1 million commitment to the National Equity Fund which invests in affordable housing projects. This fund invested in numerous projects in the bank's delineated community.
- Funded \$36,938 of a \$200,000 commitment in 1994, and a commitment of \$300,000 in 1996 to a Missouri statewide equity fund which invests in affordable housing projects. One of the projects benefitted Kansas City, Missouri. The bank earns federal and state tax credits for its investment.
- Invested in 19 FHLMC Gold securities with an original face value of \$88.6 million as of August 31, 1996. These securities consist of a pool of affordable mortgage loans. The main qualification is income below 100% of median income.

Assessment Factor K - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions and other factors.

We did not identify any constraints on the bank's ability to assist in meeting community credit needs.

Boatmen's made a substantial commitment to help meet the community's credit needs, by providing financial resources and technical expertise. The bank demonstrated a high level of participation in community development projects, affordable home lending programs, and small business lending.

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

Boatmen's regularly engaged in other meaningful activities which facilitated meeting the

credit needs of its delineated community.

Boatmen's originated a substantial volume of government guaranteed student loans. In 1994, the bank originated 19,424 student loans for \$65 million. In 1995, the bank originated 17,126 student loans for \$57 million. Through June 30, 1996, the bank made 4,802 student loans totaling \$26 million.

The bank originated 3 loans in the Futures program for \$13,000 in 1995 and 14 loans for \$57,000 through June 30, 1996. As of August 31, 1996, the bank opened 782 Vision CDS to individuals in targeted zip codes. Refer to Assessment Factor A for a description of these programs.

Boatmen's employees provided technical assistance to several community and economic development organizations. Bank personnel frequently provided educational training directly and in cooperation with local community organizations. Bank employees serve on the Board or finance committees of several economic development organizations. Some of these organizations include: Organization for a New Equality (ONE), Local Initiative Support Corporation (LISC), Kansas City Neighborhood Alliance and the First Step Fund. Boatmen's personnel actively participated in the Greater Kansas City Community Lenders Association and Kansas City, Kansas Lenders Consortium. These consortiums assist with identifying credit needs and avenues to meet those needs.

Boatmen's continued to make regular donations to local community organizations that promote affordable housing, financial education, or economic stabilization. Totals for 1994 through September 30, 1996 were \$938,000.

ADDITIONAL INFORMATION

The bank is located in MSA #3760. Data on individual home mortgage lenders and aggregated data on home mortgage lending activity in this MSA is publicly available at Mid-America Regional Council, 600 Broadway, Kansas City, Missouri 64105, (816)474-4240.

The Office of the Comptroller of the Currency is responsible for supervising Boatmen's. Members of the public can contact this regulatory agency with questions, concerns, or issues. The address is:

Office of the Comptroller of the Currency
Midwestern District
2345 Grand Boulevard, Suite 700
Kansas City, Missouri 64108