

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

Filing Date: 1999-03-26 | Period of Report: 1998-12-31  
SEC Accession No. 0000950128-99-000615

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FILER

**MELLON BANK NA MELLON BANK HOME EQUITY LOAN TRUST 1996-1**

CIK: 1012770 | IRS No.: 250659306 | State of Incorporation: NY | Fiscal Year End: 1231  
Type: 10-K405 | Act: 34 | File No.: 000-20817 | Film No.: 99574608  
SIC: 6189 Asset-backed securities

Mailing Address

500 GRANT ST  
ONE MELLON BANK CENTER  
PITTSBURGH PA 15258-0001

Business Address

ONE MELLON BANK CENTER  
500 GRANT ST  
PITTSBURGH PA 15258-0001  
4122345000

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934  
For the fiscal year ended December 31, 1998  
Commission file number 0-20817

MELLON BANK HOME EQUITY LOAN TRUST 1996-1  
(Exact name of registrant as specified in its charter)

NEW YORK  
(State or other jurisdiction of  
incorporation or organization)

25-0659306  
(I.R.S. Employer  
Identification No.  
of servicer of registrant)

One Mellon Bank Center,  
Pittsburgh, Pennsylvania  
(Address of principal executive offices  
of servicer of registrant)

15258-0001  
(Zip Code)

Telephone number of servicer of registrant, including area code: 412-234-5000

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Revolving Home Equity Loan Asset Backed Certificates,  
Series 1996-1 Class A, Class B-1 and Class B-2

Indicate by a check mark whether the Registrant (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
Registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days. Yes X No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405  
of Regulation S-K is not contained herein, and will not be contained, to the  
best of Registrant's knowledge, in definitive proxy or information statements  
incorporated by reference in Part III of this Form 10-K or any amendment to this  
Form 10-K. X

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The Registrant estimates that as of March 1, 1999, the aggregate market value of  
shares of the Registrant's Common Stock held by non-affiliates of the Registrant  
was \$0.

As of March 1, 1999, the Registrant had outstanding -0- shares of its Common  
Stock, par value \$ \_\_\_ per share.

No documents have been incorporated by reference in this Form 10-K.

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The Mellon Bank Home Equity Loan Trust 1996-1 (the "Trust") was formed pursuant to a Pooling and Servicing Agreement, dated as of March 1, 1996, between Mellon Bank, N.A., as Seller and Servicer, and The Bank of New York, as Trustee. The Trust was formed for the purpose of acquiring certain trust assets and issuing mortgage-backed certificates under the Pooling and Servicing Agreement and one or more supplements thereto. The property of the Trust includes a portfolio of receivables arising under selected home equity revolving credit line agreements transferred to the Trust by Mellon Bank, N.A.

On March 29, 1996, the Trust issued \$528,625,000 of Class A Certificates, \$60,125,000 of Class B-1 Certificates and \$87,250,000 of Class B-2 Certificates, (together, the "Certificates"). On June 5, 1996, such Certificates were registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended.

PART I

ITEM 1.	BUSINESS
	Omitted.
ITEM 2.	PROPERTIES
	Omitted.
ITEM 3.	LEGAL PROCEEDINGS

None.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

There is one holder of record of each class of Certificates.

To the knowledge of the Trust, there is an over the counter public trading market for the Certificates, although the frequency of transactions varies substantially over time.

ITEM 6. SELECTED FINANCIAL DATA

Omitted.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Omitted.

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Omitted.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Omitted.

ITEM 11. EXECUTIVE COMPENSATION

Omitted.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

A nominee of The Depository Trust Company is the sole record owner of each Class of Certificates. As of December 31, 1998, based on a review of public filings with the Securities and Exchange Commission, no person was known to be the beneficial

owner of more than 5% of the total principal amount of any Class of Certificates outstanding on that date.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES, AND REPORTS ON FORM 8-K

(a) Listed below are the documents filed as a part of this report:

Exhibit Number  
-----

20.1	Annual Certificateholders Report
20.2	Annual Servicer's Certificate
20.3	Report of Independent Certified Public Accountants

(b) Reports on Form 8-K:

On each of the following dates, the Trust filed a Form 8-K with the Commission reporting information under Items 5 and 7:

January 14, 1998  
February 13, 1998  
March 12, 1998  
April 15, 1998  
May 13, 1998  
June 12, 1998  
July 14, 1998  
August 13, 1998  
September 11, 1998  
October 13, 1998  
November 12, 1998  
December 14, 1998

(c) Omitted.

(d) Omitted.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the

Securities Exchange Act of 1934, Mellon Bank, N.A., on behalf of the Trust, has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MELLON BANK HOME EQUITY LOAN TRUST 1996-1

By MELLON BANK, N.A.

By STEVEN G. ELLIOTT

-----  
Name: Steven G. Elliott  
Title: Senior Vice Chairman and  
Chief Financial Officer

Date: March 26, 1999

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EXHIBIT INDEX

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March 26, 1999

## ANNUAL REPORT

MELLON BANK, N.A.

MELLON BANK HOME EQUITY LOAN TRUST 1996-1

ANNUAL PERIOD ENDING

DECEMBER 31, 1998

&lt;TABLE&gt;

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Reimbursement of Previous Liquidation Loss Amounts for 1998 per Clause (viii) of Section 5.03:

&lt;C&gt;

\$ -0-

During the Revolving Period (1/98 and 2/98), Net Principal Allocation for 1998 per Clause (x) of Section 5.03:

(a)	Distributed to Seller	\$	17,898,948.00
(b)	Reinvested in Additional Mortgage Loans	\$	38,010,702.00
(c)	Deposited in Excess Funding Accounts	\$	-0-

During the Amortization Period (3/98 through 12/98), the Certificate Principal Collections per clause (xi) of Section 5.03:

\$ 302,740,665.00

During the Amortization Period (3/98 through 12/98), the portion of Principal Collections distributed to the Seller:

\$ 7,985,667.00

&lt;/TABLE&gt;

MELLON BANK, N.A., as Servicer

By PATRICK RYAN

-----  
 Name: Patrick Ryan  
 Title: Vice President

## OFFICER'S CERTIFICATE

MELLON BANK, N.A.

MELLON BANK HOME EQUITY LOAN TRUST 1996-1

The undersigned, a Vice President of Mellon Bank, N.A., as Servicer ("Mellon Bank N.A."), pursuant to Section 3.09 of the Pooling and Servicing Agreement, dated as of March 1, 1996 (as may be amended and supplemented from time to time, the "Agreement"), among Mellon Bank, N.A., as Transferor and Servicer, and The Bank of New York, as Trustee, does hereby certify that:

1. Mellon Bank, N.A. is, as of the date hereof, Servicer under the Agreement. Capitalized terms used in this Certificate have their respective meanings as set forth in the Agreement.
2. The undersigned is an officer of Mellon Bank, N.A. who is duly authorized to execute and deliver this Certificate to Trustee.
3. A review of the activities of Servicer during the fiscal year ended December 31, 1998, and of its performance under the Agreement was conducted under my supervision.
4. Based on such review, Servicer has, to the best of my knowledge, fulfilled all its material obligations under the Agreement throughout such year and no default in the performance of such obligations has occurred or is continuing.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate this 26th day of March, 1999.

MELLON BANK, N.A., as Servicer

By PATRICK RYAN

-----  
 Name: Patrick Ryan  
 Title: Vice President





[Letterhead of KPMG LLP]

Independent Accountants' Report

Mellon Bank Home Equity Loan Trust 1996-1  
c/o The Bank of New York, as Trustee

Mellon Bank, N.A., as Servicer

We have examined the accompanying assertion made by management on Mellon Bank, N.A.'s compliance, as Servicer, with Article III, Section 3.02(b) and (c), 3.03, 3.04, 3.05, 3.08 and 3.12 of the Pooling and Servicing Agreement for the Mellon Bank Home Equity Loan Trust 1996-1 dated as of March 1, 1996 (the "Agreement"), for the year ended December 31, 1998. Management is responsible for Mellon Bank, N.A.'s compliance with the aforementioned sections of the Agreement. Our responsibility is to express an opinion on management's assertion about Mellon Bank, N.A.'s compliance based upon our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Mellon Bank, N.A.'s compliance with the aforementioned sections of the Agreement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Mellon Bank, N.A.'s compliance with those sections.

In our opinion, management's assertion that Mellon Bank, N.A. was materially in compliance with the aforementioned sections of the Agreement for the year ended December 31, 1998 is fairly stated, in all material respects.

KPMG LLP  
-----

Pittsburgh, PA  
March 26, 1999

Management Report on Mellon Bank, N.A.'s Compliance, as Servicer  
with the Servicing Requirements of the Pooling and Servicing Agreement

Management of Mellon Bank, N.A., as Servicer, is responsible for compliance with servicing requirements in Article III, Sections 3.02(b) and (c), 3.03, 3.04, 3.05, 3.08 and 3.12 of the Pooling and Servicing Agreement for the Mellon Bank Home Equity Loan Trust 1996-1, dated as of March 1, 1996 (the "Agreement").

Management has performed an evaluation of Mellon Bank, N.A.'s compliance with the aforementioned sections of the Agreement for the year ended December 31, 1998. Based upon this evaluation, management believes that, for the year ended December 31, 1998, Mellon Bank, N.A., as Servicer, was materially in compliance with the aforementioned sections of the Agreement.

PATRICK RYAN

-----  
Patrick Ryan  
Vice President - Loan Servicing Divis  
Retail Bank

VICTOR A. BERTOTY

-----  
Victor A. Bertoty  
First Vice President  
Retail Bank

PHILIP K. HAMM

-----  
Philip K. Hamm  
Senior Vice President  
Group Head - Consumer Lending

March 26, 1999