



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

October 09, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Citizens First National Bank
Charter Number 2413**

**606 South Main Street
Princeton, IL 61356**

**Comptroller of the Currency
North Central Illinois & Eastern Iowa Field Office
111 West Washington Street Suite 300
East Peoria, IL 61611**

NOTE: This document is an evaluation of this 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. 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.

INSTITUTION'S CRA RATING:

Citizens First National Bank (CFNB) is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

- CFNB's distribution of loans to individuals of different income levels and businesses and farms of different sizes is satisfactory.
- The geographic distribution of loans reflects satisfactory penetration among the census tracts (CTs) in the assessment area (AA), including moderate-income census tracts.
- CFNB's community development performance demonstrates adequate responsiveness to the community development needs of its AA through community development loans, qualified investments, and community development services.
- A majority of the loans originated by CFNB are to customers from within its AA.
- CFNB's average loan-to-deposit ratio is reasonable given the bank's size, financial condition, and AA credit needs.

SCOPE OF EXAMINATION

This Performance Evaluation assesses CFNB's record of meeting the credit needs of the communities in which it operates. We evaluated CFNB under the Intermediate Small Bank performance criterion, which includes a lending test and a community development test. The lending test evaluates a bank's record of helping to meet the credit needs of its assessment area through its lending activities. The community development test evaluates a bank's community development lending, qualified investment, and community development services activities.

- The evaluation period covers loans originated or purchased from April 1, 2002 through June 30, 2006.
- CFNB has three AAs, generating a majority of the bank's loans and deposits. The Marshall County AA consists of three smaller CTs, thus it will only receive a limited-scope review, while the Tri-County AA and the Northeastern Illinois AAs will receive a full-scope review. The lending test is based on CFNB's primary loan products.
- Conclusions regarding the bank's lending performance are based on residential mortgage, commercial, and agricultural loans originated or purchased from January 1, 2004 through June 30, 2006, utilizing 2000 census data.

- We reviewed residential related loans reported under the Home Mortgage Disclosure Act (HMDA) for the years 2004, 2005, and through June 30, 2006. We reviewed loans to businesses and farms reported under the Community Reinvestment Act (CRA) for 2004 and 2005, and a sample of loans to businesses and farms originated during 2006.
- We conducted Data Integrity reviews of the HMDA and CRA data by comparing information from the bank's loan application registers to actual loan files. We found the HMDA and CRA data to be accurate and reliable for use in this examination.
- CFNB was not required to maintain CRA data on small business, small farm lending in 2006 outside of the individual credit files. Thus, we reviewed a sample of 27 commercial and 26 agricultural loans originated in 2006 to assess the lending to businesses and farms of different sizes.

DESCRIPTION OF INSTITUTION

CFNB is a large community bank headquartered in Princeton, Illinois. As of September 30, 2006, CFNB reported total assets of \$990 million. CFNB is an intrastate financial institution with nineteen offices serving all of Bureau, Kendall, and Putnam Counties and portions of DeKalb, Grundy, Kane, LaSalle, Marshall, McHenry, and Will Counties. Since the previous CRA evaluation, CFNB has opened one new office in Aurora, Illinois, and five additional offices located in Millbrook, Newark, Plano, Sandwich, and Somonauk, Illinois. All offices are equipped with drive-up facilities, with the exception of DePue and the main bank location in downtown Princeton. CFNB has twenty-five ATMs located throughout the AA, with multiple locations in Huntley, Millbrook, Plano, Princeton, Sandwich, and Somonauk.

The bank is a wholly owned subsidiary of Princeton National Bancorp, Inc. (PNBI), a one-bank holding company headquartered in Princeton, Illinois. As of September 30, 2006, the holding company had total assets of \$990 million. The holding company has one statutory business trust that is an unconsolidated subsidiary. CFNB's affiliate does not negatively impact the bank's ability to meet the credit needs of the community.

In July 2005, PNBI acquired Somonauk FSB Bancorp, Inc., and merged the five offices of the former Farmers State Bank into CFNB. The acquired offices are located in Millbrook, Newark, Plano, Sandwich, and Somonauk, Illinois. This acquisition enlarged the bank's AA from the previous evaluation to include all of Kendall County and become contiguous with the CTs served by the Minooka and Aurora offices. CFNB's strategy is to provide quality financial products and services with a focus on customer service and innovative delivery systems to meet the needs of the customers in the communities they serve.

CFNB's three primary lending products are residential real estate, agricultural, and commercial loans. These three lending categories account for ninety-five percent of the outstanding loan balances as of June 30, 2006. Thus, these three lending products were used for the analysis in this evaluation. Consumer lending is not a primary loan product, accounting for only five

percent of the outstanding loan balances as of June 30, 2006.

As of June 30, 2006, the bank reported \$582 million in outstanding loans and had a net loans and leases to total assets ratio of sixty-two percent. The loan portfolio consists of the following:

Table 1 – Loan Portfolio Summary by Loan Type June 30, 2006		
Loan Category	\$(000)	%
Commercial Loans	\$276,653	48%
Residential Loans	\$140,970	24%
Agricultural Loans	\$134,405	23%
Consumer Loans	\$ 29,897	5%
Total Loans	\$581,925	100%

Source: Call Report June 30, 2006

There are no financial conditions, legal constraints or other factors that would hinder the bank’s ability in helping to meet the credit needs of the communities within its assessment area. Tier 1 capital was reported at \$65 million as June 30, 2006. The bank’s previous CRA rating as of April 1, 2002 was Satisfactory.

DESCRIPTION OF ASSESSMENT AREAS

CFNB’s AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income areas. CFNB has three AAs: the Tri-County AA, the Northeastern Illinois AA, and the Marshall County AA. Since the previous evaluation, Marshall County was added to the Peoria MSA creating a third AA, and the acquisition of the five offices of Farmers State Bank in Somonauk increased the number of CTs to include all of Kendall County in the Northeastern Illinois AA.

Tri-County AA

The Tri-County AA covers twenty-eight CTs not located in an MSA: Bureau County, Putnam County, and sixteen CTs in LaSalle County. Two CTs in LaSalle County are designated moderate-income (7%), while the remaining twenty-six CTs are designated as middle- or upper-income (93%).

The following is demographic information for the assessment area:

Table 2 - Demographic Information for the Tri-County Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	28	0%	7%	72%	21%

Population by Geography	107,457	0%	5%	68%	27%
Owner-Occupied Housing by Geography	46,380	0%	3%	69%	28%
Businesses by Geography	6,916	0%	11%	59%	30%
Farms by Geography	907	0%	1%	76%	23%
Family Distribution by Income Level	29,518	15%	16%	23%	46%
Distribution of Low- and Moderate-Income Families throughout the AA	9,195	0%	6%	72%	22%
Median Family Income	\$49,257	Median Housing Value			\$87,846
2006 HUD Adjusted Median Family Income for Illinois Non-MSA	\$52,200	Median Year Built			1952
Families Below the Poverty Level	6%	Average Monthly Gross Rent			\$ 460

Source: 2000 U.S. Census Data

Northeastern Illinois AA

The Northeastern Illinois AA covers seventeen census tracts all located in the Chicago MSA: Kendall County, five CTs in DeKalb County, and one CTs in each Grundy, Kane, McHenry, and Will Counties. There are no low- or moderate-income CTs in the AA. All seventeen CTs are designated as middle- or upper-income (100%).

The following is demographic information for the assessment area:

Table 3 – Demographic Information for the Northeastern Illinois Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	17	0%	0%	82%	18%
Population by Geography	93,850	0%	0%	69%	31%
Owner-Occupied Housing by Geography	33,900	0%	0%	68%	32%
Businesses by Geography	6,416	0%	0%	70%	30%
Farms by Geography	505	0%	0%	84%	16%
Family Distribution by Income Level	25,900	11%	17%	28%	44%
Distribution of Low- and Moderate-Income Families throughout the AA	7,251	0%	0%	78%	22%
Median Family Income	\$66,687	Median Housing Value			\$156,844
2006 HUD Adjusted Median Family Income for the MSA	\$72,100	Median Year Built			1976
Families Below the Poverty Level	2%	Average Monthly Gross Rent			\$ 697

Source: 2000 U.S. Census Data

Marshall County AA

The Marshall County AA covers three CTs in Marshall County, which is in the Peoria MSA. There are no low- or moderate-income CTs in the AA. All three CTs are designated as middle- or upper-income (100%).

The following is demographic information for the assessment area:

Table 4 - Demographic Information for the Marshall County Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	3	0%	0%	100%	0%
Population by Geography	7,958	0%	0%	100%	0%
Owner-Occupied Housing by Geography	2,501	0%	0%	100%	0%
Businesses by Geography	461	0%	0%	100%	0%
Farms by Geography	101	0%	0%	100%	0%
Family Distribution by Income Level	2,279	19%	23%	27%	31%
Distribution of Low- and Moderate- Income Families throughout the AA	7,251	0%	0%	78%	22%
Median Family Income	\$48,716	Median Housing Value		\$78,316	
2006 HUD Adjusted Median Family Income for the MSA	\$62,400	Median Year Built		1958	
Families Below the Poverty Level	7%	Average Monthly Gross Rent		\$ 421	

Source: 2000 U.S. Census Data

Economic Data

The local economy is considered stable. The September 2006 unemployment rates for six of the nine counties within the AA compare favorably to the 4.6% national average and to the 4.4% State of Illinois average rate. The September 2006 unemployment rates for each county are; 3.4% McHenry, 3.6% Kendall, 3.7% DeKalb, 3.9% Kane, 4.0% Marshall, 4.4% Bureau, 4.8% Grundy, 5.0% Putnam, and 5.4% LaSalle. The economy of the AA is concentrated in the retail, healthcare, education, manufacturing, and agricultural industries. Major employers include: Caterpillar, Menards, Dreyer Medical Center, St. Margaret's Hospital, Illinois Valley Community Hospital, Wal-Mart, LCN Door Closers, Harper Wyman, the local school districts, and the city and county governments.

Two community contacts from the bank's AA were made during the evaluation. These contacts included a local elected public official who also serves as a director on a bi-county Enterprise Zone board from within the Tri-County AA, and a county Economic Development Director from within the Northeastern Illinois AA.

Both community contacts said the local economies are strong and growing. The unemployment figures are lower than the state and national averages. The primary credit needs in the area are mortgage related products for land development, construction, commercial business, and residential. They both felt the banks in the area are meeting the credit needs of the area, especially in the Kendall County area where the population has been growing rapidly. They said there are not many low- or moderate-income areas and the community development opportunities for low- and moderate-income families are limited.

The contacts said there were no credit needs or banking services not being met or provided for by the local financial institutions. They both said CFNB and their employees are actively involved in the communities they serve and are often in leadership roles.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

LENDING TEST

CFNB meets the standards for satisfactory performance. In making this determination, we gave more weight to the performance of lending in the Tri-County AA as a majority of loan originations are from the Tri-County AA.

- The distribution of loans to individuals of different income levels and businesses and farms of different sizes is satisfactory.
- The geographic distribution of loans reflects satisfactory penetration among the census tracts in the AA, including moderate-income census tracts.
- A majority of the loans originated by CFNB are to customers from within its AA.
- CFNB's average loan-to-deposit ratio is reasonable given the bank's size, financial condition, and AA credit needs.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

The distribution of loans reflects a reasonable penetration among individuals of different income levels (including low-, and moderate-income) and businesses and farms of different sizes.

Commercial Loans

The distribution of loans to businesses reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes. From the number of commercial loans originated by CFNB, eighty-four percent from the Tri-County AA and eighty-two percent from the Northeastern Illinois AA were to small businesses. Small businesses are businesses with gross annual revenues of one million dollars or less. The demographic data shows sixty-two percent of the businesses in the Tri-County AA and sixty-seven percent of the businesses in the

Northeastern Illinois AA reporting revenue data, have annual gross revenues equal to or less than one million dollars. CFNB's performance in the Marshall County AA is consistent with that of the Tri-County and the Northeastern Illinois AAs.

The following table shows the distribution of commercial loans among businesses of different sizes within the AAs:

Table 5 – Borrower Distribution of Loans to Businesses of Different Sizes in the Tri-County AA					
Business Revenues	Number of Loans		% Businesses in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	583	84%	62%	\$37,603	63%
>\$1,000,000	113	16%	5%	\$21,825	37%
Total	696	100%	67%	\$59,428	100%

Source: Bank records on new loans originated during 2004 through 2006; 2000 Census Data.
 ** 33 percent of AA businesses did not report revenue data.

Table 6 – Borrower Distribution of Loans to Businesses of Different Sizes in the Northeastern Illinois AA					
Business Revenues	Number of Loans		% Businesses in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	412	82%	67%	\$37,190	56%
>\$1,000,000	89	18%	5%	\$29,822	44%
Total	501	100%	72%	\$67,012	100%

Source: Bank records on new loans originated during 2004 through 2006; 2000 Census Data.
 ** 28 percent of AA businesses did not report revenue data.

Table 7 – Borrower Distribution of Loans to Businesses of Different Sizes in the Marshall County AA					
Business Revenues	Number of Loans		% Businesses in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	33	79%	57%	\$ 1,170	33%
>\$1,000,000	9	21%	3%	\$ 2,356	67%
Total	42	100%	60%	\$ 3,526	100%

Source: Bank records on new loans originated during 2004 through 2006; 2000 Census Data.
 ** 40 percent of AA businesses did not report revenue data.

Residential Real Estate Loans

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among individuals of different income levels. The distribution of HMDA loans is excellent. CFNB's lending to moderate-income borrowers is excellent and exceeds the percentage of moderate-income families in the Tri-County AA. Although the lending to low-income borrowers is below the percentage of low-income families in the Tri-County AA, this is

considered reasonable given the percentage of families in the Tri-County AA below the poverty level. In making this determination, we weighed the performance in the Tri-County AA more heavily because seventy percent of the originations during the evaluation period were from the Tri-County AA. CFNB's performance in the Northeastern Illinois AA and the Marshall County AA is consistent with that of the Tri-County AA.

Table 8 – Borrower Distribution of Residential Real Estate Loans in the Tri-County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number
Residential	15%	10%	16%	26%	23%	23%	46%	41%

Source: HMDA records from January 1, 2004 to June 30, 2006; 2000 Census Data.

Table 9 – Borrower Distribution of Residential Real Estate Loans in the Northeastern Illinois AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number
Residential	11%	8%	17%	18%	28%	35%	44%	39%

Source: HMDA records from January 1, 2004 to June 30, 2006; 2000 Census Data.

Table 10 – Borrower Distribution of Residential Real Estate Loans in the Marshall County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number
Residential	19%	19%	23%	26%	27%	37%	31%	18%

Source: HMDA records from January 1, 2004 to June 30, 2006; 2000 Census Data.

Agricultural Loans

The distribution of agricultural loans reflects, given the demographics of the AAs, reasonable penetration among farms of different sizes. Ninety-two percent of agricultural loans originated by CFNB from the Tri-County AA were to small farms. Small farms are farms with gross annual revenues of one million dollars or less. The demographic data shows ninety-five percent of the farms in the Tri-County AA reporting revenue data, have annual gross revenues equal to

or less than one million dollars. In making this determination, we weighed the performance in the Tri-County AA more heavily because seventy-seven percent of the originations during the evaluation period were from the Tri-County AA. CFNB's performance in the Northeastern Illinois AA and the Marshall County AA is consistent with that of the Tri-County AA.

The following table shows the distribution of agricultural loans among farms of different sizes within the AAs:

Table 11 – Borrower Distribution of Loans to Farms of Different Sizes in the Tri-County AA					
Farm Revenues	Number of Loans		% Farms in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	613	92%	96%	\$67,098	82%
>\$1,000,000	51	8%	3%	\$14,470	18%
Total	664	100%	99%	\$81,568	100%

Source: Bank records on new loans originated during 2004 through 2006; 2000 Census Data.
 ** 1 percent of AA businesses did not report revenue data.

Table 12 – Borrower Distribution of Loans to Farms of Different Sizes in the Northeastern Illinois AA					
Farm Revenues	Number of Loans		% Farms in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	138	95%	92%	\$18,461	90%
>\$1,000,000	8	5%	6%	\$ 2,110	10%
Total	146	100%	98%	\$20,571	100%

Source: Bank records on new loans originated during 2004 through 2006; 2000 Census Data.
 ** 2 percent of AA businesses did not report revenue data.

Table 13 – Borrower Distribution of Loans to Farms of Different Sizes in the Marshall County AA					
Farm Revenues	Number of Loans		% Businesses in AA	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	51	100%	100%	\$ 6,195	100%
>\$1,000,000	0	0%	0%	\$ 0	0%
Total	51	100%	100%	\$ 6,195	100%

Source: Bank records on new loans originated during 2004 through 2006; 2000 Census Data.

GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution of loans reflects reasonable dispersion throughout the Tri-County AA. The geographic distribution of loans was limited to the Tri-County AA because there are no low- or moderate-income census tracts in the Northeastern Illinois AA or in the Marshall County AA. Also, a geographic distribution of agricultural loans was not performed, since the

two moderate-income census tracts in the Tri-County AA are located in the city of LaSalle and in the city of Ottawa, therefore the analysis would not be meaningful.

Commercial Loans

CFNB’s geographic distribution of commercial lending reflects a poor dispersion in census tracts of different income levels, including moderate-income census tracts. Based on the commercial loans originated in the evaluation period, the percentage of commercial loans originated in moderate-income census tracts is significantly below the level of commercial businesses located in the moderate-income census tracts within the Tri-County AA. This is due to the large number of businesses located in downtown Ottawa, which is a moderate-income CT.

Table 14 – Geographic Distribution of Loans to Businesses in the Tri-County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number	% of AA Businesses	% of Number	% of AA Businesses	% of Number	% of AA Businesses	% of Number
Commercial	0%	0%	11%	2%	59%	58%	30%	40%

Source: Bank records on new loans originated during 2004 through 2006; 2000 Census Data.

Residential Real Estate Loans

CFNB’s geographic distribution of residential lending reflects a satisfactory level of penetration in census tracts of different income levels, including moderate-income census tracts. The percentage of residential loans originated in moderate-income census tracts meets the level of owner occupied housing located in the moderate-income census tracts within the AA.

Table 15 – Geographic Distribution of Residential Real Estate Loans in the Tri-County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number
Residential	0%	0%	3%	2%	69%	65%	28%	33%

Source: HMDA records from January 1, 2004 to June 30, 2006; 2000 Census Data.

LENDING IN THE ASSESSMENT AREA

A majority of the loans originated by CFNB are to customers within its AA. CFNB’s lending to customers within the AA for all loan types is reasonable. The following table details the bank’s lending within the AA by number of loan originations and dollar volume during the evaluation

period.

Table 16 – Loans Originated within the Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total \$(000)
	#	%	#	%		\$(000)	%	\$(000)	%	
Commercial	1,505	81%	359	19%	1,864	\$145,764	68%	\$ 67,535	32%	\$213,299
Residential	1,322	75%	443	25%	1,765	\$154,269	66%	\$ 80,162	34%	\$234,431
Agricultural	963	77%	291	23%	1,254	\$118,348	74%	\$ 40,995	26%	\$159,343
Totals	3,790	78%	1,093	22%	4,883	\$418,381	69%	\$188,692	31%	\$607,073

Source: Bank HMDA-LAR and CRA small business/small farm report records on new loans originated in 2004, 2005, and through June 30, 2006.

LOAN-TO-DEPOSIT RATIO

CFNB's average loan-to-deposit ratio is reasonable given the bank's size, financial condition, and AA credit needs. CFNB's quarterly average loan-to-deposit ratio for the period April 1, 2002, to June 30, 2006, was seventy-one percent. The quarterly average loan-to-deposit ratio for other similarly situated financial institutions over the same time period ranged from seventy-four percent to eighty-four percent. CFNB's average loan-to-deposit ratio is comparable with the other six similarly situated banks, which range in asset size from \$506 million to \$1.65 billion. The similarly situated banks utilized for comparison purposes are community banks located within the AA counties.

RESPONSES TO COMPLAINTS

CFNB has not received any complaints about its performance in helping to meet the credit needs within its AA during this evaluation period.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

COMMUNITY DEVELOPMENT TEST

CFNB's community development performance demonstrates adequate responsiveness to the community development needs of its AA through community development loans, qualified investments, and community development services.

Number and amount of community development loans

CFNB has two qualifying loans totaling \$535,000 originated during the evaluation period.

- CFNB originated a \$485,000 loan to a non-profit senior services agency to refinance their existing mortgage from another institution, consolidate a purchase of a new van, and to provide operating capital. This agency operates an adult day care center and provides other services to low- and moderate-income senior citizens. They assist senior citizens to remain in their homes by providing services, such as lunches, social and informational programs, and transportation for medical appointments and shopping for necessities.
- CFNB originated a \$50,000 operating line of credit to a non-profit child day care facility serving low- and moderate-income individuals and families.

Number and amount of qualified investments

CFNB has made a total of \$65,000 in cash contributions and donations to community development organizations assisting low- and moderate-income individuals and families within the assessment area. Some of the notable qualifying grants and donations are as follows:

- \$15,308 to the United Way.
- \$12,616 to a social service organization providing day care services to low- and moderate-income families.
- \$11,700 to community-based organization providing comprehensive services to adults and children with disabilities in Bureau, Marshall, and Putnam counties.
- \$7,500 to Habitat for Humanity – builds homes for low- and moderate-income families in need of housing.

Extent to which the bank provides community development services

Delivery systems are reasonably accessible to individuals of different income levels. CFNB operates nineteen full-service offices and twenty-five ATM's in the AA. None of the bank's branches is located in low- or moderate-income tracts. Extended hours are available at all locations, as all offices are open on Saturdays, and most drive up locations are open longer on weekdays and on Saturdays. All of the bank's loan and deposit products are available at all branch locations.

CFNB offers a satisfactory level of community development services based on the capacity of the bank, and the need and availability of opportunities in the AA.

- USDA Guaranteed Rural Housing Loan Program – 42 loans - \$3,007,000

This federal government program is designed to encourage people to purchase homes in rural areas. The USDA sets maximum income guidelines for people to qualify for the program.

- Veteran’s Administration (VA) – 3 loans - \$88,000

This federal government program for veterans features a mortgage product with no down payment requirements at loan rates established by the VA. The product assists buyers with limited resources for the significant up-front costs often associated with buying a home. Another positive feature of this product is that debt-to-income ratio requirements are more flexible than conventional mortgage loans.

- Illinois State Treasurers’ Agricultural Production Loan/Linked Deposit Program – 994 loans - \$88,153,000

This program is funded by the State of Illinois and provides a lower interest rate to farm customers for farm operating expenses.

- Illinois Finance Authority/ Illinois Farm Development Authority Programs – 16 loans - \$2,446,000

This is a state government agency offering guaranteed loan programs for the benefit of farmers. This includes first-time buyers of farmland, equipment for young farmers, debt restructuring, and the expansion into specialized crop or livestock production.

- Farm Service Agency (FSA) – 44 loans - \$4,793,000

This federal government agency provides direct and guaranteed loans to farmers and ranchers who can not obtain commercial credit from a bank or other lender. FSA loans are often provided to beginning farmers who cannot qualify for conventional loans because they have insufficient financial resources. FSA also helps established farmers who have suffered financial setbacks from natural disasters, or whose resources are too limited to maintain profitable farming operations.

- City of Princeton Revolving Loan Fund – 8 loans - \$558,750

This pool of money has been set aside by the City in order to provide a source of gap financing for expansion efforts of local industry and new industries wishing to locate within the community.

Bank’s responsiveness, through community development activities, to community development lending, investment, and services needs

CFNB continues to be responsive to the needs of the community. The bank works with the City and County governments where they have offices, the Princeton Industrial Development Commission, the Upper Illinois River Valley Development Authority, the DeKalb County Economic Development Corporation, and the McHenry County Economic Development Committee on loan projects. The officers and employees of the bank are heavily involved a large number of community service organizations.