City of Philadelphia
Office of the City Treasurer

Authorized Depository

COMPLIANCE:
Philadelphia City Code
CHAPTER 19-200. CITY FUNDS--DEPOSITS, INVESTMENTS, DISBURSEMENTS

Annual Request for <u>Community Reinvestment Goals</u>

Calendar Year 2007

INTRODUCTION:

In January of each calendar year an Authorized City Depository must provide the City with their annual statement of Community Reinvestment Goals (CRG). Providing the statement of CRG to the City is a legislative requirement of Chapter 19-201 sub-section (f) of the Philadelphia City Code.

> *(f)* *"provide the City with an annual statement of community reinvestment goals including the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods in the City of Philadelphia." ……*

The City Treasurer, in support of obtaining the required information and having the primary municipal banking business relationship with the list of authorized City Depositories is collecting the CRG information for the City. Also, in order to facilitate a CRG response and capture the relevant information consistent with the CRG requirement, a standard format is being provided to collect the responses. It is requested that you complete the e-format that follows using "Word". It provides for data entry blocks to enter the numeric information, and includes text boxes that will expand with the length of the response.

In addition to submitting the Authorized Depository's CRG, also include the most current Federal Community Reinvestment Act **(CRA) Rating**. Attach, if available, the disclosure document resulting in the CRA rating issued from the Federal Deposit Insurance Corporation (FDIC), or the Office of the Comptroller of the Currency (OCC), or the Office of Thrift Supervision (OTS) or the Inter-agency information available from the Federal Financial Institutions Examination Council (FFIEC).

GENERAL INSTRUCTIONS:

Provide a response to all questions, requests for policy statements, goals, and other information about the Bank or Financial Institution. One (1) copy of the completed RFI should be mailed with a cover letter to the Office of the City Treasurer (address below) no later than January 31, 2007. In addition, e-mail or submit a disk or CD Rom as an electronic copy of the response in either a "Word.doc" or "PDF" file format to:

John Nacchio
Philadelphia City Treasurer
Municipal Services Building
Suite 640
1401 John F. Kennedy Blvd
Philadelphia, PA 19102

Phone: **215-686-2303**
E-Mailed: **John.Nacchio@phila.gov**

COMMUNITY REINVESTMENT GOALS

(Financial institution's annual Community Reinvestment Goals should include information on the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.)

1. Institution Information

a. Provide the address of the financial institution's corporate, regional and local headquarters, and CRG contact:

Corporate headquarters

Address 1	301 South College Street, Suite 4000
Address 2	One Wachovia Center
City, State, Zip	Charlotte, North Carolina 28288-0013

Regional headquarters:

Address 1	123 South Broad Street, PA4846
Address 2	
City, State, Zip	Philadelphia, PA 19109

Local headquarters:

Address 1	123 South Broad Street, PA4846
Address 2	
City, State, Zip	Philadelphia, PA 19109

Primary GRG contact's name, title, telephone and fax number, and email address:

Primary Contact/ Representative Name	Carlo Borgia
Title	Senior Vice President
Address	123 South Broad Streeet, PA4846
Phone Number	215-670-4472
Fax Number	215-670-4480
Email Address	Carlo.Borgia@wachovia.com

2. GOALS

a. Provide an overview of the financial institution's annual Community Reinvestment Goals.

Wachovia's Community Reinvestment Goal does not change annually. Our vision is for every Wachovia community to be a vibrant, safe, economically thriving place for people to live, learn, work and play. Wachovia pursues Community reinvestment excellence by fairly, equitably and efficiently meeting the financial needs of individuals, small businesses and communities in all segments of our markets, particularly low and moderate income neighborhoods.

We know that investing in people—and the communities where they live—is a responsibility we have in exchange for the privilege of doing business there. That fundamental fact is the foundation of the company we have built, and we never lose sight of it. For that reason, we spend a tremendous amount of financial and human capital on community-based programs.

As the fourth largest financial institution in the United States, Wachovia recognizes its responsibility to bring its strength and capacity into the local communities it operates in. The Bank provides innovation and leadership to its communities through a broad array of initiatives, products, and services. Whether it's increasing the supply of affordable housing, promoting homeownership, teaching financial literacy, providing technical assistance to small business owners or mobilizing employee volunteers.

In the City of Philadelphia, Wachovia has been at the forefront of providing products and services to the community. We have focused our resources and employee talents around strengthening neighborhoods and improving education.

Goals continued…

The Wachovia Foundation was created to help build strong and vibrant communities, improve the quality of life and make a positive difference where its employees work and live. In 2006, the Foundation provided over $5.6MM to more then 250 eligible organizations in Philadelphia. Grants are provided in the two primary focus areas of education and community development, as well as two secondary focus areas of arts and culture, and health and human services. One of the primary relationships developed by the Wachovia Foundation is with **Teach for America**. Wachovia is a national sponsor for Teach for America, and has

been at the forefront of establishing an office here in Philadelphia. This strategic commitment results in more teachers in Philadelphia public schools. **The Wachovia Regional Foundation** is a separate private foundation that improves the quality of life for children and families living in low-income communities by concentrating its resources on neighborhood-based community development initiatives. Since its inception in 1998, the Wachovia Regional Foundation has made 50 grants totaling more than $14.5 million to Philadelphia-based non-profit organizations, including eight grants made in 2006 totaling more than $2 million.

Employee volunteerism is another key component in reaching our communities. Wachovia supports employee community involvement through its **Time Away from Work for Community Service** policy (providing four hours per month of paid time off); its **WE Give Program** (matches employee financial contributions to non-profit organizations and makes grants to support organizations that have significant volunteer involvement by Wachovia employees) and **WachoviaVolunteers!** (an employee organization that provides information about opportunities for Wachovia employees to volunteer in the community). In greater Philadelphia, more then 1,600 bank employees provided over 15,000 hours of volunteer service.

For consumers, Wachovia provides unique banking services with our **Limited Income Checking Account**, available to Philadelphia residents that earn less than $25,000 annually and obtain their income from Public Assistance, and with our **Free Checking** product. Wachovia is also a sponsor and participating bank in the **Get Checking Program** (provides a second chance to obtain a bank account with financial education) and the **Philadelphia Saves Program** (promotes savings).

Wachovia makes a real difference in the Philadelphia community everyday!

b. Provide the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.

Type	**2006 Goals**	**2006 Results**	**2007 Goals**
Small Business Loans	**535**	**383**	**477**
Home Mortgages*	**1770**	**2,571**	**2,323**
Home Improvement Loans	**NA**	**NA**	**NA**
Community Development Investments	**NA**	**260**	**NA**

If applicable, explain why 2006 results did not meet the stated goal or other significant comments related to the 2006 or 2007 goals.

Note: The Final Year End results and Annual Goals are not finalized until 45-60 days from year end. The above numbers reflect the best estimate of the final 2006 and 2007 Goals available at this time.
* 2007 Goal for Home Mortgages includes Home Purchase, Home Refinance and Home Improvement Loans.

Wachovia continues to work on increasing the number of small business loans in the market. The bank has decreased it minimum loan size to $5,000 and streamlined it SBA loan process which helped increase the number of small business loans by over 11.5% from 2005 to 2006. However, the small business credit products did not become available in 2006 as originally forecast. New expanded products will be introduced in 2007 which will increase small business lending activity. In 2007, Wachovia is also looking to forge additional partnerships with organizations that support small businesses with loans and technical assistance. The Bank will continue to look for opportunities to generate small business loans and outreach to small businesses in low and moderate income communities.

c. **Provide the actual number and dollars of small business loans, home mortgages, home improvement loans, and community development investments made in neighborhoods within the City of Philadelphia.**

Calendar Year 2006
Number of Loans

Type	**Low**	**Mod**	**Mid**	**Upp**	**Total**
Residential Mortgage	630	1,399	946	205	3,180
Home Improvement	204	338	194	37	773
Small Business Loans	155	228	176	132	691
Community Development	5	1	1	0	6
Consumer Loans	676	1,864	1,770	391	4,701
Total:	1,669	3,830	3,087	765	9,351

Value of Loans ($ in millions)

Type	**Low**	**Mod**	**Mid**	**Upp**	**Total**
Residential Mortgage	44	134	111	56	344
Home Improvement	6	14	9	2	32
Small Business Loans	36	38	29	29	133
Community Development	16	1	4	0	21
Consumer Loans	28	106	131	63	329
Total:	129	294	285	150	859

d. **Provide information or general statement of other types of community development investments made in neighborhoods within the City of Philadelphia (for example: Grants, Education, Public or related Commercial Development). Note: If possible avoid attachments and use only the space provided.**

Wachovia brings strength and capacity to its communities through a broad array of initiatives, products and services. Our employees spend time, effort and resources on increasing the supply of affordable housing, promoting homeownership, teaching financial literacy, providing technical support to small business owners, investing finances and mobilizing employee volunteers. We focus our resources and employee talents around revitilizing neighborhoods and improving education.

Wachovia was the first major bank to partner with the FDIC on their **Money Smart financial literacy program**, which includes 11 modules to help adults enhance their money management skills. We also developed an **eCommunitiesfirst** program to help bridge the "digital divide" with computer-based lessons in basic PC and money management skills. We provide free self-study Money Smart classes through our corporate internet site. Additionally, we were leaders in the development of **Borrowsmart**, a free website that provides information on home equity borrowing, money management and ways to avoid abusive lending tactics. In 2006, Wachovia conducted and supported over 40 financial literacy seminars and reached almost 1,000 participants in Philadelphia.

Wachovia's corporate commitment to **affordable housing** helps over 475 lower income families and individuals throughout our footprint achieve the dream of buying their own home each week. We offer a number of flexible and innovative affordable mortgage products including 100% financing options. We have a Mortgage Partners Program that supports a network of nonprofit community partners who provide homeownership counseling. We offer a Section 8 Mortgage Partnership Program to the Philadelphia Housing Authority, which allows residents to use Section 8 vouchers in purchasing a home. Wachovia conducts homeownership and first-time homebuyers' seminars throughout Philadelphia, and sponsors homeownership fairs to help increase the number of homeowners in the city. In addition, our Community Development Finance area provides construction financing products for affordable rental and homeownership units.

At Wachovia, we believe in the power of sm**all businesses.** We provide small business loans, mortgages, credit cards and vehicle and equipment leasing to help entrepreneurs and small businesses grow. Small Business Services are available through our dedicated Small Business Financial Specialists, our extensive branch network in Philadelphia, telephone contact centers and the Internet. We also maintain an active partnership with the Small Business Administration (SBA) and work with local small business development centers and associations to educate entrepreneurs on personal and business finance topics.

Wachovia also has a focus on **economic development** that incorporates the various community partnerships we maintain to help develop communities with revitalization and economic growth. Our economic development activities support our relationships with various local and national economic development organizations such as LISC and The Reinvestment Fund.
(Continued on attached page)

Federal - Community Reinvestment Act Rating

Rating for the Year __2003__:

Wachovia received an **Outstanding** Community Reinvestment Act Performance Evaluation from the OCC for the period ending 6/30/2003, the latest Community Reinvestment Act Performance Evaluation. Specifically, the Philadelphia MSA also received an **Outstanding** rating. The Bank is in the process of being reviewed for the period from 6/30/2003 through 6/30/2006.

The related disclosure document is attached in electronic PDF or Word: yes/ **no**

The latest CRA Disclosure Performance Evaluation Cover page and Overall CRA Rating page are attached for your review. The actual disclosure document is 350 pages long and available electronically from the Federal Financial Institute Examination Council (FFIEC) Web Site (http://www.ffiec.gov/craadweb/disclhelp.htm#1).