



Comptroller of the Currency
Administrator of National Banks

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Public Disclosure

January 23, 1998

Community Reinvestment Act Performance Evaluation

Stebbins National Bank
Charter Number 14709

P. O. Box 1113
Creston, Ohio, 44217

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 *Stebbins National Bank, Creston, Ohio* prepared by *The Office of the Comptroller of the Currency*, the institution's supervisory agency, as of *December 31, 1997*. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

Institution's CRA Rating: This institution is rated Satisfactory.

The bank's lending levels reflect adequate responsiveness to assessment area credit needs. An adequate percentage of loans are made in the bank's assessment area. The geographic distribution of loans is reasonable, the bank makes most of its loans to middle- income areas which comprise 80% of the assessment area. There was no evidence of discrimination or illegal acts.

Description of Institution

Stebbins National Bank (SNB) is a \$24 million subsidiary of Stebbins BancShares, a one-bank holding company. SNB has one location in Creston, Ohio. A drive thru facility is on-site.

The bank adequately services its assessment area. It is the only financial institution in Creston. SNB is located near several nearby villages and cities with several financial institutions that present tough competition. SNB specializes in consumer, small business and small farm loans. There are no financial or legal impediments that would affect the bank's ability to meet credit needs.

LOAN PORTFOLIO	OUTSTANDING (in millions)	PERCENTAGES
Commercial Loans	\$ 3,938	23%
Real Estate Loans	\$ 5,894	34%
Instalment Loans	\$ 7,298	43%
Miscellaneous Loans	42	0%
Gross Loans	\$17,172	100.00%

Assessment Areas

SNB's assessment areas consist of selected portions of Wayne County (nonMSA) and Medina County, a Metropolitan Statistical Area (MSA 1680). Three Block Numbering Areas (BNAs) 0023, 0024, 0025, in Wayne County, and two census tracts, 4120 and 4130, in Medina County, are the assessment areas.

Description of the Wayne County Assessment Area

The assessment area includes two middle- income areas and one upper- income area in Wayne County. Wayne County has several large manufacturing companies such as Rubbermaid, Morton Salt, and Smuckers. The largest city is Wooster, Ohio with a population of approximately 22,000. Wooster is 12 miles from Creston.

Creston is in BNA 4124, a middle- income area. Creston is a close knit community with a population of approximately 1,848 persons. Creston is a storefront community of small businesses. There is no major industry in Creston. Large manufacturing and industry are located in nearby metropolitan cities, Wooster, Orrville, and Medina. These cities provide employment opportunity for many of the residents in Creston and the County. The local economy is stable.

The unemployment rate for Wayne County, as of November 1997, was 3.9% compared to the State of Ohio's 4.2%.

Based on the 1990 census, population of this assessment area is 8,147; households total 2,853; owner occupancy is 76%; median home was built in 1964, and the median value is \$61,939. The Department of Housing and Urban Development (HUD) reports the NonMetropolitan Updated Family Income is \$38,800.

Description of the Medina County Assessment Area

SNB assessment area includes two middle- income areas. Medina County is a large wholesale and retail trade area with companies such as K-Mart, MTD Products, and Schneider National Carriers. The city of Medina is the second largest city in the County, and it is approximately 12 miles from Creston.

Based on the 1990 census, population of this assessment area is 8,122; households total 2,799; owner-occupancy is 79%; median home was built in 1965, and the median value is \$77,640. HUD reports the MSA Updated Family Median Income is \$46,900. The local economy is stable. The unemployment rate for Medina County, as of November 1997, was 3.6% compared to the State of Ohio's 4.2%

Conclusions with Respect to Performance Criteria

Lending

The bank does not have any innovative loan products. Real estate loans originated by the bank are primarily for home-equity and home-improvement purposes. Customarily, the bank does not offer, or make purchase money mortgages, due to its perception that competitors are better suited for this type of financing. Over the last two years, new home construction has increased. The bank has provided very limited financing of those homes. The bank makes small business and small farm loans.

The bank's loan-to-deposit ratio is reasonable. The bank's average loan-to-deposit ratio over the last eight quarters is 80.81%. As of September 1997, SNB's loan-to-deposit ratio was 82.86%. The loan-to-deposit ratio of a bank in the assessment area, with total assets similar to SNB, was 88.93%.

Percentage of loans in assessment area

The bank makes a majority of loans within its assessment areas. A sample was taken of real estate related loans originated during 1997. A total of 44 real estate related loans, including home equity, home-improvement, and business loans, totaling \$1,553M were originated. The chart below indicates that the bank made loans primarily for business and home-equity needs. The results of the sample indicate that \$1,175M or 76% of the dollars and 37 or 84% of the loans originated in the bank’s assessment area.

REAL ESTATE RELATED LOANS ORIGINATED DURING 1997				
PURPOSE	#	%	\$(thousands)	%
Business	11	25%	\$766	49%
Home-equity	18	41%	\$383	25%
Home-improvement	5	11%	\$113	7%
Personal	7	16%	\$140	9%
Refinance	3	7%	\$150	10%
Total	44	100%	\$1,553	100%

Source: Internal Bank records

Lending across different income levels and businesses/farms of different size

An analysis of the bank’s borrowing to different income levels could not be ascertained because the bank does not require income information in the normal course of business. The chart below shows a large number of low-income and moderate- income borrowers reside in middle-income geographies. The bank does the majority of its lending in the middle- income geographies which comprise 80% of the bank’s assessment area.

GEOGRAPHIES	PERCENTAGE OF FAMILIES BY INCOME TRACTS			
	Low Income	Moderate Income	Middle Income	Upper Income
Low- income	0	0	0	0
Moderate- income	0	0	0	0
Middle- income	87%	90%	87%	82%
Upper- income	13%	10%	13%	18%
Total	100%	100%	100%	100%

Source: 1990 U.S. Census Bureau

The bank makes loans to small businesses with original amounts of \$1 million or less, and to small

farms with original amounts of \$500M or less. As of June 30, 1997, the bank's loans to small businesses and farms represented 36% of its lending portfolio. These loans are granted to small businesses and small farms with annual gross revenues of \$1 million or less. The bank's legal lending limit, of approximately one-half million dollars, precludes lending abilities to large companies.

LOANS TO SMALL BUSINESSES AND SMALL FARMS				
	OUTSTANDING AS OF JUNE 30, 1997			
	#	%	\$ (in millions)	%
Small Business	143	54%	\$3,545	57%
Small Farm	122	46%	\$2,685	43%
Total	265	100%	\$6,230	100%

Source: Internal Bank Records

Geographic Distribution

The bank's assessment area contains middle- income areas and one upper- income area. Based on the sample of loans reviewed, the bank made 100% of the loans to the middle- income areas.

Response to Written Complaints

No complaints were received since the prior examination.

Fair Lending Review

No violations of the substantive provisions of the anti-discrimination laws and regulations were identified.