



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

August 31, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Credit First National Association
Charter Number 22594

6275 Eastland Road
Brook Park, Ohio 44142

Comptroller of the Currency
Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605

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

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the 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 Community Reinvestment Act (CRA) performance of **Credit First National Association** prepared by The Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of August 31, 1997. The agency evaluates performance in assessment area(s), 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.*

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**. The bank's previous public evaluation was dated September 1, 1994, at which time it was rated as having a Satisfactory record of meeting community credit needs.

Credit First National Association has reasonably met its CRA responsibilities through community development investments and services that are consistent with its designation as a limited purpose institution. The bank has made qualifying grants and donations, as well as provided assistance to community development and community service organizations.

DESCRIPTION OF INSTITUTION:

Credit First National Association (CFNA) is a credit card bank subject to the provisions of the Competitive Equality in Banking Act of 1987 (CEBA). It began operations on October 19, 1993. CEBA banks are allowed by law to offer only one product; credit cards. In addition, CEBA banks can not accept demand deposits. In fact, CEBA banks can not accept any deposit in an amount of less than \$100,000. Because of the limitations on their activities, CEBA banks must meet their CRA responsibilities through qualified investments or through community development services.

The bank is headquartered in Brook Park, Ohio, a suburb of Cleveland. It has no branches. CFNA is a wholly-owned subsidiary of Bridgestone/Firestone, Inc., which is a wholly-owned subsidiary of Bridgestone Corporation. The parent is a global manufacturer of tires and other rubber products, headquartered in Tokyo, Japan. CFNA received approval from the OCC to be treated as a limited purpose bank for purposes of the CRA. This means that the OCC will examine CFNA using the "community development test."

CFNA underwrites credit card receivables for Bridgestone/Firestone company-owned stores, independent Firestone dealers, and other independent tire dealers. The accounts are used primarily for the purchase of tires, auto services, and related products.

All credit card receivables are sold on a daily basis to a nonaffiliated special purpose corporation. Ultimately these receivables serve as collateral for asset-backed securities, issued by Bridgestone/Firestone Master Trust. The current receivables base is approximately \$388 million. Total assets of the bank, as of August 31, 1997, are \$10.3 million. Annualized year-to-date net income is \$901,500. There are approximately 1.1 million active credit card accounts, with average balances of \$356. These accounts are held by customers living throughout the United States. CFNA has 165 employees.

DESCRIPTION OF ASSESSMENT AREA:

CFNA's assessment area consists of the cities of Brook Park, Ohio, where the bank's single office is located, and Cleveland, Ohio, the largest city in the vicinity. The cities are adjacent and are located in Cuyahoga County which is in the northern-most portion of the state. Both are in the Cleveland-Lorain-Elyria Metropolitan Statistical Area. The assessment area complies with the requirements of the regulation and does not arbitrarily exclude low- or moderate-income areas.

Based on contacts within the community, the needs of the assessment area continue to be affordable housing and credit education. The bank has made contributions to organizations that help to meet these needs.

The median family income of the assessment area is \$18,466 based on the 1990 U.S. Census. Additional demographic information on the bank's assessment area is illustrated in the table on the following page.

Assessment Area Characteristics

Characteristics	Tracts		Population		Housing Units	
	#	%	#	%	#	%
Low- income (<50% of Median)	103	45	188,368	36	86,082	37
Moderate-income (50% to 80%)	72	32	184,047	35	78,953	35
Middle-income (80% to 120%)	43	19	146,297	28	62,795	27
Upper-income (>120%)	1	<1	2,434	<1	1,871	1
NA (income not available)	9	4	1,601	<1	150	<1
Total	228	100%	522,747	100%	229,851	100%

Source: 1990 U.S. Census

Primary industries in the area are automotive and steel manufacturing, government services, and retail trade. The scope of the bank’s operations is nationwide, which mitigates concerns relative to the local economy.

CONCLUSIONS WITH RESPECT TO PERFORMANCE:

CFNA’s community development involvement has been primarily in the form of grants and donations to community development and community service organizations. Since the previous CRA examination, the bank provided grants and donations totaling over \$1.1 million to these organizations. Following are examples of some of these community development activities:

The Cleveland Housing Network - \$15,000 in grants to support the Housing Network’s effort to revitalize 14 Cleveland neighborhoods and provide housing opportunities in the bank’s assessment area to low-income families.

Greater Cleveland Habitat for Humanity - \$10,000 in grants to assist in providing housing for low-income families within the city of Cleveland.

City of Brook Park Project Recreation Fund - \$1,600 donation to assist in providing recreational opportunities to economically disadvantaged children living in the city of Brook Park.

Consumer Credit Counseling Service (CCCS) - Over \$1 million in grant monies have been provided to CCCS locations throughout the country. The mission of CCCS is to provide a program that educates all segments of society in the use of credit and provides a forum for resolving debt problems. The organization serves primarily low- and moderate-income individuals. The full amount of this grant is noted here, as CFNA has customers throughout the United States who could benefit from the services provided by various CCCS locations. Of this amount, approximately \$13,000 was directed to the bank's assessment area.

Berea Children's Home and Family Services - \$330 donation to this organization that addresses needs of at-risk children.

FAIR LENDING:

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. The bank has implemented adequate fair lending policies, procedures, and training.