

PUBLIC DISCLOSURE

October 6, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Virginia Bank
05510944
6400 Arlington Boulevard
Falls Church, Virginia 22042

**Federal Reserve Bank of Richmond
P. O. Box 27622
Richmond, Virginia 23261**

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

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each Federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of First Virginia Bank, Falls Church, Virginia, prepared by The Federal Reserve Bank of Richmond, the institution's supervisory agency, as of October 6, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A of 12 CFR Part 228.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The bank primarily serves its assessment areas through direct lending and offers a variety of credit products. A majority of the bank's loans were extended within the assessment areas, and the geographic distribution of loans is considered responsive to local demand. Furthermore, the bank's lending to low- and moderate-income individuals and businesses with revenues less than \$1 million exceeded expectations relative to area demographics. Qualified community development investments have been made and a variety of donations have been provided to organizations and/or causes primarily serving low- and moderate-income residents. Delivery systems, branch locations, and the hours of operation are considered convenient to all portions of the assessment areas. The bank's participation in community development services is considered reasonable.

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

<u>First Virginia Bank</u>			
PERFORMANCE LEVELS	PERFORMANCE TESTS		
	LENDING TEST *	INVESTMENT TEST	SERVICE TEST
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

DESCRIPTION OF INSTITUTION

First Virginia Bank is headquartered in Falls Church, Virginia and operates 91 offices serving northern Virginia and the Northern Neck portion of the Commonwealth. This service area includes the Virginia portion of the Washington D.C. Metropolitan Statistical Area (MSA). The institution is a subsidiary of First Virginia Banks, Inc., a multibank holding company also located in the City of Falls Church. First General Mortgage Company (FGMC), First Virginia Mortgage Company (FVMC), First Virginia Commercial Corporation, First Virginia Card Services, Inc., and First Virginia Credit Services, Inc. are all subsidiaries of First Virginia Bank. As of June 30, 1997, the bank had \$3.1 billion in assets of which 70% were loans and 22% were securities. The June 30, 1997 loan portfolio was comprised of 52% consumer, 36% real estate secured (including consumer and business), 11% commercial/agricultural, and 1% other. The bank's previous CRA rating was satisfactory.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

Lending Activity

The bank primarily serves its assessment areas through direct lending and offers a variety of credit products. During a five-quarter period ending June 1997, the quarterly average loan-to-deposit ratio for all banks headquartered in metropolitan areas of Virginia and of similar asset size to First Virginia Bank ranged from 72% to 75%. The bank's average loan-to-deposit ratio for the previous five quarters is 75% and is considered reasonable given the institution's size, locations, and financial capacity. Since June 30, 1996, the bank's total loans have increased by 13%, and total deposits have grown by 1%.

As identified in the CRA Public File, a full range of credit products is offered, including consumer, residential mortgage, home improvement, residential construction, small business, commercial, and agricultural loans. Long-term mortgages and Government-sponsored real estate loans are offered through the bank's two mortgage affiliates, FVMC and FGMC.

The following chart depicts the bank's lending activity for the products listed since January 1, 1996 by number, dollar amount, and percentage. The table also includes loans of affiliates originated within the bank's assessment areas.

First Virginia Bank Loan Originations/Purchases 1-1-96 to 6-30-97				
Description	Total Loans	Percent of Lending	Total Dollar Amount (000s)	Percent of Lending
Small Business/Small Farm*	988	2%	\$99,987	14%
HMDA*	2,374	5%	\$125,762	18%
Home Equity (Non-HMDA)	1,038	2%	\$37,876	5%
Motor Vehicle	24,743	50%	\$374,232	53%
Other Consumer Secured	4,125	8%	\$50,957	7%
Other Consumer Unsecured	16,601	33%	\$16,990	2%
Other	1	<1%	\$1,300	<1%
Total	49,870	100%	\$707,104	100%

* The institution is required to collect information about these types of loans.

As illustrated above, exclusive of HMDA reported loans, the majority of the number (93%) and dollar amounts (68%) of loan originations was for consumer purposes. Small business and farm loans accounted for 14% of the total dollar amount extended during this time period.

The bank also serves local community credit needs through its mortgage subsidiaries, FGMC and FVMC. These subsidiaries offer a variety of mortgage products including conventional fixed rate and adjustable rate loans, construction loans, as well as financing through various Government sponsored loan programs. From January 1, 1996 through June 30, 1997, FGMC and FVMC originated 559 mortgage loans totaling \$64.2 million within the bank's two assessment areas which are included in the table above.

A variety of flexible and innovative mortgage products are originated by FVMC. Federal Housing Authority (FHA), Veterans Administration (VA), Federal Home Loan Mortgage (FHLMC), Federal National Mortgage Association (FNMA), Virginia Housing Development Authority (VHDA), Rural Housing and Community Development (RECD), and various other affordable housing loan programs are available to consumers through the mortgage company. These Government and independently sponsored loan programs offer flexible underwriting standards and assist in providing affordable housing for many low- and moderate-income borrowers. Since January 1996, 298 purchase money loans totaling \$32.8 million have been originated under affordable housing loan programs by FVMC within the bank's two assessment areas.

The institution's lending activity is considered responsive to assessment area credit needs.

The institutions volume of lending, exclusive of affiliate loans, from January 1, 1996 to June 30, 1997, is represented in the following table by number and dollar amounts. The table depicts lending activity for both the metropolitan and nonmetropolitan assessment areas.

Comparison of Credit Extended Inside and Outside of Assessment Areas

	Small Business/Farm		Consumer		HMDA		Total	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
Number of Loans	770	172	37,845	7,509	1,771	44	40,386	7,725
Percentage of Loans	82%	18%	83%	17%	98%	2%	84%	16%
Amount of Loans (000's)	\$82,130	\$13,845	\$367,010	\$98,116	\$60,131	\$1,353	\$509,271	\$113,314
Percentage of Amount	86%	14%	79%	21%	98%	2%	82%	18%

As depicted above, a majority of the number (84%) and dollar amounts (82%) of total loans have been provided to area residents. Overall, the percentage of loans made in the assessment areas is considered responsive to community credit needs.

As discussed in greater detail later in this report, the geographic distribution of loans is considered responsive to local demand. Furthermore, the banks lending to low- and moderate-income individuals and businesses with revenues less than \$1 million exceeded expected performance relative to area demographics. In addition, the institution has demonstrated a responsiveness to the credit needs of its market areas through community development lending and product flexibility, including offering several Government-sponsored loan programs.

The overall rating of the institution under the lending test is high satisfactory.

INVESTMENT TEST

The institution's level of responding to community development needs through its investment activities is high satisfactory. Qualified community development investments include bonds issued by the Virginia Housing Development Authority (VHDA) and a deposit in a local minority-owned financial institution. Additionally, a variety of donations has been provided to organizations and/or causes primarily serving low- and moderate-income residents.

SERVICE TEST

The overall rating of the institution under the service test is high

satisfactory. Delivery systems and branch locations are considered readily accessible, and the hours of operation are convenient to all portions of the assessment areas. The banks participation in community development services, including the provision of financial expertise to several qualified organizations, is considered reasonable.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS AND REGULATIONS

No credit practices inconsistent with the substantive provisions of the fair housing and fair lending laws and regulations were identified. Technical violations of the Home Mortgage Disclosure Act's Regulation C were noted. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

METROPOLITAN AREAS

(for metropolitan areas with some or all assessment areas reviewed using the examination procedures)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTHERN VIRGINIA ASSESSMENT AREA:

The bank serves two assessment areas. The first assessment area encompasses Arlington, Fairfax, Fauquier, King George, Loudoun, Prince William, Stafford, and Spotsylvania Counties and the Cities of Alexandria, Falls Church, Fairfax, Fredericksburg, Manassas, and Manassas Park. This area is included within the Washington, D.C. Metropolitan Statistical Area (MSA). The metropolitan market area contains 419 census tracts and block numbering areas (BNAs) of which 75 are low-income, 51 are moderate-income, 178 are middle-income, and 115 are upper-income. Only two of the 75 low-income geographies, however, contain population. According to 1990 census data, this assessment area has a population of 1.7 million and a median housing value of approximately \$187,000. The owner-occupancy rate for the market is 61% which is slightly higher than that for the MSA (57%) and equals the rate for the Commonwealth of Virginia (61%). The 1997 median family income for the MSA is \$70,300. First Virginia Bank has 87 branch offices serving this assessment area.

The following table provides demographics for the metropolitan assessment area by the income level of families and the percentage of population and owner-occupied housing units in census tracts/BNAs of varying income levels.

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Percentage of Area Families by Income Level	13%	17%	26%	44%	100%
Percentage of Population Residing in Census Tracts/BNA by Income Level of Tract/BNA	<1%	14%	54%	32%	100%
Percentage of Owner-Occupied Housing Units by Income Level of Census Tract/BNA	<1%	9%	54%	37%	100%

Although the economy of the assessment area is diverse with a mix of retail, service, and technology-based industries, the region relies directly and indirectly on the Federal Government for the majority of employment opportunities. The per capita income for the area is among the highest in the nation, and the unemployment rate remains below that of both the Commonwealth and the nation. The unemployment rate for the Virginia portion of the Washington, D. C. MSA is 2.9%. The unemployment rate for the Commonwealth of Virginia is 4.8%.

Community contacts were made to further assist in evaluating the bank's CRA performance. According to the contacts, financial institutions are adequately serving the credit needs of this assessment area; however, the affordability of housing remains an issue for many low- and moderate-income families.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTHERN VIRGINIA ASSESSMENT AREA:

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of loans is reflected in the following tables. The tables represent the lending within the metropolitan assessment area according to income level of census tract or BNA.

Distribution of Small Business/Farm Loans by Income Level of Census Tract/BNA
(Includes Affiliate Lending)

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	0	100	378	276	754
Percentage of Total Loans	0%	13%	50%	37%	100%
Total Amount of Loans (000s)	\$0	\$11,985	\$39,147	\$33,449	\$84,581
Percentage of Total Loans	0%	14%	46%	40%	100%

Distribution of Consumer Loans by Income Level of Census Tract/BNA
(Includes Affiliate Lending)

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	49	5,112	21,197	11,965	38,323
Percentage of Total Loans	<1%	14%	55%	31%	100%
Total Amount of Loans (000's)	\$481	\$44,586	\$203,706	\$128,586	\$377,359
Percentage of Total Loans	<1%	12%	54%	34%	100%

Distribution of HMDA Loans by Income Level of Census Tract/ BNA
(Includes Affiliate Lending)

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	0	258	1,224	776	2,258
Percentage of Total Loans	0%	12%	54%	34%	100%
Total Amount of Loans (000's)	\$0	\$13,793	\$64,128	\$44,372	\$122,293
Percentage of Total Loans	0%	11%	53%	36%	100%

Overall, 13% (5,519/41,335) of the banks loans originated within the assessment area were extended to individuals and businesses located in low- and moderate-income census tracts. This level of lending approximates the percentage of the population (14%) residing in such areas. The percentage of mortgage loans in moderate-income tracts (12%) exceeds the percentage of owner-occupied housing units in such tracts (9%). (The percentage of owner-occupied units in low-income tracts is nearly zero).

Given the local economic conditions and the size and locations of the institution, the banks overall loan distribution is considered reasonable.

Borrower's Profile

The following charts illustrate the distribution of consumer, HMDA, and small business/farm loans extended from January 1, 1996 through June 30, 1997 in the metropolitan assessment area by income level of the borrower or to businesses of different sizes.

Distribution of Consumer Loans by Income Level of Borrower
(Includes Affiliate Lending)

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Consumer Loans	13,183	9,291	7,609	6,097	36,180
Percentage of Total Loans	36%	26%	21%	17%	100%
Total Amount of Consumer Loans (000's)	\$78,384	\$96,143	\$94,620	\$97,559	\$366,706
Percentage of Total Amount	21%	26%	26%	27%	100%

Distribution of HMDA Loans by Income Level of Borrower
(Includes Affiliate Lending)

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of HMDA Loans	249	574	663	740	2,226
Percentage of Total Loans	11%	26%	30%	33%	100%
Total Amount of HMDA Loans (000's)	\$9,023	\$28,406	\$34,588	\$45,517	\$117,534
Percentage of Total Amount	8%	24%	29%	39%	100%

As depicted in the table above, the percentage of consumer loans (62%) extended to low- and moderate-income borrowers significantly exceeds the percentage of such families (30%) in the assessment area. The percentage of HMDA lending (37%) to low- and moderate-income families also surpasses market demographics.

Federal Housing Administration (FHA) Title I Home Improvement loans primarily benefit low- and moderate-income residents and are regularly extended by the institution. FHA Title I Home Improvement loans offer extended repayment terms and either minimal or no equity in the borrower's primary dwelling. From January 1, 1996 to August 31, 1997, 243 FHA Title I Home Improvement loans for \$2.0 million were originated.

Distribution of Lending by Loan Amount and Size of Business or Farm
(Includes Affiliate Lending)

	\$0 - \$100,000		>\$100,000 - \$250,000		> \$250,000		Total	
Total Revenues ≤ \$1 Million	369	55%	31	5%	34	5%	434	65%
Total Revenues > \$1 Million	130	20%	53	8%	50	7%	233	35%
Total	499	75%	84	13%	84	12%	667	100%

As illustrated above, 65% (434/667) of the small business/farm loans in the assessment area were provided to businesses with revenues of \$1 million or less. Furthermore, 55% of the 667 small business/farm loans were to borrowers with revenues not exceeding \$1 million and for an amount of \$100,000 or less.

This level of lending demonstrates the banks willingness to meet the credit needs of local small businesses.

First Virginia Bank also continues to offer Small Business Administration

(SBA) loans. Since the previous evaluation, five SBA section 8(a) loans have been originated totaling \$6.25 million. A "Low-Doc" SBA loan was also extended during the same period for \$100,000.

Given the product lines offered by the institution and its affiliates, the distribution of loans to borrowers of different income levels and to businesses of different sizes is considered more than reasonable and demonstrates the banks willingness to meet the credit needs of all segments of this community.

Community Development Loans

The bank has originated the following qualified community development loan within the metropolitan assessment area since the previous evaluation:

- C A \$1 million mortgage loan to refinance and renovate an apartment complex. The complex consists of 111 units and is leased to low- and moderate-income individuals and families.

To the extent the bank may have originated any additional community development loans, such financing has been reported as small business or HMDA loans.

INVESTMENT TEST

The bank has purchased 11 Virginia Housing Development Authority (VHDA) bonds totaling \$8.7 million. The VHDA is a self-supporting, independent agency of the Commonwealth that serves as a public mortgage lending institution. The purpose of the Authority is to facilitate the housing needs of low- and moderate-income individuals and families. Bond proceeds are used to finance single family and multifamily mortgages throughout Virginia, including the bank's assessment areas.

First Virginia Bank has deposited \$25,000 with a minority-owned financial institution to augment the institution's assets. The institution is located in a low-income census tract and primarily serves low- and moderate-income individuals. Furthermore, the institution is in the only Enterprise Zone located in Northern Virginia.

In addition, contributions totaling \$64,725 were provided to several organizations that primarily serve low- and moderate-income residents of the metropolitan assessment area. Overall, the institutions level of qualified investments within the assessment area is considered adequate.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment area. Seventy-seven Automated Teller Machines (ATMs) are located in the metropolitan assessment area. These ATM locations provide local residents with 24-hour nationwide network access. Twelve (16%) of the metropolitan ATMs are located within low- and moderate-income census tracts. Telephone services are also provided to area consumers. A loan by telephone line is available to potential clients from 7:30 a.m. to 8:00 p.m., Monday through Friday, and a 24-hour telephone information line is available to all customers.

Branch Locations and Hours of Operation

First Virginia Bank has 87 metropolitan offices of which 14 (16%) are located in low- and moderate-income census tracts. Additionally, branch locations and business hours are considered convenient and meet the needs of the assessment area. While most branch offices are open Monday through Friday until 6:00 p.m., several branches offer Saturday hours, and some offices provide extended evening hours until 7:00 or 8:00 p.m. First Virginia Bank has closed one branch office and opened four new offices since the previous evaluation. A branch closing policy has been adopted as required by the Federal Deposit Insurance Corporation Improvement Act of 1991.

Community Development Services

The bank provides financial expertise to numerous community development organizations. These organizations include:

Northern Virginia Community Development Corporation (NVCDC) - Promotes affordable housing and economic revitalization in low- and moderate-income areas and for low- and moderate-income individuals

Virginia Asset Financing Corporation (VAFC) - Specializes in the SBA 504 loan program, a program to assist disadvantaged small businesses.

Virginia Community Development Corporation (VEDCORP) - Raises private capital for affordable housing projects and small business ventures.

Columbia Pike Revitalization Organization (CPRO) - A nonprofit coalition of residents, businesses, civic associations, and property owners dedicated to the goal of revitalizing Columbia Pike and the adjacent neighborhoods, the majority of which are located in low- and moderate-income census tracts.

Homestretch Falls Church Community Service Council, Inc. - A nonprofit organization that locates, maintains, and provides affordable housing and supplies social services.

Langley Residential Support Services Corporation - A nonprofit organization that operates five residential homes providing housing to low-income, mentally disabled adults.

Fauquier Bankers Community Coalition (FBCC) - Comprised of several local financial institutions, Fauquier Housing Corporation, Fauquier Habitat for Humanity, Fauquier Builders Association, Faith Christian Church and Outreach Center, and a local real estate agency. The purpose of the FBCC is to support affordable housing and social service projects for low- and moderate-income residents of Fauquier County.

Community Lodging, Inc. - Sponsored by local Episcopal Churches in Alexandria for the purpose of buying and renovating affordable and transitional housing for homeless families.

Fairfax County Housing Coalition - A nonprofit affordable housing organization.

Fairfax County Redevelopment and Housing Authority (FCRHA) - Preserves and provides housing for low- and moderate-income citizens and assists in the improvement and redevelopment of declining areas.

Arlington Partnership for Affordable Housing (APAH) - A nonprofit housing organization serving more than 150 low- and moderate-income households in Arlington County.

RPJ Housing Development Corporation - Sponsors various affordable housing programs, manages a number of affordable housing units, and provides financial assistance to low-income first-time home buyers.

Bank personnel also routinely provide credit counseling and other assistance to many low- and moderate-income individuals. In particular, First Virginia Bank co-sponsored a seminar with the Black Woman United for Action and the National Coalition of 100 Black Women titled, "New Business Owners and Aspiring Entrepreneurs."

The institutions provision of community development services is considered more than reasonable.

NONMETROPOLITAN STATEWIDE AREAS

(if some or all of the assessment areas within the nonmetropolitan statewide area were reviewed using the examination procedures)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTHERN NECK ASSESSMENT AREA:

The bank's second assessment area includes Westmoreland and Northumberland Counties. Four branches are located within this community. This nonmetropolitan market area contains seven block numbering areas (BNAs) all of which are considered middle-income geographies. According to 1990 census data, this market has a population of 26,004 and a median housing value of approximately \$73,000. The owner-occupancy rate for the assessment area is 57%, which is lower than the 65% rate for the nonmetropolitan portions of the Commonwealth. The 1997 median family income for nonmetropolitan areas within Virginia is \$34,800.

The following table provides demographics for the nonmetropolitan assessment area by the income level of families. One hundred percent of the assessment area population resides in middle-income areas.

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Percentage of Area Families by Income Level	19%	18%	21%	42%	100%

Northumberland and Westmoreland Counties are bounded by the Rappahannock and Potomac Rivers and are located in Virginia's Northern Neck Peninsula. The local economy is seasonal with a heavy reliance on commercial fishing/processing, agriculture, and tourism. While the seafood industry is currently in a period of decline, various light manufacturing and retail industries have experienced growth in the region. Furthermore, a significant number of residents commute to the urban areas of Richmond, Hampton, Newport News, Fredericksburg, and Washington, D. C. for employment. Westmoreland and Northumberland Counties have unemployment rates of 9.7% and 12.7%, respectively. As previously mentioned, the unemployment rate for the Commonwealth of Virginia is 4.8%.

A community contact was made to further assist in evaluating the bank's CRA performance. According to the contact, financial institutions are adequately serving the credit needs of this assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTHERN NECK ASSESSMENT AREA:

LENDING TEST

Geographic Distribution of Loans

As previously mentioned, the assessment area is composed of seven middle-income BNAs. Therefore, 100% of the loans extended within the assessment area were in these middle-income BNAs.

Borrower's Profile

The following charts illustrate the distribution of consumer, HMDA, and small business/farm loans extended in the nonmetropolitan assessment area by income level of the borrower and to businesses of different sizes from January 1, 1996 to June 30, 1997.

Distribution of Consumer Loans by Income Level of Borrower
(Includes Affiliate Lending)

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Consumer Loans	127	159	163	202	651
Percentage of Total Loans	20%	24%	25%	31%	100%
Total Amount of Consumer Loans (000's)	\$498	\$1,076	\$1,239	\$2,864	\$5,677
Percentage of Total Amount	9%	19%	22%	50%	100%

Distribution of HMDA Loans by Income Level of Borrower
(Includes Affiliate Lending)

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of HMDA Loans	10	13	14	26	63
Percentage of Total Loans	16%	21%	22%	41%	100%
Total Amount of HMDA Loans (000's)	\$30	\$317	\$431	\$1,051	\$1,829
Percentage of Total Amount	2%	17%	24%	57%	100%

As depicted in the tables above, the percentage of consumer loans (44%) exceeds the percentage of low- and moderate-income families (37%) in the assessment area, while the percentage of HMDA loans extended (37%) equals the percentage of such families.

As mentioned previously, the bank offers FHA tile I Home Improvement loans, and FVMC offers a variety of Government and independently sponsored affordable housing loan programs. These mortgage products assist in providing affordable housing to many low- and moderate-income individuals.

Distribution of Lending by Loan Amount and Size of Business or Farm
(Includes Affiliate Lending)

	\$0 - \$100,000		>\$100,000 - \$250,000		> \$250,000		Total	
Total Revenues < \$1 Million	58	93%	2	3%	1	2%	61	98%
Total Revenues > \$1 Million	1	2%	0	0%	0	0%	1	2%
Total	59	95%	2	3%	1	2%	62	100%

As illustrated above, 98% (61/62) of the small business/farm loans in the assessment areas were provided to businesses with revenues of \$1 million or less. Furthermore, 93% of the 62 small business/farm loans were to borrowers with revenues not exceeding \$1 million and for an amount of \$100,000 or less.

This level of lending demonstrates the banks willingness to meet the credit needs of local small businesses. In addition and as previously discussed, First Virginia Bank continues to offer loans guaranteed by the SBA that promote small business development.

Given the product lines offered by the institution and its mortgage subsidiaries, the distribution of loans to borrowers of different income levels and to businesses of different sizes is considered reasonable and demonstrates the banks successful efforts to meet the credit needs of all segments of this community.

Community Development Loans

The bank has not originated any qualified community development loans within the nonmetropolitan assessment area since the previous evaluation. To the extent the bank originated community development loans, such financing has been reported as small business or HMDA loans.

INVESTMENT TEST

As noted previously, the bank has made investments and contributions to organizations that serve portions of both the metropolitan and nonmetropolitan assessment areas. Contributions totaling \$1,450 were provided to several organizations that primarily serve low- and moderate-income residents of the nonmetropolitan assessment area. Other community development investment activities were discussed earlier. Overall, the institutions level of qualified investments is considered adequate.

SERVICE TEST

Accessibility of Delivery Systems

Telephone and mail banking services are available to local customers and provide 24-hour accessibility.

Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area with most branches offering Saturday hours. Several branches are open Monday through Friday until 6:00 p.m.; specific branch hours vary. First Virginia Bank's four nonmetropolitan offices are accessible to all segments of the community.

Community Development Services

As previously mentioned, the bank provides financial expertise and assistance to numerous community development organizations. Specifically, VAFC and VEDCORP also serve the bank's nonmetropolitan assessment area. Additionally, a bank officer is a member of the Northumberland Economic Development Commission's "Operation Bootstrap Program" loan committee. The objective of the program is to provide small businesses in Northumberland County with affordable financing options.

Bank personnel also routinely provide credit counseling and other assistance to many low- and moderate-income individuals. In particular, bank officials participated in a recent Northern Neck Housing Conference.

The institutions provision of community development services within the assessment area is considered reasonable.