

## GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (CRA) performance of One Valley Bank of Summersville, Inc., Summersville, West Virginia prepared by the Federal Reserve Bank of Richmond, the institution's supervisory agency.

The evaluation represents the agency's current assessment and rating of the institution's CRA performance based on an examination conducted as of January 29, 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 five performance categories, as detailed in the following section of this evaluation.

## 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 in 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:

This institution is rated Outstanding based on the findings presented below.

#### **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.

##### Conclusion/Support

Outreach efforts continue to be strong and demonstrate a willingness by the institution to promote community development. Directors and officers maintain relationships with regional economic development organizations, trade associations, and civic groups to help determine community credit needs. Additionally, local political, business, and community leaders and organizations are frequently contacted to identify area concerns and needs.

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.

##### Conclusion/Support

The board of directors has adopted and approved a formal CRA policy that addresses various aspects of an effective CRA program including outreach efforts, marketing, training, periodic self-assessments by the board of directors, and branch closing procedures. The program is directed by a CRA committee that meets quarterly and routinely makes recommendations concerning CRA matters. Evidence of such CRA-related discussions are documented in the board minutes. The board of directors reviews CRA related activities on a semiannual basis and annually reviews the expanded CRA Statement and the geographic distribution of all accepted and denied credit applications. Furthermore, CRA goals and objectives are outlined and understood by all personnel.

#### **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.

Conclusion/Support

Marketing efforts have primarily taken the form of service and product advertisements placed in the local newspapers and broadcast on a local radio station. These advertisements are designed to stimulate general community awareness and inform local residents of the availability of deposit and loan products. Specific product information is available to customers through brochures, pamphlets, loan officers, and account representatives in all bank offices. These marketing strategies are considered appropriate given the institution's size and location.

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.

Conclusion/Support

As identified in the CRA Statement ratified by the board of directors on January 25, 1995, a full range of credit products is offered including loans for home purchase, home improvement, home construction, consumer, small business, commercial, and community development purposes.

Primarily a consumer lender, One Valley Bank of Summersville, Incorporated, originated 6,928 consumer loans totaling \$63 million during 1994 and 1995. Specifically, 113 home purchase loans for \$3.9 million, 34 home construction loans for \$3.8 million, and one home improvement loan for \$17,279 were extended. Mobile home loans, which provide affordable housing to low- and moderate-income residents, are also routinely made. Seventy-four mobile home secured loans totaling \$2.1 million were originated during the previous 24 months. Additionally, small dollar amount consumer loans are offered that often help meet the needs of low- and moderate-income borrowers. Since January 1, 1994, 1,155 loans for \$1,500 or less have been provided.

From January 1, 1994 to December 31, 1995, 581 commercial loans totaling \$39.8 million were originated for a variety of business needs including business start-up, facility expansion, and working capital. Approximately 85% of all of these loans were extended to small businesses with revenues under one million dollars or having less than 10 employees. Additionally, loans for dealer floor plans are extended and 540 such loans for \$10.3 million have been originated since January 1, 1994. Four agricultural loans totaling \$330,630 were also made during this period.

The types of credit offered by the bank and its affiliates address a substantial portion of community credit needs and lending volume is considered responsive to these needs.

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

Conclusion/Support

Governmentally guaranteed and subsidized housing loan programs, as well as conventional mortgages, are available through an affiliate, One Valley Bank of Oak Hill, Incorporated. Referrals from the bank to its affiliate resulted in the origination of two conventional mortgages for \$103,800 and three West Virginia Housing Loans for \$182,252 to Nicholas County residents during 1995. Stafford and P.L.U.S. student loans are also available through a referral arrangement with One Valley Bank, N.A.

**III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES**

Reasonableness of Delineated Community

Conclusion/Support

The local community has been delineated as Nicholas County, West Virginia. This delineation appears reasonable, meets the purpose of the regulation, and does not exclude low- and moderate-income areas.

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

Conclusion/Support

The bank records the geographic distribution of all accepted and denied credit applications by zip codes. Management uses spreadsheets to track the lending activity for each of the 24 zip codes in the delineated community. A review of this data indicates reasonable penetration in all zip codes. The geographic data also supports the reasonableness of the delineation. Since July 1, 1994, 78% of all approved applications and 68% of all denied applications received have been from individuals within the defined community.

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

Conclusion/Support

The institution's three offices are reasonably accessible to all segments of the community and hours of operation are considered convenient. No offices have been opened or closed since the previous CRA evaluation. A formal policy addressing branch closings that meets the requirements of the Federal Deposit Insurance Corporation Improvement Act 1991 has been adopted.

**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).

Conclusion/Support