



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

August 11, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Community Bank, National Association
Charter Number 5784**

**100 Market St
Carmichaels, PA 15320**

**Comptroller of the Currency
Pittsburgh Field Office
4075 Monroeville Boulevard Building 2, Suite 300
Monroeville, PA 15146**

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

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INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

The primary factors supporting the bank's overall rating include:

- The average loan to deposit ratio exceeds the standard for satisfactory performance since it significantly surpasses peer group loan to deposit averages.
- The level of lending inside the assessment area (AA) exceeds the standard for satisfactory performance since a substantial majority of loans originated during the examination period are within the AA.
- The distribution of loan originations to borrowers of various income levels and businesses of different sizes meets the standard for satisfactory performance since it is reasonable with regard to area demographics and performance context.
- The geographic distribution of loan originations meets the standard for satisfactory performance since it is reasonable with regard to area demographics.

DESCRIPTION OF INSTITUTION

Community Bank, N.A. (CBNA) is a \$232 million independently owned, intrastate community bank, located in Greene County, Pennsylvania. The bank is headquartered approximately 50 miles south of Pittsburgh in the town of Carmichaels, PA. CBNA is a full-service bank offering a range of deposit and loan products. Loan products include residential real estate mortgages and commercial loans. CBNA received a satisfactory rating as a result of the previous CRA evaluation which was conducted as of June 22, 1998.

Net loans represent 71% of CBNA's assets. CBNA's loan portfolio is broken down by dollar volume as follows: 39% residential real estate loans, 31% commercial and commercial real estate loans, 28% consumer loans and the remainder in other loan types including municipal and home equity loans. There are no financial or legal impediments that would preclude CBNA from lending.

DESCRIPTION OF ASSESSMENT AREAS

CBNA has identified two contiguous assessment areas (AAs.) Greene County, in its entirety, is one AA. Washington County, in its entirety, is the other AA. Greene County is not located within a Metropolitan Statistical Area (MSA). Washington County is located within the Pittsburgh MSA.

Greene County consists of eight whole, contiguous census tracts (CTs) or geographies. The Greene County AA is comprised primarily of middle-income CTs, which total six. AA moderate-income CTs total two. Greene County contains no upper-or low-income CTs. Greene County moderate-income CTs are situated in the northwestern and southeastern sections of the County.

Washington County consists of sixty-two whole, contiguous CTs or geographies. The Washington County AA is comprised primarily of middle-income CTs, which total thirty-five. Washington County moderate-and upper-income CTs total nineteen and six respectively. Washington County contains only one low-income CT and one CT for which no income level is assigned. Washington County low-and moderate-income census tracts are centered primarily in and around the city of Washington.

CBNA operates its headquarters and five branch offices in Greene County. Greene County branch locations include one each in Carmichaels, Greensboro, Rogersville and two in Waynesburg (Miller Lane and West Greene Street.) CBNA operates seven ATMs in Greene County, one at each of its branch offices and one each in Ruff Creek and the Waynesburg Giant Eagle Supermarket.

CBNA also operates five branch offices in Washington County. Washington County branch locations include one each in Claysville, McMurray, Canonsburg, and two in Washington (West Chestnut Street and Washington Mall.) The Canonsburg and Washington Mall branches were opened in November 2000 and March 2000 respectively. CBNA operates five ATMs in Washington County, one at each of its branch offices.

CBNA's presence in the Greene County AA is concentrated in the central (3 branches) and eastern (2 branches) portions of the county. CBNA's primary presence in the Washington County AA is centered in the middle of the county (2 branches.) However, CBNA is also

represented in the southwest and the northeast portions of the county (1 and 2 branches respectively.) CBNA's AAs comply with all regulatory requirements and do not arbitrarily exclude low- or moderate- income areas.

Demographic information derived from annually updated HUD data was employed to analyze CBNA's lending distribution among borrowers of different income levels. HUD data updated for 2001 reports the median family income for the bank's Greene and Washington County AAs to be \$41,100 and \$48,900 respectively. AA demographic information derived from annually updated HUD data, reports that of Greene County AA families 21%, 19%, 24%, and 36% are of low-, moderate-, middle- and upper-income respectively. AA demographic information derived from annually updated HUD data also reports that of Washington County AA families 26%, 21%, 21%, and 32% are of low-, moderate-, middle- and upper-income respectively.

Demographic data collected during the 1990 census was employed to analyze CBNA's lending distribution among AA geographies. The 1990 census reports the Greene and Washington County AA populations to be forty and two hundred five thousand respectively. Census data also reports that Greene and Washington County owner occupied housing represents 66% and 71% of all AA housing and median housing values equal \$38,939 and \$54,506 respectively. The majority (64% and 69% respectively) of Greene and Washington County AA households are supported by wage or salaried jobs. However, the unemployment rate for Greene and Washington AA households is 4.8% and 3.4% respectively. And, 21% and 14% of Greene and Washington County AA households are considered to be at or below poverty level.

The economic environment of the respective AAs has benefited from proximity to Pittsburgh and Washington, Pennsylvania and Morgantown, West Virginia. Employment in both counties is reasonably diversified. Major industries in Greene County are the service sector, mining, retail trade, and government. The major industries in Washington County are the service sector, retail trade, manufacturing and government, followed by construction, transportation/utilities, finance/insurance/real estate, and wholesale trade.

Nevertheless, Greene County remains one of the poorest counties and historically has one of the highest unemployment rates of all counties in Pennsylvania. Greene County's primary employers include Greene County Memorial Hospital, Waynesburg College and mining companies such as RAG Emerald, as well as local school districts and county government. Washington County's primary employers include local Washington Hospital, Washington and Jefferson College, as well as local school districts and county government.

Management and the Board continue to identify the primary community credit needs within the bank's assessment areas as residential mortgages, consumer loans (home equity and automobile) and commercial lending, particularly to small businesses. Each of the identified community credit needs remain a primary focus for the bank.

CBNA holds a much larger portion of the market share in Greene County than it does in Washington County. For both counties, competition is strong consisting primarily of larger financial institutions. Greene and Washington Counties both house branches of larger regional financial institutions including PNC, National City and Citizen's Bank, which purchased former

Mellon Bank branch offices. In Greene County, CBNA also competes with First National Bank, which recently purchased Promistar branch offices and First Federal Savings, which is substantially larger in asset size than CBNA. In Washington County, in addition to the large regional financial institutions, CBNA competes with Washington Federal, which is also substantially larger in asset size than CBNA.

Examiners contacted the Executive Director of the Greene County chapter of Habitat for Humanity. The local organization serves Greene County. The purpose of the organization is to provide affordable housing for people in need. The contact described local economic conditions as impacted by poverty and limited economic development. The contact identified housing related financing, particularly assistance for low-income borrowers as a community credit need. The contact described the performance of local financial institutions as favorable in both meeting community credit needs and responsiveness to opportunities for community participation. The contact stated that “especially the two local banks,” including CBNA, were “pretty good” and “pretty involved” in responding to community needs.

SAMPLING

Refinanced residential mortgage and business loans represent the largest percentages of the CBNA’s loan portfolio. CBNA’s refinanced mortgage loan information was collected through Washington County HMDA data reported by the bank and a random sampling of Greene County refinanced residential mortgages originated over the evaluation period. CBNA’s business loan information was collected through a random sampling of Greene and Washington County commercial loans originated over the evaluation period. Analysis of the reported HMDA data and sampled loan data was employed to assess CBNA’s lending performance inside its AA as well as its lending distribution among borrowers of different income levels, businesses of different sizes and assessment area geographies.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

LOAN-TO-DEPOSIT RATIO

- The loan to deposit ratio exceeds the standard for satisfactory performance, and surpasses the average loan to deposit ratio exhibited by local peer banks over the same period.

CBNA’s current loan to deposit ratio is 86.7%. Similarly, CBNA’s loan to deposit ratio over the previous 11 quarters averaged 82.7%. This level of lending surpasses the level of lending achieved by the bank’s local peer group, which averaged 58.7% over the same 11 quarters. Peer banks included Pennsylvania and West Virginia banks with assets between \$100 and \$350 million, operating within Greene and Washington Counties and seven surrounding counties in

southwestern Pennsylvania and northwestern West Virginia. Additionally, CBNA’s current loan to deposit ratio of 86.7% represents an increasing trend in the bank’s lending level from 80.9% as of December 31, 1998.

LENDING IN ASSESSMENT AREA

- Lending in the assessment area (AA) exceeds the standard for satisfactory performance.

A majority of sampled HMDA and business loans were originated within the bank’s Greene and Washington County AAs.

HMDA Lending Inside vs. Outside the AAs.

A substantial majority of CBNA’s HMDA loans were originated inside the Greene and Washington County AAs.

An analysis of sampled HMDA loans originated over the evaluation period January 1, 1998 to June 30, 2002 revealed that 96% of HMDA loan volume and 97% of HMDA loan dollars were originated within CBNA’s Greene and Washington County AAs. Specifically, the analysis revealed that 43% of HMDA loan volume and 40% of HMDA loan dollars were originated within CBNA’s Greene County AA. The analysis also revealed that 53% of HMDA loan volume and 57% of HMDA dollars were originated within CBNA’s Washington County AA. Only 4% of HMDA loan volume and 3% of HMDA loan dollars were originated outside of CBNA’s Greene and Washington County AAs.

The following table details the bank’s record of HMDA lending over the evaluation period, inside and outside of its Greene and Washington County AAs.

HMDA LENDING INSIDE VS OUTSIDE THE ASSESSMENT AREA

Assessment Areas	Outside AAs		Greene County AA		Washington County AA		Washington & Green County AA. Combined		TOTALS	
	####	\$000	####	\$000	####	\$000	####	\$000	####	\$000
HMDA Loans	2	\$87	20	\$1,073	25	\$1,513	45	\$2,586	47	\$2,673
	4%	3%	43%	40%	53%	57%	96%	97%	100%	100%

Business Lending Inside vs. Outside the AAs.

A substantial majority of CBNA’s business loans were originated inside the Greene and Washington County AAs.

An analysis of sampled business purpose loans originated over the evaluation period January 1, 1998 to June 30, 2002 revealed that 88% of business loan volume and 77% of business loan dollars were originated within CBNA’s Greene and Washington County AAs. Specifically, the analysis revealed that 50% of business loan volume and 35% of business loan dollars were originated within CBNA’s Greene County AA. The analysis also revealed that 38% of business loan volume and 42% of business loan dollars were originated within CBNA’s Washington

County AA. Only 12% of business loan volume and 23% of business loan dollars were originated outside of CBNA’s Greene and Washington County AAs.

The following table details the bank’s record of sampled business lending over the evaluation period, inside and outside of its Greene and Washington County AAs.

BUSINESS LENDING INSIDE VS OUTSIDE THE ASSESSMENT AREA

Assessment Areas	Outside AAs		Greene County AA		Washington County AA		Washington & Green County AA. Combined		TOTALS	
	#####	\$000	#####	\$000	#####	\$000	#####	\$000	#####	\$000
Business Purpose Loans	11	\$1,260	47	\$1,938	36	\$2,293	83	\$4,231	94	\$5,491
	12%	23%	50%	35%	38%	42%	88%	77%	100%	100%

LENDING TO BORROWERS OF DIFFERENT INCOMES LEVELS AND TO BUSINESSES OF DIFFERENT SIZES

- CBNA’s record of lending to borrowers of different income levels and businesses of different sizes meets the standard for satisfactory performance.

Mortgage and Business Lending to Greene County Borrowers of Different Income Levels and Businesses of Different Sizes.

Greene County Refinanced Residential Mortgage Lending

CBNA’s record of originating refinanced residential mortgages to Greene County borrowers of different income levels is reasonable considering Greene County AA demographics.

Demographic data for the bank’s Greene County AA updated by HUD for 2000, indicates that income levels of assessment area families are categorized as follows:

- 26% low-income families
- 21% moderate-income families
- 21% middle-income families
- 32% upper-income families

A sample of Greene County refinanced residential mortgage loans originated by the bank from January 1, 1998 through June 30, 2002 was reviewed to assess the bank’s record of originating refinanced mortgages to Greene County’s low- and moderate-income borrowers. AA demographic information derived from annually updated HUD data, reports that 26% and 21% of Greene County assessment area families are low- and moderate-income respectively. Low income Greene County AA families by definition are families with annual incomes below \$20,550 while moderate-income Greene County families by definition are families with annual

incomes between \$20,550 and \$32,880. As indicated below, data reported by CBNA covering the evaluation period, revealed that refinanced mortgages originated to low- and moderate-income borrowers in Greene County represented 5% and 11% of the total volume of CBNA's Greene County refinanced mortgage originations, respectively. This level of refinanced mortgage lending to Greene County borrowers of different income levels is reasonable considering the bank's performance context.

The bank's ability to extend refinance mortgages to low and moderate-income borrowers is hampered by the demographics of the AA in which it operates. For example, of households in the bank's AA, 16% of the AA population is age 65 or older and 24% of AA households are comprised of retired residents. In addition, over 36% of area households derive income from social security and 21% are considered to be at or below poverty level.

Limited mortgage loan demand, especially for residential mortgages refinances from low- and moderate-income families, may be attributable to many low-income families consisting of more senior, long time residents who have already owned and occupied residences in the AA for many years. For this segment of the population, often housing needs tend to shift from owner occupied housing to apartment living. Therefore, the bank's opportunity to originate residential mortgages refinances to low- and moderate-income AA borrowers may be limited.

Nevertheless, CBNA is responsive to the needs of low- and moderate-income mortgage borrowers by offering loan terms favorable to applicants possessing minimum funds to close. CBNA offers conventional and Farmers Home Administration (FmHA) first mortgages for loans secured by 1-4 family, townhouse, condominium and modular as well as mobile homes. FmHA loans assume borrower closing costs. CBNA was the first bank in Greene and Washington Counties to offer FmHA loans. CBNA borrowers can also minimize down payment expense with Private Mortgage Insurance (PMI.) Additionally, CBNA offers a First Time homebuyers program for which the interest rate is reduced by 1/8%. CBNA participates with other loan area banks and realtors in arranging public meetings to communicate mortgage loan alternatives. CBNA also offers a Family Savings Account for which qualified deposits are matched by federal and state funds. CBNA provides workshops, which correspond to the Family Savings Account, which can assist customers in accumulating savings toward housing expenses. These products and services offered through CBNA can mitigate costs, which often prove to be prohibitive for many low- and moderate-income mortgage loan applicants.

The following table details refinanced residential mortgages originated by CBNA in the Greene County AA over the evaluation period, distributed among borrowers of various income levels compared to the percentage Greene County families of various income levels.

**REFINANCED RESIDENTIAL MORTGAGE LENDING TO GREENE COUNTY
BORROWERS OF DIFFERENT INCOMES**

	Low Income Families	Moderate Income Families	Middle Income Families	Upper Income Families	TOTALS
Greene	26%	21%	21%	32%	100%

County AA Families	####	\$000	####	\$000	####	\$000	####	\$000	####	\$000
	3	\$38	6	\$274	14	\$765	33	\$2,950	56	\$4,027
	5%	1%	11%	7%	25%	19%	59%	73%	100%	100%
Refinanced Residential Mortgages										

Greene County Business Lending

CBNA’s record of lending to Greene County AA businesses of different sizes is reasonable considering assessment area demographics.

Demographic data compiled during the 1990 census for the bank’s Greene County AA indicates that of reporting AA businesses (1,157) annual revenues were recorded as follows:

- 1,092 or 94% of AA business report annual revenues < or = \$1 million
- 65 or 6% of AA business report annual revenues > than \$1 million

A sample of 24 Greene County AA business purpose loans originated over the evaluation period were reviewed to assess the bank’s record of lending to small businesses. Small business loans are defined as those loans made to enterprises whose annual, gross revenues are \$1 million or less. The volume of small businesses in the bank’s Greene County AA, according to Dunn and Bradstreet, represents 92% of total businesses. Of all sampled loans originated by CBNA to businesses between January 1, 1998 and August 19, 2002, 88% of business loan volume was originated to small businesses. This level of business lending to borrowers of different income levels is good considering the bank’s performance context.

Additionally, CBNA is responsive to the needs of small businesses by offering Small Business Administration (SBA) loans. Also, the majority of sampled business loans extended to Greene County businesses represent the smaller dollar amounts needed by AA small businesses. For example, of sampled AA business loans 54% were originated for dollar amounts less than or equal to \$50,000.

The following table details the distribution of sampled Greene County AA business loans originated by CBNA over the evaluation period, to reporting AA businesses reporting annual revenues < or = \$1 million or > \$1 million.

LENDING TO GREENE COUNTY BUSINESSES OF DIFFERENT SIZES

	Annual Revenues < or \$1MM		Annual Revenues > \$1MM		TOTALS	
	91%		9%		100%	
Greene County AA Businesses	####	\$000	####	\$000	####	\$000

**Business
Loans**

21	\$4,469	3	\$3,200	24	\$7,669
88%	58%	12%	42%	100%	100%

Mortgage and Business Lending to Washington County Borrowers of Different Income Levels and Businesses of Different Sizes.

Washington County Mortgage Lending

CBNA’s record of originating residential mortgages to Washington County borrowers of different income levels is reasonable considering Washington County AA demographics.

Demographic data for the bank’s Washington County AA, updated by HUD for 2000, indicates that income levels of Washington County AA families are categorized as follows:

- 21% low-income families
- 19% moderate-income families
- 24% middle-income families
- 36% upper-income families

HMDA data reported by the bank from January 1, 1998 through June 30, 2002 was reviewed to assess the CBNA’s record of lending to Washington County low- and moderate-income borrowers. Washington County demographic information derived from annually updated HUD data, reports that 21% and 19% of Washington County AA families are low- and moderate-income respectively. Low-income Washington County AA families by definition are families with annual incomes below \$24,450 while moderate-income Washington County AA families by definition are families with annual incomes between \$24,550 and \$39,120. As indicated below, data reported by CBNA covering the evaluation period, revealed that refinanced residential mortgages originated to low- and moderate-income borrowers in Washington County represented 10% and 24% of the total volume of CBNA’s Washington County refinanced mortgage originations. This level of refinanced mortgage lending to Washington County borrowers of different income levels is good considering the bank’s performance context.

The bank’s ability to extend refinanced mortgages to low and moderate-income borrowers is hampered by the demographics of the AA in which it operates. For example, of households in the bank’s AA, 18% of the AA population is age 65 or older and 23% of AA households are comprised of retired residents. In addition, over 36% of area households derive income from social security and 14% are considered to be at or below poverty level.

Limited mortgage loan demand, especially for refinancing residential mortgages from low- and moderate-income families, may be attributable to many low-income families consisting of more senior, long time residents who have already owned and occupied residences in Washington County for many years. For this segment of the population, often housing needs tend to shift from owner occupied housing to apartment living. Therefore, the bank’s opportunity to originate

refinanced residential mortgages to low- and moderate-income Washington County AA borrowers may be limited.

Nevertheless, CBNA is responsive to the needs of low- and moderate-income mortgage borrowers by offering loan terms favorable to applicants possessing minimum funds to close. CBNA offers conventional and Farmers Home Administration (FmHA) first mortgage for loans secured by 1-4 family, townhouse, condominium and modular as well as mobile homes. FmHA loans assume borrower closing costs. CBNA was the first bank in Greene and Washington Counties to offer FmHA loans. CBNA borrowers can also reduce down payment expense with Private Mortgage Insurance (PMI.) Additionally, CBNA offers a First Time homebuyers program for which the interest rate is reduced by 1/8%. CBNA participates with other loan area banks and realtors in arranging public meetings to communicate mortgage loan alternatives. CBNA also offers a Family Savings Account for which qualified deposits are matched by federal and state funds. CBNA provides workshops, which correspond to the Family Savings Account, which can assist customers in accumulating savings. These products and services offered through CBNA can mitigate costs, which often prove to be prohibitive for many low- and moderate-income loan applicants.

The following table details refinanced residential mortgages originated by CBNA in the Washington County AA over the evaluation period, distributed among borrowers of various income levels compared to the percentage Washington County families of various income levels.

REFINANCED RESIDENTIAL MORTGAGE LENDING TO WASHINGTON COUNTY BORROWERS OF DIFFERENT INCOMES

	Low Income Families		ModerateIncome Families		Middle Income Families		Upper Income Families		TOTALS	
Washington County AA Families	21%		19%		24%		36%		100%	
	#####	\$000	#####	\$000	#####	\$000	#####	\$000	#####	\$000
Refinanced Residential Mortgages	35	\$1,300	86	\$3,976	107	\$5,960	129	\$12,663	357	\$23,899
	10%	5%	24%	17%	30%	25%	36%	53%	100%	100%

Washington County Business Lending

CBNA’s record of lending to Washington County AA businesses of different sizes is good considering AA demographics.

Demographic data compiled during the 1990 census for the bank’s Washington County AA indicates that of reporting AA businesses (7,579) annual revenues were recorded as follows:

- 6,868 or 91% of AA business report annual revenues < or = \$1 million

- 711 or 9% of AA business report annual revenues > than \$1 million

A sample of 25 Washington County AA business purpose loans originated over the evaluation period was reviewed to assess the bank’s record of lending to Washington County small businesses. The volume of small businesses in the bank’s AA, according to Dunn and Bradstreet, represents 91% of total businesses. Of all sampled loans originated by CBNA to businesses between January 1, 1998 and August 19, 2002, 84% of business loan volume was originated to small businesses. This level of business lending to borrowers of different income levels is reasonable considering the bank’s performance context.

Additionally, CBNA is responsive to the needs of small businesses by offering Small Business Administration (SBA) loans. Also the majority of sampled business loans extended to AA businesses represent the smaller dollar amounts needed by AA small businesses. For example, of sampled AA business loans 44% were originated for dollar amounts less than or equal to \$50,000.

The following table details the distribution of sampled Washington County AA business loans originated by CBNA over the evaluation period, to reporting Washington County AA businesses reporting annual revenues < or = \$1 million or > \$1 million.

LENDING TO WASHINGTON COUNTY BUSINESSES OF DIFFERENT SIZES

	Annual Revenues < or \$1MM		Annual Revenues > \$1MM		TOTALS	
Washington County AA Businesses	92%		8%		100%	
	#####	\$000	#####	\$000	#####	\$000
	21	\$6,526	4	\$568	25	\$7,094
Business Loans	84%	92%	16%	8%	100%	100%

GEOGRAPHIC DISTRIBUTION OF LOANS

- CBNA’s distribution of refinanced residential mortgage and business loans among various geographies meets the standard for satisfactory performance.

Geographic Distribution of Greene County Mortgage and Business Loans.

CBNA’s record of Refinanced Residential Mortgage and Business Loan distribution in moderate-income Greene County geographies is reasonable considering Greene County demographics. Demographic data compiled during the 1990 census for the bank’s Greene County AA indicates that the AA includes eight geographies, designated as follows:

- 0 low income geographies

- 2 moderate income geographies
- 6 middle-income geographies
- 0 upper income geographies

Geographic Distribution of Greene County Refinanced Mortgage Loans

CBNA’s geographic distribution of refinanced residential mortgage originations throughout Greene County AA geographies is good considering AA demographics.

Demographic data compiled during the 1990 U.S. census for the bank’s Greene County AA indicates that available owner occupied housing is dispersed throughout the AA as follows:

- 0% of owner occupied housing is in low-income geographies
- 26% of owner occupied housing is in moderate-income geographies
- 74% of owner occupied housing is in middle-income geographies
- 0% of owner occupied housing is in upper-income geographies

A sample of 34 Greene County AA residential mortgage refinance loans originated over the evaluation period was reviewed to assess the bank’s geographic distribution of mortgage refinances compared to available owner occupied housing dispersed throughout Greene County AA geographies. Of all owner-occupied housing available within Greene County, 26% is located within the AA’s 2 moderate-income geographies. As indicated below, sampled residential mortgage loans originated by CBNA over the evaluation period revealed that residential mortgages originated within these moderate-income geographies represent 26% of CBNA’s residential mortgage loan volume. Overall, CBNA’s geographic distribution of residential mortgages demonstrates a good dispersion throughout Greene County AA geographies.

The bank’s record of originating residential mortgages within moderate-income Greene County geographies is good considering the limited availability of owner occupied housing within the moderate-income geographies. Opportunities for originating residential mortgages in moderate-income geographies is hampered by the fact that the AA’s moderate-income geographies are located in the northwestern and southeastern portions of Greene County. CBNA’s branches, however, are centered in the middle of the county where Waynesburg is located. No unexplained or conspicuous gaps in geographic business lending distribution were noted.

The following table details the geographic distribution of refinanced residential mortgages originated by CBNA in the Greene County AA over the evaluation period as compared to the representation of owner occupied housing available within these Greene County AA geographies.

**GEOGRAPHIC DISTRIBUTION OF GREENE COUNTY AA
REFINANCED RESIDENTIAL MORTGAGE**

Greene County AA Owner Occupied Housing	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		TOTALS	
		0%		26%		74%		0%		100%
	####	\$000	####	\$000	####	\$000	####	\$000	####	\$000
Refinanced Residential Mortgages	0	\$0	9	\$533	25	\$2,138	0	\$0	34	\$2,671
	0%	0%	26%	20%	74%	80%	0%	0%	100%	100%

Geographic Distribution of Greene County Business Loans

CBNA’s geographic distribution of small business loan originations throughout Greene County AA geographies is good considering AA demographics.

Demographic data compiled during the 1990 census for the bank’s Greene County AA indicates that reporting AA businesses (1,264) are distributed throughout Greene County AA geographies as follows:

- 194 or 15% businesses are located in moderate-income geographies
- 1,070 or 85% businesses are located in middle-income geographies

A sample of 29 business purpose loans totaling \$3.815 million originated over the evaluation period to Greene County AA businesses was reviewed. As indicated below, of sampled business loans originated in Greene County during the evaluation period, 7% of business loan volume and 41% of business loan dollars were originated in moderate-income geographies. Overall, the bank’s geographic distribution of business loans demonstrates a good dispersion throughout Greene County geographies.

Opportunities for originating business loans in moderate-income geographies are hampered by the fact that the AA’s moderate-income geographies are located in the northwestern and southeastern portions of Greene County. CBNA’s branches however are centered in the middle of the County where Waynesburg is located. No unexplained or conspicuous gaps in geographic business lending distribution were noted.

The following table details the geographic distribution of sampled business lending originated by CBNA in Greene County over the evaluation period as compared to the representation of businesses among these Greene County geographies.

GEOGRAPHIC DISTRIBUTION OF GREENE COUNTY BUSINESS LOANS

Low Income Geographies	Moderate Income Geographies	Middle Income Geographies	Upper Income Geographies	TOTALS
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# Businesses in Geography	0%		15%		85%		0%		100%	
	####	\$000	####	\$000	####	\$000	####	\$000	####	\$000
Business Loans	0	\$0	2	\$1,579	27	\$2,236	0	\$0	29	\$3,815
	0%	0%	7%	41%	93%	59%	0%	0%	100%	100%

Geographic Distribution of Washington County Refinanced Mortgage and Business Loans

CBNA's record of Refinanced Residential Mortgage and Business Loan distribution in moderate-income Washington County geographies is reasonable considering Washington County demographics.

Geographic Distribution of Washington County Refinanced Mortgage Loans

CBNA's geographic distribution of refinanced residential mortgage originations throughout Washington County AA geographies is reasonable considering AA demographics.

Demographic data compiled during the 1990 U.S. census for the bank's Washington County AA indicates that available owner occupied housing is dispersed throughout the AA as follows:

- 1% of owner occupied housing is in low-income geographies
- 23% of owner occupied housing is in moderate-income geographies
- 64% of owner occupied housing is in middle-income geographies
- 12% of owner occupied housing is in upper-income geographies

HMDA data reported by the bank from January 1, 1998 through June 30, 2002 was reviewed to assess the bank's geographic distribution of refinanced residential mortgage originations compared to available owner occupied housing dispersed throughout Washington County geographies. Of all owner-occupied housing available within the AA, 1% and 23% are located within the Washington County's low-and moderate-income geographies respectively. As indicated below, data reported by CBNA over the evaluation period, revealed that residential mortgages originated within these low- and moderate-income geographies represented 1% and 12% of CBNA's residential mortgage volume, respectively. Overall, CBNA's geographic distribution of refinanced residential mortgage originations demonstrates a reasonable dispersion throughout Washington County AA geographies.

The bank's record of originating refinanced residential mortgage loans within low- and moderate-income AA geographies is reasonable considering the limited availability of owner occupied housing within these low- and moderate-income geographies. Opportunities for originating refinanced mortgage loans in low and moderate-income geographies is also hampered by the fact that the AA's low- and moderate-income geographies are located in and

near the city of Washington. In Washington, the bank faces heavy competition. In addition, historically, the bank’s branch network has been concentrated outside the city of Washington. No unexplained or conspicuous gaps in geographic business lending distribution were noted.

The following table details the geographic distribution of refinanced residential mortgages originated by CBNA in the Washington County AA over the evaluation period as compared to the representation of owner occupied housing available within these Washington County AA geographies.

**GEOGRAPHIC DISTRIBUTION OF WASHINGTON COUNTY AA
REFINANCED RESIDENTIAL MORTGAGES**

Washington County AA Owner Occupied Housing	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		TOTALS	
		1%		23%		64%		12%		100%
	#####	\$000	#####	\$000	#####	\$000	#####	\$000	#####	\$000
Refinanced Residential Mortgages	2	\$73	43	\$2,499	165	\$15,943	47	\$5,384	257	\$23,899
	1%	0%	12%	10%	74%	67%	13%	23%	100%	100%

Geographic Distribution of Washington County Business Loans

CBNA’s geographic distribution of small business loan originations throughout Washington County AA geographies is reasonable considering AA demographics.

Demographic data compiled during the 1990 census for the bank’s AA indicates that reporting AA businesses (7,552) are distributed throughout Washington County AA geographies as follows:

- 442 or 6% businesses are located in low-income geographies
- 2,060 or 27% businesses are located in moderate-income geographies
- 3,722 or 49% businesses are located in middle-income geographies
- 1,328 or 18% businesses are located in upper-income geographies

A sample of 29 business purpose loans totaling \$1.418 million originated over the evaluation period to Washington County AA businesses was reviewed. As indicated below, of sampled business loans originated in Washington County during the evaluation period, 18% of business loan volume was originated in moderate-income geographies. Overall, the bank’s geographic distribution of business loans demonstrates a reasonable dispersion throughout Washington County geographies.

The bank’s record of originating business loans within low and moderate-income Washington County AA geographies is reasonable considering the distribution of AA businesses throughout low- and moderate-income AA geographies. Opportunities for originating business loans in low

and moderate-income geographies are hampered by the fact that the AA's low- and moderate-income geographies are located in and near the city of Washington. In Washington, the bank faces heavy competition. In addition, historically, the bank's branch network is outside the city of Washington. No unexplained or conspicuous gaps in geographic business lending distribution were noted.

The following table details the geographic distribution of sampled business lending originated by CBNA in Washington County over the evaluation period as compared to the representation of businesses among these Washington County geographies.

GEOGRAPHIC DISTRIBUTION OF WASHINGTON COUNTY BUSINESS LOANS

	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		TOTALS	
# Businesses in Geography	6%		27%		49%		18%		100%	
	####	\$000	####	\$000	####	\$000	####	\$000	####	\$000
Business Loans	0	\$0	7	\$229	24	\$936	7	\$253	38	\$1,418
	0%	0%	18%	16%	64%	66%	18%	18%	100%	100%

RESPONSES TO COMPLAINTS

No complaints have been received since the last examination.

FAIR LENDING REVIEW

An analysis of public comments and consumer complaint information from 1997 through 2000 was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1998.