

PUBLIC DISCLOSURE

September 27, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**AIG Federal Savings Bank
One Alico Plaza, 600 King Street
Wilmington, DE 19801
Docket #: 14939**

**Office of Thrift Supervision
Northeast Region
Harborside Financial Center Plaza Five, Suite 1600
Jersey City, NJ 07311**

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.



Office of Thrift Supervision
Department of the Treasury

Northeast Region

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Harborside Financial Center Plaza Five, Suite 1600, Jersey City, NJ 07311

Docket No.: 14939

March 4, 2005

Board of Directors
AIG Federal Savings Bank
One Alico Plaza, 600 King Street
Wilmington, DE 19801

Members of the Board:

Enclosed is your institution's written Community Reinvestment Act (CRA) Performance Evaluation prepared by the Office of Thrift Supervision as of September 27, 2004. Pursuant to the provisions of the CRA and OTS regulations (12 C.F.R. 563e), this evaluation, and your institution's CRA rating as contained therein, must be made available to the public by your institution.

In accordance with 12 C.F.R. 563e, this written CRA Performance Evaluation must be made available to the public within 30 business days of its receipt by your institution. The evaluation must be placed in your CRA public file located at your home office and each branch within this 30 business day time frame. The evaluation may not be altered or abridged in any manner. At your discretion, previous written CRA Performance Evaluations(s) may be retained with the most recent evaluation in your CRA public file.

Your institution is invited to prepare a response to the evaluation. The response may be placed in each CRA public file along with the evaluation. In the event your institution elects to prepare such a response, please forward a copy of it to this office.

All appropriate personnel, particularly customer contact personnel, need to be aware of the responsibilities that the institution has to the public with regard to making this evaluation available. Consequently, we suggest that your institution review internal procedures for handling CRA inquiries, including those pertaining to the evaluation and other contents of the CRA public file.

We strongly encourage the Board of Directors, senior management, and other appropriate personnel to review this document and to take an active interest and role in the CRA activities of your institution.

Sincerely,

Martin J. Lavelle
Assistant Director

Enclosure

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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of AIG Federal Savings Bank prepared by the Office of Thrift Supervision, the institution's supervisory agency, as of September 27, 2004. 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 563e.

Comment [OTS1]: The CRA requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

Institution

Overall Rating

INSTITUTION'S CRA RATING: Satisfactory.

AIG Federal Savings Bank (AIG) granted only 2.1 percent of its mortgage loans, 345 for \$45.5 million, in the Wilmington-Newark DE-MD MSA during the 33 month-year review period. A substantial percentage of loans in the assessment area were to low- and moderate-income (LMI) borrowers and in LMI geographies, higher than the percentages of the aggregate HMDA reporters and aided by the bank's flexible lending program.

This lending distribution record in the assessment area represented a response to community credit needs that exceeded the standard for satisfactory performance, given the institution's performance context. Accordingly, favorable consideration was given to AIG's record of serving LMI communities and individuals nationwide in reaching an overall conclusion regarding the institution's performance under the Lending Test.

Seven Consolidated Metropolitan Statistical Areas and Metropolitan Statistical Areas nationwide were chosen to compare AIG's lending patterns with those of aggregate HMDA reporters, to determine how AIG met credit needs on a national scale, consistent with its strategy to offer nationwide lending. The institution consistently outperformed or matched aggregate HMDA lenders in lending in LMI geographies and to LMI borrowers in these supplemental evaluation areas, evidencing a strong response to community credit needs in these areas. The consumer portfolio also helps address LMI credit needs.

The institution had a satisfactory role in meeting the community development needs of the local assessment area, and a broader statewide or regional area served through its qualified investment and grant activity. Factoring in an affiliate's large and extensive program to provide affordable housing program, the performance was deemed outstanding.

Retail and community development activities are adequate.

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified during the most recent examination at which we evaluated compliance with consumer laws and regulations.

Comment [OTS2]: Summarize the major factor supporting the institution's rating. When illegal discrimination or discouragement has been identified and has affected the rating, the summary should include a statement that the rating was influenced by violations of the substantive provisions of the antidiscrimination laws. The summary should not mention any technical violations of the antidiscrimination laws.

Institution

Lending, Investment, Service Test Table

The following table indicates the performance level of AIG Federal Savings Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	AIG Federal Savings Bank 09/27/2004		
	PERFORMANCE TESTS		
	Lending Test	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

Comment [OTS3]: Page: 1
Indicate the performance level under each criteria by marking an "X" in the appropriate row.

The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Description Of Institution

AIG Federal Savings Bank (AIG) is a federally chartered stock institution headquartered in Wilmington, Delaware with total assets of \$1.2 billion as of December 31, 2003. AIG is a wholly owned subsidiary of American International Group, Inc. (AIG Inc.), a holding company engaged in insurance underwriting, consumer financial services, asset management, and numerous other related activities worldwide. The bank operates within AIG, Inc.'s consumer finance division.

Comment [OTS4]: Page: 4
Write a brief description of the institution. Include relevant information regarding the institution's holding company and affiliates, if any, the states and assessment areas served, the institution's ability to meet various credit needs based on its financial condition and size, product offerings, prior performance, legal impediments, and other factors. Other information that may be important includes total assets, asset/loan portfolio mix, primary business focus, branching network, and any merger or acquisition activity.

AIG operates a single full service banking office in Wilmington, Delaware. During 2002, the bank closed its branches in Midvale, Utah, Newport Beach, California, and San Clemente, California.

The bank's financial products are available nationally through non-branch, low-cost delivery channels. The institution offers various deposit and loan products including certificates of deposit, savings and money market accounts, home mortgage loans, home equity loans, home equity lines-of-credit, and private label credit cards. The bank also makes bulk purchases of residential mortgage loans from various banks and mortgage companies. The bank's deposits are primarily related to investment oriented retirement accounts as opposed to traditional retail deposits. Its lending products are marketed in not only its assessment area, but also to AIG Inc.'s employees and borrowers nationwide through agents.

In 2001, AIG Inc. acquired SunAmerica Trust Company and the bank acquired and merged with American General Bank, F.S.B. As a result, the bank became a large savings association for CRA purposes. In July 2003, AIG entered into an arrangement to originate, fund, and sell first and second mortgages through its affiliate, Wilmington Finance, Inc. (WFI). As a result, annual mortgage

Institution (continued)

volume increased from \$86 million in 2002 to \$2.3 billion in 2003. The growth is expected to continue, primarily outside the bank's assessment area.

AIG also originates and acquires private label credit card accounts that are then sold to an affiliate. The cards are used for the purchase of goods and services rendered among a nationwide network of retail merchants operating furniture and home improvement businesses. The bank elected to have these loans considered by OTS for this evaluation and the optional data was collected for 2003.

The bank requested and has received consideration of its affiliate SunAmerica Affordable Housing Partners Program under the Investment Test. That program is one of the largest investors in LMI multi-family housing in the country and since its inception has invested in almost one thousand properties, representing approximately 141 thousand units, qualifying for affordable housing credits, with investment assets totaling over \$11 billion.

As of December 31, 2003, AIG's total assets were \$1.2 billion versus \$23.8 million as of March 31, 2001 at the last evaluation. Total assets for each review period year-end were: \$769 million (2001), \$880 million (2002), and \$1.2 billion (2003). Loan portfolio growth was substantial during the latter part of the review period, with total outstanding loans of \$64 million and \$93 million at December 31, 2001 and 2002, respectively. As of December 31, 2003, the total loan portfolio equaled \$432 million. Table 1 indicates the dollar amount, percentage to total loans, and percentage to total assets of each loan category.

Loan Category	Amount (\$000's)	Percent of Total Loans	Percent of Total Assets
Residential Mortgage	\$339,987	78.7%	27.8%
Consumer	92,010	21.3%	7.5%
Total	\$431,997	100.0%	35.3%

This is the bank's first evaluation using the large bank performance tests. The bank was assigned a rating of "Satisfactory" at the prior evaluation performed as of May 29, 2001, which was also its first.

There were no apparent financial or legal impediments precluding the institution from meeting assessment area credit needs.

Institution (continued)

Description Of The Wilmington-Newark, DE-MD MSA Assessment Area

AIG's assessment area consists of New Castle County, Delaware, and Cecil County, Maryland. These counties make up the entire Wilmington-Newark, DE-MD Metropolitan Statistical Area (MSA) #9160. Based on 1990 and 2000 census data, this assessment area contains 135 and 143 geographies, respectively. Table 2 illustrates the assessment area's demographic data, which is compiled by the U.S. Department of Commerce, based on 1990 and 2000 census data.

Comment [OTS5]: Page: 4

Write a brief description of the institution. Include relevant information regarding the institution's holding company and affiliates, if any, the states and assessment areas served, the institution's ability to meet various credit needs based on its financial condition and size, product offerings, prior performance, legal impediments, and other factors. Other information that may be important includes total assets, asset/loan portfolio mix, primary business focus, branching network, and any merger or acquisition activity.

Demographic Data	1990 Census	2000 Census	% Change
Population	513,293	586,216	14.2%
Total Families	134,726	151,347	12.3%
1-4 Family Units	156,530	186,583	19.2%
Multi-family Units	35,492	39,486	11.3%
% Owner-Occupied Units	65%	67%	3.1%
% Rental-Occupied Units	29%	27%	-6.9%
% Vacant Housing Units	6%	6%	0.0%
Weighted Avg Median Housing	\$116,819	\$136,637	17.0%

Table 3 indicates the number of geographies in each income level and compares it to the distribution of families living in those geographies and to 1-4 family dwellings located within those geographies. (The table illustrates demographic data based on both 1990 and 2000 census data within the same delineated area.)

Geog Inc Level	Geographies		Total Area Families		1-4 Family Dwellings	
1990 Census:	#	%	#	%	#	%
Low	9	6.7%	3,697	2.7%	5,070	3.2%
Moderate	25	18.5%	20,833	15.5%	25,364	16.2%
Middle	73	54.1%	78,451	58.2%	90,250	57.7%
Upper	26	19.3%	31,745	23.6%	35,846	22.9%
Income NA	2	1.4%	0	0.0%	0	0.0%
Total	135	100.0%	134,726	100.0%	156,530	100.0%
2000 Census:	#	%	#	%	#	%
Low	10	7.0%	4,190	2.8%	6,048	3.2%
Moderate	25	17.5%	23,966	15.8%	31,925	17.1%
Middle	77	53.8%	87,151	57.6%	105,431	56.6%
Upper	30	21.0%	36,040	23.8%	43,179	23.1%
Income NA	1	0.7%	0	0.0%	0	0.0%
Total	143	100.0%	151,347	100.0%	186,583	100.0%

Institution (continued)

According to 1990 and 2000 census data, 36.0 percent and 36.9 percent, respectively, of the families in the assessment area are classified as low- to moderate-income. Based on the same respective census data, 5.1 percent and 5.6 percent of the families have incomes below the poverty level. The Department of Housing and Urban Development (HUD) annually adjusts the 1990 and 2000 census data to update the income levels. The adjusted figures are used in the Lending to Borrowers of Different Incomes section of this Performance Evaluation.

Table 4(a) indicates the median family income ranges of each income category based on the 2002 HUD adjustment; table 4(b) reflects the updated HUD median family income for each year during the review period; and table 4(c) shows the distribution of families (based on 1990 and 2000 census data) in each income range of the assessment area.

Income Category (As % of MSA Median)	Income Ranges	
	From	To
Low (< 50%)	\$1	\$34,999
Moderate (50% - 79%)	\$35,000	\$55,999
Middle (80% - 119%)	\$56,000	\$83,999
Upper (>= 120%)	\$84,000	+

Year	Amount
2001	\$72,100
2002	\$75,900
2003	\$70,000

* Based on HUD 2002 Median Family Income of the MSA

Family Income Category (As a % of MSA Median)	1990 Census Data		2000 Census Data	
	Number	Percent	Number	Percent
Low (< 50%)	23,116	17.2%	28,534	18.9%
Moderate (50% - 79%)	25,330	18.8%	27,352	18.1%
Middle (80% - 119%)	35,886	26.6%	36,599	24.2%
Upper (>= 120%)	50,394	37.4%	58,862	38.8%
Total	134,726	100.0%	151,347	100.0%

The market area has a diversified economy, with services, wholesale/retail trade, manufacturing, state and local government, and finance and insurance constituting the core of the economy. AIG experiences intense competition from other financial institutions. Due to its favorable tax benefits, the city of Wilmington is known for being one of the largest banking headquarters in the country.

In Delaware's New Castle County, the largest employers include financial services and medical services. The top five employers in the state in 2004 were the State of Delaware, MBNA Corporation, the Dupont Company, Christiana Health Care System, and Hercules. Maryland's Cecil County is largely a bedroom community for Wilmington and Baltimore.

Institution (continued)

A Wilmington-based community contact was interviewed to help identify community credit needs and determine to what extent financial institutions are meeting those needs. The organization focuses on the economic development of downtown Wilmington, Delaware, and is working with the vast majority of locally based banks on development in the south Market Street area known as Ships Tavern. The contact indicated that the competition from local financial institutions, including a number of credit card banks, has essentially covered all of the banking and credit needs of the community.

Conclusions With Respect To Performance Tests

As part of the CRA review, an analysis of the institution's performance under the lending test, investment test and service test was conducted. In consideration of each test, various reviews were performed to assess the institution's level of performance.

Lending Test:

Under the lending test, the areas reviewed consisted of the institution's lending activity within its assessment area, the geographic distribution of loans, the borrower's profile and evidence that loans were made to all income groups. Additional areas reviewed included the institution's responsiveness to the credit needs of highly economically disadvantaged geographies and individuals, community development lending activities and the use of innovative and flexible loan products to serve the assessment area credit needs.

Lending in the Assessment Area

AIG Federal Savings Bank offers a wide variety of residential mortgage loan products. Table 5 illustrates the total number and dollar amount of HMDA-reportable loans (home purchase, refinance and home improvement loans) originated/purchased in and outside the assessment area during the 33-month review period ending December 31, 2003. For comparison purposes, the table reflects lending activity by each appropriate year during the review period. There were no reportable loans in the assessment area for the portion of the review period in 2001.

Comment [OTS6]: Page: 4

Discuss the institution's overall CRA performance. The facts, data, and analyses that were used to form a conclusion about the rating should be reflected in the narrative, including institution strengths and areas for improvement. The narrative should clearly demonstrate how the results of each of the performance test analyses and relevant information from the performance context factored into the overall institution rating. Charts and table should be used whenever possible to summarize and effectively present the most critical or informative data used by the examiner in analyzing the institution's performance and reaching conclusions.

Institution (continued)

Period By Year	In Assessment Area		Outside Assessment Area		Total HMDA Loans
	#	%	#	%	#
4/1/01 – 12/31/01	0	0.0%	349	100.0%	349
2002	142	33.5%	282	66.5%	424
2003	203	1.3%	15,205	98.7%	15,408
Total	345	2.1%	15,836	97.9%	16,181
	\$ Amt	%	\$ Amt	%	\$ Amt
4/1/01 – 12/31/01	\$0	0.0%	\$39,718	100.0%	\$39,718
2002	18,269	22.0%	64,798	78.0%	83,067
2003	27,198	1.2%	2,242,570	98.8%	2,269,768
Total	\$45,467	1.9%	\$2,347,086	98.1%	\$2,392,553

* Percents are based on total loans originated during applicable year

Over the review period, the bank’s assessment area lending grew in number and dollar volume. With its nationwide lending strategy, AIG’s volume of lending in the assessment area is considered adequate. During 2003 (the latest data available), 534 lenders reported granting 65.9 thousand HMDA reportable loans for \$9.6 billion in the assessment area. AIG ranked 54th by number of loans, with 203 loans for \$27.2 million. This represented a 0.31 percent market share of the number of loans within the assessment area. The lenders with higher assessment area lending volumes were national retail banking institutions, local financial institutions with substantial retail branch networks, and large national and regional mortgage bankers. The top 15 lenders granted almost 55 percent of the total HMDA-reportable loans. Competition for assessment area loans is significant with national lenders that are domiciled in Delaware seeking to fulfill CRA commitments in a limited geographic market.

During 2003, the period for which the optional data was collected, the bank also originated 73 private label consumer loans totaling \$220 thousand in the assessment area. An additional 59.3 thousand consumer loans totaling \$248.1 million were originated outside the assessment area

Geographic Distribution of Loans

Part of the lending test includes an analysis of AIG’s HMDA lending activity with respect to the distribution of loans among geographic areas of different income levels within the assessment area. Table 6 provides an analysis of the institution’s HMDA-reportable lending activity for each year throughout the review period, and compares this activity to the 2002 aggregate averages. (Note: Loans originated in 2003 are applied to the 2000 census data characteristics. During 2001, there were no reportable loans originated/purchased in the assessment area.)

Institution (continued)

**Table 6 – Distribution of AIG Federal Savings Bank’s HMDA-Reportable Loans
By Geography Income Level in Assessment Area
(Dollars in thousands)**

Geography Income Level	AIG Federal SB 2002		AIG Federal SB 2003		Review Period 4/1/01 – 12/31/03		Aggregate 2002
	#	%	#	%	#	%	% by #
Low	1	0.7%	3	1.5%	4	1.2%	1.0%
Moderate	19	13.4%	39	19.2%	58	16.8%	10.1%
Middle	78	54.9%	136	67.0%	214	62.0%	59.3%
Upper	44	31.0%	25	12.3%	69	20.0%	29.6%
Total	142	100.0%	203	100.0%	345	100.0%	100.0%
	\$	%	\$	%	\$	%	% by \$
Low	\$75	0.4%	\$255	0.9%	\$330	0.7%	19.7%
Moderate	2,135	11.7%	3,917	14.4%	6,052	13.3%	13.4%
Middle	9,110	49.9%	18,787	69.1%	27,897	61.4%	49.9%
Upper	6,949	38.0%	4,239	15.6%	11,188	24.6%	17.0%
Total	\$18,269	100.0%	\$27,198	100.0%	\$45,467	100.0%	100.0%

AIG’s percentage of loans in LMI geographies by number exceeded that of aggregate HMDA reporters for 2002; it was less than the aggregate by dollar volume, but that result was skewed due to the impact of a large project by one lender. Both the number and dollar volume of loans in LMI geographies increased from 2002 to 2003. This represented an adequate response to the credit needs of assessment area LMI communities and neighborhoods.

During 2003 (the latest data available), 291 lenders reported they originated or purchased 7.6 thousand HMDA reportable loans in LMI geographies for \$814.8 million in the assessment area. AIG ranked 39th with a market share of .55 percent. Lenders with the highest lending volumes were national retail banking institutions, local financial institutions with substantial retail branch networks, and large national and regional mortgage bankers. Again, competition for assessment area loans is significant with national lenders that are headquartered in Delaware seeking to fulfill CRA commitments.

Table 7 provides an analysis of the bank’s private label consumer loans for 2003 by geography income level.

**Table 7 – AIG Federal Savings Bank Private Label Consumer – 2003
By Geography Income Level in Assessment Area
(Dollars in thousands)**

Income Level	Number	Percent	\$ Amount	Percent
Low	0	0.0%	\$0	0.0%
Moderate	6	8.2%	\$16	7.3%
Middle	55	75.4%	\$167	75.9%
Upper	12	16.4%	\$37	16.8%
Total	73	100.0%	\$220	100.0%

Institution (continued)

The distribution shows that the percentage of loans in LMI geographies was less than the percentage distribution of dwellings in those same geographies, which comprised 20.3 percent of the total.

Borrower Characteristics

Part of the lending test includes an analysis of AIG's lending activity with respect to the distribution of loans among borrowers of different income levels within the assessment area. Table 8 provides an analysis of AIG's HMDA-reportable lending activity for each year throughout the review period, and compares this activity to the 2002 aggregate averages. (In 2001, there were no reportable loans originated/purchased in the assessment area.)

Table 8 – Distribution of AIG Federal Savings Bank's HMDA-Reportable Loans By Borrower Income Level in Assessment Area (Dollars in thousands)							
Borrower Income Level	AIG Federal SB 2002		AIG Federal SB 2003		Review Period 4/1/01 – 12/31/03		Aggregate 2002
	#	%	#	%	#	%	% by #
Low	47	33.1%	65	32.0%	112	32.5%	10.8%
Moderate	18	12.7%	55	27.1%	73	21.2%	22.9%
Middle	31	21.8%	35	17.2%	66	19.1%	24.8%
Upper	30	21.1%	48	23.7%	78	22.6%	25.1%
Income NA	16	11.3%	0	0.0%	16	4.6%	16.4%
Total	142	100.0%	203	100.0%	345	100.0%	100.0%
	\$	%	\$	%	\$	%	% by \$
Low	\$4,498	24.6%	\$6,458	23.7%	\$10,956	24.1%	4.1%
Moderate	2,147	11.8%	6,731	24.7%	8,878	19.5%	11.6%
Middle	3,915	21.4%	5,113	18.8%	9,028	19.9%	15.3%
Upper	5,077	27.8%	8,896	32.8%	13,973	30.7%	57.7%
Income NA	2,632	14.4%	0	0.0%	2,632	5.8%	11.3%
Total	\$18,269	100.0%	\$27,198	100.0%	\$45,467	100.0%	100.0%

AIG's percentage of both the number of loans and dollar volume to LMI borrowers was significantly higher than the percentages of the aggregate HMDA reporters, when comparing 2002 and the entire review period. The bank's lending to LMI borrowers increased by both number and dollar volume from 2002 to 2003 due in large part to the bank's discounted loan program. This represented an excellent response to the credit needs of LMI borrowers.

During 2003 (the latest data available), 369 lenders reported originated or purchased 18.4 thousand HMDA reportable loans to LMI borrowers for \$1.9 billion in the assessment area. Lenders with the highest LMI borrower lending volumes were national retail banking institutions, local financial institutions with substantial retail branch networks, and large national and regional mortgage bankers. Again, competition for assessment area loans is significant with national lenders that are headquartered in Delaware seeking to fulfill CRA commitments.

Institution (continued)

Table 9 provides an analysis of the bank’s private label consumer loans for 2003 by borrower income level.

Income Level	Number	Percent	\$ Amount	Percent
Low	18	24.7%	\$55	24.7%
Moderate	14	19.2%	\$44	19.2%
Middle	14	20.5%	\$44	20.5%
Upper	26	34.2%	\$74	34.2%
Income NA	1	1.4%	#3	1.4%
Total	73	100.0%	\$220	100.0%

The chart shows that 43.9 percent of the number of the private label consumer loans was granted to low- and moderate-income individuals. This percentage exceeded the distribution of low- and moderate-income families in the assessment area which comprised 37 percent of the total.

Community Development Lending

The institution has originated loans and commitments to fund qualified community development lending projects in the assessment area. During the 33-month review period, three lending facilities totaling \$2.5 million were originated for community development lending projects and are briefly explained in Table 10.

Entity Name	Location	\$(000's)	Loan Program
Delaware Community Investment Corporation	DE.	1,000	Line of Credit originated to this community development corporation to fund affordable multifamily housing.
Delaware Community Investment Corporation	DE.	1,000	Line of Credit originated to this community development corporation to fund multifamily housing for LMI households.
Wilmington Renaissance Corporation	DE.	500	Participation in a \$24 million development and revitalization project in the Ship's Lantern district of Wilmington, which was designated a Federal Enterprise Community.
Total		\$2,500	

Innovative and Flexible Lending Practices

AIG’s Discounted Loan Program features fully amortizing mortgage loans with discounted pricing and loan-to-value ratios of up to 95 percent to qualified first-time homebuyers within the bank’s assessment area. It also includes the ability to use the product with local grants and in conjunction with FHA and VA lending programs. Materials and classes about purchasing and owning a home are

Institution (continued)

included. A significant majority of the program's customers were LMI borrowers. During the review period, 147 loans totaling \$15.5 million were made under this program. In 2003, Discounted Home Loan Program loans accounted for 60 percent of the assessment area loans to LMI borrowers and 36 percent of all assessment area loans.

Measured solely by the number of assessment area loans, which represented only 2.1 percent of overall lending volume, AIG's overall lending performance would be less than adequate for a retail lending institution of its size. However, AIG's business strategy is based on a non-traditional, non-branch distribution channel designed to lend to consumers nationwide. Based on the performance context, as defined in the CRA regulation, OTS considers lending outside the assessment area when an institution with a nationwide business strategy performs in a satisfactory manner in its designated assessment area.

Based on the substantial percentage of loans to LMI borrowers, the good percentage in assessment area LMI geographies, an adequate role in community development lending, and the reasonable volume of assessment area lending, AIG exceeded the standard for satisfactory lending performance in the assessment area. Therefore, this evaluation considered lending outside the assessment area in reaching an overall conclusion regarding the institution's performance under the Lending Test.

Supplemental Evaluation Areas

AIG, through its affiliate relationship with WFI and others, is expanding its business as a nationwide lender that originates 98 percent of its lending outside its assessment area. Therefore, the analysis includes lending in the assessment area as well as lending in selected urban markets nationwide. For evaluation purposes, these markets are identified as Supplemental Evaluation Areas. Lending in 2003 was utilized because it represents the first full year of the bank's nationwide lending strategy.

Lending is disbursed throughout the United States. The area around Washington DC and Baltimore provided the largest percentage concentration of residential loans, with 10.2 percent of the number of total HMDA loans reported during the review period.

Table 11 provides data for seven major metropolitan areas where AIG was an active lender during the review period. The Philadelphia CMSA does not include the Wilmington-Newark DE-MD MSA #9160 assessment area, already evaluated above.

The institution consistently outperformed or matched aggregate HMDA lenders in lending in LMI geographies and to LMI borrowers in the Supplemental Evaluation Areas, evidencing an excellent response to community credit needs in these areas.

Institution (continued)

Table 11 – Distribution of Residential Mortgage Loans By Individual Supplemental Evaluation Area (Year 2003)				
Supplemental Area	Number	% of Total Loans	\$ Amount (\$000s)	% of Total Loans
Wash-Baltimore-DC CMSA	1,562	10.2%	\$268,927	11.9%
Boston-Worc-Lawrence CMSA	619	4.0%	121,989	5.4%
NY-Northern NJ-Long Isl CMSA	604	3.9%	114,011	5.0%
Los Angeles-Riverside CMSA	556	3.6%	114,288	5.0%
Chicago-Gary-Kenosha CMSA	493	3.2%	80,039	3.5%
Phila-Atlantic City CMSA	412	2.7%	62,764	2.8%
Las Vegas MSA	354	2.3%	54,109	2.4%
Total in Supplemental Areas	4,600	29.9%	\$816,127	36.0%

These supplemental evaluation areas, representing 29.9 percent of the number and 36.0 percent of the dollar volume of review period nationwide residential lending, were evaluated to determine how AIG is meeting credit needs on a national scale, consistent with its strategy to offer nationwide lending. Summaries of the geographic and borrower distribution of loans for 2003 are presented below, along with analysis of aggregate HMDA reporters for 2002 (the latest data available). Tables supporting the conclusions for individual areas are included in Appendix A.

Table 12 provides data for private label consumer loans in the seven major metropolitan areas where AIG was an active lender during the review period. Again, the Philadelphia CMSA does not include the Wilmington-Newark DE-MD MSA #9160 assessment area, already evaluated above.

Table 12 – Distribution of Private Label Consumer Loans By Individual Supplemental Evaluation Area (Year 2003)				
Supplemental Area	Number	% of Total Loans	\$ Amount (\$000s)	% of Total Loans
Wash-Baltimore-DC CMSA	2,450	4.1%	\$10,811	4.3%
Boston-Worc-Lawrence CMSA	532	0.9%	1,822	0.7%
NY-Northern NJ-Long Isl CMSA	2,555	4.3%	8,859	3.6%
Los Angeles-Riverside CMSA	1,966	3.3%	7,363	3.0%
Chicago-Gary-Kenosha CMSA	2,040	3.4%	8,374	3.4%
Phila-Atlantic City CMSA	587	1.0%	1,933	0.8%
Las Vegas MSA	212	0.4%	666	0.3%
Total in Supplemental Areas	10,342	17.4%	\$39,828	16.1%

These supplemental evaluation areas, representing 17.4 percent of the number and 16.1 percent of the dollar volume of the 2003 nationwide consumer lending, were evaluated to determine how AIG is meeting credit needs on a national scale, consistent with its strategy to offer nationwide lending. Overall the consumer portfolio helps address LMI credit needs in all areas. Summaries of the geographic and borrower distribution of loans for 2003 are presented below. Tables supporting the conclusions for individual areas are included in Appendix A.

Institution (continued)

Description of Lending Activity in Washington-Baltimore-DC CMSA Supplemental Area

Lending in the Washington-Baltimore-DC CMSA

As presented in Table A1 (in Appendix A), AIG reported 1,562 HMDA loans totaling \$269 million in 2003 in this CMSA. Of these, 299 loans totaling \$38.6 million or 19.1 percent by number and 14.4 percent by dollar volume, were in LMI geographies. The bank's performance in this category exceeded aggregate HMDA lenders, whose performance was 12.7 percent and 9.6 percent, respectively. The bank's level of HMDA reportable loans to LMI borrowers was 684 loans totaling \$94.5 million or 43.8 percent by number and 35.2 percent by dollar volume, which also exceeded the 29.8 percent and 20.2 percent, respectively, for aggregate lenders.

Consumer loans, as presented in Table A2, provided additional responsiveness to LMI credit needs in this CMSA. The bank reported 2.5 thousand loans totaling \$10.8 million. Of these, 495 loans totaling \$2.2 million or 20.2 percent by number and 19.9 percent by dollar volume, were in LMI geographies. There were 1.0 thousand loans to LMI borrowers totaling \$4.2 million or 39.1 percent by number and 39.2 percent by dollar volume.

Description of Lending Activity in Boston-Worcester-Lawrence CMSA Supplemental Area

Lending in the Boston-Worcester-Lawrence CMSA

As presented in Table A3, AIG reported 619 HMDA loans totaling \$122 million in 2003 in this CMSA. Of these, 136 loans totaling \$26.8 million or 22.0 percent by both number and dollar volume were in LMI geographies. The bank's performance in this category was almost double that of aggregate HMDA lenders, whose performance was 12.4 percent and 11.5 percent, respectively. The bank's level of HMDA reportable loans to LMI borrowers was 237 totaling \$40.3 million or 38.3 percent by number and 33.0 percent by dollar volume, which also far exceeded the 20.9 percent and 14.1 percent, respectively, for aggregate lenders.

Consumer loans, as presented in Table A4, provided additional responsiveness to LMI credit needs in this CMSA. The bank reported 532 loans totaling \$1.8 million. Of these, 110 loans totaling \$373 thousand or 20.7 percent by number and 20.5 percent by dollar volume, were in LMI geographies. There were 232 loans to LMI borrowers totaling \$790 thousand or 43.7 percent by number and 43.3 percent by dollar volume.

Institution (continued)

Description of Lending Activity in New York-Northern NJ-Long Island CMSA Supplemental Area

Lending in the New York-Northern NJ-Long Island CMSA

As presented in Table A5, AIG reported 604 HMDA loans totaling \$114.0 million in 2003 in this CMSA. Of these, 137 loans totaling \$21.2 million or 22.7 percent by number and 18.6 percent by dollar volume, were in LMI geographies. The bank's performance in this category was almost double that of aggregate HMDA lenders, whose performance was 12.1 percent and 9.7 percent, respectively. The bank's level of HMDA reportable loans to LMI borrowers was 219 totaling \$32.0 million or 36.3 percent by number and 28.1 percent by dollar volume, which also exceeded the 21.0 percent and 10.1 percent, respectively, for aggregate lenders.

Consumer loans, as presented in Table A6, provided additional responsiveness to LMI credit needs in this CMSA. The bank reported 2.6 thousand loans totaling \$8.9 million. Of these, 540 loans totaling \$1.7 million or 21.2 percent by number and 18.9 percent by dollar volume, were in LMI geographies. There were 931 loans to LMI borrowers totaling \$3.1 million or 36.4 percent by number and 34.8 percent by dollar volume.

Description of Lending Activity in Los Angeles-Riverside-Orange County, CA CMSA Supplemental Area

Lending in the Los Angeles-Riverside-Orange County, CA CMSA

As presented in Table A7, AIG reported 556 HMDA loans totaling \$114.3 million in 2003 in this CMSA. Of these, 147 loans totaling \$26.1 million or 26.4 percent by number and 22.8 percent by dollar volume, were in LMI geographies. The bank's performance in this category was double that of aggregate HMDA lenders, whose performance was 13.2 percent and 9.9 percent, respectively. The bank's level of HMDA reportable loans to LMI borrowers was 65 totaling \$9.8 million or 11.7 percent by number and 8.5 percent by dollar volume, which was similar to the 13.6 percent and 7.6 percent, respectively, for aggregate lenders.

Consumer loans, as presented in Table A8, provided additional responsiveness to LMI credit needs in this CMSA. The bank reported 1,966 loans totaling \$7.4 million. Of these, 341 loans totaling \$1.1 million or 17.4 percent by number and 14.4 percent by dollar volume, were in LMI geographies. There were 460 loans to LMI borrowers totaling \$1.5 million or 23.4 percent by number and 20.1 percent by dollar volume.

Institution (continued)

Description of Lending Activity in Chicago-Gary-Kenosha CMSA Supplemental Area

Lending in the Chicago-Gary-Kenosha CMSA

As presented in Table A9, AIG reported 493 HMDA loans totaling \$80.0 million in 2003 in this CMSA. Of these, 98 loans totaling \$12.9 million or 19.8 percent by number and 16.1 percent by dollar volume, were in LMI geographies. The bank's performance in this category exceeded aggregate HMDA lenders, whose performance was 12.7 percent and 11.9 percent, respectively. The bank's level of HMDA reportable loans to LMI borrowers was 165 totaling \$21.7 million or 33.5 percent by number and 27.1 percent by dollar volume, which exceeded the 31.0 percent and 20.1 percent, respectively, for aggregate lenders.

Consumer loans, as presented in Table A10, provided additional responsiveness to LMI credit needs in this CMSA. The bank reported 2,040 loans totaling \$8.4 million. Of these, 195 loans totaling \$631 thousand or 9.6 percent by number and 7.5 percent by dollar volume, were in LMI geographies. There were 547 loans to LMI borrowers totaling \$2.0 million or 26.8 percent by number and 23.8 percent by dollar volume.

Description of Lending Activity in Philadelphia-Atlantic City, PA-NJ CMSA Supplemental Area

Lending in the Philadelphia-Atlantic City CMSA

As presented in Table A11, AIG reported 412 HMDA loans totaling \$62.8 million in 2003 in this CMSA. Of these, 72 loans totaling \$6.4 million or 17.5 percent by number and 10.1 percent by dollar volume, were in LMI geographies. The bank's performance in this category exceeded aggregate HMDA lenders, whose performance was 9.7 percent and 7.6 percent, respectively. The bank's level of HMDA reportable loans to LMI borrowers was 145 totaling \$16.1 million or 35.2 percent by number and 25.7 percent by dollar volume, which exceeded the 22.5 percent and 6.0 percent, respectively, for aggregate lenders.

Consumer loans, as presented in Table A12, provided additional responsiveness to LMI credit needs in this CMSA. The bank reported 587 loans totaling \$1.9 million. Of these, 104 loans totaling \$332 thousand or 19.4 percent by number and 17.1 percent by dollar volume, were in LMI geographies. There were 232 loans to LMI borrowers totaling \$725 thousand or 39.5 percent by number and 37.5 percent by dollar volume.

Institution (continued)

Description of Lending Activity in Las Vegas, NV-AZ MSA Supplemental Area

Lending in the Las Vegas, NV-AZ MSA

As presented in Table 13, AIG reported 354 HMDA loans totaling \$54.1 million in 2003 in this CMSA. Of these, 19 loans totaling \$1.9 million or 5.4 percent by number and 4.3 percent by dollar volume, were in moderate-income geographies. The bank's performance in this category was comparable to aggregate HMDA lenders, whose performance was 5.5 percent and 4.3 percent, respectively. The bank's level of HMDA reportable loans to LMI borrowers was 67 totaling \$8.5 million or 18.9 percent by number and 15.8 percent by dollar volume, which was comparable to the 20.9 percent and 14.3 percent, respectively, for aggregate lenders.

Consumer loans, as presented in Table A14, provided additional responsiveness to LMI credit needs in this MSA. The bank reported 212 loans totaling \$666 thousand. Of these, 28 loans totaling \$73 thousand or 13.2 percent by number and 11.0 percent by dollar volume, were in moderate-income geographies. There were 83 loans to LMI borrowers totaling \$247 thousand or 39.1 percent by number and 37.1 percent by dollar volume.

Investment Test:

Under the investment test, the areas reviewed consisted of the institution's and affiliate investment and grant activity, the innovativeness or complexity of such activity, and its responsiveness to credit and community development needs.

AIG made qualified investments and grants, both locally and nationwide. Qualified investments totaled \$4.5 million including:

- An investment in a bond secured by 15 residential mortgage loans made to LMI borrowers or in LMI geographies totaling \$1.8 million.
- A \$250 thousand investment in Argosy II, a SBIC to assist small businesses.
- Three investments totaling \$2.1 million in Delaware Community Investment Corporation whose goal is community revitalization.
- Purchase of three Delaware State Housing Authority bonds in the amount of \$304 thousand.

Grants to community service organizations for affordable housing, social service needs, financial education purposes, and economic revitalization totaling \$153.4 thousand in the assessment area during the evaluation period are detailed in Table A15 in Appendix A.

Institution (continued)

The bank's affiliate, SunAmerica Affordable Housing Partners Program, is one of the largest investors in LMI multifamily housing in the country. Since its inception it has invested in almost one thousand properties, representing approximately 141 thousand units, qualifying for affordable housing credits, with investment assets totaling over \$11 billion. Table 13 provides a breakdown of its first mortgage holdings and equity investments in the assessment area, in the supplemental areas, plus the balance nationwide originated during the review period.

In the assessment area, combined mortgage and equity investments total \$14.8 million and support 160 units of affordable housing. In the supplemental areas, combined mortgage and equity investments total \$678.3 million and support 6,352 units of affordable housing. For the remainder which are nationwide, combined mortgage and equity investments total \$1.8 billion and support 24,102 units of affordable housing. This program provides an outstanding contribution to affordable housing for LMI families.

Table 13 – SunAmerica Affordable Housing Partners Program Activity from 04/01/2001 through 12/31/2003			
Area	# Units	First Mortgage \$(000's)	SunEquity \$(000's)
Assessment Area (MSA 9160)	160	\$11,015	\$3,741
Wash-Baltimore-DC CMSA	1,495	\$84,409	\$56,659
Boston-Worc-Lawrence CMSA	145	\$7,624	\$14,459
NY-Northern NJ-Long Isl CMSA	464	\$36,129	\$37,726
Los Angeles-Riverside CMSA	2,261	\$96,706	\$183,852
Chicago-Gary-Kenosha CMSA	516	\$20,629	\$28,904
Phila-Atlantic City CMSA	90	\$1,346	\$6,539
Las Vegas MSA	1,381	\$73,850	\$29,466
Total in Supplemental Areas	6,352	\$320,693	\$357,605
All Other Areas Nationwide	24,102	\$988,632	\$865,470
Total	30,614	\$1,320,340	\$1,226,816

Table A16 in Appendix A details nationwide grants totaling \$203.8 thousand made during this evaluation period, not otherwise considered for CRA, which were attributed to AIG Bank.

Institution (continued)

Giving consideration to the bank's qualified investments, community development grants, affiliate affordable housing activity in its assessment area, plus the supplemental areas and nationwide in addition to the national community development grants, AIG's performance under the Investment Test was outstanding during the evaluation period.

Service Test:

Under the service test, the areas reviewed consisted of the accessibility of delivery systems, changes in branch locations, reasonableness of business hours, and the extent of community development services.

Retail Services

AIG offers a varied delivery network for retail services that is easily accessible to the public through a branch office, telephone services, the internet and ATM access.

The institution operates one full service branch office located in low-income census tract in Wilmington, Delaware. Through this branch customers are offered a full array of loan and deposit products. Customers that are primarily served at this location are employees of the AIG affinity group and local residents of the assessment area. The branch lobby hours are Monday through Friday, 8:30 AM till 4:00 PM.

The institution mainly offers its products nationwide through a customer service telephone center, the internet, and mail, as well as its network of agents. Customer account access is available 24 hours a day, seven days a week. ATM transactions can be conducted through the STAR network with no fees charged by AIG.

Community Development Services

The institution's officers have been active in various community development service organizations in the assessment area. This includes serving in varying capacities ranging from directorships to advisory services. The level of community development services is considered adequate. Table 14 outlines these services:

Institution (continued)

Table 14 – Community Development Services in the Assessment Area		
Entity Name	Location	Service
Delaware Community Investment Corporation	DE	Offering advice to this organization's equity fund for investment in developments utilizing the federal low-income housing tax credit.
Delaware Community Investment Corporation	DE	Offering advice and oversight of the council's Equity Investment Committee.
New Castle Economic Development Council	DE	Offering advice and oversight of the financial and audit functions of this economic development organization.
West End Neighborhood House	DE	Membership, on the loan review committee for this organization's affordable housing program.
Interfaith Housing	DE	Providing assistance for a monthly Road to Home Ownership seminar and quarterly Train the Trainer sessions.
United Federal Credit Union	DE	Membership on the loan review committee for this low-income designated credit union.

With adequate levels of retail and community development services, AIG's performance under the Service Test was satisfactory during the evaluation period.

Compliance with Antidiscrimination Laws

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified during the most recent examination we evaluated compliance with consumer laws and regulations. Should the next examination find violations of the substantive provisions of the antidiscrimination laws and regulations, we will conduct a new evaluation taking into consideration the evidence of discriminatory or other illegal practices and assign a new rating accordingly.

Comment [OTS7]: Page: 4
Write a paragraph about the institution's record of complying with the antidiscrimination laws (ECOA, FHA, or HMDA) using the following guidelines.

- When substantive violations involving illegal discrimination or discouragement are found by the OTS or identified through self-assessment(s), state that substantive violations were found, whether they caused the CRA rating to be adjusted downward, and why the rating was or was not adjusted. Identify the law(s) and regulation(s) violated, the extent of the violation(s) (e.g., widespread, or limited to a particular state, office, division, or subsidiary) and characterize management's responsiveness in acting upon the violation(s). Determine whether the institution has policies, procedures, training programs, internal assessment efforts, or other practices in place to prevent discriminatory or other illegal credit practices.
- If no substantive violations were found, state that no violations of the substantive provisions of the antidiscrimination laws and regulations were identified. Even if discrimination has not been found, comments related to the institution's fair lending policies, procedures, training programs and internal assessment efforts may still be appropriate. If applicable, technical violations cited in the report of examination should be presented in general terms. Discuss whether management has (proposed/taken) steps that (have/would if implemented) address(ed) the technical violation(s).

Appendix A

Scope of Examination

SCOPE OF EXAMINATION		
Full Scope Large Bank CRA Evaluation		
TIME PERIOD REVIEWED:	April 1, 2001 through December 31, 2003	
FINANCIAL INSTITUTION		PRODUCTS REVIEWED
AIG Federal Savings Bank		HMDA Mortgage Loan Consumer Loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
SunAmerica Affordable Housing Partners Program	Affiliated Housing Project Investor	Qualified Investments

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Wilmington-Newark, DE-MD MSA #9160	Full Scope	None	NA

Performance in the Supplemental Evaluation Areas

The following charts provide detailed data to support the conclusions regarding lending in each supplemental evaluation area discussed in the Lending Test.

Comment [OTS8]: Page: 13
 Write a short description of the scope of the examination. At a minimum, discuss the specific lending products reviewed, the names of (any) affiliates reviewed and their corresponding lending products, the institution's assessment area and whether its activities in the assessment areas were reviewed using the examination procedures, and the time period covered in the review.

Large institutions with multiple assessment areas or affiliates subject to examination may warrant the use of charts that convey information regarding the scope of the examination. The chart included in the body of the evaluation may be used as supplement to the discussion of the scope or in lieu thereof. The examiner should modify or delete the chart as appropriate in the circumstances.

Comment [OTS9]: Page: 1
 Enter time period reviewed. For example: 01/01/2003 to 06/30/2004

Comment [OTS10]: Page: 1
 Enter: Institution Name, City, State

Comment [OTS11]: Page: 1
 For example: Small Business; Small Farm; Consumer; Unsecured

Comment [OTS12]: Page: 1
 For example: ILLINOIS:
 MSA 0008 Decatur
 Adams County
 Non-MSA rural Illinois

Comment [OTS14]: Page: 1
 For example: Mortgage loans not offered in non-MSA rural areas.
 The scope of examination for non-MSA rural Michigan branches, encompasses activities for the past six months, coinciding with their acquisition date.

Comment [OTS13]: Page: 1
 For example: On-site; Off-site

Appendix A (continued)

Performance in the Washington-Baltimore-DC CMSA

Table A1 – Distribution of AIG Federal Savings Bank's 2003 HMDA-Reportable Loans By Geography and Borrower Income Level Supplemental Area: Washington-Baltimore-DC CMSA (Dollars in thousands)						
Income Level	Geography Distribution			Borrower Distribution		
	AIG Federal SB		2002 Aggrgt	AIG Federal SB		2002 Aggrgt
	#	%	% by #	#	%	% by #
Low	21	1.3%	0.8%	182	11.7%	8.9%
Moderate	278	17.8%	11.9%	502	32.1%	20.9%
Middle	936	60.0%	49.0%	561	35.9%	25.1%
Upper	327	20.9%	38.3%	317	20.3%	34.6%
Income NA	0	0.0%	0.0%	0	0.0%	10.5%
Total	1,562	100.0%	100.0%	1,562	100.0%	100.0%
	\$	%	% by \$	\$	%	% by \$
Low	\$2,420	0.9%	0.6%	\$20,926	7.8%	4.9%
Moderate	36,195	13.5%	9.0%	73,618	27.4%	15.3%
Middle	158,782	59.0%	42.2%	99,869	37.1%	22.8%
Upper	71,530	26.6%	48.2%	74,514	27.7%	46.6%
Income NA	0	0.0%	0.0%	0	0.0%	10.4%
Total	\$268,927	100.0%	100.0%	\$268,927	100.0%	100.0%

Table A2 – AIG Federal Savings Bank's 2003 Private Label Consumer Loans Distribution by Geography and Borrower Income Levels Supplemental Area: Washington-Baltimore-DC CMSA (Dollars in thousands)				
Income Level	Geography Distribution		Borrower Distribution	
	#	%	#	%
Low	30	1.2%	545	22.2%
Moderate	465	19.0%	413	16.9%
Middle	1,457	59.5%	627	25.6%
Upper	498	20.3%	861	35.1%
Income NA	0	0.0%	4	0.2%
Total	2,450	100.0%	2,450	100.0%
	\$	%	\$	%
Low	\$110	1.0%	\$2,399	22.2%
Moderate	\$2,041	18.9%	\$1,843	17.1%
Middle	\$6,608	61.1%	\$2,735	25.3%
Upper	\$2,052	19.0%	\$3,820	35.3%
Income NA	\$0	0.0%	\$14	0.1%
Total	\$10,811	100.0%	\$10,811	100.0%

Appendix A (continued)

Performance in the Boston-Worcester-Lawrence CMSA

**Table A3 – Distribution of AIG Federal Savings Bank’s 2003 HMDA-Reportable Loans
By Geography and Borrower Income Level
Supplemental Area: Boston-Worcester-Lawrence CMSA
(Dollars in thousands)**

Income Level	Geography Distribution			Borrower Distribution		
	AIG Federal SB		2002 Aggrgt	AIG Federal SB		2002 Aggrgt
	#	%	% by #	#	%	% by #
Low	14	2.3%	1.2%	44	7.1%	4.4%
Moderate	122	19.7%	11.2%	193	31.2%	16.5%
Middle	383	61.9%	59.6%	228	36.8%	27.6%
Upper	100	16.1%	28.0%	154	24.9%	45.0%
Income NA	0	0.0%	0.0%	0	0.0%	6.5%
Total	619	100.0%	100.0%	619	100.0%	100.0%
	\$	%	% by \$	\$	%	% by \$
Low	\$2,405	2.0%	1.2%	\$6,215	5.1%	2.4%
Moderate	24,448	20.0%	10.3%	34,066	27.9%	11.7%
Middle	72,484	59.4%	52.4%	46,644	38.2%	23.5%
Upper	22,652	18.6%	36.1%	35,064	28.8%	55.5%
Income NA	0	0.0%	0.0%	0	0.0%	6.9%
Total	\$121,989	100.0%	100.0%	\$121,989	100.0%	100.0%

**Table A4 – AIG Federal Savings Bank’s 2003 Private Label Consumer Loans
Distribution by Geography and Borrower Income Levels
Supplemental Area: Boston-Worcester-Lawrence CMSA
(Dollars in thousands)**

Income Level	Geography Distribution		Borrower Distribution	
	#	%	#	%
Low	15	2.8%	137	25.7%
Moderate	95	17.8%	95	17.9%
Middle	293	55.1%	118	22.2%
Upper	129	24.3%	182	34.2%
Income NA	0	0.0%	0	0.0%
Total	532	100.0%	532	100.0%
	\$	%	\$	%
Low	\$49	2.7%	\$480	26.3%
Moderate	\$324	17.8%	\$310	17.0%
Middle	\$962	52.8%	\$386	21.2%
Upper	\$487	26.7%	\$646	35.5%
Income NA	\$0	0.0%	\$0	0.0%
Total	\$1,822	100.0%	\$1,822	100.0%

Appendix A (continued)

Performance in the New York-Northern New Jersey-Long Island CMSA

Table A5 – Distribution of AIG Federal Savings Bank's 2003 HMDA-Reportable Loans By Geography and Borrower Income Level Supplemental Area: New York-Northern NJ-Long Island CMSA (Dollars in thousands)						
Income Level	Geography Distribution			Borrower Distribution		
	AIG Federal SB		2002 Aggrgt	AIG Federal SB		2002 Aggrgt
	#	%	% by #	#	%	% by #
Low	24	4.0%	1.6%	42	7.0%	4.7%
Moderate	113	18.7%	10.5%	177	29.3%	16.3%
Middle	300	49.7%	49.3%	196	32.5%	25.5%
Upper	167	27.6%	38.6%	189	31.2%	44.2%
Income NA	0	0.0%	0.0%	0	0.0%	9.3%
Total	604	100.0%	100.0%	604	100.0%	100.0%
	\$	%	% by \$	\$	%	% by \$
Low	\$2,973	2.6%	1.4%	\$5,253	4.6%	1.8%
Moderate	18,197	16.0%	8.3%	26,757	23.5%	8.3%
Middle	53,315	46.8%	39.1%	35,259	30.9%	16.2%
Upper	39,526	34.6%	51.2%	46,742	41.0%	63.1%
Income NA	0	0.0%	0.0%	0	0.0%	10.6%
Total	\$114,011	100.0%	100.0%	\$114,011	100.0%	100.0%

Table A6 – AIG Federal Savings Bank's 2003 Private Label Consumer Loans Distribution by Geography and Borrower Income Levels Supplemental Area: New York-Northern NJ-Long Island CMSA (Dollars in thousands)				
Income Level	Geography Distribution		Borrower Distribution	
	#	%	#	%
Low	135	5.3%	461	18.0%
Moderate	405	15.8%	470	18.4%
Middle	1,143	44.7%	513	20.1%
Upper	868	34.0%	1,100	43.1%
Income NA	4	0.2%	11	0.4%
Total	2,555	100.0%	2,555	100.0%
	\$	%	\$	%
Low	\$386	4.4%	\$1,492	16.8%
Moderate	\$1,284	14.5%	\$1,595	18.0%
Middle	\$4,026	45.4%	\$1,800	20.4%
Upper	\$3,151	35.6%	\$3,935	44.4%
Income NA	\$12	0.1%	\$37	0.4%
Total	\$8,859	100.0%	\$8,859	100.0%

Appendix A (continued)

Performance in the Los Angeles-Riverside-Orange County, CA CMSA

**Table A7 – Distribution of AIG Federal Savings Bank’s 2003 HMDA-Reportable Loans
By Geography and Borrower Income Level
Supplemental Area: Los Angeles-Riverside-Orange County, CA CMSA
(Dollars in thousands)**

Income Level	Geography Distribution			Borrower Distribution		
	AIG Federal SB		2002 Aggrgt	AIG Federal SB		2002 Aggrgt
	#	%	% by #	#	%	% by #
Low	14	2.5%	1.4%	9	1.6%	2.5%
Moderate	133	23.9%	11.8%	56	10.1%	11.1%
Middle	273	49.1%	37.8%	187	33.6%	22.4%
Upper	136	24.5%	49.0%	304	54.7%	56.7%
Income NA	0	0.0%	0.0%	0	0.0%	7.3%
Total	556	100.0%	100.0%	556	100.0%	100.0%
	\$	%	% by \$	\$	%	% by \$
Low	\$2,094	1.8%	1.2%	\$1,308	1.1%	1.1%
Moderate	24,026	21.0%	8.7%	8,450	7.4%	6.5%
Middle	54,015	47.3%	30.4%	34,391	30.1%	16.2%
Upper	34,153	29.9%	59.7%	70,139	61.4%	67.8%
Income NA	0	0.0%	0.0%	0	0.0%	8.4%
Total	\$114,288	100.0%	100.0%	\$114,288	100.0%	100.0%

**Table A8 – AIG Federal Savings Bank’s 2003 Private Label Consumer Loans
Distribution by Geography and Borrower Income Levels
Supplemental Area: Los Angeles-Riverside-Orange Co. CA CMSA
(Dollars in thousands)**

Income Level	Geography Distribution		Borrower Distribution	
	#	%	#	%
Low	39	2.0%	196	10.0%
Moderate	302	15.4%	264	13.4%
Middle	612	31.1%	276	14.0%
Upper	1,013	51.5%	1,227	62.4%
Income NA	0	0.0%	3	0.2%
Total	1,966	100.0%	1,966	100.0%
	\$	%	\$	%
Low	\$113	1.5%	\$615	8.4%
Moderate	\$953	13.0%	\$862	11.7%
Middle	\$2,161	29.3%	\$952	12.9%
Upper	\$4,136	56.2%	\$4,926	66.9%
Income NA	\$0	0.0%	\$8	0.1%
Total	\$7,363	100.0%	\$7,363	100.0%

Appendix A (continued)

Performance in the Chicago-Gary-Kenosha CMSA

**Table A9 – Distribution of AIG Federal Savings Bank's 2003 HMDA-Reportable Loans
By Geography and Borrower Income Level
Supplemental Area: Chicago-Gary-Kenosha CMSA
(Dollars in thousands)**

Income Level	Geography Distribution			Borrower Distribution		
	AIG Federal SB		2002 Aggrgt	AIG Federal SB		2002 Aggrgt
	#	%	% by #	#	%	% by #
Low	10	2.0%	3.0%	31	6.3%	8.2%
Moderate	88	17.8%	9.7%	134	27.2%	22.8%
Middle	277	56.2%	43.8%	170	34.5%	26.5%
Upper	118	24.0%	43.4%	158	32.0%	34.9%
Income NA	0	0.0%	0.1%	0	0.0%	7.6%
Total	493	100.0%	100.0%	493	100.0%	100.0%
	\$	%	% by \$	\$	%	% by \$
Low	\$1,362	1.7%	3.2%	\$3,171	4.0%	4.2%
Moderate	11,550	14.4%	8.7%	18,491	23.1%	15.9%
Middle	43,630	54.5%	35.7%	26,305	32.9%	23.1%
Upper	23,497	29.4%	52.3%	32,072	40.0%	47.9%
Income NA	0	0.0%	0.1%	0	0.0%	8.9%
Total	\$80,039	100.0%	100.0%	\$80,039	100.0%	100.0%

**Table A10 – AIG Federal Savings Bank's 2003 Private Label Consumer Loans
Distribution by Geography and Borrower Income Levels
Supplemental Area: Chicago-Gary-Kenosha CMSA
(Dollars in thousands)**

Income Level	Geography Distribution		Borrower Distribution	
	#	%	#	%
Low	32	1.6%	238	11.7%
Moderate	163	8.0%	309	15.2%
Middle	870	42.6%	439	21.5%
Upper	975	47.8%	1,051	51.5%
Income NA	0	0.0%	3	0.1%
Total	2,040	100.0%	2,040	100.0%
	\$	%	\$	%
Low	\$93	1.1%	\$836	10.0%
Moderate	\$538	6.4%	\$1,157	13.8%
Middle	\$3,449	41.2%	\$1,708	20.4%
Upper	\$4,294	51.3%	\$4,665	55.7%
Income NA	\$0	0.0%	\$8	0.1%
Total	\$8,374	100.0%	\$8,374	100.0%

Appendix A (continued)

Performance in the Philadelphia CMSA (excludes the Wilmington MSA)

**Table A11 – Distribution of AIG Federal Savings Bank’s 2003 HMDA-Reportable Loans
By Geography and Borrower Income Level
Supplemental Area: Philadelphia-Atlantic City, PA-NJ CMSA
(Dollars in thousands)**

Income Level	Geography Distribution			Borrower Distribution		
	AIG Federal SB		2002 Aggrgt	AIG Federal SB		2002 Aggrgt
	#	%	% by #	#	%	% by #
Low	4	1.0%	1.2%	33	8.0%	6.4%
Moderate	68	16.5%	7.5%	112	27.2%	16.1%
Middle	200	48.5%	49.1%	141	34.2%	23.3%
Upper	139	33.8%	42.2%	126	30.6%	47.0%
Income NA	1	0.2%	0.0%	0	0.0%	7.2%
Total	412	100.0%	100.0%	412	100.0%	100.0%
	\$	%	% by \$	\$	%	% by \$
Low	\$323	0.5%	1.5%	\$2,795	4.5%	1.3%
Moderate	6,056	9.6%	6.1%	13,336	21.2%	4.7%
Middle	29,385	46.8%	38.8%	21,601	34.4%	8.8%
Upper	26,928	43.0%	53.6%	25,032	39.9%	77.2%
Income NA	72	0.1%	0.0%	0	0.0%	8.0%
Total	\$62,764	100.0%	100.0%	\$62,764	100.0%	100.0%

**Table A12 – AIG Federal Savings Bank’s 2003 Private Label Consumer Loans
Distribution by Geography and Borrower Income Levels
Supplemental Area: Philadelphia-Atlantic City, PA-NJ CMSA
(Dollars in thousands)**

Income Level	Geography Distribution		Borrower Distribution	
	#	%	#	%
Low	37	6.3%	120	20.4%
Moderate	77	13.1%	112	19.1%
Middle	233	39.7%	116	19.8%
Upper	240	40.9%	239	40.7%
Income NA	0	0.0%	0	0.0%
Total	587	100.0%	587	100.0%
	\$	%	\$	%
Low	\$105	5.4%	\$379	19.6%
Moderate	\$227	11.7%	\$346	17.9%
Middle	\$742	38.4%	\$376	19.5%
Upper	\$859	44.5%	\$832	43.0%
Income NA	\$0	0.0%	\$0	0.0%
Total	\$1,933	100.0%	\$1,933	100.0%

Appendix A (continued)

Performance in the Las Vegas, NV-AZ MSA

**Table A13 – Distribution of AIG Federal Savings Bank’s 2003 HMDA-Reportable Loans
By Geography and Borrower Income Level
Supplemental Area: Las Vegas, NV-AZ MSA
(Dollars in thousands)**

Income Level	Geography Distribution			Borrower Distribution		
	AIG Federal SB		2002 Aggrgt	AIG Federal SB		2002 Aggrgt
	#	%	% by #	#	%	% by #
Low	0	0.0%	0.4%	7	2.0%	5.2%
Moderate	19	5.4%	5.1%	60	16.9%	15.7%
Middle	134	37.9%	35.7%	123	34.7%	25.2%
Upper	201	56.7%	58.8%	164	46.4%	42.2%
Income NA	0	0.0%	0.0%	0	0.0%	11.7%
Total	354	100.0%	100.0%	354	100.0%	100.0%
	\$	%	% by \$	\$	%	% by \$
Low	\$0	0.0%	0.3%	\$736	1.4%	3.0%
Moderate	1,862	3.4%	4.0%	7,782	14.4%	11.3%
Middle	18,599	34.4%	34.3%	17,781	32.9%	21.4%
Upper	33,648	62.2%	61.4%	27,810	51.3%	52.4%
Income NA	0	0.0%	0.0%	0	0.0%	11.9%
Total	\$54,109	100.0%	100.0%	\$54,109	100.0%	100.0%

**Table A14 – AIG Federal Savings Bank’s 2003 Private Label Consumer Loans
Distribution by Geography and Borrower Income Levels
Supplemental Area: Las Vegas, NV-AZ MSA
(Dollars in thousands)**

Income Level	Geography Distribution		Borrower Distribution	
	#	%	#	%
Low	0	0.0%	21	9.9%
Moderate	28	13.2%	62	29.2%
Middle	91	42.9%	26	12.3%
Upper	93	43.9%	103	48.6%
Income NA	0	0.0%	0	0.0%
Total	212	100.0%	212	100.0%
	\$	%	\$	%
Low	\$0	0.0%	\$65	9.8%
Moderate	\$73	11.0%	\$182	27.3%
Middle	\$278	41.7%	\$81	12.2%
Upper	\$315	47.3%	\$338	50.7%
Income NA	\$0	0.0%	\$0	0.0%
Total	\$666	100.0%	\$666	100.0%

Appendix A (continued)

Investment Test

Table A15 – Community Development Grants in the Assessment Area			
Entity Name	Location	\$	Description
Community Service Organizations			
ARC of Delaware	Wilmington, DE	5,000	A non-profit organization serving the needs of people with cognitive learning disabilities.
Brandywine Gateway Neighbors	Wilmington, DE	10,000	A planning and community development agency created to eliminate blight, to prevent the displacement of residents with limited means and to promote social, cultural, and economic diversity within the Brandywine Gateway Community.
Claymont Community Center	Claymont, DE	500	The Claymont Community Center is home to more than 30 agencies that provide programs and services to moderate- income area residents. Donation targeted for housing assistance.
Community Housing Inc.	Wilmington, DE	3,000	Dedicated to affordable housing development in LMI census tracts in the City of Wilmington.
Cornerstone West	Wilmington, DE	5,000	Non-profit CDC that provides affordable housing programs.
Delaware Community Foundation	Wilmington, DE	2,500	The Foundation focuses on building a stronger community by supporting disadvantaged populations. Program grants are for affordable housing, homelessness and health care.
Downtown Visions Safety Partnership	Wilmington, DE	1,000	The Downtown Wilmington Video Safety Partnership' is an audio communications network that provides an extra level of safety for the downtown Wilmington area.
Habitat for Humanity	Wilmington, DE	10,300	Affordable Housing Developer that serves first time homebuyers at 30 to 60% of median income.
Latin American Community Center	Wilmington, DE	5,500	Targets vacant properties for rehab and sale to LMI families.
Ministry of Caring	Wilmington, DE	2,750	A non-profit, ecumenical organization devoted to serving poor and homeless people.
People's Settlement Association	Wilmington, DE	1,000	Social services for residents of Wilmington's Eastside.
West End Neighborhood House, Inc.	Wilmington, DE	5,000	Provides a wide range of health and human services to LMI individuals
Wilmington Housing Partnership	Wilmington, DE	20,000	Provides down-payment and settlement assistance for affordable housing.
Wilmington Metropolitan Urban League	Wilmington, DE	5,500	The mission is to enable people of color to secure economic self reliance, parity, power and civil rights.
Wilmington Renaissance Corporation	Wilmington, DE	40,730	Revitalization and redevelopment of the downtown Wilmington area.
Mom's House	Wilmington, DE	100	Non-profit, licensed day care centers providing quality childcare and educational programs for pre-school children of single LMI parents.
Subtotal		\$117,880	

Appendix A (continued)

Entity Name	Location	\$	Description
Financial Education			
Americans for Consumer Education and Competition	Wilmington, DE	3,000	A consumer education group working to establish an educational environment in America where financial literacy is promoted and improved among young people.
Delaware Community Reinvestment Action Council, Inc	Wilmington, DE	500	Financial education (English and Spanish) to LMI individuals.
Delaware Financial Literacy Institute/State Treasurer of Delaware	Wilmington, DE	2,000	Financial education and sponsorship of asset building programs and training for LMI adults.
Neighborhood House, Inc.	Wilmington, DE	6,000	Emergency assistance and housing counseling for LMI families.
Subtotal		\$11,500	
Education/Job Training			
Delaware State Chamber of Commerce	Statewide	1,000	Workforce preparation program that will provide education and job training for students in the trades of facility maintenance, culinary arts, business/clerical and health occupations.
Subtotal		\$1,000	
Enterprise Development			
Delaware Small Business Development Center	Statewide	9,000	Provides management assistance to current and prospective small business owners.
New Castle County Economic Development Council	Statewide	15,000	Advises on policies and programs to facilitate retention and expansion of existing New Castle County firms. Meets with prospective employers as required to provide information on doing business in New Castle County.
S.C.O.R.E.	Statewide	3,000	Provides small business consulting services.
Subtotal		\$27,000	
Total		\$153,380	

Appendix A (continued)

Table A16 – Community Development Grants – Nationwide			
Entity Name	Location	\$	Service
Community Service Organizations			
Houston Area Urban League	Houston, TX	50,000	Provides programs to enable people of color to secure economic self reliance, parity, power and civil rights. Advocates for the promotion of equal access to education, housing, economic development and training.
The Houston Area Women's Center	Houston, TX	100,000	Empowerment of women to advance their roles, rights and well being. The center provides shelter and support services to survivors of domestic and sexual violence.
Neighborhood Centers, Inc.	Houston, TX	50,000	Provides a vast array of social services to poor and underserved individuals and neighborhoods.
West Los Angeles Community Development Center	Los Angeles, CA	1,000	Provides a vast array of social services to poor and underserved individuals in the Crenshaw area.
Subtotal		\$201,000	
Financial Education			
Virginia Housing Development Authority	VA	2,800	Housing counseling for LMI first time homebuyers.
Subtotal		\$2,800	
Total		\$203,800	

ⁱ There is a statutory requirement that the written evaluation of a multi-state institution's performance must list the individual branches examined in each state.

Appendix B

Summary of State and Multi-state MSA Ratings

State or Multi-state MSA Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
Wilmington-Newark, DE-MD MSA # 9160	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory

Appendix C

FFIEC Aggregate Core Tables

Not used for this evaluation.

CRA Rating Definitions

There are four separate and distinct CRA assessment methods set forth in the CRA: the lending, investment and service tests for large, retail institutions; the streamlined examination method for small institutions; the community development test for wholesale and limited purpose institutions; and the strategic plan option for all institutions. An institution will be assigned one of the four assigned ratings required by Section 807 of the CRA:

1. "Outstanding record of meeting community credit needs."
2. "Satisfactory record of meeting community credit needs."
3. "Needs to improve record of meeting community credit needs."
4. "Substantial noncompliance in meeting community credit needs."

An institution's performance under the test and standards in the rule is judged in the context of information about the institution, its community, its competitors, and its peers. Among the factors to be evaluated in an examination are the economic and demographic characteristics of the assessment area(s), the lending, investment, and service opportunities in the assessment area(s), the institution's product offerings and business strategy, the institution's capacity and constraints, the prior performance of the institution and, in appropriate circumstances, the performance of similarly situated institution, and other relevant information. An institution's performance need not fit each aspect of a particular rating profile in order to receive that rating, and exceptionally strong performance with respect to some aspects may compensate for weak performance in others. The institution's overall performance, however, must be consistent with safe and sound banking practices and generally with the appropriate rating profile. In addition, the OTS adjusts the evaluation of an institution's performance under the applicable assessment method in accordance with §563e.21, and §563e.28, which provide for adjustments on the basis of evidence of discriminatory or other illegal credit practices.