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Comptroller of the Currency  
Administrator of National Banks

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## **Public Disclosure**

**January 15, 1998**

### **Community Reinvestment Act Performance Evaluation**

**First National Bank at Darlington  
Charter Number: 14184**

**245 Main Street**

**Darlington, Wisconsin 53530**

**Office of the Comptroller of the Currency  
Chicago Field Office-North  
Arlington Place II, Suite 340  
85 W. Algonquin Road  
Arlington Heights, Illinois 60005**

**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.**

## 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 **The First National Bank at Darlington (FNB)** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of January 15, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

**Institution's CRA Rating:** This institution is rated: Satisfactory Record of Meeting Community Credit Needs.

FNB has a reasonable loan to deposit ratio and a substantial majority of the loans are made to borrowers within the assessment area. FNB extends loans to individuals of various income levels and businesses of different sizes. FNB received no CRA complaints since the last examination.

## **Description of Institution**

The First National Bank at Darlington, a \$36 million dollar financial institution, is widely held within the local community. As of September 30, 1997, FNB had \$19 million dollars in total loans and a loan to deposit ratio of 57%. The loans are categorized as follows: \$9 million (48%) in agricultural loans, \$5 million (24%) in residential loans, \$3 million (16%) in consumer loans and \$2 million (12%) in commercial loans.

FNB's has a single location in Darlington, Wisconsin. Competition within the area includes F&M Bank and a branch of Amcore Bank. There are no legal or financial impediments which impact FNB's ability to meet the credit needs of the community.

The last public evaluation was issued by the Office of the Comptroller of the Currency on March 7, 1994 with a "Satisfactory record of meeting community credit needs" rating.

## **Description of Assessment Area**

FNB's assessment area is comprised of the county of Lafayette, 70 miles southwest of Madison, Wisconsin. The Department of Housing and Urban Development calculates the 1997 median income for this area as \$39,600. There are five census tracts included in Lafayette County. All of these are considered middle-income tracts. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

According to 1990 Census data, the county's population is 16,076. There are 4,257 families in the county. Of these, 731 are low-income (17%), 937 moderate-income (22%), 1,155 middle-income (27%) and 1,434 upper-income (34%). Primary industry in the area is agriculture, followed by government and services. Major employers include Merkle-Korff Industries, Illinois Tool Works and Lafayette County. The local economy is stable and unemployment is low at 5%.

## **Conclusions with Respect to Performance Criteria**

**Loan to Deposit Ratio:**

FNB’s loan to deposit ratio is reasonable when compared to other banks in Lafayette County. FNB has an average loan to deposit ratio of 55% for the period of December, 1994 through September, 1997. It’s most recent loan to deposit ratio (September, 1997) is 61%. Banks of similar size in Lafayette County range from 51% to 90%, with an average loan to deposit ratio of 71%.

**Lending in Assessment Area:**

FNB makes a substantial amount of loans in its assessment area. Out of 108 loans sampled, 98 (91%) were in the assessment area. Approximately 91% of the dollar amount of total loans sampled were in the assessment area.

**Lending to Borrowers of Different incomes and to Businesses of Different Sizes:**

FNB’s level of lending to low-and-moderate-income individuals is satisfactory. Total low-and-moderate income individuals represent 43% of the county population. Table 1 illustrates by number of loans sampled, that 43% were made to low-and-moderate income individuals. Using dollar amount outstanding, low-and-moderate income individuals represent 26%.

**Table 1**

<b>Sample of 58 Mortgage and Installment Loans                      Originated in 1996-97.                      Sorted by Borrower Income.</b>						
<b>Inside Assessment Area</b>					<b>Total Loans</b>	
	#	% of Total	\$ (000)	% of Total	#	\$ (000)
Low	8	15%	\$66	7%	8	\$66
Moderate	15	28%	\$183	19%	16	\$184
Middle	24	44%	\$616	62%	26	\$658
Upper	7	13%	\$119	12%	8	\$249
<b>TOTAL</b>	<b>54</b>	<b>100</b>	<b>\$983</b>	<b>100%</b>	<b>58</b>	<b>\$1,156</b>

FNB’s lending to small farms is strong. A small farm loan is defined as a loan in the amount of \$500,000 or less. As indicated in Table 2 below, 100% of the agriculture loans sampled were to small farms.

**Table 2**

<b>Sample of 50 Small Loans to Businesses With Gross Revenues Under 1MM. Loans Originated in 1996-7.</b>						
<b>Inside Assessment Area</b>					<b>Total Loans</b>	
Dollars	#	% of Tot.	\$ (000)	% of Tot.	#	\$ (000)
0-99,999	39	89	993	53	45	1,116
100,000-249,900	4	9	617	33	4	617
250,000 -500,000	1	2	254	14	1	254
<b>TOTAL</b>	<b>44</b>	<b>100</b>	<b>1,864</b>	<b>100</b>	<b>50</b>	<b>1,987</b>

**Geographic Distribution of Loans:**

There are no low- or moderate-income census tracts in FNB's assessment area. Therefore, an analysis of the geographic distribution of loans would not be meaningful.

**Compliance With Fair Lending Laws and Regulations:**

We conducted a fair lending examination using consumer loans made in 1996-7. Based on this review, we found no evidence of illegal discrimination.

**Response to Complaints:**

FNB received no complaints since the prior examination.