

Public Disclosure

August 19, 1997

Community Reinvestment Act Performance Evaluation

**Barnett Bank, National Association
Charter Number 9049
50 North Laura Street
Jacksonville, Florida 32202**

**Comptroller of the Currency
Administrator of National Banks
Southeastern District
Marquis One Tower, Suite 600
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Atlanta, Georgia 30303**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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 (LMI) 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 **Barnett Bank, National Association, Jacksonville, Florida (Barnett)** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, using financial information primarily dated December 31, 1996. 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 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.

Description of Institution

With virtually statewide operations in Florida, Barnett dates to the original Jacksonville bank, founded in 1877. Early growth was through newly organized independent banks, mostly in the state's smaller, more rural communities. In mid-1996, all but one of the Florida banks with a national bank charter were merged into the present bank. As of 12/31/96, Barnett was one of Florida's largest financial institutions with total assets of \$39 billion. There are no legal, financial or other impediments to the bank's CRA performance.

Although the bank has since expanded into essentially all of Florida, it retains its original retail lending focus, primarily consumer and residential real estate. Barnett is a leader in retail lending. In 1996, Barnett was the leading consumer lender, and one of the top residential real estate lenders in Florida.

As the table below indicates, a substantial portion (72%) of the bank's loan portfolio consists of home mortgages (1-4 and multifamily) and consumer loans. These type loans were identified as significant credit needs within the bank's assessment areas.

Loan Type	12/31/96 Dollars (000,000)	Percent of Loan Portfolio
Construction and Land Development Loans	\$983	3%
Loans Secured by Farmland	\$14	0%
Loans Secured by 1-4 family residential properties	\$12,021	41%
Loans Secured by multifamily residential properties	\$386	1%
Loans to Finance Agricultural Production	\$34	0%
Consumer Loans to Individuals (includes Credit Cards)	\$8,775	30%
Commercial and Industrial Loans	\$3,049	11%
Other Loans	\$4,134	14%
Gross Loans	\$29,408	100%

In addition to its prominent stature in Florida, Barnett is one of the top home mortgage and consumer lenders as compared to its peer banks throughout the Nation. To gain a greater perspective of Barnett's lending, we compared Barnett to the other 68 largest banks in the nation. These peer banks have assets greater than \$10 Billion. When compared to its national peers, Barnett is near the top of its peer group in overall lending with total loans comprising 74% of its average assets. This places the bank in the top 10 percent of its national peers. Barnett is also near the top of its national peers in originating home mortgages (top 10 percent of peers) and consumer loans (top 15% of peers).

Barnett is also a leader in small business lending and was Florida's top large bank Small Business Administration (SBA) lender in 1995. SBA lending in 1996 was good, but 1996 SBA rankings were not available during the examination.

Description of Assessment Areas/Demographics/Community Contact Information

Assessment Areas/Demographics:

Barnett's 26 assessment areas include all 19 Metropolitan Statistical Areas (MSA) and 7 nonmetropolitan assessment areas within the state of Florida. The bank's assessment areas include a total of 2,342 geographies (census tracts and block numbering areas). According to 1990 census information, 124 (5%) of the geographies are low income, 462 (20%) are moderate income, 1,162 (50%) are middle income, 544 (23%) are upper income, and 50 (2%) lack sufficient population to be assigned an income level. Population of the assessment areas was approximately 13 million. As a whole, the assessment areas include 99% of the geographies and

population in Florida, and 99% of the LMI geographies and families. The assessment areas have 3,412,678 families of which 649,516 (19%) are low income, 641,314 (19%) are moderate income, 776,063 (23%) are middle income, and 1,345,785 (39%) are upper income.

In a substantial portion of the bank's assessment areas, median housing value is high relative to median family income. Purchase of the available single family home is beyond the capacity of many LMI residents, even with available loan and other financial subsidies. As a result, a substantial proportion of the LMI communities, particularly those in inner city areas, show very low levels of owner occupancy. Low levels of home ownership in these LMI geographies, with just 1% owner-occupied units in low income geographies located in the bank's assessment areas, significantly reduce the bank's opportunities to make most types of home mortgage loans.

Another major economic factor impacting the bank's opportunity to make home loans as well as consumer loans in LMI geographies is the poverty level. Based on 1990 U.S. Census Bureau information, approximately 598,457 households in Florida are below the poverty level. For the most part, these households are located in LMI geographies, and comprise more than 55% of the 1,084,735 households located in LMI geographies. Based on 1995 U.S. Census Bureau information, Florida has the 11th highest level of persons in poverty. In view of this information, the poverty level significantly reduces the number of lendable households in LMI geographies.

Available information on businesses in the assessment areas reflects a total of 307,667 businesses, including 264,984 (86%) small businesses (revenues less than or equal to \$1,000,000), and 42,683 (14%) larger businesses. The assessment areas have 9,383 farms, including 8,669 (92%) small farms (revenues less than \$1,000,000), and 714 (8%) larger farms.

Demographic Information presented above and throughout this Public Disclosure is based on information obtained from the U.S. Census Bureau and Dun and Bradstreet, Inc.

Community Contacts:

During the examination, we reviewed more than 26 community contacts that had been recently made by representatives of the OCC, Federal Reserve, Federal Deposit Insurance Corporation, and Office of Thrift Supervision. These contacts were made in 14 of the bank's 26 assessment areas, and ranged from local governmental agencies to smaller community focused organizations. The most predominant needs identified were for affordable housing, general consumer, and small business loans. In terms of services, counseling for new home buyers and credit counseling was the most frequently highlighted by the contacts. Barnett has developed credit products and community development services to meet these needs, and their success is discussed throughout this Public Disclosure.

CRA Rating Summary

Institution's CRA Rating: Barnett's CRA performance is rated **Satisfactory**. Overall, Barnett has shown very good responsiveness to the credit and service needs of its assessment areas. The major factors we considered in assigning the "satisfactory" rating are:

==> Barnett's **lending** performance is very good and is its primary means of serving its assessment areas.

The distributions of the bank's lending by geographies and by borrower income categories are very good in view of the demographics of the bank's assessment areas, particularly to low-income borrowers and very small businesses.

- > The need for affordable housing and general purpose consumer loans remain as significant credit needs per community contacts. Despite the high cost of housing and Florida's high poverty level, Barnett's home mortgage and consumer lending has been successful at penetrating LMI areas and serving LMI borrowers. Numerous flexible mortgage programs are used to achieve these favorable results, and the bank offers a wide array of consumer products. While all lending distributions are considered very good in view of the demographics, the bank's record of providing credit to low-income geographies for home mortgage lending, and providing consumer lending for moderate-income borrowers is noteworthy.
- > Small business lending (revenues less than or equal to \$1,000,000) was also a significant credit need reflected by community contacts in the bank's assessment areas. Barnett's lending record to small businesses and those small businesses located in low-income geographies is very good. Barnett has been as successful in lending to small businesses located in low-income geographies, as it has to small businesses located in upper-income geographies. This reflects well on the bank's lending record to small businesses located in low-income areas, when considering the depressed economic conditions of many low-income areas as compared to higher-income areas. Also, Barnett's small business lending practices are favorable to smaller businesses, with lending efforts coordinated in a specialized lending department. Lending efforts also include programs which focus on first-time start-up enterprises and minorities. The success of these efforts is reflected by the substantial portion of the number of loans to small businesses (74%), which are loans to those small businesses with revenues equal to or less than \$ 1,000,000. The average dollar loan to these very small businesses is only \$49,000. During 1996, Barnett has made small business loans in amounts as low as \$1,000. These results reflect the bank's willingness to serve the smallest of small businesses.

Barnett has made approximately \$39 million in qualified community development loans among its assessment areas.

- > Much of the community development lending is centered in making affordable housing (i.e., rental) available to very low-income individuals, for which home ownership is beyond their financial means.

Lending volumes also reflect very good responsiveness to the credit needs of the bank's assessment areas, and a substantial majority of lending occurs within the assessment areas.

- > Relative to comparably sized banks (peer), Barnett is one of the top home mortgage and consumer lenders in Florida, and the nation. When compared to its peer banks, this factor multiplies the impact of the bank's very good lending distributions.

==> Barnett provides a high level of **services** to its assessment areas which have been tailored to consider the needs of LMI areas.

- > Community contacts indicated that Barnett exhibits a leadership role in many of the communities the bank serves. These contacts included governmental bodies, which indicated that Barnett is instrumental in the development of its communities, including economically depressed geographies. Also, Barnett has been recently awarded recognition by the Governor of Florida, by receiving two of six "Governor's Community Investment Awards" for substantial activities which benefit its assessment areas.
- > Community development services, such as home buyer and credit education, are provided in many of the bank's assessment areas and have reached thousands of LMI individuals. The need for home buyer and credit education was specifically highlighted by the community contacts.

Services have been tailored to consider the needs of LMI areas.

- > Branch offices and automated teller machines (ATMs) are well represented in LMI areas. The bank has improved branch accessibility by opening more banking offices in LMI areas than it has closed. Traditional delivery systems (i.e., branches, ATMs), are both accessible and have convenient hours. Branch services and hours, including those in LMI areas, are tailored to customer needs. Also, alternative delivery systems, such as banking by phone (tebanking), have been developed both for consumers and small businesses. These alternative delivery systems provide access to banking services to those individuals that lack or cannot otherwise afford transportation, and to small businesses with limited resources and employees.

Conclusions with Respect to Performance Tests

The following table indicates the performance level of Barnett with respect to the lending, investment, and service tests.

Performance Levels	Name of Financial Institution Performance Tests		
	Lending Test	Investment Test	Service Test
Outstanding			
High satisfactory	X	X	X
Low satisfactory			
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.			

The comments below summarize for the entire bank the **overall** conclusions that we reached for each of the three CRA performance tests (i.e., lending, investment, and service). Further comments about individual assessment areas are provided in subsequent sections of this Public Disclosure.

Lending Test:

Lending, Barnett's primary method of serving its assessment areas, reflects a satisfactory level of responsiveness to assessment area credit needs.

Overall, lending in the bank's assessment areas reflects very good distribution in geographies (census tracts and block numbering areas) of different incomes, and to businesses, farms, and individuals of different incomes. Our analysis of lending patterns revealed the bank's success in lending in all geographies, and to borrowers of all income levels. There are no significant unexplained gaps in the geographic distribution of home mortgages, consumer, or business and farm lending.

Home Mortgage Lending:

In view of the relative high cost of housing and Florida's high poverty level, Barnett has done well at reaching LMI geographies and families for home mortgage credit needs. Barnett has done well in low-income geographies. Many of the households (approximately 55%) located in LMI geographies are below the poverty level, which would make home ownership very difficult, if not economically impossible. However, the bank has been able to achieve a proportionate level of lending in low-income geographies as depicted on the tables which follow (see Lending Distributions).

The bank's home mortgage lending is complemented by the variety of products targeted to meet the credit needs of LMI borrowers. For example, Barnett is testing its "Home Plus" mortgage product, which includes a savings plan and reductions in closing costs with virtually 100% financing. This product is particularly attractive to very low-income individuals. Barnett also offers nearly 100 other flexible mortgage programs designed to help meet the home credit needs of LMI borrowers. Many of these programs are tailored to meet the needs of specific assessment areas. Also, many of these programs are not eligible for sale to the secondary market (i.e., Federal National Mortgage Association). Approximately 38% of all home purchase loans made to LMI borrowers were originated through these flexible nonsalable mortgage programs, and booked in the bank's loan portfolio. To further make its loan products affordable to very low-income borrowers, Barnett has made loans with reduced interest rates or waived fees. These subsidies, made by the bank, were in excess of \$1,800,000 during 1996.

Barnett has made approximately \$39 million in qualified community development loans among its assessment areas during 1996. These loans primarily relate to affordable housing (i.e., rental) for those low-income individuals for which home ownership is beyond their economic means, and have provided numerous housing units to low-income households. The need for affordable low-income rental housing was identified by community contacts as a significant credit need in some of the bank's assessment areas.

Consumer Lending:

Consumer loans make up the majority of loan originations considered in our lending test evaluation, with approximately 88% of the number of loans to consumers (home mortgage and consumer lending), and 85% of the number of loans of loan types originated in 1996 and evaluated for CRA performance (home mortgage, consumer, and small business).

We contrasted Barnett's consumer lending activity to the levels of households in LMI geographies and depicted the activity on the tables which follow (see Lending Distributions). We concluded that the geographic distribution of consumer lending reflects that Barnett has been successful. Also, the borrower income distribution of consumer lending as depicted on the tables which follow particularly reflects the bank's success and ability to serve all segments of its assessment areas. Consumer loans to low-income families closely reflect the distribution of low-income families in the assessment areas, despite the high poverty level of LMI households. Consumer lending to moderate-income families exceeds their proportionate representation in the assessment areas, and exceeds that of higher income households. This is a good achievement, and in view of the high volume of loan activity, has a large impact to the credit needs of LMI households.

Small Business Lending:

Barnett's lending record to very small businesses and those small businesses located in low-income geographies is very good. Small business lending was also a significant credit need reflected by community contacts in the bank's assessment areas. Barnett has been as successful in lending to small businesses located in low-income geographies, as it has to small businesses located in upper-income geographies. In this respect, small businesses located in low-income geographies represent 4% of the number of small businesses. The bank has lent a comparable 4% of the number of small business loans in low-income geographies. A similar lending pattern is noted for small businesses located in middle- and upper-income geographies. This reflects well on the bank's lending record to small businesses located in low-income areas, when considering the depressed economic conditions of many low-income areas as compared to higher-income areas. Also, Barnett's small business lending practices are favorable to smaller businesses with lending efforts coordinated in a specialized lending department. Efforts include programs which focus on first-time start-up enterprises and minorities. The success of these efforts is reflected by the substantial portion of the number of loans to small businesses (74%) which are to those small businesses with revenues equal to or less than \$ 1,000,000. The average dollar loan to these very small businesses is only \$49,000. During 1996, Barnett has made small business loans in amounts as low as \$1,000.

Lending Distributions:

The tables below present the geographic and borrower income distributions for home mortgages, consumer loans, and business and farm lending among all of the bank's assessment areas.

To measure the geographic lending distribution and to assess the potential for home mortgage lending, we used the number of "owner occupied units" by geography income level as the demographic characteristic for each of the 26 assessment areas. For consumer lending, we used the number of "households" by geography income level as the demographic characteristic to measure geographic distribution and to assess the potential for consumer lending. For both home mortgage and consumer lending, we used the number of "families" by income level to measure the borrower income distribution. The number of businesses by geography income level was used to measure the geographic distribution of business and farm lending. The tables also provide the distribution of business and farm lending by income (revenue) level. Separation of farm lending from business lending was not considered material for analysis purposes.

Home Mortgage Lending

Geographic Distribution	Owner Occupied Units in All Assessment Areas By Geography Income Level		Bank Loans in Assessment Areas			
	Number	Percent	Number	Percent	Dollars (000)	Percent
Low	45,158	1%	343	1%	\$15,490	1%
Moderate	522,243	16%	4,837	12%	\$194,761	8%
Middle	1,861,830	56%	22,035	56%	\$1,192,603	47%
Upper	895,369	27%	12,378	31%	\$1,115,661	44%
NA	22	0%	5	0%	\$110	0%
Total	3,324,622	100%	39,598	100%	\$2,518,625	100%

Borrower Income Distribution	Families in All Assessment Areas		Bank Loans in Assessment Areas			
	Number	Percent	Number	Percent	Dollars (000)	Percent
Low	649,516	19%	3,750	10%	\$85,477	3%
Moderate	641,314	19%	7,698	19%	\$268,756	10%
Middle	776,063	23%	9,486	24%	\$419,099	17%
Upper	1,345,785	39%	18,356	46%	\$1,676,914	67%
Not Available	0	0%	308	1%	\$68,379	3%
Total	3,412,678	100%	39,598	100%	\$2,518,625	100%

Consumer Lending

Geographic Distribution	Households in All Assessment Areas By Geography Income Level		Bank Loans in Assessment Areas			
	Number	Percent	Number	Percent	Dollars (000)	Percent
Low	162,865	3%	3,339	1%	34,426	1%
Moderate	921,870	19%	40,242	13%	445,486	11%
Middle	2,687,765	54%	173,661	58%	2,205,259	57%
Upper	1,193,959	24%	82,639	28%	1,195,624	31%
NA	419	0%	81	0%	756	0%
Total	4,966,878	100%	299,962	100%	3,881,551	100%

Borrower Income Distribution	Families in All Assessment Areas		Bank Loans in Assessment Areas			
	Number	Percent	Number	Percent	Dollars (000)	Percent
Low	649,516	19%	50,833	17%	389,532	10%
Moderate	641,314	19%	71,878	24%	807,807	21%
Middle	776,063	23%	63,715	21%	859,752	22%
Upper	1,345,785	39%	81,331	27%	1,545,454	40%
Not Available	0	0%	32,205	11%	279,006	7%
Total	3,412,678	100%	299,962	100%	3,881,551	100%

Business and Farm Lending

Geographic Distribution	Businesses and Farms in All Assessment Area By Geography Income Level				Bank Loans in Assessment Areas			
	Revenue ≤ \$1,000,000		Revenue > \$1,000,000		Revenue ≤ \$1,000,000		Revenue > \$1,000,000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Low	11,775	4%	2,759	6%	343	4%	194	6%
Moderate	53,587	20%	9,727	22%	1,595	18%	700	22%
Middle	135,586	50%	18,917	44%	4,349	50%	1,470	47%
Upper	72,705	26%	11,994	28%	2,448	28%	766	25%
Total	273,653	100%	43,397	100%	8,735	100%	3,130	100%

Geographic Distribution	Businesses and Farms in All Assessment Areas By Geography Income Level				Bank Loans in Assessment Areas			
	Revenue ≤ \$1,000,000		Revenue > \$1,000,000		Revenue ≤ \$1,000,000		Revenue > \$1,000,000	
	Number	Percent	Number	Percent	Dollars (000)	Percent	Dollars (000)	Percent
Low	11,775	4%	2,759	6%	\$20,804	5%	\$26,911	6%
Moderate	53,587	20%	9,727	22%	\$73,159	17%	\$101,678	22%
Middle	135,586	50%	18,917	44%	\$201,437	47%	\$232,546	47%
Upper	72,705	26%	11,994	28%	\$134,811	31%	\$119,826	25%
Total	273,653	100%	43,397	100%	\$430,211	100%	\$480,961	100%

Lending Within the Assessment Areas and Lending Volumes:

A substantial majority of the bank's lending for home mortgages, consumer loans, and small businesses takes place within the assessment areas. During 1996, 98% of the number of home loan originations, 76% of the number of consumer loan originations, and 95% of the number of business and farm loan originations were made in the assessment areas.

Where information was available, we compared Barnett's lending to other financial institutions, primarily banks. In this respect, we recognized the high volume of lending that Barnett originates, particularly home mortgages and consumer loans.

The following table provides the composition of 1996 loan originations for all of the assessment areas, and highlights the high number and dollar volumes of credit that Barnett has extended. In the production of home mortgage and consumer loans, Barnett is near the top of its peer banks in the nation.

Type	# of Loans	% of Total	\$ Volume (000)	% of Total
Home Mortgage	39,598	11	2,518,625	34
Consumer	299,962	85	3,882,551	53
Business/ Farm	11,865	4	911,172	13
Total	351,425	100	7,312,348	100

Investment Test:

Qualified community development investment activities reflect good responsiveness to needs in the assessment areas, and total approximately \$40.7 million in volume. For an activity to be a qualified community development investment, the investment takes the form of an investment security (i.e., bond), deposit, a membership share, or grant that has its primary purpose community development. Barnett has many of these type activities in its individual assessment areas. Also, the activities in the individual assessment areas are supplemented by additional investments in statewide community development organizations, and by municipal bonds with a community development purpose. A description of these activities is highlighted below, and is also provided in the detailed comments about each of the bank's assessment areas.

Qualified Community Development Investments, Grants, Equity Investments total \$19.7 million in volume, and consist of the following:

- > The bank had outstanding qualified community development investments of \$6,897,000. Qualified community development investments are highlighted below:

Investment in nonprofit organizations: \$1,491,000

Investment in Qualified Municipal Securities:	430,000
Investment in Tax Credit Fund:	88,000
Deposits/shares - Minority owned banks:	277,000
Other grants and donations:	<u>4,611,000</u>
Total	\$6,897,000

- > During 1996, Barnett also committed an additional \$12,790,000 for community development investments and contributions. Investments and commitments have been made throughout Barnett's assessment areas. Organizations supported include:
- Financial intermediaries such as Community Development Corporations (CDC's) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
 - Organizations promoting economic development by financing small businesses, including specialized Small Business Investment Companies;
 - Organizations engaged in affordable housing rehabilitation and construction, including multifamily rental housing;
 - Facilities that promote community development in LMI areas for LMI individuals, such as day care facilities;
 - State and municipal entities that specifically support affordable housing and other community development;
 - Not-for profit organizations serving LMI housing or other community development needs, including financial services education and counseling for credit, home-ownership and home maintenance;
 - Projects eligible for low-income housing tax credits; and,
 - Minority owned financial institutions.

Statewide Community Development Activity:

- > In addition to investments in individual assessment areas, Barnett has funded statewide initiatives which benefit all assessment areas which result in \$ 21 million dollars of activity.
- **Barnett Community Development Corporation:** Barnett formed this for profit Community Development Corporation (CDC) during 1996. This CDC is used as a systematic process to review and approve innovative and complex community development projects that have system wide impact or involve substantial bank resources. The CDC will undertake a variety of investment activities in urban and rural communities where Barnett offices are located. CDC's can invest in and lend to public welfare projects, Community Development Financial Institutions (CDFI's), and economic development programs designed to benefit small businesses and LMI persons. Barnett actively seeks community input on a project-by-project basis. During 1996, Barnett committed to fund more than \$11 million in investments and community development grants. Barnett is the largest investor in a statewide low-income housing tax credit fund, with an aggregate eleven-year commitment of \$10 million of the fund's \$25 million total.

Service Test:

Barnett provides a high level of services to its assessment areas, which have been tailored to consider the needs of LMI areas.

Services include traditional delivery systems (i.e., branches, ATMs), which are both accessible and have convenient hours. Also, alternative delivery systems, such as banking by phone (telebanking), have been developed for individuals and small businesses. These alternative delivery systems provide access to banking services to those individuals that lack or cannot otherwise afford transportation, and small businesses with limited resources. Of further significance, the bank has improved branch accessibility by opening more banking offices in LMI areas than it has closed. Community development services, such as home buyer and credit education, are provided in many of the bank's major assessment areas and have reached thousands of LMI individuals. Services, such as credit education, were identified as significant community needs by community contacts.

The bank's delivery systems are readily accessible to essentially all portions of the assessment areas. The bank maintains 604 branch offices in its assessment areas. Branches and ATMs are well represented in LMI areas. Occupants of LMI census tracts represent 17% of the population in the assessment area. The bank maintains 19% of its branches in LMI tracts. The bank also maintains 157 offsite ATMs including 44 (28%) in LMI areas. In addition, telebanking is available throughout the assessment area. Telebanking includes both the "Barnett Automated Response Telephone" (BART) system and the "Business Superphone" system. BART allows customers to access their accounts via a telephone, obtain information, and perform a variety of transactions. Customers can obtain deposit or credit card account information including balances, payments, and transactions. In addition, customers can speak with information specialists 24 hours a day. Barnett's "Business Superphone" system allows similar access to small business customers. Customers can obtain information and transfer funds between deposit and loan accounts, as well as speak with a business specialist. This service also is available 24 hours per day.

Services, including business hours, are tailored to meet the needs of the customers living in the assessment areas, particularly LMI geographies, and/or individuals. The bank maintains Saturday banking hours in 265, or 44%, of the banking offices, including 39 located in LMI areas.

Changes in branch locations have not adversely affected the availability of delivery systems within the assessment areas. Overall, the bank has closed 37 branches and opened 26 within the assessment areas. Four branches were closed and five were opened in LMI areas.

The bank provides a very good level of community development services in those assessment areas where it has documented its activities well, which are primarily its major assessment areas located in metropolitan areas. Also, the bank is a leader in some of these assessment areas, which are major market areas, such as Fort Myers/Cape Coral, Jacksonville, Miami, Orlando, Tallahassee, and Tampa/St. Petersburg/Clearwater. The bank maintains partnerships with a number of organizations, which have provided technical assistance on financial matters, sponsored credit counseling and home buyer workshops, and provided planning counseling to small

businesses, including first time or start-up small businesses. These services have reached thousands of individuals and small businesses, many of which are LMI or located in depressed economic geographic areas.

In 1997, Barnett received a Governor's Community Investment Award for its support of the "Take Stock in Children Program," a statewide initiative, which is considered a school savings program for community development purposes. Barnett's chief executive officer is co-chairman of the program. It is a nonprofit program that targets low-income children with the promise of a scholarship to college or vocational school if they promise to stay drug-free and crime-free, maintain satisfactory grades and exhibit good behavior in school. The children are assigned a mentor, who meets with students once a week at school to offer encouragement, motivation and support, and serve as a positive role model for the students. During 1996, Barnett contributed \$1.8 million for scholarships and operating funds.

In March of 1997, Barnett received two of six "1997 Governor's Community Investment Awards" for its support of statewide programs to help at-risk kids from low-income families. In addition to the \$1.8 million Barnett contributed to the "Take Stock in Children Program," Barnett worked with other nonbank corporations to raise another \$2 million for this program.

Compliance With Antidiscrimination Laws and Regulations

The OCC performed an examination for compliance with the Equal Credit Opportunity Act and the Fair Housing Act in conjunction with this CRA examination. We reviewed the bank's policies and procedures for these laws and regulations, and conducted testing to check for any areas of noncompliance. Our testing included a comparative file review for racial discrimination in Barnett's general underwriting of conventional residential real estate applications decisioned in the fourth quarter of 1995 and the first quarter of 1996. Our testing also included a portfolio analysis and comparative file review for loan pricing. We did not detect any discriminatory underwriting practices during our file review.