



**PUBLIC DISCLOSURE**

March 30, 1998

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Greene County National Bank in Carrollton  
Charter #14347  
600 N. Main Street, Box 270  
Carrollton, Illinois 62016-0270

Comptroller of the Currency  
Fairview Heights Field Office  
13 Executive Drive, Suite 7  
Fairview Heights, Illinois 62208

**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 Community Reinvestment Act (CRA) performance of **Greene County National Bank in Carrollton, Carrollton, Illinois**, prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of March 30, 1998. This evaluation is based on information since the last CRA examination dated **January 12, 1996**. 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 level of lending to borrowers of different income levels is reasonable based on our review of residential mortgage lending activities.
- The bank's loan-to-deposit ratio compares well with ratios of similarly situated area banks.
- A majority of loans are extended in the bank's assessment area.
- The geographic distribution of loans in the bank's assessment area is reasonable.

## **DESCRIPTION OF INSTITUTION**

The Greene County National Bank in Carrollton is a \$60 million bank affiliate of M&L Holding Carrollton, Illinois. A full service branch is located 14 miles away in Jerseyville, Illinois. Both locations offer drive-up and Automated Teller Machine (ATM) facilities. The bank's primary December 31, 1997, loans secured by 1-4 family residential real estate loans comprised 33% of the bank's portfolio, while agricultural loans comprised 34%.

bank has adequate resources to provide for the credit needs of its assessment area. The type and amount of CRA activities are consistent with the bank's size, financial capacity, and local Needs" CRA rating at our January 12, 1996 assessment.

## **DESCRIPTION OF ASSESSMENT AREA**

Jersey and an adjacent portion of Madison County as its assessment area. The assessment area contains 5 Block Numbering Areas (BNAs) and 17 Census Tracts (CTs). The CTs are in

Of the 22 BNAs and CTs, 8 are moderate-income geographies, 13 are middle-income geographies, and 1 is an upper-income geography. This assessment area meets the requirements

The assessment area population was 85,925 as of the 1990 census. 1990 census information on family incomes aggregated for all CTs and BNAs in the assessment area shows 24% of families

median family income for 1997 is \$49,300; this income number is used for all CT analyses in this evaluation. The 1998 Illinois non-metropolitan median family income is \$39,500; this is the

low income is defined as income that is less than 50% of the respective 1997 MSA median family income or 1998 non-metropolitan median family income, as appropriate. Moderate income is

above. Middle income is at least 80% but less than 120% of the respective family incomes.

Upper income is defined as income that is 120% or more of the respective family incomes stated

The weighted average median housing value is \$42,644 while the median year of construction is 1953. Owner-occupied units represent 67% of the housing stock, with 90% of the housing stock

Jersey County at 6.4%, and Madison County at 5.2%, which compare with Illinois and national unemployment rates of 5.2% and 5.0%. Assessment area population centers are Carrollton and

Madison County. The assessment area lacks a concentration of employment with any individual employer. County government, local hospitals, school districts, service jobs and agriculture are

portion of the Greene/Jersey County workforce commutes to work outside the bank's assessment area, in the St. Louis MSA and north to Jacksonville, Illinois. In addition to the above, Alton

light manufacturing facilities. The assessment area is otherwise a patchwork of rural agricultural communities with limited opportunities for local employment.

institutions in Carrollton and Jerseyville, and in nearby Godfrey and Alton.

To further our understanding of the community's credit needs, we reviewed a recent FDIC

residential real estate loans and consumer loans. The contact also stated local financial institutions are serving the needs of low- and moderate-income families.

### **Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes:**

The bank demonstrates satisfactory performance. Our review of all residential real estate loans originated in 1997 shows the distribution of loans to borrowers of different income levels

Table A - Residential real estate lending by borrower income.

<b>Income Levels</b>		<b>% By #</b>	<b>Loan \$ (000s)</b>	<b>of Loans</b>	<b>Assessment Income</b>
<i>Low Income</i>		<b>11%</b>	<b>400</b>		<b>24%</b>
<i>Moderate Income</i>		<b>24%</b>	<b>1,248</b>		<b>20%</b>
<i>Middle Income</i>		<b>33%</b>	<b>2,086</b>		<b>27%</b>
<i>Upper Income</i>		<b>32%</b>	<b>2,707</b>		<b>29%</b>

The bank extends loans to small businesses and small farms. A majority of loans in our commercial loan reviews have historically been to small businesses and small farmers. Because this bank does not routinely collect commercial borrower revenue information for lending pattern analyses, we reviewed the distribution of original loan amounts for all business and farm loans outstanding at March 31, 1998. The following tables were produced using bank reports for all business and farm loans. (Table B)

Table B - Loans to businesses and farms.

<b>Loans to Businesses</b>							
	<b>Under \$100M</b>		<b>\$100M-\$250M</b>		<b>\$250M-\$1MM</b>		
<b>#</b>	129	81%	15	10%	14	9%	
<b>\$ (000s)</b>	2,867	28%	1,913	19%	5,331	53%	

  

<b>Loans to Farms</b>								
	<b>Under \$100M</b>		<b>\$100M-\$250M</b>		<b>\$250M-\$500M</b>		<b>Over \$500M</b>	
<b>#</b>	310	88%	26	8%	10	3%	5	1%
<b>\$ (000s)</b>	6,770	46%	2,530	18%	2,534	18%	2,548	18%

**Geographic Distribution of Loans:**

Our review of all residential real estate loans originated in 1997 shows a reasonable distribution of loans to the assessment area's CTs and BNAs. Specifically, the level of mortgage loan activity in low- and moderate-income geographies relative to the percent of low- and moderate-income geographies in the assessment area (36%) is reasonable. During 1997, 17% of the number and 18% of the dollar amount of mortgage loans originated from moderate-income tracts. Table C illustrates 1997 residential real estate (RE) lending activity by tract type. One portion of the assessment area, comprising three moderate- and three middle-income census tracts, shows no residential real estate loan activity. Modest residential lending activity in this area is not unexpected; this section represents the southernmost extreme of the assessment area, a largely commercial/industrial corridor between downtown Alton and the Mississippi River.

Table C - Geographic distribution of residential real estate loans.

<b>Residential RE Loans (1997)</b>	<b># of CTs/BNAs</b>	<b>% of CTs/BNAs</b>	<b># of Loans</b>	<b>% of Total</b>	<b>Loan \$ (000s)</b>	<b>% of Total</b>
<i>Moderate Income</i>	8	36%	19	17%	1,154	18%
<i>Middle Income</i>	13	59%	82	74%	4,400	68%
<i>Upper Income</i>	1	5%	10	9%	887	14%
<b>Total</b>	22	100%	111	100%	6,441	100%

### Loan-to-Deposit Ratio:

The bank's loan-to-deposit ratio is satisfactory. The loan-to-deposit ratio was 76% at December 31, 1997. Six similarly situated area banks have current loan-to-deposit ratios ranging from 25% to 87% as of December 31, 1997. The bank's average loan-to-deposit ratio for the ten quarters since the previous CRA evaluation is 74%. The average ratio for all comparison banks during the period is 65%. (Table D)

Table D - Loan-to-deposit ratios for this bank and other area institutions.

Institution	December 31, 1997	September 30, 1995	Average (10 Quarters)	Total Assets (\$Million)	Distance from Bank (miles)
Greene County NB	76%	72%	74%	60	0
Bank A	25%	23%	23%	35	10
Bank B	68%	71%	68%	85	14
Bank C	69%	63%	66%	72	20
Bank D	74%	71%	73%	47	28
Bank E	77%	72%	74%	239	0
Bank F	87%	79%	78%	127	13
Average (All Banks)	68%	65%	65%	95	

### Lending in the Assessment Area:

Lending in the assessment area is good. Our analysis of residential real estate loans originated in 1997 shows that 90% of the number of loans and 84% of the dollar amount of loans were to borrowers within the bank's assessment area. Bank-compiled data for 1997 loans of all types shows 85% of total loans were made in the assessment area.

### Response to Complaints:

The bank has not received any complaints since the January 12, 1996 CRA evaluation.

### Compliance with Antidiscrimination Laws:

In conjunction with the CRA evaluation, we performed a Fair Lending examination which included a review of the bank's compliance with the Equal Credit Opportunity Act and the Fair Housing Act. We found no substantive violations of these antidiscrimination laws and regulations.