

All data contained in PNC's response to the City of Philadelphia's Request for Information is proprietary and confidential. Data from this report should not be shared with any third parties without the consent of PNC.

Thank you for the opportunity to provide a response to the Lending Practices study commissioned by the City on authorized depositories. PNC is proud of the results that we continue to achieve regarding community reinvestment in the City of Philadelphia and firmly believe the results from the *Annual Authorized Depository Lending Practices Study* provides another example of PNC's significant community reinvestment activities and commitment to the low to moderate communities in the City of Philadelphia.

PNC Bank is honored that our rating, according to the Community Reinvestment Act, is "Outstanding." As a corporate citizen committed to the economic prosperity of Philadelphia, we aspire to exceed our goals, as evidenced in our Community Development investment results.

Please refer to PNC's attached Community Reinvestment Goal submission for any further information in regard to PNC's CRA goals for 2009.

## **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.)*

### **2. GOALS**

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

See goals enumerated below in (2.b) below.

- 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	2008 Goals	2008 Results	2009 Goals
Small Business Loans	<b>500</b>	<b>981</b>	<b>500</b>
Home Mortgages	<b>85</b>	<b>175</b>	<b>85</b>
Home Improvement Loans	<b>300</b>	<b>206</b>	<b>200</b>
Community Development Investments *	<b>\$1.9 million</b>	<b>\$24.3 million</b>	<b>\$2.0 million</b>

\* 2008 results for community development investments include several affordable housing projects. These projects are market/demand driven and therefore are not reflected in the calculation of goals for community development investments.

**If applicable, explain why 2008 results did not meet the stated goal or other significant comments related to the 2008 goals.**

N/A

- 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 2008

*Number of Loans*

Type	Low	Mod	Mid	Upp	Total
Residential Mortgage	70	105	Na	Na	175
Home Improvement	62	144	Na	Na	206
Small Business Loans	331	650	Na	Na	981
Community Development	Na	Na	Na	Na	34
Consumer Loans	Na	Na	Na	Na	Na
<b>Total:</b>	<b>463</b>	<b>899</b>	<b>Na</b>	<b>Na</b>	<b>1396</b>

PNC Bank

City of Philadelphia's Annual Authorized Depository Lending Practices Study

*Value of Loans (\$)*

Type	Low	Mod	Mid	Upp	Total
Residential Mortgage	\$8,057,000	\$14,588,000	Na	Na	\$22,645,000
Home Improvement	\$1,729,000	\$4,202,000	Na	Na	\$5,931,000
Small Business Loans	\$30,634,000	\$57,509,000	Na	Na	\$88,143,000
Community Development	Na	Na	Na	Na	\$33,364,282
Consumer Loans	Na	Na	Na	Na	Na
<b>Total:</b>	<b>\$40,420,000</b>	<b>\$76,299,000</b>			<b>\$150,083,282</b>

**NOTE:**

The number and value of Community Development loans are not tracked by census tract but do have a positive impact on Low and Moderate income neighborhoods and or families/ households.

## **RFI COMPLIANCE** **CITY OF PHILADELPHIA – AUTHORIZED DEPOSITORIES**

### **APPENDIX A**

#### **LONG TERM STRATEGIC PLAN**

PNC's long-term strategic plan is as follows:

1. Maintain Outstanding Community Reinvestment Rating for activities within the City of Philadelphia
2. Continue PNC's historical track record of exceeding our annual community reinvestment goals for activities within the low to moderate communities in the City of Philadelphia.
3. Continue PNC's strong track record of investing within the City of Philadelphia as evidenced by the following:

Strategic partnerships, generous grants and loans, financial education, volunteer support and products that meet the needs of individuals from all works of life are the hallmarks of PNC's commitment to Philadelphia's citizens, neighborhoods and overall economic vitality of this city of brotherly love.

PNC has long been committed to forming groundbreaking alliances that strengthen the economic fabric of Philadelphia, and help thousands of individuals become stronger, more independent citizens. Our approach is a holistic one, in which we use combinations of Community Financial Commitments, Corporate Contributions, Community Development, Financial Education and Banking Services.

#### Holistic Support to Communities

Under the Philadelphia Neighborhood Partnership Plan, PNC announced a 10-year, \$2.5 million collaboration in 2005 with Project H.O.M.E. for sustained positive change in North Central Philadelphia. The St. Elizabeth's neighborhood has some of the highest poverty, unemployment and high school dropout rates in the City. This partnership with Project H.O.M.E. is creating new housing, supported by homebuyer's clubs and below-rate mortgages. It mobilizes community residents and addresses many issues including safety, health, job training and business revitalization.

PNC Community Development also created a comprehensive strategy for the program and provides human capital, including more than 1,200 hours of volunteer work. Specific plans include the rehabilitation of over 100 vacant homes, conversion of vacant lots to open space, educational and workforce development programs, financial education and parenting workshops and business revitalization along Ridge Avenue.

Since the first year, 24 houses have been renovated and sold to first-time homebuyers and another 7 properties are slated for refurbishing. Thirty-four families have been counseled through homebuyers' workshops. A significant number of the first-time homebuyers secured mortgage financing using PNC's LMI portfolio program – featuring below market mortgage

rates and flexible underwriting. As a participating lender under the Federal Home Loan Bank of Pittsburgh's "First Front Door" program, many of the participants were able to secure an average grant of \$5,000 to substantially offset the amount of funds needed for down payment and closing costs. Along Ridge Avenue, the Business Association now has more than two-dozen active members, and PNC provided four marketing and development workshops to support their business goals. To beautify the neighborhood and improve safety, there have been more than 10 neighborhood clean-ups, along with two Arts, Culture and Safe Nights Festivals. To improve quality of life and health education for the residents of North Philadelphia, Project HOME provided health care services to 537 individual and 2 community health fairs in 2008.

In addition, under the State of Pennsylvania Neighborhood Assistance Program, PNC expanded our commitment to the Allegheny West Foundation and committed \$100,000 to Allegheny West in support of their community development corporation's neighborhood plan that enhances the Allegheny West neighborhoods of upper North Philadelphia. Twenty-six homes in Allegheny West's housing development have been financed through PNC thus far, and to date, we have provided the following:

- \$200,000 in grants through the PNC Foundation to support numerous non-profit;
- A \$450,000 line of credit for working capital funding of pre-development and construction related costs;
- A \$750,000 construction loan and \$300,000 in permanent mortgage financing as part of the \$80,000 Affordable Housing Program Grant (previously awarded in 2006 by FHLB for a five-unit multi-use project in North Philadelphia);
- Rehabilitation of four properties with commitment of approximately \$600,000;
- counseled 139 prospective homeowners in budgeting, credit, and mortgages at local Homebuyers Clubs

PNC also provided a \$5,000,000 investment to PHFA to support the HERO program, which was designed to help Philadelphia homeowners facing foreclosure, the opportunity to refinance and keep their homes. To date, this program has assisted 25 families save their homes in Philadelphia. In addition, PNC awarded a \$25,000 grant to the City of Philadelphia's "Save Your Home Philly Hotline Program." The hotline is a critical community resource that will help reduce the number of foreclosures low-income communities by providing direction to over 6,000 callers where to go for foreclosure prevention counseling and support.

#### Corporate Contributions

PNC has long been an avid supporter of arts and culture, understanding that the industry brings \$600 million and 11,000 related jobs to the region. PNC Arts Alive is a new five-year, \$5 million initiative, introduced in 2009 through the PNC Foundation, designed to support the visual and performing arts. PNC Arts Alive doubles PNC's investment in arts programming in the twelve-county Philadelphia and Southern New Jersey region. It is a comprehensive initiative to support and stimulate the arts, helping non-profit arts organizations change the way they do business and guide them on a path toward sustainability.

For 18 years, PNC has been presenting sponsor of the Philadelphia Flower Show, which attracts more than 250,000 visitors and generates \$30 million in economic impact to the

Philadelphia community. Proceeds from the Show directly benefit the Pennsylvania Horticultural Society's Philadelphia Green, the nation's largest urban greening program.

Beyond dollars, PNC contributes the leadership and manpower of senior level bankers who are contributing hundreds of hours to dozens of the City's non-profit organizations. For example, Executive Vice President of Corporate Banking, Orlando Esposito, is on the United Way's Cabinet; Senior Vice President of Treasury Management, Dennis Maliszewski, is a board member of Musicopia; Director of Client and Community Relations, Jean Canfield, is on the board of the Arts & Business Council of Greater Philadelphia and the Corporate Executive Board of the Philadelphia Museum of Art; Executive Vice President, Nancy Wolcott, is on the board of the Mann Center; and Senior Vice President of Wealth Management, John Conaway, is on the board of the Greater Philadelphia Cultural Alliance. Senior Vice President/Manager of Community Development, Carol Lawrence, is active on several boards including: Regional Housing Legal Services, Project Home, Philadelphia Development Partnership, Center for Literacy, Local Initiative Support Corporation, Greater Philadelphia Urban Affairs Coalition and the Arthur Ashe Youth and Tennis Education Center.

PNC Regional President Bill Mills is active in the Philadelphia and Southern New Jersey communities, serving on the board of directors of Independence Blue Cross, Temple University, The Philadelphia Orchestra, as well as the executive committee of the Greater Philadelphia Chamber of Commerce Board and the Pennsylvania Horticultural Society, the Mayor's Task Force and the Police Athletic League Emeritus. Mills is a former chairman of BLOCS, the Corporate Partners Program for the Anti-Defamation League, and the Corporate Executive Board of the Philadelphia Museum of Art.

#### Commitment to Citizens Through Education

When it comes to Philadelphia's citizens, PNC is unmatched in its commitment to building lifelong learning opportunities that promote individual success and workforce development. We believe that support for education should start with our youngest citizens. This year PNC celebrates the fifth anniversary of Grow Up Great, a 10-year, \$100 million investment in school readiness to help prepare children from birth to age five – with a focus on underserved children - for success in school and life. Our national partners are Sesame Workshop, PBS Kids, Fred Rogers' Family Communications Inc. and Head Start.

The program includes PNC Foundation grants to early childhood organizations, employee volunteerism, advocacy efforts and educational materials for children, parents and educators. Our most popular materials are the bilingual Sesame Street "Happy, Healthy, Ready for School—Learning is Everywhere" kit which includes an interactive DVD, magazine for parents and caregivers, and activity books and cards for children. This kit is available to the public for free at all PNC branch locations.

PNC Grow Up Great with Science is an extension of the Grow Up Great program, a new initiative that will support pre-school teachers in making science come alive in the classroom—and in preparing their students for kindergarten and beyond as fully engaged, active learners. Partners include the Franklin Institute and the Academy of Natural Sciences.

Full-time PNC employees are given 40 hours of paid time off each year to volunteer for Grow Up Great. Through this volunteerism, PNC has conducted pre-school supply drives, built new pre-school libraries at four partner Head Start centers and filled those bookshelves with thousands of new pre-school books. In the Fall of 2008, PNC employees collected over 30,000 new pre-school supplies and donated them to five local Grow Up Great partner sites.

The North Philadelphia Head Start at St. Elizabeth's was one of the original demonstration projects that received a PNC Grow Up Great grant. The funding supported a model program to improve pre-schoolers' math skills, as well as to provide financial literacy classes for both parents and teachers. Now in its fifth year, the program continues to thrive and has doubled the percentage of children who passed to "level 2" mathematics—from 26 percent to 52 percent. This program had been so successful, that the federal agency, Administration for Children & Families (ACF), took notice and came together with PNC to create a program called "Add It Up for Families." Now in its second year, this program includes teaching children basic math concepts, while their parents receive free financial education, assistance with tax preparation and the opportunity to apply for the earned income tax credit.

A unique, educational partnership was created through PNC's presenting sponsorship of the Pennsylvania Ballet's *The Nutcracker*. Through this collaboration, the Ballet re-worked their grade-school workbooks to be age-appropriate for pre-school children, and they have provided 1,500 copies to PNC's partner Head Start centers. Also, the Sugarplum Fairy and Mouse King make special visits to these partner sites to read *The Nutcracker* to the children. A new component this year is the Happy Feet! program, where the Ballet introduces pre-school children to the art of dancing.

Among the many available partner organizations is Philadelphia Reads. As part of a ten-year partnership, every week employees work one-on-one with more than 100 first- and second-graders at the Hunter School in North Philadelphia and the Decatur Elementary and Patterson School in Southwest Philadelphia.

PNC is also among the first area banks to take advantage of the Pennsylvania Educational Improvement Tax Credit program. Through use of state tax credits, we have contributed more than \$5 million over eight years to non-profit scholarship and educational improvement organizations. In 2008, PNC provided nearly \$240,000 in pre-school scholarships to schools such as Gesu, St. Martin of Tours, Jubilee, French International School of Philadelphia and Settlement Music.

PNC's commitment also extends to higher education. PNC's \$1 million grant has created the first-ever PNC Professorship in Early Childhood Education at Temple University's College of Education. With Dr. Barbara Wasik in the position, Temple is assisting young children both through existing partnerships with city schools and an ambitious research agenda focusing on early childhood education and literacy.

### Financial Education

When it comes to financial education, PNC begins with elementary school children and continues through adults. We are the corporate sponsors of Banking On Our Future, in partnership with Operation Hope, a nationally recognized financial education program for youth ages 8-18. At PNC, we provide office space onsite at a PNC location for the Regional Banking On Our Future program coordinator who trains PNC volunteers and bankers from throughout the region to teach Philadelphia school children about financial education.

In 2008, PNC brought financial education programs to approximately 5,500 students, through the efforts of 60 volunteers at 47 schools and churches and we are planning to expand the School Bank program to other Philadelphia schools as a comprehensive educational outreach effort in collaboration with Operation HOPE.

PNC Community Development Banking partnered with the Philadelphia Commercial Development Corporation for the Entrepreneurial Express Training Program, which provides hands-on business training to inner city teens and encourages them to implement business plans and become Philadelphia entrepreneurs. Last year, we partnered with Hardy Williams Advantage Charter School in West Philadelphia to provide financial education and hands-on money management skills utilizing the PNC School Bank program.

A new Community Development partnership with Temple University offered a modified homebuyer's club to more than 250 Temple University employees providing four workshops to help promote and prepare participants to use the Temple Employee's Home Grant Assistance program designed to increase and encourage homeownership opportunities in the communities surrounding Temple University.

### Banking Services

PNC's Foundation Checking account is designed especially for individuals who need to establish financial stability. The free account is combined with free educational classes and magazines so individuals can learn to control their finances and thus, find it easier to pay bills on time, avoid overdrawing their account, and budgeting until their next payday. It includes no minimum balance or monthly service charge, a free PNC Bank check card, unlimited check writing, pre-set daily limits on ATM withdrawals and debit card transactions to help customers better manage their cash.

For small business owners, PNC has free business checking with no minimum balance requirements or maintenance fees. In addition, a business line of credit is available in an amount as low as \$2,500. For college students, there is a student plan with free checking and savings, Auto Alerts so students are notified about account thresholds and gives parents the flexibility to transfer funds easily as well as financial education classes specifically tailored for college students explaining the proper way to handle finances, pay off college debt and save for the future.

PNC also offers the Personal Access Loan, a product which converts home equity into cash and allows consumers to borrow as little as \$1,000. Loans are made for up to 100 percent of property values and there are no restrictions on the use of the resulting funds. For the product

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City of Philadelphia's Annual Authorized Depository Lending Practices Study

launch, PNC teamed up with Philadelphia Neighborhood Housing Services and with ACORN, whose members went door-to-door in Philadelphia neighborhoods to spread the word.

In 2002, PNC helped the City launch the PHIL Loan program, giving creditworthy homeowners up to \$25,000 in loans for up to 20 years with no equity or house appraisals necessary. In 2008, PNC is, by far, the leading financial institution doing the most PHIL Loans in the City. Recently PNC Bank has partnered with Bank on Philadelphia (BoP) to deliver financial education instruction using PNC's Foundation of Money Management workshops to unbanked and under-banked LMI individuals. PNC has made available the Foundation Checking Account to support this initiative.

PNC also offers the Non-Profit Checking Account, a product designed to meet the unique cash management requirements of non-profit organizations. The Non-Profit account features no minimum balance requirement and no monthly maintenance fee. Additionally, we offer 1-866-HOLA PNC—a 24-hour a day, 7 day a week service staffed with Spanish-speaking PNC representatives and translation services for people who speak other languages. PNC has also made a commitment to hiring multi-lingual/bi-lingual employees in order to service growing populations of immigrants from around the globe.

### **Federal – Community Reinvestment Act Rating**

CRA rating for the Year: 2006

<b>OUTSTANDING</b>
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The related disclosure is attached in electronic PDF or Word: YES