

LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

KeyBank U.S.A., National Association
Charter Number 22908

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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.

Table of Contents

General Information	2
Definitions and Common Abbreviations	3
Overall CRA Rating	5
Description of Institution	6
Scope of Evaluation	8
Fair Lending Review	10
Conclusions with Respect to Performance Tests	11
Lending Test	11
Investment Test	14
Service Test	14
Appendix A: Scope of Evaluation	18
Appendix B: Market Profile	20
Appendix C: Tables of Performance Data	22

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 **KeyBank U.S.A., National Association** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **June 30, 2000**. The agency evaluates performance in assessment areas, 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.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate - Any company that controls, is controlled by, or is under common control by another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

Community Development (CD) - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA) - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Full-Scope Review - Performance under the lending, investment, and service tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA) - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Limited-Scope Review - Performance under the lending, investment, and service tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

Low-Income - Income levels that are less than 50 percent of the median family income.

Median Family Income (MFI) - The median income determined by the United States Bureau of the Census every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Statistical Area (MSA) - Area defined by the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80 percent and less than 120 percent of the MFI.

Moderate-Income - Income levels that are at least 50 percent and less than 80 percent of the MFI.

Small Loans to Businesses - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or, (2) commercial and industrial loans to U.S. addresses.

Small Loans to Farm - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or, (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income - Income levels that are 120 percent or more of the MFI.

Overall CRA Rating

Institution's CRA Rating: This institution is rated **“Satisfactory.”**

The following table shows the performance levels of **KeyBank U.S.A., National Association (KBUSA)** with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	KEY BANK USA, NATIONAL ASSOCIATION PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
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 major factors that support this rating include:

- KBUSA's geographic distribution of home mortgage loans and small loans to businesses in Cuyahoga County is excellent.
- KBUSA's distribution of home mortgage loans and small loans to businesses by the income level of the borrower is good.
- KBUSA's volume of community development loans is adequate and has a neutral effect on overall lending performance.
- KBUSA's volume of qualified investments is adequate.
- KBUSA's provision of retail banking services in its Cuyahoga County assessment area is adequate. However, the accessibility of and geographic location of KBUSA's only banking office are not relevant in the context of this evaluation.

Description of Institution

KeyBank U.S.A., National Association (KBUSA) is a wholly owned subsidiary of KeyCorp, a registered bank holding company. KBUSA and KeyCorp are headquartered in Cleveland, Ohio. KeyCorp is the fourteenth largest bank holding company in the United States with approximately \$84.4 billion in total assets as of June 30, 2000. The principal asset of KeyCorp is KeyBank, National Association (KeyBank, N.A.) with \$75.9 billion in total assets as of June 30, 2000. It is also headquartered in Cleveland, Ohio. In addition to the two banks, KeyCorp has several other nonbank subsidiaries that make community development loans and investments; underwrite, sell and clear securities; provide investment advice and discount brokerage services; and make commercial loans.

KBUSA is an intrastate bank with only one branch located in its Cuyahoga County, Ohio assessment area. The bank was chartered in September 1995. At that time the bank's assets consisted primarily of credit card receivables. With a narrow product line offered in its only assessment area and to a broader national market, KBUSA requested and received a designation of "limited purpose" bank for CRA evaluation purposes from the Office of the Comptroller of the Currency (OCC). In March 1997, KBUSA advised the OCC that its product offerings would be expanded to include home equity products. The expansion of product offerings meant KBUSA would no longer meet the definition of a limited-purpose bank and the OCC rescinded that designation. KBUSA began collecting home mortgage disclosure and CRA data in 1998. For this evaluation period, we examined the bank's CRA performance using the lending, investment, and service tests.

KBUSA functions as a nationwide consumer finance company. KBUSA seeks retail loans in its assessment area and nationally in areas not served by the interstate branch network of KeyBank, NA. KBUSA offers the following products: automobile loans; marine and recreational vehicle loans; home mortgage loans; educational loans; and credit card loans for commercial purposes.

KBUSA is not a typical full-service retail bank. KBUSA has one office location on the 7th floor of the Key Tower in downtown Cleveland. The office does not have tellers or customer service personnel and is not designed for walk-in clients. The business focus of the bank is not intended to accommodate direct physical contact with its customers. The bank solicits loans through relationships with automobile, marine, and recreational vehicle dealerships; real estate brokers; and colleges. KBUSA also uses direct mail and telemarketing to attract customers. All deposit accounts are opened and accessed through the mail from print and other media solicitations.

As of June 30, 2000, KBUSA reported total assets of \$5.3 billion, net loans of \$3.8 billion, and a loan-to-deposit ratio of 120 percent. The bank's loan portfolio mix is as follows: 77 percent of the loans are secured by one-to-four family residential properties; 20 percent of the loans are to individuals for household, family and personal expenses; and three percent of the loans are for commercial purposes. Tier I capital totals \$596.2 million. KBUSA does not make loans for agricultural purposes.

KBUSA had total deposits of \$3.2 billion as of June 30, 2000. The publicly available data on deposits from the Federal Deposit Insurance Corporation show all of KBUSA's deposits in Cuyahoga County, since that is the location of its only business office. In actuality, KBUSA derived about \$12.2 million, or 0.37 percent, of its deposits from people and businesses in Cuyahoga County. That dollar volume equates to a 0.03 percent market share with a rank of 26th out of the 31 financial institutions doing

business in the county. The dominant deposit takers in Cuyahoga County are KeyBank, N.A. (30.5 percent); National City Bank (17.7 percent); and Third Federal Savings and Loan Association of Cleveland (10.6 percent). We will consider the portion of deposits derived from Cuyahoga County when evaluating KBUSA's loan product market ranks and lending volumes in its assessment area.

To determine KBUSA's size and capacity for CRA evaluation purposes, we considered operating subsidiaries of the bank. KBUSA has an operating subsidiary, Champion Mortgage Company (Champion), headquartered in Parsippany, New Jersey. Champion makes home mortgage refinance loans primarily in the northeastern states, but it also makes some loans throughout the rest of the country. A bank must request its regulator to consider loans made by operating subsidiaries. KBUSA asked that we not include the home mortgage refinance loans generated by Champion, since they are outside of the bank's assessment area and would not contribute to the bank's performance in Cuyahoga County. Champion does not hinder or impede the bank's capacity to lend or invest in its assessment area or elsewhere. At the bank's request, we did consider one qualified investment made by its affiliate, KeyCorp Community Development Corporation, which is attributed to KBUSA's efforts to help meet community credit needs in its assessment area.

There are no significant legal, financial, or other types of barriers limiting KBUSA's ability to meet credit, investment, and service needs within its assessment area. KBUSA's last CRA evaluation is dated July 31, 1996 and the bank was rated "Outstanding."

Refer to Appendix B for a market profile of Cuyahoga County, Ohio.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This evaluation assesses the bank's performance under the lending test from January 1, 1998 through December 31, 1999. We note again, that although KBUSA lost its limited purpose designation in 1997, the bank was not required to collect data on home mortgage loans and small loans to businesses until calendar year 1998. The evaluation period for community development loans and the service and investment tests is July 31, 1996 through June 30, 2000.

We evaluated the following loan products under the lending test: home purchase; home improvement; home mortgage refinance; small loans to businesses; and, community development. We did not evaluate small loans to farms, since KBUSA does not make loans for agricultural purposes. We evaluated qualified investments under the investment test. We considered branch distribution and accessibility, branch openings and closings, banking hours, and the provision of retail and community development services under the service test.

KBUSA made 1.44 percent of its total home mortgage loans and 6.81 percent of its total small loans to businesses in Cuyahoga County, compared to 0.37 percent of its deposits being derived from Cuyahoga County.

Data Integrity

As part of this evaluation, we tested the accuracy of the publicly available bank reported data we used to evaluate HMDA loans. We found these reports to be substantially correct with nominal errors noted.

Selection of Areas for Full-Scope Review

We conducted a full-scope review of KBUSA's CRA performance in Cuyahoga County, Ohio. This is the bank's only assessment area. KBUSA has only one business office and no other physical locations around which it must delineate as an assessment area.

Refer to Appendix A for further information on the scope of the evaluation.

Ratings

KBUSA's overall CRA rating is based on the bank's performance in its Cuyahoga County assessment area. The Lending Test accounts for 50 percent of the bank's overall rating with the Investment and Service Tests each accounting for 25 percent of the rating.

Community Contacts

While we did not directly conduct community contacts during this examination, in early 1999 we participated in a series of community group meetings throughout Ohio, including the Cleveland MSA. The meetings were held in anticipation of a number of upcoming CRA examinations. We contacted community organizations that work with housing, small business and economic development issues in order to learn more about local credit needs. We held meetings with some representatives and others we talked with over the telephone. We also reviewed write-ups of contacts with community-based organizations that were made by examiners from other regulatory agencies. We relied on those contacts for our information for this evaluation. The needs we were informed about from those

contacts included the following: small business loans; loans to start businesses (venture capital type loans); affordable housing mortgage loans; first-time homebuyer mortgages; and, financial education for consumers and small businesses.

Fair Lending Review

For our fair lending analysis, we reviewed a statistically valid sample of home equity loan applications. The sample included black approvals and denials, Hispanic approvals and denials, and white approvals and denials. We analyzed KBUSA's underwriting criteria to determine if they were applied consistently among applicants of different races.

We did not identify any violations of the anti-discrimination laws and regulations within the scope of this review. KBUSA continues to implement an ongoing fair lending monitoring system. The system consists of adequate policies and procedures, periodic training, a second review system, and an internal fair lending monitoring system.

Conclusions With Respect to the Performance Tests

LENDING TEST

KBUSA's performance under the Lending Test in Cuyahoga County is rated "High Satisfactory." Based on our full-scope review, KBUSA's overall lending performance in the Cuyahoga County assessment area is good.

Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate KBUSA's lending activity.

The bank's lending activity in Cuyahoga County is good, considering the context of the business strategy under which KBUSA operates. During the evaluation period, the bank made or purchased 638 home mortgage loans, which are distributed as follows: one percent - home purchase; 17 percent - home improvement; and 82 percent - home mortgage refinance. The bank actively seeks home improvement and home mortgage refinance loans, but not home purchase loans. The bank also made 468 small loans to businesses in Cuyahoga County. KBUSA's market shares in home improvement, home mortgage refinance and small loans to businesses are all substantially higher than the bank's actual deposit market share and also significantly exceed the bank's percentage of total deposits derived from Cuyahoga County. KBUSA's market share in home purchase loans is lower than its actual deposit market share and the percentage of the bank's deposits that come from Cuyahoga County.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of home mortgage loans and small loans to businesses in Cuyahoga County is excellent.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the home mortgage loans KBUSA originated and purchased.

The geographic distribution of home purchase, home improvement, and home mortgage refinance loans in Cuyahoga County is excellent. In all three categories the percentages of loans the bank made and purchased are substantially larger than the percentages of owner-occupied housing units in low- and moderate-income geographies. KBUSA's market shares of home purchase and home mortgage refinance loans are equal to or greater than the bank's overall market shares for these two products in low- and moderate-income geographies. KBUSA's market share of home improvement loans exceeds the overall market share in low-income geographies and is very near the overall market share in moderate-income geographies.

Small Loans to Businesses

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the small loans to businesses KBUSA originated.

The geographic distribution of small loans to businesses in Cuyahoga County is good. The percentage of small loans to businesses KBUSA originated in low-income geographies exceeds the percentage of businesses located in those geographies. The percentage of small loans the bank made to businesses in

moderate-income geographies is somewhat near the percentage of businesses located there. KBUSA's market share of small loans to businesses in low-income geographies exceeds its overall market share, while the bank's market share in moderate-income geographies is somewhat near its overall market share.

Distribution of Loans by Income Level of the Borrower

The overall distribution of home mortgage loans and small loans to businesses among borrowers of different income levels in Cuyahoga County is good.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the distribution of the home mortgage loans KBUSA originated and purchased by the income level of the borrower.

When evaluating the distribution of HMDA loans by the income level of the borrower, we compared the percentages of loans the bank made to low-, moderate-, middle-, and upper-income borrowers to the percentages of families at those income levels. Generally if the percentage of bank loans met or exceeded the demographic percentage, we considered that excellent performance. If the percentage of bank loans was near the demographic percentage, we considered that good performance. If the percentage of loans was somewhat near the demographic percentage, we considered that adequate performance. And, if the percentage of loans was lower than the demographic percentage, we considered that poor performance. However, when evaluating HMDA loans the bank made to low-income borrowers, we lessened the threshold somewhat recognizing the limited cash flow a borrower with an income of less than 50 percent of the median income would have. We considered a substantial percentage of loans to low-income borrowers, compared to the percentage of families at that income level, to be excellent performance and a significant percentage to be good performance.

The distribution of home purchase loans by borrower income level in Cuyahoga County is good. The portion of loans the bank extended to low-income borrowers represents a substantial portion (more than half) of the percentage of low-income families. The portion of home purchase loans extended to moderate-income borrowers is somewhat near the percentage of moderate-income families. KBUSA's market share of home purchase loans to low-income borrowers exceeds its overall market share, while the market share to moderate-income borrowers matches the overall market share. The number of home purchase loans we analyzed is very small. The distribution by borrower income level is impacted by the fact the loans KBUSA purchased, which represent 75 percent of this product type, had no borrower income information available.

The distribution of home improvement loans by borrower income level in Cuyahoga County is excellent. The percentages of home improvement loans the bank extended to low- and moderate-income borrowers exceed the percentages of families at each of those income levels. KBUSA's market share of home improvement loans to low-income borrowers exceeds its overall market share, while the market share of loans to moderate-income borrowers is somewhat near the overall market share. The distribution by borrower income level is minimally impacted by the fact the loans KBUSA purchased, which represent 4.7 percent of this product type, had no borrower income information available.

The distribution of home mortgage refinance loans by borrower income level in Cuyahoga County is good. The portion of home mortgage refinance loans the bank extended to low-income borrowers represents a substantial portion (slightly more than half) of the percentage of low-income families. The portion of home mortgage refinance loans the bank extended to moderate-income borrowers is somewhat near the percentage of moderate-income families. KBUSA's market share of home mortgage refinance loans to low-income borrowers essentially matches the bank's overall market share, while the market share of home mortgage refinance loans to moderate-income borrowers is somewhat near the overall market share. The distribution by borrower income level is impacted by the fact the loans KBUSA purchased, which represent 60.2 percent of this product type, had no borrower income information available.

Small Loans to Businesses

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of KBUSA's small business loan originations.

The distribution of small loans to businesses by borrower income level in Cuyahoga County is good. The percentage of small loans KBUSA made to businesses with revenues of \$1 million or less is near the percentage of businesses with those revenues. The bank's market share of small loans to small businesses is substantially higher than its overall market share of small loans to all size businesses. KBUSA's portion of small loans to businesses that are in amounts of \$100 thousand or less constitutes nearly all of the bank's lending to small businesses and demonstrates the bank's willingness to lend in smaller dollar amounts.

Community Development Lending

Refer to Table 1 in Appendix C for the facts and data used to evaluate KBUSA's level of community development lending.

The bank's volume of community development lending in Cuyahoga County is adequate and has a neutral impact on overall lending activities. During this evaluation period KBUSA loaned \$2 million to three equity funds - the Local Initiatives Support Corporation; the Enterprise Foundation; and the Ohio Equity Fund. Each of these groups uses the loan funds for community development projects including pre-development loans, project financing, and housing and economic development projects to benefit low-income people. The monies KBUSA loaned will be used on projects located in Cuyahoga County. These dollars represent 0.34 percent of the bank's Tier I capital.

Product Innovation and Flexibility

KBUSA has not developed any products that would be considered innovative. The bank's home mortgage loan products have flexible underwriting criteria like fixed loan costs, higher debt ratios, and permit the use of alternative credit histories to enable more low- and moderate-income applicants to qualify. KBUSA's small businesses loan product is a line of credit accessed by a credit card with conventional underwriting criteria.

INVESTMENT TEST

KBUSA's performance under the Investment Test in Cuyahoga County is rated "Low Satisfactory." Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Based on our full-scope review, KBUSA's volume of qualified investments in the Cuyahoga County assessment area is adequate. During the evaluation period, KBUSA invested \$4.5 million in five low-income housing tax credits that support affordable housing projects. Four of the funds manage projects on a regional basis (\$3.5 million) and include projects in the Cleveland MSA; the fifth manages projects in the State of Ohio (\$1 million), including a project in Cuyahoga County. The bank also has a current period investment of \$250 thousand in the Ohio Mezzanine Fund, Ltd. This fund makes loans and investments in the Cleveland MSA to assist low- and moderate-income persons or families and small businesses that do not meet conventional bank credit underwriting standards. The fund emphasizes loans and investments that enable job creation and business modernization. During the evaluation period, the bank also made charitable contributions totaling \$104 thousand to 35 community groups in Cuyahoga County to support their activities. KBUSA has over \$1 million still outstanding in prior period qualified investments. The three prior investments support affordable housing projects, locally and on a regional basis, and economic revitalization in the Cleveland MSA. The total of current and prior period investments (almost \$6 million) represents one percent of Tier I capital. There are adequate opportunities for community development investments in Cuyahoga County and KBUSA has the financial capacity to make them.

SERVICE TEST

KBUSA's performance under the Service Test in Cuyahoga County is rated "Low Satisfactory." Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system.

Retail Banking Services

Based on our full-scope review, KBUSA's provision of retail banking services in its Cuyahoga County assessment area is adequate. The accessibility of and the geographic location of KBUSA's only banking office are not relevant in the context of this evaluation. KBUSA does not use traditional bank delivery systems, like branches and ATM networks. All of its banking business, including funding loans and taking deposits, is generated through nontraditional sources that do not require the customer to personally interact with a loan officer or a teller. The bank obtains its loans when people finance purchases through brokers, dealers, educational institutions and at retail points of purchase. The bank attracts deposits exclusively through mail and telemarketing solicitations. The availability of KBUSA's lending services are as convenient as the business hours kept and as geographically dispersed as their broad network of brokers, dealers, educational institutions and major retail purchase outlets, which aggressively pursue the American buying public. Deposit services are available through the extensive, nationwide postal service. KBUSA neither opened nor closed a banking facility during this evaluation period consistent with its strategic business plan.

Community Development Services

KBUSA does not provide community development services in its assessment area due to its small staff and limited contact with the public. However, the bank's CRA Officer actively seeks information on opportunities to make community development loans and investments in Cuyahoga County.

KBUSA's affiliate, KeyBank, N.A., has a significant presence in the KBUSA assessment area and, with common name recognition, is a significant provider of community development services of all types, including: consumer retail lending; consumer residential lending; small business lending; economic stimulation and revitalization; and, financial education for consumers and businesses. These services are not attributed to KBUSA. KBUSA does consistently make qualified grants to local community organizations that provide financial education, health and financial services, and affordable housing programs for low- and moderate-income individuals and to groups that assist with economic development of low- and moderate-income areas through loan programs and financial education for small businesses.

APPENDICES

Appendix A: Scope of Examination

Scope of Examination

The first table on this page identifies the time period covered in this evaluation, the affiliate activities we reviewed, and the financial products we considered. The second table shows the portion of the metropolitan area that received a comprehensive examination review (designated by the term "Full-Scope"). KeyBank U.S.A., National Association has no other assessment areas.

TIME PERIOD REVIEWED	LENDING TEST: JANUARY 1, 1998 TO DECEMBER 31, 1999 INVESTMENT TEST: JULY 31, 1996 TO JUNE 30, 2000 SERVICE TEST: JULY 31, 1996 TO JUNE 30, 2000
Financial Institution	Products Reviewed
Key Bank U.S.A., National Association Cleveland, OH	Mortgage Loans, Small Business Loans, Community Development Loans, Qualified Investments, Qualified Grants, and Community Development Services
Affiliate	Affiliate Relationship Products Reviewed
KeyCorp Community Development Corporation	Holding Company Qualified Investments

LIST OF ASSESSMENT AREAS AND TYPE OF EVALUATION	
ASSESSMENT AREA	TYPE OF EVALUATION
State of Ohio	
Cleveland - MSA 1680 Cuyahoga County only	Full-Scope

Appendix B: Market Profile

Cleveland, OH - MSA 1680

DEMOGRAPHIC INFORMATION FOR FULL-SCOPE AREA - CUYAHOGA COUNTY, OH						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	499	21.8	18.2	35.3	22.1	2.6
Population by Geography	1,412,140	14.6	16.1	41.9	27.3	0.1
Owner-Occupied Housing Units by Geography	348,985	7.4	11.9	47.6	33.1	0.0
Businesses by Geography	49,683	11.8	10.4	38.4	34.6	4.8
Farms by Geography	749	2.7	6.3	45.1	45.7	0.2
Family Distribution by Income Level	373,183	22.1	17.1	23.1	37.7	0.0
Distribution of LMI Families by Geography	146,181	26.0	23.5	37.8	12.7	0.0
Median Family Income \$36,500	=				Median Housing Value = \$71,850	
HUD Adjusted Median Family Income for 2000	= \$55,400				Unemployment Rate (6/00) = 5.0%	
Households Below the Poverty Level	= 13.7%					

KBUSA's assessment area consists of all of Cuyahoga County, Ohio, which includes the City of Cleveland. No changes have been made in the bank's assessment area since it was chartered in 1995. Please refer to "Description of the Institution" on page 6 for information on the bank's size, business strategy, and local competitors.

The major employers in Cuyahoga County are in the following categories: service; retail trade; finance, insurance, and real estate; manufacturing; wholesale trade; and construction. The largest individual employers in the assessment area are the United States Government and the Cleveland Clinic Foundation. The current condition of the Cleveland area economy is good. Over the period of this review the economy has been stable compared to the national economy. The unemployment rate is currently 5.0%, and has varied between 5.5% and 4.0% during the evaluation period.

The Cleveland MSA is home to a large number of sophisticated community-based organizations that are engaged in a wide range of activities from industrial retention and development, to housing rehabilitation and new affordable home construction. There is sufficient capacity and expertise in the community to meet the opportunities presented. Most retail outlets in low- or moderate-income areas are small, locally owned operations. However, one grocery store chain has been moderately aggressive about building and/or remodeling in low- and moderate-income areas. The City of Cleveland is currently trying to deepen the retail base in these areas. Housing is available in all reasonable price levels across the MSA.

The City of Cleveland is home to several empowerment zones. Several programs are underway in these areas using Community Development Block Grant funds, in addition to specifically designated empowerment zone funding. The current city administration has aggressively pursued written agreements with financial institutions operating in Cleveland concerning the types and amounts of financing that the administration would like to see extended throughout the city.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans the bank originated and purchased as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables included in this appendix.

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans the bank originated and purchased over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans the bank originated and purchased in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses the bank originated and purchased in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farm Loans** - The percentage distribution of the number of small loans (less than or equal to \$500 thousand) to farms the bank originated and purchased in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. *This table was omitted since KBUSA does not make agricultural purpose loans.*
- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans the bank originated and purchased to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment. The table also presents market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.

- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) the bank originated and purchased to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans the bank originated and purchased by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) the bank originated and purchased to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans the bank originated and purchased by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available. *This table was omitted since KBUSA does not make agricultural purpose loans.*
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments the bank made in each MSA/assessment area. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.
- Table 13. Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the bank's branches in low-, moderate- middle-, and upper-income geographies to the percentage of the population within each geography in each MSA/assessment area. The table also presents data on branch openings and closing in each MSA/assessment area.

Cuyahoga County, Ohio

Table 1. Lending Volume

LENDING VOLUME		STATE: Ohio				EVALUATION PERIOD: January 1, 1998 to December 31, 1999						
MSA/Assessment Area	% of Rated Area Loans (#) in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MSA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Review:												
Cuyahoga County, OH	100.0	638	33,627	468	4,943	0	0	3	2,000	1,109	40,570	100.0

- (*) Rated area refers to either the state or multistate MSA rating area.
- (**) The evaluation period for Community Development Loans is
- (***) Deposit data as of June 30, 1999. Rated area refers to either the state or multistate MSA rating area.

Table 2. Geographic Distribution of Home Purchase Loans

GEOGRAPHIC DISTRIBUTION: Home Purchase		STATE: Ohio				EVALUATION PERIOD: January 1, 1998 to December 31, 1999										
MSA/Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography***					
	#	% of Total*	% Owner-Occ Units**	% Bank Loans	% Owner-Occ Units**	% Bank Loans	% Owner-Occ Units**	% Bank Loans	% Owner-Occ Units**	% Bank Loans	Overall	Low	Mod	Mid	Upp	NA
Full-Review:																
Cuyahoga County, OH	8	100.0	7.4	25.0	11.9	12.5	47.6	37.5	33.1	25.0	0.01	0.05	0.01	0.01	0.01	0.00

- (*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.
- (**) Percentage of Owner-Occupied Units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the rated area based on 1990 Census information.
- (***) Based on 1998 and 1999 Aggregate HMDA Data only.

Table 3. Geographic Distribution of Home Improvement Loans

GEOGRAPHIC DISTRIBUTION: Home Improvement			STATE: Ohio						EVALUATION PERIOD: January 1, 1998 to December 31, 1999							
MSA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography***					
	#	% of Total*	% Owner-Occ Units**	% Bank Loans	% Owner-Occ Units**	% Bank Loans	% Owner-Occ Units**	% Bank Loans	% Owner-Occ Units**	% Bank Loans	Overall	Low	Mod	Mid	Upp	NA
Full-Review:																
Cuyahoga County, OH	107	100.0	7.4	22.4	11.9	18.7	47.6	42.1	33.1	16.8	0.85	1.28	0.78	0.77	0.77	0.00

- (*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.
- (**) Percentage of Owner-Occupied Units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the rated area based on 1990 Census information.
- (***) Based on 1998 and 1999 Aggregate HMDA Data only.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

GEOGRAPHIC DISTRIBUTION: Home Mortgage Refinance			STATE: Ohio						EVALUATION PERIOD: January 1, 1998 to December 31, 1999							
MSA/Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography***					
	#	% of Total*	% Owner-Occ Units**	% Bank Loans	% Owner-Occ Units**	% Bank Loans	% Owner-Occ Units**	% Bank Loans	% Owner-Occ Units**	% Bank Loans	Overall	Low	Mod	Mid	Upp	NA
Full-Review:																
Cuyahoga County, OH	523	100.0	7.4	24.1	11.9	25.4	47.6	37.9	33.1	12.6	0.72	1.55	1.20	0.65	0.29	0.00

- (*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.
- (**) Percentage of Owner-Occupied Units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the rated area based on 1990 Census information.
- (***) Based on 1998 and 1999 Aggregate HMDA Data only.

Table 5. Geographic Distribution of Small Loans to Businesses

GEOGRAPHIC DISTRIBUTION: Small Loans to Businesses		STATE: Ohio					EVALUATION PERIOD: January 1, 1998 to December 31, 1999									
MSA/Assessment Area	Total Small Loans to Businesses		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography***					
	#	% of Total*	** % of Businesses	% Bank Loans	** % of Businesses	% Bank Loans	** % of Businesses	% Bank Loans	** % of Businesses	% Bank Loans	Overall	Low	Mod	Mid	Upp	NA
Full-Review:																
Cuyahoga County, OH	468	100.0	11.8	12.4	10.4	6.6	38.4	35.7	34.6	40.8	1.91	2.41	1.35	1.84	1.99	1.83

(*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

(**) Source of data - Dunn and Bradstreet.

(***) Based on 1998 and 1999 aggregate Small Business Data only. 4.8% of the businesses located in Cuyahoga County are in census tracts with no income information available.

Table 7. Borrower Distribution of Home Purchase Loans

BORROWER DISTRIBUTION: Home Purchase		STATE: Ohio					EVALUATION PERIOD: January 1, 1998 to December 31, 1999									
MSA/Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income****					
	#	% of Total*	% of Families **	% Bank Loans ***	% of Families **	% Bank Loans ***	% of Families **	% Bank Loans ***	% of Families **	% Bank Loans ***	Overall	Low	Mod	Mid	Upp	NA
Full-Review:																
Cuyahoga County, OH	8	100.0	22.1	12.5	17.1	12.5	23.1	0	37.7	0	0.01	0.02	0.01	0.00	0.00	0.05

(*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(**) Percentage of Families is based on 1990 Census information.

(***) As a percentage of loans with borrower income information available. No income information was available for 75 percent of the loans originated and purchased by the bank.

(****) Based on 1998 and 1999 Aggregate HMDA Data only.

Table 8. Borrower Distribution of Home Improvement Loans

BORROWER DISTRIBUTION: Home Improvement		STATE: Ohio						EVALUATION PERIOD: January 1, 1998 to December 31, 1999								
MSA/Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income****					
	#	% of Total*	% of Families**	% Bank Loans***	% of Families**	% Bank Loans***	% of Families**	% Bank Loans***	% of Families**	% Bank Loans***	Overall	Low	Mod	Mid	Upp	NA
Full-Review:																
Cuyahoga County, OH	107	100.0	22.1	22.4	17.1	19.6	23.1	33.7	37.7	19.6	0.85	1.02	0.63	1.04	0.67	1.36

(*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(**) Percentage of Families is based on 1990 Census information.

(***) As a percentage of loans with borrower income information available. No income information was available for 4.7 percent of the loans originated and purchased by the bank.

(****) Based on 1998 and 1999 Aggregate HMDA Data only.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

BORROWER DISTRIBUTION: Home Mortgage Refinance		STATE: Ohio						EVALUATION PERIOD: January 1, 1998 to December 31, 1999								
MSA/Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income****					
	#	% of Total*	% of Families**	% Bank Loans***	% of Families**	% Bank Loans***	% of Families**	% Bank Loans***	% of Families**	% Bank Loans***	Overall	Low	Mod	Mid	Upp	NA
Full-Review:																
Cuyahoga County, OH	523	100.0	22.1	11.1	17.1	13.0	23.1	10.0	37.7	5.7	0.72	0.67	0.47	0.33	0.15	2.44

(*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

(**) Percentage of Families is based on 1990 Census information.

(***) As a percentage of loans with borrower income information available. No income information was available for 60.2 percent of the loans originated and purchased by the bank.

(****) Based on 1998 and 1999 Aggregate HMDA Data only.

Table 10. Borrower Distribution of Small Loans to Businesses

BORROWER DISTRIBUTION: Small Loans to Businesses		STATE: Ohio			EVALUATION PERIOD: January 1, 1998 to December 31, 1999				
MSA/Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 Million or less		Percent of Loans by Original Amount Regardless of Business Size			Market Share ****	
	#	\$ (000's)	% of Businesses**	% Bank Loans ***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	Overall	Rev \$1 Million or less
Full-Review									
Cuyahoga County, OH	468	4,943	85.0	71.6	99.6	0.4	0.0	1.91	2.58

(*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

(**) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(***) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. Income information was available for all the small loans to businesses originated and purchased by the bank.

(****) Based on 1998 and 1999 Aggregate Small Business Data only.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		STATE: Ohio			EVALUATION PERIOD:			July 31, 1996 to December 31, 1999	
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
Full-Review									
Cuyahoga County, OH	3	1,038	41	4,854	44	5,892	100.0	0	0

(*) "Prior Period Investments" means investments made in a previous evaluation period that are outstanding as of the examination date.

(**) "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM/BRANCH OPENINGS/CLOSINGS										STATE: Ohio		EVALUATION PERIOD: July 31, 1996 to December 31, 1999							
MSA/Assessment Area	Deposits	Branches							Branch Openings/Closing		Population								
		% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies					# of Branch Closings	# of Branch Openings	% of Population within each Geography							
	Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	NA									
Full-Review																			
Cuyahoga County, OH	100.0	1	100.0	0	0	0	0	1	0	0	14.6	16.1	41.9	27.3	0.1				