July 11, 2003

Ms. Nancy Hall
Regional Director
FDIC Regional Office
25 Ecker St., Suite 2300
San Francisco, CA 94105

Dear Ms. Hall:

The National Community Reinvestment Coalition (NCRC), the Consumer Federation of America (CFA), the Community Reinvestment Association of North Carolina (CRA*NC), several NCRC member organizations, and other community organizations believe that Venture Bank (formerly First Community Bank of Washington) must fail its upcoming CRA exam. Venture Bank issues a high volume of abusive and unsafe payday loans through Advance America. The Office of the Comptroller of the Currency ordered Peoples National Bank of Paris, Texas to stop making payday loans through Advance America after finding that the payday loans were not safe and sound. Likewise the FDIC must fail Venture Bank on its current CRA exam and order the bank to stop making payday loans through Advance America.

Community advocates across the country are concerned about Venture's CRA exam because the abusive payday lending partnership with Advance America must be stopped. The FDIC new guidelines on payday lending recognize the CRA exam process as a venue for comments and review of payday lending operations of banks. Our comments clearly describe the reputational and legal risks, the concern regarding safety and soundness, and the CRA impact on communities by Venture's activities. We conclude our comment with a review of the bank's CRA performance in the Washington state assessment areas as further evidence of why the bank should fail the CRA exam.

The Community Reinvestment Act (CRA) mandates that banks serve the credit needs of all their communities, including low- and moderate-income (LMI) communities, consistent with safety and soundness. Affordable home and small business lending serve credit needs by enabling residents of LMI communities to build wealth through homeownership and small business ownership. In contrast, abusive payday lending features exorbitant fees and repeated refinancing. Numerous studies, including academic studies and reports issued by state banking departments, document that typical payday loan customers lose substantial amounts of savings and wealth through repeated financing stretching over a long time period. Chronic payday loan customers have therefore lost savings that could have been used to make downpayments on home loans or collateral for small business loans.

Abusive payday lending does not meet credit needs because it saps wealth instead of enabling borrowers to accumulate wealth. High-cost payday lending is the antithesis of CRA's mandate to serve credit needs in a safe and sound manner.

In addition to its large-scale involvement with unscrupulous payday lending, Venture Bank performs in a mediocre fashion in serving its assessment areas with home and small business lending. At best, Venture Bank's CRA performance in its assessment areas is Low Satisfactory on the lending test. The harmful payday lending activities must downgrade the bank's CRA rating from a barely passing performance to a failed CRA rating.

Legal and Reputational Risks of Payday Lending

The FDIC must closely examine the partnership between Venture Bank and Advance America in conducting its CRA exam. The primary reason for Advance America to seek out a bank as a partner in its small loan business is to evade state usury and small loan laws.

In the states of Arkansas and Alabama, Venture Bank, through Advance America, in late 2000 began to offer loans of up to $500 due in two weeks for a fee of $15 per $100. This amounts to an incredible 390 percent annual interest rate for a two-week term.

Leapfrogging Over Alabama Law

In Alabama, prior to passage of a payday loan authorizing law in June 2003, the small loan law applied to loans of less than a $1,000. Lenders are authorized to charge 3% interest per month, plus a $3 fee and a 6% interest surcharge. For a $100 loan repaid in three months, the loan costs 141.9% annual interest rate. A $200 loan repaid in five months costs 111% annual interest. The interest rate falls to 72.48% if a consumer borrows $500 and repays it over one year.

Under the payday loan arrangements between Advance America and Venture Bank, Alabama consumers are charged 390% annual interest and given only 14 days to repay loans up to $500. Venture Bank is exporting Washington state's payday loan limits, which permit loans up to $500 (recently raised to $700) at $15 per hundred for loans up to $500 (and, now $10 per $100 over $500).

Evading Arkansas' Constitution: Litigation Risks

Arkansas interest rates are restrained by the state constitution, adopted in 1874. Rates are capped at the Federal Reserve discount rate plus five points. In 1999 the Arkansas legislature enacted the "Check-Cashers Act" in an attempt to authorize payday loans made by check cashers at much higher rates. At the time the Act was adopted, the legal cap on interest rates in Arkansas was 11% annual interest rates. Venture Bank's partner Advance America received a license to directly make payday loans in Arkansas as a check-casher, charging a finance charge of $40 for a $300 loan or 347.6% APR for a two-week loan.

Advance America's payday loans in Arkansas came under swift legal attack. A Clark County Municipal Judge ruled in June 2000 that Advance America had to refund fees collected and ruled that the Arkansas payday loan law was unconstitutional (Advance America v. Jenna Stiles, Case No. C-00-311). In another class action lawsuit against Advance America, borrowers challenged both the unlawful interest rates charged for small loans and Advance America's arbitration clause (Advance America v. Garrett). The lawsuit charged that these transactions were loans subject to credit laws and state interest rate caps, despite Advance America's insistence that they were performing a service for a fee. The lawsuit also challenged Advance America's one-sided mandatory arbitration clause, which bound its customers to out-of-court arbitration while preserving for the company the right to take borrowers to court. Before the company's appeal was heard by the Arkansas Supreme Court, Advance America settled the case and withdrew its appeal, forgave debts and refunded money paid in loan charges by consumers.

The attempt by the Arkansas legislature to define that payday loan fees "shall not be deemed interest" has been ruled unconstitutional in Clark, Garland, Pope, Sebastian, Pulaski, Columbia, Craighead and Washington counties as clear violations of Article 19, 13 of the Arkansas Constitution and that check cashing or payday loan transactions are usurious, illegal and void. The Arkansas Supreme Court in 2001 held that "section 23-52-104(b) is an invalid attempt to evade the usury provisions of the Arkansas Constitution and, further, that such an attempt violates the constitutional mandate requiring separation of powers set forth in Article 4 of the Arkansas Constitution." (Luebbers v. Money Store, 344 Ark. 232, 234, 40 S.W.3d 745 (2001)

Following these legal challenges, Advance America turned to Venture Bank as a partner to make loans instead of complying with state small loan and usury laws. As the FDIC Guidelines on Payday Lending state, "institutions face increased reputation risks when they enter into certain arrangements with payday lenders, including arrangements to originate loans on terms that could not be offered directly by the payday lender." The Guidelines also require examiners to "consider the degree of legal or reputational risk associated with the payday business line, especially as it relates to third-party agreements." Venture Bank has partnered with an embattled lender to give legal cover to otherwise illegal lending. The actions of Advance America in Alabama and Arkansas are a serious risk to Venture Bank.

Legal Risk under FDCPA, FTC Act and Privacy Laws

Venture Bank's Advance America application asks for information about the borrower that would only be useful in collecting debts, not in making credit decisions. The application asks for name, phone number and relationship of the applicant's nearest relative, landlord, and two other persons. It requires the borrower to give permission for Advance America and the bank to contact third parties and leave messages for the borrower, a questionable practice under the Fair Debt Collection Practices Act. The application asks for the borrower's vehicle make, year, tag number, model, color and state, although the loan is not secured by title to the vehicle. The only reason to collect this information is to aid in tracking down delinquent customers or contacting friends and relatives to aid in debt collection.

Section 5 of the FTC Act prohibits unfair and deceptive practices. The FDIC must investigate the marketing practices of Advance America and Venture Bank to scrutinize if they are deceiving borrowers on whether rollovers are permitted. In preparing this comment letter, we called a couple of Advance America outlets in Alabama and Arkansas who told us that Advance America does not rollover or renew payday loans. In a recent newspaper article, however, states that, "Vicki E. Woodward with Advance America, of Spartanburg, SC, said most customers use payday loans seven times a year. An assistant store manager said nine of ten customers pay a loan off and get a new one the same day."[1]

It is quite likely that the frequency of seven payday loans per year is an under-estimate considering that rollover and renewal frequency is often much higher in the industry and for Advance America.[2] Thus, the FDIC must investigate if statements over the phone about no rollovers deceive customers and lure them into lending situations that are the economic equivalent of rollovers. The FDIC guidelines suggest that "the economic substance of consecutive advances (without appropriate intervening "cooling off" or waiting periods) is substantially similar to rollovers." Like rollovers, does Advance America's serial and consecutive loans lack cooling off periods and lead to a treadmill of debt for borrowers?

As the FDIC guidelines make clear, abusive collection practices and threats of criminal prosecution are unfair practices under the FTC Act. A survey by Alabama Arise found that at the Advance America store in Prattville, the clerk told one surveyor that "bad" checks are sent to the District Attorney's Office. At the Advance America store in Selma, a surveyor was told that she "would have to wait and see if it went that far." At the time of this survey, Advance America was using First Community Bank of Washington as its partner.[3]

The FDIC should take a close look at the Privacy Policies of both Venture Bank and Advance America to evaluate the fairness of these contradictory policies. A borrower visiting an Advance America outlet in Arkansas and Alabama is promised by Venture Bank that the bank will not sell customer information to third parties.[4] This contradicts Advance America's Privacy Notice distributed over Advance America's web page. According to the web page, unless consumers opt out, the company will disclose all information collected to the Advance America family of companies and nonaffiliated third parties. Further, Advance America's web page states that consumers cannot opt out of information sharing with companies that do joint marketing or banks that have joint marketing agreements with Advance America.

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[1] Hazard, Carol, "Study Profiles Payday Loan Borrower," Richmond Times Dispatch, February 18, 2002, page 18.
[2] Florida Department of Banking and Finance, Deferred Presentment Program, Annual Report to Legislature, January 1, 2003.
[3] "The Climate of Payday Lending in Alabama: A Statewide Survey of Payday Lending Operations," August-September 2002. Written by Karen Brown, Policy Analyst, Alabama Arise.
[4] Information based on visits by affiliates of Consumer Federation of America.

The FDIC should consider the unfairness of Advance America/Venture Bank's loan application that requires an applicant to sign away fundamental legal rights before the contract is even provided. The application states: "Upon approval of your application you will be required to sign a Waiver of Jury Trial and Arbitration Agreement. By signing below, you acknowledge and agree that the Waiver of Jury Trial and Arbitration Agreement will remain in effect even if you cancel or terminate the transaction and will apply to any disputes you may have about this application."

The FDIC should carefully test Advance America's compliance with the Truth in Lending Act at outlets in Alabama and Arkansas. When the Comptroller examined the company's operations with Peoples National Bank of Paris, TX, Advance America was found to repeatedly violate disclosure rules by not verbally disclosing the cost of loans as an annual percentage rate.

If the FDIC confirms that any of these Advance America and Venture Bank practices violate federal law, then Venture Bank's CRA exam must be automatically downgraded as indicated by the FDIC guidelines on payday lending.

Legal Risk under ECOA - Payday Lending Targets Underserved Consumers

Through Advance America, Venture Bank finances usurious payday loans, foregoing more affordable alternatives to serve the need for small consumer loans. Venture Bank also targets LMI and minority communities for expensive payday lending.

In Arkansas where Venture Bank finances payday lending done through Advance America, Advance America outlets are disproportionately located in LMI and minority census tracts. NCRC, CFA, and CRA*NC sampled 30 Advance America outlets in Arkansas. Of these 30 branches, 9 branches or 30 percent were located in moderate-income tracts (between 51 to 80 percent of area median income). None of the Advance America branches were located in low-income tracts. Nevertheless, when considering branch distribution in LMI tracts, a greater portion of Advance America branches was located in LMI tracts than bank branches. Using CRA Wiz, we determined that 13.2 percent of all bank and thrift branches are in LMI tracts compared to 30 percent of Advance America branches. When just considering moderate-income tracts, the disparity is more than two to one in terms of percent: 30 percent for Advance America branches and only 12.58 percent for branches (see Table 1 and Table 2 behind this letter).

A similarly large disparity occurs when considering branching by minority level of tract. Thirteen percent of Advance America's branches in Arkansas are located in census tracts with more than 50 percent minority whereas 7.6 percent of all bank and thrift branches are located in these census tracts.

In addition to a branching analysis, the FDIC must assess the distribution of customers by income and minority level as part of its CRA exam and fair lending review. If anything, the branching analysis is likely to understate the extent of targeting since a number of branches are on or near highways. Thus, it is incumbent on the FDIC to complete the

CRA and fair lending review by assessing income level and race of payday loan customers. Both the FDIC and the OCC have stated in guidance and advisory letters that discriminatory steering of minorities and other protected classes to abusive payday lending violates the Equal Credit Opportunity Act and therefore results in a downgrade of CRA ratings.[5]

In particular, the FDIC's new guidelines on payday lending states that "Illegal discrimination may occur when a bank has both payday and other short-term lending programs that feature substantially different interest rate or pricing structures." Venture Bank makes unsecured consumer loans in Washington state at interest rates substantially lower than its payday lending through Advance America in Arkansas and Alabama (see below for more details on pricing). While the consumer loans can extend up to a year or a year and a half, payday lending can also become a long-term proposition when it involves rollovers and/or several consecutive loans.

In Washington state, African-Americans make up less than 4 percent of the population. In Arkansas, 15.7 percent of the population is African American and in Alabama 26 percent of the population is African-American. Venture Bank is offering high cost payday loan products in states with significant African-American populations while offering lower rates for consumer loans in its home state, which has a small percentage of African-Americans. The difference in product offerings among the states very likely results in disparate impacts by the race of consumers in violation of fair lending laws.

Numerous studies and reports reveal that payday lending disproportionately targets minorities and LMI borrowers. Under contract with the North Carolina Department of Health and Human Services, Professor Michael Stegman and his colleague Robert Faris found that lower income African Americans are twice as likely as whites to take out payday loans. The Department of Financial Institutions in Wisconsin documented that the average net income of payday loan customers in its sample was $18,675. Using data from the Illinois Department of Financial Institutions, the Woodstock Institute reported that the median annual income borrowers was $23,690; 19 percent of the borrowers earned less than $15,000 and only 12 percent earned more than $40,000 annually.[6]

Given the considerable evidence of targeting by race and income by payday lenders in general, the FDIC must conduct a complete analysis of Venture Bank's and Advance America's customers by race and income. A lack of such analysis would be a dereliction of the FDIC's CRA and fair lending responsibilities as an enforcement agency.

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[5] OCC Advisory Letter, AL-2000-10, Payday Lending, November 27, 2000. FDIC Guidelines for Payday Lending, July 2, 2003 (http://www.fdic.gov/regulations/safety/payday/index.html).

[6] Micheal A Stegman and Robert Faris (University of North Carolina at Chapel Hill*), Payday Lending: A Business Model that Encourages Chronic Borrowing*, Economic Development Quarterly, Vol. 17 No. 1, February 2003, pgs. 8-32; State of Wisconsin Department of Financial Institutions, *Review of Payday Lending in Wisconsin, 2001* (http://www.wdfi.org); Dan Immergluck and Marti Wiles of the Woodstock Institute, *Unregulated Payday Lending Pulls Vulnerable Consumers into Spiraling Debt, Reinvestment* Alert, March 2000, Number 14.

Payday Lending Exceeds Repayment Ability and Does Not Meet Credit Needs

The FDIC guidelines on payday lending states that "Payday loans to individuals who do not have the ability to repay, or that result in repeated renewals or extensions and fee payments over a relatively short span of weeks, do not help to meet credit needs in a responsive fashion." Venture Bank and Advance America's high-cost payday lending is unaffordable to borrowers and does not meet credit needs.

Alternative products, including credit card lending and consumer lending conducted out of Venture Bank branches in the Northwest, are affordable and responsive to credit needs. It is unacceptable that Venture Bank offers affordable consumer lending products to one geographical area where it does business but engages in abusive lending in another geographical area.

As documented above, Venture bank, through Advance America, in late 2000 began to offer loans of up to $500 due in two weeks for a fee of $15 per $100. This amounts to an incredible 390 percent annual interest rate for a two-week term in Alabama and Arkansas. Advance America is further quoted as stating that the average payday borrower takes out seven loans. After seven consecutive loans, the borrower has paid more in fees ($105) than the original loan amount ($100). This estimate of fees is likely to be on the low side because seven consecutive loans are likely to be an underestimate for Advance America.

Another method for considering the high cost nature of Venture Bank/Advance America payday lending is to compare the costs with standard consumer loan products. Venture Bank has a much more affordable consumer loan product that could serve a significant portion of Advance America payday customers – those receiving $500 or more in loans. When we called a Venture bank branch office in Olympia Washington, we were told that an 18-month unsecured consumer loan of around $1,000 had a fee of 1 percent and an interest rate of 14 percent, for an APR of 16.2 percent.

A standard credit card is much cheaper than a payday loan. Payday loans, despite being considered closed-ended credit, are often, in fact, open-ended credit through repeated rollovers or repeat transactions. We consulted with Bank of America's web page and found a traditional credit card offering APRs of 9.9 percent to 12.9 percent. The subprime rate is 23.99 percent and applies to borrowers that have missed two consecutive payments or missed three minimum payments during a year or are three times over the credit limit. A payday customer receiving consecutive loans would likely meet the profile of a subprime borrower of a Bank of America credit card. The overall costs are much lower for the Bank of America credit card than for a Venture Bank and Advance America payday loan.

When comparing the costs of the Venture Bank payday loan and the Bank of America credit card, we use a 3 and a half month time period as a time frame. The time period is based upon the typical 7 consecutive loans of Advance America (with each new loan occurring at two week intervals). Over the 3.5 month time period, a borrower has paid $105 in fees for the seven renewals or "consecutive loans" of the original $100 borrowed.

In contrast, over the same time period, a borrower has paid $4.55 in interest if he paid-off $100 in subprime credit card debt at the APR of 23.99 percent. Over a three and a half month time period, the costs of the Venture Bank/Advance America payday loan is higher by $100 than the Bank of America subprime credit card.

If we assume that a payday customer repeatedly uses the Advance America outlets over five or ten years, then the extra costs in fees and interest wipe out savings that could have been used as a downpayment on a mortgage loan. For each year, we assume that the same 3.5-month pattern of use occurs for each product. The Venture Bank/Advance America payday loan is thus $100 more expensive than the subprime credit card. Over five years, the payday loan costs $500 more than the subprime credit card. Over ten years, the difference is $1,000. If a borrower spent $500 to $1,000 more on fees paying off Venture Bank/Advance America payday loans than the subprime credit card, then the borrower has lost most if not all the savings that could have been used as a downpayment on a home.

This example is a conservative estimate of the cost difference of payday loans versus credit cards since it uses a relatively low dollar amount of $100. In actuality, the dollar amounts are generally higher for borrowing from a payday lender or a credit card lender. If the amount borrowed is in the range of $300 to $500, the cost difference between using a payday lender or a credit card lender is greater for even shorter time periods of two to three years.

Given the excessive amount of fee and interest payments received by payday lenders, it is not surprising that Venture Bank with Advance America make payday loans without regard for a borrower's ability to repay the loans. The Advance America loan application for loans made in Arkansas and Alabama includes the following notice: "I understand that First Community Bank of Washington will not perform a lengthy credit check on me, but the information I have provided in and with this Application will be sent to Tele-Track for a search of its database and for a determination as to whether I satisfy First Community Bank of Washington credit criteria…" While Tele-Track is a credit reporting company, it only reports on subprime credit use and not on the borrower's ability to afford repayment of loans.

The application does not ask for sufficient information to permit the bank to make prudent loans or assess the risk of default by borrowers. Income is requested but not information on other debts and obligations. Borrowers are only asked if they currently are in garnishment or in bankruptcy. That is insufficient information for underwriting consumer loans.

Payday lenders depend on rollovers or sequential loans to make hyper profits. Professor Stegman's paper documents that the percentage of customers who are repeat borrowers (taking out at least one loan per month) is a powerful and statistically significant determinate on the revenues per payday branch.[7] Likewise, the Community Reinvestment Association of North Carolina reported that one in six borrowers (16

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[7] Stegman and Faris, op cit.

percent) conducted 18 or more transactions a year, generating more than one third of payday lenders' total revenue, based on data from the North Carolina Banking Commission.

In other states, the rollover frequency is also extreme. The Department of Financial Institutions in Wisconsin documented that more than half of the payday loans in the state were rolled over more than once. The Indiana Department of Financial Institutions found that the average number of renewals per customer was ten. Given the significant evidence concerning Advance America's high number of consecutive loans and the industry's propensity to rollover loans, the FDIC must fully investigate the extent of renewals and the dollar amounts paid in fees by Venture Bank/Advance America customers.

Payday Lending is Not Safe or Sound

Because payday lending is unaffordable for the borrower, it is not safe and sound for the industry. In particular, the Office of the Comptroller of the Currency has already found that Advance America and one of its previous partners, Peoples National Bank, engaged in unsafe and unsound payday lending. According to the OCC, 60 percent of Peoples National Bank's assets were delinquent payday loans. People's National and Advance America rushed headlong into the payday lending, heedless of the massive delinquencies. During the first eight months of operation, the payday lending grew so fast that payday loan volume was 240 percent of People National's capital.[8] This clearly violates the new FDIC guidance strongly advising that banks "need significantly higher levels of capital, perhaps as high as 100% of the (payday) loans outstanding (dollar-for-dollar capital)."

It appears that Venture Bank is also rushing headlong into the payday business. According to a newspaper article appearing in the Puget Sound Business Journal, Venture Bank made more than 30,000 payday loans a month during its first year of full payday lending in 2001. At any one point during the year, the bank held $7 million in payday loans and issued $128 million in payday loans in 2001. Payday lending accounted for 20 percent of Venture Bank's earnings in 2001.[9] The dramatic volume of payday lending and the large share of the bank's earnings beg the question of when the bubble will burst. When will high delinquency and default rates associated with such high volume payday lending impact on the bank's financial health as well as the economic well being the communities in which it does business. The high volume of payday lending is eerily reminiscent of the case of Peoples National Bank.

As with the People's National case, the FDIC must investigate the safety and soundness of Venture Bank's payday lending. In particular, the FDIC must analyze how many loans must be charged-off because they have been outstanding for more than 60 days, which is the standard established in the FDIC guidelines. The guidelines also stipulate that the extent of rollovers and consecutive loans must be considered in applying the 60-day

[8] Office of the Comptroller of the Currency complaint against Peoples National Bank, May 17, 2002.
[9] Peter Neurath, "Small Bank is Almost Alone in Payday Loan Field," Puget Sound Business Journal, March 11, 2002.

standard. Due to its inherently abusive nature, high-cost payday lending is not safe and sound. Subjecting borrowers to an endless treadmill of debt ultimately leads to precarious financial health for financial institutions.

Mediocre Performance in the Washington State Assessment Areas

The last CRA exam for Venture Bank (then known as First Community Bank of Washington) established three assessment areas that were located in the Tacoma metropolitan statistical area (MSA), the Olympia MSA, and two non-MSA counties of Grays Harbor and Lewis. HMDA data analysis with two most recent years available (2000 and 2001) indicates mediocre performance, particularly in the Tacoma MSA where Venture Bank makes more than half of its HMDA loans.

In the Tacoma MSA during 2000 and 2001, Venture Bank made less than half the loans in percentage terms that all lenders, as a group, made to residents of LMI census tracts. In 2000, Venture Bank issued 5.95 percent of its 185 single family (home purchase, refinance, and home improvement) originations to residents of LMI tracts while all lenders, as a group, made 9.91 percent of their single family loans to these residents. Likewise, during 2001, Venture Bank issued 2.74 percent of their single family loans to residents of LMI tracts. All lenders in Tacoma, as a group, made 8.11 percent of their loans to these residents (see Table 3).

Venture Bank's lending performance by income level of borrower is not as poor as its lending by income level of geography, but its performance is still uneven. In 2000, Venture Bank and all lenders, as a group, made 14.67 percent and 20.26 percent of their single family loans respectively to LMI borrowers in the Tacoma MSA. By 2001, Venture Bank had improved; its percentage of loans to LMI borrowers was similar to that of all lenders, as a group (see Table 3).

Considered as a whole, home lending performance in the Tacoma MSA is poor. The portion of loans to LMI census tracts and LMI borrowers during 2000 and 2001 constitute four indicators of performance. On three of the four indicators of performance during the two-year time period, Venture Bank lags all lenders, as a group. On two of the indicators, lending by LMI tracts in 2000 and 2001, the bank is far behind, making less than half the loans, in percentage terms, as all lenders as a group.

In the Olympia MSA performance is also poor to mediocre (see Table 4). In both 2000 and 2001, Venture Bank made no single family loans to residents of LMI tracts, although it made 210 single family loans overall. In contrast, all lenders in Olympia, as a group, issued about 2 percent of their loans to residents of LMI tracts during the two years. In lending to LMI borrowers, Venture Bank is uneven. In 2000, the bank trailed its peers by a considerable margin, issuing 14.47 percent of its loans to LMI borrowers versus 21.69 percent for all lenders as a group. In 2001, Venture Bank was on par with its peers, issuing the same percentage of loans (19 percent) to LMI borrowers as its peers. Overall, however, Venture Bank turned in poor single family lending performance in Olympia, trailing its peers by a considerable extent on 3 of 4 indicators of performance (lending to LMI tracts in both years and lending to LMI borrowers in 2000).

Venture Bank's performance is reversed in the counties of Grays Harbor and Lewis (Grays Harbor and Lewis Counties are combined into one assessment area for this analysis). Venture Bank issued a higher percent of single family loans to residents of LMI tracts than all lenders as a group during the two years. In contrast, it made a lower percentage of loans to LMI borrowers than all lenders, as a group, during the two years. In 2001, Venture Bank issued 14.29 percent of its 119 loans to LMI borrowers while all lenders, as a group, made 16.20 percent of their loans to this group of borrowers. On two of four indicators (lending to LMI borrowers), Venture Bank's performance was worse than its peers (see Table 5).

In sum, Venture Bank performed the poorest in the Tacoma MSA where it made most of its loans. It performed worse than its peers by considerable margins in 3 of 4 indicators. Likewise, Venture Bank performed worse than its peers in 3 of 4 indicators in the Olympia MSA. Venture Bank performed worse than its peers in two of four indicators in the Grays Harbor and Lewis County MSAs. Overall, and on a weighted average basis, the bank's home loan performance is poor.

If Venture Bank made only home loans, the bank would score Low Satisfactory or below in its three assessment areas as a whole. Venture Bank, however, made a similar number of small business loans as home loans in the three assessment areas. Its performance in small business lending is better than its performance in home lending. Venture Bank's percent of loans to small businesses in LMI tracts equals or exceeds the percent of loans that all lenders, as a group, made to small businesses in LMI tracts during 2000 and 2001 in the three assessment areas (see Table 6). Likewise, the portion of loans to small businesses with revenues under $1 million is higher than the portion of loans made by all lenders, as a group, to this group of businesses (see Table 7). However, Venture Bank made a considerably smaller percentage of loans of $100,000 or less than all lenders, as a group, in all three assessment areas during the two years (see Table 8). For instance, just 69.02 percent of the bank's loans was for $100,000 or less in Olympia during 2001 while 93.02 percent of the loans made by all lenders were under $100,000.

The low portion of loans under $100,000 significantly compromises the bank's performance in making loans to small businesses with revenues under $1 million. Loans under $100,000 are typically needed by the smallest of the small businesses. It is likely therefore, that Venture Bank was issuing most of its loans to businesses with revenues close to $1 million instead of businesses with revenues of half a million or less. Given that the CRA small business data has significant limitations, such as obscuring performance in reaching the smallest of the small businesses, CRA examiners must give greater weight to home lending performance, particularly in cases in which a bank has made similar volumes of home and small business loans. Venture Bank performs poorly in home lending and turns in uneven performance in small business lending. Thus, its overall performance on home and small business lending is Low Satisfactory at best.

Venture Bank's last CRA exam suggests uneven to poor performance on the lending test. The examiner, for instance, describes its performance in lending by income level of census tract as "adequate." In the CRA regulations, the word "adequate" is associated with Low Satisfactory performance. In addition, the CRA examiner notes that the bank's record of serving economically disadvantaged areas and low-income individuals is merely "adequate." In the Tacoma MSA, Venture Bank's percent of home loans to LMI census tracts is below that of all lenders in the aggregate for 1999 and 2000, according to the CRA examiner. The examiner also documents that Venture Bank's percent of loans to LMI borrowers drops considerably from 1999 to 2000. Finally, the CRA examiner documents the same patterns of poor performance in both home lending to LMI tracts and borrowers in the Olympia MSA during 1999 and 2000.

Moreover, Venture Bank made no community development loans during 2001 according to data on the web page of the Federal Financial Institutions Examination Council (FFIEC). This is abysmal. The bank made $1.48 million of community development loans during 2000, a year immediately proceeding its CRA exam. It then totally closed down its community development lending during 2001. The previous CRA exam had ended during March of 2001, meaning that the bank ceased making an effort in community development lending during the year that it was mostly free from CRA examiners. Any sudden increase in community development lending during 2002 or the first part of 2003 would be further evidence of the bank manipulating the CRA examination schedule, by turning on the community lending faucet shortly before the arrival of CRA examiners. What should matter most is that the bank reneged on community development lending and its reinvestment obligations when the pressure of CRA exams was far off in the future.

The bank's dramatic drop-off in community development lending from 2000 to 2001 was consistent with its lackluster performance on the investment and service tests during the previous CRA exam. On the investment and service tests, the institution earned Low Satisfactory grades. The CRA examiner explained that the previous CRA exam was a transitional exam in that the bank was being judged under the Large Bank guidelines for the first time and thus faced an investment and service test for the first time. This is a charitable explanation for poor performance. Low ratings would normally spur the bank to do better in the future on a broad range of indicators. Instead, the bank did not make any community development loans during 2001, and also turned in poor performance in lending. A lack of commitment to traditional CRA activities instead of being new to certain activities is the more likely explanation for poor performance as documented by the CRA examiner in the previous CRA exam.

NCRC, CFA, CRA*NC and the other community groups signing this letter argue that considering home, small business, and community development lending together would yield a Low Satisfactory performance on the lending test. The Low Satisfactory performance extends over a number of years, starting from 1999 on the last exam through 2001. Negative payday lending overwhelms the mediocre performance in traditional lending activities. Venture Bank must therefore fail its CRA exam, given the compelling details of its irresponsible payday lending.

Assessment Area Must Include Alabama and Arkansas

The CRA exam for Venture Bank must include Arkansas and Alabama as assessment areas in order to adequately evaluate the total CRA and fair lending performance of the institution. In the last CRA exam, Venture Bank (then known as First Community Bank of Washington) had three assessment areas in Washington state. Since that time, the scale of payday lending in Arkansas and Alabama has dramatically increased. Venture Bank has 22 branches in Washington state. In Arkansas alone, Venture Bank and Advance America operate payday lending out of 30 branches. The volume of business is exponentially greater, in terms of the number of loans to individuals, in Arkansas and Alabama payday branches than in the bank's Washington state branches. As stated above, the bank issues about 30,000 payday loans per month. Given the incredible magnitude of the payday lending, its harm outweighs the benefits of Venture's traditional home and small business lending activities in Washington state.

Although the CRA regulation provides an option for lending institutions to include consumer loans on their CRA exams, NCRC, CFA, and CRA*NC believe that scrutiny of payday lending cannot be optional on this exam. In order for the FDIC to adequately enforce CRA, the agency must consider the safety and soundness and fair lending issues associated with Venture's Bank payday lending activities. When an institution effectively has more payday branches than regular bank branches, it has made a greater commitment to a harmful, discriminatory and unsafe product than traditional bank products that prudently serve credit needs. Nothing in the CRA regulations prevent the FDIC from engaging in a full investigation of Venture Bank's payday lending in Alabama and Arkansas. In fact, lightly skipping over payday lending in the CRA exam would constitute a failure to enforce CRA's obligation on banks to make safe and sound loans. The FDIC's new guidelines instruct examiners to conduct on-site examinations of third party payday partners and to consider payday lending in all geographical areas served by the bank. For these reasons, a full scope review including Alabama and Arkansas as assessment areas is imperative for this CRA exam.

Conclusion

George French, the FDIC's Director of Policy and Examination was quoted in a recent American Banker article regarding the issuance of the final FDIC guidelines. The article correctly indicates that the FDIC made the final guidance considerably stronger than the draft guidance issued earlier this year.[10]

According to Mr. French, "I don't think when this guidance is issued, institutions will see it as an encouragement to enter this business. In fact, quite the opposite. We recognize this business is a risky business for banks to get involved with. It raises substantial safety and soundness issues, and because of the third-party relationship, there are substantial

[10] Rob Blackwell, *In Focus: FDIC Hints at a Crackdown on Payday lending*, American Banker, Monday, June 30, 2003.

legal and reputational risks. There are also substantial consumer protection issues. We believe it is appropriate to take a very strong stance in our written guidance."

The newly released FDIC guidelines on payday lending state that:

> Most payday loans have well-defined weaknesses that jeopardize the liquidation of debt. Weaknesses include limited or no analysis of repayment ability and the unsecured nature of credit.

NCRC, CFA, CRA*NC, and the other signatories to this letter agree that payday lending is a risky business that should not be encouraged. Furthermore, the signatories to this letter believe that we have demonstrated that Venture Bank and Advance America make abusive payday loans that exceed repayment ability and do not meet credit needs.

The CRA exam of Venture Bank provides the FDIC with a powerful opportunity to enforce its new guidelines and engage in strong enforcement of CRA, safety and soundness, and fair lending laws. At the conclusion of the CRA exam, we believe that Venture Bank must receive a failed CRA rating and must be ordered to exit the payday lending business. If these steps are taken, Venture Bank will then re-focus its attention on improving its mediocre performance in making traditional home and small business loans to LMI borrowers and communities in its assessment areas.

Please direct any questions regarding the substance of this letter to Josh Silver, Vice President of Research and Policy at NCRC on 202-628-8866. We are also sending a copy of our comments to Mr. George French, Deputy Director of Policy and Examination Oversight in the FDIC's headquarter's office. Per FDIC guidance, we anticipate that the FDIC will respond in detail to this letter in the Venture Bank CRA exam. We would appreciate it if the FDIC can also inform us when the CRA exam is completed and available to the public.

Sincerely,

John Taylor, National Community Reinvestment Coalition
Jean Ann Fox, Consumer Federation of America
Peter Skillern, Community Reinvestment Association of North Carolina

Karen Brown, Alabama Arise
Barbara Evans, Alabama Watch
Louis Barnett, Jr., Community Service Programs of West Alabama
Thomas Wood, III, Community Action Agency of North Central Alabama
Precious Williams, Silas H. Hunt Community Dev. Corp., Ashdown, Arkansas
Addie Biddle, Stamps Concerned Citizens, Stamps, Arkansas

Al Sterman, Democratic Process Center, Tucson, Arizona
Pete Garcia, Chicanos Por La Causa, Phoenix, Arizona
Alan Fisher, California Reinvestment Committee
Ken McEldowney, Consumer Action, California
Marva Smith Battle-Bey, Vermont Slauson Economic Development Corp., CA
Rashmi Rangan, Delaware Community Reinvestment Action Council, Inc.
Elbert Jones, Jr., Community Equity Investments, Pensacola, FL
Lynn Drysdale, Esquire, Florida Legal Services, Inc., Jacksonville, Florida.
Malcolm Bush, The Woodstock Institute, Chicago, Illinois
Dory Rand, National Center on Poverty Law, Chicago, Illinois
Ted Wysocki, LEED Council, Illinois
Jean Ishmon, Northwest Indiana Reinvestment Alliance
Shelley Sheehy, John Lewis Coffee Shop, Iowa
Anne Marie Regan Office of Kentucky Legal Services Programs, Inc.
Hannah Thomas, Coastal Enterprises, Inc, Wiscasset, Maine
Dharmena Downey, Director of Housing, City of Somerville, MA
Maryellen Lewis, Michigan State University
Veronica Williams, Detroit Alliance for Fair Banking, MI
Charles Harris, HEED, Jackson, MS
Susan Lupton, Coalition for Responsible Lending, Durham, North Carolina
Craig Fiels, City of Santa Fe, New Mexico
Gene Ortega, Home Education Livelihood Program, NM
Raynell Zuni, Project Change Fair Lending Center, New Mexico
Ray Prushnok, NMPIRG, Albuquerque, NM
Gail Burks, Nevada Fair Housing Center
Lee Beaulac, Rural Opportunities, Inc, Rochester, NY
Matthew Lee, Inner City Press/Community on the Move, Bronx, NY
Alfred Ripley , North Carolina Justice and Community Development Center
Kathryn Harlow, Cleveland Works, Inc., Ohio
Dean Lovelace, Dayton Community Reinvestment Institute, OH
Ron Colvin, Lake County Branch NAACP, Painesville, Ohio
Jim McCarthy, Miami Valley Fair Housing Center, Inc., Dayton, OH
Bill Faith, Coalition on Homelessness & Housing in Ohio (COHHIO)
Kathy Hessler, Case Western Reserve University School of Law, Cleveland, OH
Stanley A. Hirtle, Legal Aid Society of Dayton, OH
Rachel K. Robinson, Equal Justice Foundation, Columbus, Ohio
Paul Bellamy, Lorain County Reinvestment Coalition, OH
Morris Williams, Coalition of Neighborhoods, Cincinnati, OH
Larry Bresler, Organize! Ohio
Jason Reynolds, Oregon Consumer League, Portland, OR
Alan Jennings, Community Action Committee of the Lehigh Valley, PA
Odalis Reyes-Cruz, Agencias Comunales de Puerto Rico, Inc.

Dorothy Garrick, Columbia Consumer Education Council, South Carolina
Saralyn Williams, Memphis Area Community Reinvestment Organization, TN
Stephan Fairfield, Covenant Community Capital Corporation, Houston, TX
Linda Hilton, Coalition of Religious Communities, Salt Lake City, Utah
British Robinson, US Jesuit Conference, Washington, DC
Edmund Mierzwinski, State PIRGs' DC Office (U.S. PIRG)
Erica Lindquist, National Congress for Community Economic Development, Wash. DC
Edward J. Gorman, III, American Community Partnerships, Washington DC
Jane DeMarines, National American Indian Housing Council, Washington DC
Ginger Segel, Washington Reinvestment Alliance, Seattle, Washington
Peter Conroy, Low Income Housing Institute, Seattle, Washington
Arturo Gonzalez, El Centro de la Raza, Seattle, WA.
Hubert Van Tol, Fairness in Rural Lending, Sparta, Wisconsin
Joy Marriner, Family Service Credit Counseling, Wheeling, WV

Table 1: Venture Bank and Advance America Payday Lending in Arkansas

Distribution by income level of census tract*

Low Income		Moderate Income		Middle Income		Upper Income		Total
Number	Percent	Number	Percent	Number	Percent	Number	Percent	
0	0	9	30.00%	13	43.33%	8	26.67%	30

Distribution by minority level of census tract

0-19.99%		20-49.99%		50-79.99%		80-100%		Total
Number	Percent	Number	Percent	Number	Percent	Number	Percent	
16	53.33%	10	33.33%	3	10.00%	1	3.33%	30

Distribution of Bank and Thrift Branches by Census Tract Category

By income level of census tract*

Low Income		Moderate Income		Middle Income		Upper Income		Total
Number	Percent	Number	Percent	Number	Percent	Number	Percent	
8	0.65%	155	12.58%	774	62.82%	295	23.94%	1,232

By minority level of census tract

0-19.99%		20-49.99%		50-79.99%		80-100%		Total
Number	Percent	Number	Percent	Number	Percent	Number	Percent	
893	72.48%	245	19.89%	81	6.57%	13	1.06%	1232

Notes:

*** Census tracts without income level reported are excluded from this analysis**

Table 2: Venture Bank and Advance America payday branches in Arkansas

	Street Address	City	State	Zip	Census Tract Number	Tract Median Income, %	Minority %	Tract Population
1	4224 Rogers Ave.	Fort Smith	AR	72903	0011.01	126.24	4.78	3,891
2	2500 S. Zero Street	Fort Smith	AR	72901	0013.03	120.51	5.4	4,522
3	20 Cloverleaf Plaza	Van Buren	AR	72956	0205.00	80.93	9.11	7,292
4	3083 E Main St., Suite A	Russellville	AR	72801	9513.00	116.02	5	5,539
5	1500 Central Ave., Suite D	Hot Springs	AR	71901	0114.00	76.8	19.63	3,301
6	895 Oak St., Suite 2	Conway	AR	72032	0307.00	65.67	16.76	67,631
7	1601 Hwy 270, Suite 331	Malvern	AR	72104	0202.00	88.59	42.42	3,527
8	112 WP Malone Dr.	Arkadelphia	AR	71923	9536.00	129.4	20.72	7,537
9	1201 Military Rd., Bay 2	Benton	AR	72015	0101.01	78.3	2.04	4,028
10	9112 Rodney Parham Rd., Suite 125	Little Rock	AR	72205	0022.03	133.82	9.57	5,245
11	3700 S University Ave.	Little Rock	AR	72204	0021.02	102.46	25.17	4,100
12	8817 Geyer Springs Rd	Little Rock	AR	72209	0041.07	73.07	33.35	3,511
13	809 N Hervey St., Suite A	Hope	AR	71802	9805.00	88.14	24.54	3,782
14	4714 John F. Kennedy Blvd.	North Little Rock	AR	72118	0033.04	148.9	4.07	5,915
15	4123 E Broadway Street	North Little Rock	AR	72117	0027.00	74.5	33.51	7,758
16	2021 F 1st Street	Jacksonville	AR	72076	0036.85	113.28	14.16	8,281
17	3228 State Line Ave	Texarkana	AR	71854	0201.00	91.04	8.71	3,099
18	1810 E Highland, Suite H	Jonesboro	AR	72401	0004.00	98.97	4.59	7,292
19	2900 W Kings Hwy, Suite 8	Paragould	AR	72450	9804.00	126.15	0.39	5,146
20	648 E Main St.	Blytheville	AR	72315	0102.00	113.14	32.24	7,012
21	3050 Harrison St., Suite D	Batesville	AR	72501	9903.00	133.56	2.88	5,425
22	500 West Broadway, Suite 8	West Memphis	AR	72301	0303.00	90.25	32.23	4,505
23	201 Deadrick Rd., Suite 600	Forrest City	AR	72335	9604.00	69.22	65.84	5,032
24	2502 E Race Ave	Searcy	AR	72143	9708.00	128.77	5.76	4,534
25	838 North Sebastian Dr	West Helena	AR	72390	9803.00	95.32	30.78	6,719
26	2419 S. Olive St.	Pine Bluff	AR	71601	0017.00	67.27	84.07	3,892
27	514 W Gaines Ave	Monticello	AR	71655	9903.00	125.47	13.35	4,968
28	1137 Washington St., Suite 139	Camden	AR	71701	9506.00	103.22	54.94	6,332
29	1407 N West Ave.	El Dorado	AR	71730	9506.00	115.76	24.97	3,981
30	505 E. Main St.	Magnolia	AR	71753	9505.00	79.02	62.63	5,223

Table 3

All Single Family Loans (originated) by Geography. Tacoma, WA. 2000 - 2001.*

	Low Income		Moderate Income		Low-moderate Income		Middle Income		Upper Income		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Total
2000 Venture Bank	1	0.54%	10	5.41%	11	5.95%	135	72.97%	39	21.08%	185
2000 Aggregate	349	1.43%	2,071	8.48%	2,420	9.91%	14,582	59.69%	7,426	30.40%	24,428
2001 Venture Bank	0	0.00%	9	2.74%	9	2.74%	248	75.38%	72	21.88%	329
2001 Aggregate	460	1.03%	3,165	7.08%	3,625	8.11%	26,168	58.57%	14,882	33.31%	44,675

All Single Family Loans (originated) by Borrower. Tacoma, WA. 2000 - 2001.**

	Low Income		Moderate Income		Low-moderate Income		Middle Income		Upper Income		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Total
2000 Venture Bank	4	2.17%	23	12.50%	27	14.67%	67	36.41%	90	48.91%	184
2000 Aggregate	920	3.85%	3,920	16.41%	4,840	20.26%	7,194	30.12%	11,850	49.61%	23,884
2001 Venture Bank	9	2.88%	44	14.06%	53	16.93%	112	35.78%	148	47.28%	313
2001 Aggregate	1,309	3.22%	5,787	14.22%	7,096	17.44%	12,334	30.31%	21,263	52.25%	40,693

Table 4

All Single Family Loans (originated) by Geography. Olympia, WA. 2000 - 2001.*

	Low Income		Moderate Income		Low-moderate Income		Middle Income		Upper Income		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Total
2000 Venture Bank	0	0.00%	0	0.00%	0	0.00%	68	89.47%	8	10.53%	76
2000 Aggregate	0	0.00%	130	2.01%	130	2.01%	5,676	87.62%	672	10.37%	6,478
2001 Venture Bank	0	0.00%	0	0.00%	0	0.00%	114	85.07%	20	14.93%	134
2001 Aggregate	0	0.00%	259	2.13%	259	2.13%	10,675	87.75%	1,231	10.12%	12,165

All Single Family Loans (originated) by Borrower. Olympia, WA. 2000 - 2001.**

	Low Income		Moderate Income		Low-moderate Income		Middle Income		Upper Income		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Total
2000 Venture Bank	1	1.32%	10	13.16%	11	14.47%	22	28.95%	43	56.58%	76
2000 Aggregate	286	4.51%	1,088	17.17%	1,374	21.69%	1,965	31.01%	2,997	47.30%	6,336
2001 Venture Bank	4	3.17%	20	15.87%	24	19.05%	46	36.51%	56	44.44%	126
2001 Aggregate	351	3.14%	1,810	16.21%	2,161	19.36%	3,477	31.14%	5,526	49.50%	11,164

Notes:

***** Loans in census tracts without income levels reported are excluded from this analysis. The previous CRA exam for Venture Bank adopted this procedure as well.

****** Loans without borrower income documented are excluded from this analysis.

Table 5

All Single Family Loans (originated) by Geography. Grays Harbor, WA and Lewis, WA. 2000 - 2001.*

	Low Income		Moderate Income		Low-moderate Income		Middle Income		Upper Income		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Total
2000 Venture Bank	0	0.00%	22	27.85%	22	27.85%	44	55.70%	13	16.46%	79
2000 Aggregate	0	0.00%	320	10.70%	320	10.70%	2,394	80.07%	276	9.23%	2,990
2001 Venture Bank	0	0.00%	22	17.60%	22	17.60%	82	65.60%	21	16.80%	125
2001 Aggregate	0	0.00%	518	10.43%	518	10.43%	3,901	78.57%	546	11.00%	4,965

All Single Family Loans (originated) by Borrower. Grays Harbor, WA and Lewis, WA. 2000 - 2001.**

	Low Income		Moderate Income		Low-moderate Income		Middle Income		Upper Income		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Total
2000 Venture Bank	3	3.80%	10	12.66%	13	16.46%	31	39.24%	35	44.30%	79
2000 Aggregate	139	4.45%	479	15.34%	618	19.79%	877	28.08%	1,628	52.13%	3,123
2001 Venture Bank	4	3.36%	13	10.92%	17	14.29%	34	28.57%	68	57.14%	119
2001 Aggregate	148	3.03%	644	13.17%	792	16.20%	1,259	25.75%	2,839	58.06%	4,890

Table 6

Small Business Loans (origination) by geography. Olympia, WA. 2000 - 2001.*

	Low Income		Moderate Income		Low-moderate Income		Middle Income		Upper Income		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Total
2000 Venture Bank	0	0.00%	13	8.18%	13	8.18%	125	78.62%	21	13.21%	159
2000 Aggregate	0	0.00%	208	6.12%	208	6.12%	2,728	80.28%	462	13.60%	3,398
2001 Venture Bank	0	0.00%	24	8.08%	24	8.08%	219	73.74%	54	18.18%	297
2001 Aggregate	0	0.00%	217	5.87%	217	5.87%	2,917	78.97%	560	15.16%	3,694

Small Business Loans (origination) by geography. Tacoma, WA. 2000 - 2001.*

	Low Income		Moderate Income		Low-moderate Income		Middle Income		Upper Income		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Total
2000 Venture Bank	9	11.84%	5	6.58%	14	18.42%	32	42.11%	30	39.47%	76
2000 Aggregate	895	8.53%	1,251	11.93%	2,146	20.46%	5,468	52.13%	2,876	27.42%	10,490
2001 Venture Bank	7	4.86%	25	17.36%	32	22.22%	56	38.89%	56	38.89%	144
2001 Aggregate	1,032	8.92%	1,689	14.60%	2,721	23.52%	5,926	51.22%	2,922	25.26%	11,569

Small Business Loans (origination) by geography. Grays Harbor, WA and Lewis, WA. 2000 - 2001.*

	Low Income		Moderate Income		Low-moderate Income		Middle Income		Upper Income		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Total
2000 Venture Bank	0	0.00%	32	42.67%	32	42.67%	36	48.00%	7	9.33%	75
2000 Aggregate	0	0.00%	227	14.75%	227	14.75%	1,183	76.87%	129	8.38%	1,539
2001 Venture Bank	0	0.00%	47	43.12%	47	43.12%	49	44.95%	13	11.93%	109
2001 Aggregate	0	0.00%	288	14.98%	288	14.98%	1,484	77.21%	150	7.80%	1,922

Notes:

***** Loans in census tracts without income levels reported are excluded from this analysis. The previous CRA exam for Venture Bank adopted this procedure as well.

****** Loans without borrower income documented are excluded from this analysis.

Table 7: Size of small business loans - by small business revenue size
2000 - 2001

	<$1 mil		Total
	Number	Percent	
Olympia, WA			
2000 Venture Bank	115	72.33%	159
2000 Aggregate	1,430	40.23%	3,555
2001 Venture Bank	155	52.19%	297
2001 Aggeregate	1,519	38.28%	3,968
Tacoma, WA			
2000 Venture Bank	58	76.32%	76
2000 Aggregate	4,996	45.83%	10,900
2001 Venture Bank	65	45.14%	144
2001 Aggeregate	5,036	40.85%	12,328
Grays Harbor and Lewis			
2000 Venture Bank	61	81.33%	75
2000 Aggregate	789	45.93%	1,718
2001 Venture Bank	64	58.72%	109
2001 Aggeregate	870	40.47%	2,150

Table 8

Size of small business loans
2000 - 2001
Tacoma, WA

	<$100K		Total
	Number	Percent	
2000 Venture Bank	52	68.42%	76
2000 Aggregate	10,040	92.11%	10,900
2001 Venture Bank	95	65.97%	144
2001 Aggeregate	11,466	93.01%	12,328

Size of small business loans
2000 - 2001
Olympia, WA

	<$100K		Total
	Number	Percent	
2000 Venture Bank	118	74.21%	159
2000 Aggregate	3,300	92.83%	3,555
2001 Venture Bank	205	69.02%	297
2001 Aggeregate	3,691	93.02%	3,968

Size of small business loans
2000 - 2001
Grays Harbor, WA and Lewis, WA

	<$100K		Total
	Number	Percent	
2000 Venture Bank	61	81.33%	75
2000 Aggregate	1,614	93.95%	1,718
2001 Venture Bank	84	77.06%	109
2001 Aggeregate	2,036	94.70%	2,150