



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

April 18, 2016

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

MidCountry Bank  
Charter Number 702518

2611 Blue Heron Drive, Marion, IL 62959

Office of the Comptroller of the Currency

222 9th Street South, Suite 800, Minneapolis, MN 55402

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.

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**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Satisfactory**

MidCountry Bank (MidCountry or bank) has a satisfactory record of meeting the credit needs of its community. Factors supporting the Satisfactory rating include:

- More than reasonable loan-to-deposit (LTD) ratio;
- Majority of primary product loans made inside the assessment area (AA);
- Exceeded the standards of satisfactory performance in lending to borrowers of different income levels;
- Met the standards of satisfactory performance in lending in low- and moderate-income (LMI) geographies; and,
- Adequate responsiveness to the needs of its AAs through community development (CD) loans, qualified investments, and CD services.

## Scope of Evaluation

MidCountry was evaluated under the Intermediate Small Bank (ISB) procedures to assess the bank's record of meeting the credit needs of its community. ISB procedures include a Lending Test and a Community Development Test. The Lending Test focused on the bank's primary lending products, which were determined by AA and are detailed in the Scope of Evaluation section under each state rating. We tested HMDA data to verify the accuracy of the data. We used HMDA loans reported in 2014 and 2015 in our Lending Test analysis. A sample of agriculture, business, and consumer loans were also used in the Lending Test analysis. Demographic data is from the 2010 Census unless otherwise noted.

The Community Development Test included all activities from January 1, 2011 through December 31, 2015. The Community Development Test evaluates an ISB's performance based on its responsiveness to the needs of its AAs through eligible community development loans, qualified investments, and community development services.

### Selection of Areas for Full-Scope Review

In each state where the bank has a branch, one AA was selected for a full-scope review. If the bank had more than one AA in a state, the number of branches in the AA, the volume of lending during the evaluation period, and the amount of deposits in the AA were considered when determining which AAs would receive full-scope reviews and which would receive limited-scope reviews.

The Minneapolis MSA AA in Minnesota, the IL Non-MSA AA in Illinois, and the Las Vegas MSA AA in Nevada were selected for full-scope reviews during this evaluation. All of the AAs met the requirements of the regulation and did not arbitrarily exclude any low- or moderate-income CTs. Refer to the Scope of Evaluation section under each state rating for details regarding how the areas were selected.

### Ratings

The bank's overall rating was determined from the ratings for the three states in which the bank had branch offices. The bank's performance in Minnesota received the most weight. Minnesota represented 68 percent of the bank's total deposits, 61 percent of branches, and 65 percent of total loans originations. Illinois represented 30 percent of total deposits, 35 percent of branches, and 11 percent of total loan originations. Nevada represented two percent of total deposits, four percent of branches, and 24 percent of total loan originations.

The state ratings were based primarily on those areas that received full-scope reviews. Limited-scope reviews were considered to the extent that they were or were not consistent with the bank's performance in the full-scope AAs. Refer to the Scope of Evaluation section under each state rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Description of Institution**

MidCountry is a federally chartered, stock savings association with total assets of approximately \$767.9 million, as of December 31, 2015. The bank's home office is located in Marion, in Williamson County, Illinois. The institution is a subsidiary of MidCountry Financial Corporation headquartered in Macon, Georgia. MidCountry had 13 branches in Minnesota, eight branches in Illinois, and one branch in Nevada. In addition, MidCountry operated 20 deposit-taking automated teller machines (ATMs); 12 in Minnesota, seven in Illinois, and one in Nevada.

MidCountry's primary focus was in both commercial and residential real estate lending. The bank also offered other traditional commercial, agricultural, and consumer products. Retail products include 1-4 family home loans, open- and closed-end home equity loans, construction loans, and consumer loans. Non-retail products include commercial, multi-family housing, and farm real estate loans, as well as commercial construction and business loans. As of December 31, 2015, the bank reported \$586.1 million in outstanding loans and had a net loans and leases to total assets ratio of 74.9 percent. The loan portfolio consisted of 72 percent real estate, 11 percent commercial, nine percent consumer and other, and eight percent agricultural loans.

The bank had six AAs in three states. Minnesota had three AAs: Minneapolis Metropolitan Statistical Area (MSA), St. Cloud MSA, and Minnesota Non Metropolitan Statistical Area (MN Non-MSA). Illinois had two AAs: Carbondale-Marion IL MSA (Carbondale MSA) and Illinois Non-MSA (IL Non-MSA). Nevada had only one AA: Las Vegas-Paradise MSA (Las Vegas MSA).

MidCountry received an "Outstanding" rating at their last Community Reinvestment Act (CRA) evaluation, dated May 23, 2011. No legal or regulatory limitations were evident which would preclude MidCountry from helping to serve the credit needs of its AAs.

## **Loan-to-Deposit Ratio**

MidCountry's LTD ratio was more than reasonable given the institution's size, financial condition, and assessment area credit needs. The quarterly average LTD ratio is 86.32 percent since the previous evaluation. This represents the 20 quarters from January 1, 2011 to December 31, 2015. The ratio ranged from a high of 100.95 percent in the second quarter of 2015 to a low of 74.87 percent during the fourth quarter of 2011. The

following table shows MidCountry's LTD ratio compared to similarly situated financial institutions. Similarly situated institutions operate in Illinois, Minnesota, or Nevada and have assets between \$500 million and \$1 billion.

<b>Loan-to-deposit Ratio Institution (Headquarters)</b>	<b>Assets as of 12/31/15 (\$000s)</b>	<b>Average LTD Ratio (%)</b>
Meadows Bank	\$530,704	91.82%
<b>MidCountry Bank</b>	<b>\$767,869</b>	<b>86.32%</b>
Premier Bank	\$661,380	80.60%
First Southern Bank	\$650,443	74.98%
Sunrise Bank, National Association	\$906,712	52.37%

Source: Call Report data as of December 31, 2015

### Lending in Assessment Area

The bank originated a majority of its loans to borrowers located within its designated AAs. A random sample of 20 agricultural loans, 20 commercial loans, 20 consumer loans, and all HMDA reportable home purchase and refinance loans for the period of January 1, 2014 through December 31, 2015 were analyzed to determine the bank's lending in its AAs. The bank originated 85 percent of loans by number and 83 percent by dollar volume within its AAs. The following table illustrates the number and dollar amount of loans originated inside and outside the bank's AAs during the evaluation period.

<b>Lending in MidCountry's AAs</b>										
Type of Loan	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Agricultural Loans	15	75.00%	5	25.00%	20	\$5,446	73.14%	\$2,000	26.86%	\$7,446
Commercial Loans	19	95.00%	1	5.00%	20	\$17,020	99.64%	\$62	0.36%	\$17,082
Consumer Loans	9	45.00%	11	55.00%	20	\$326	88.89%	\$41	11.11%	\$367
HMDA Purchase	1123	85.27%	194	14.73%	1317	\$182,979	82.73%	\$38,197	17.27%	\$221,176
HMDA Refinance	313	84.59%	57	15.41%	370	\$70,654	81.23%	\$16,329	18.77%	\$86,983
<b>Totals</b>	<b>1479</b>	<b>84.66%</b>	<b>268</b>	<b>15.34%</b>	<b>1747</b>	<b>\$276,425</b>	<b>83.00%</b>	<b>\$56,629</b>	<b>17.00%</b>	<b>\$333,054</b>

Source: Loan sample; Data reported under 2014-2015 HMDA

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. § 25.28(c) or § 195.28(c), respectively, in determining a national bank's or Federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC found evidence that the Bank violated the advertising rule applicable to Federal savings associations, 12 CFR 163.27, in connection with the sale of several add-on products offered by the Bank to consumer loan customers. The Bank developed a voluntary plan to remediate affected customers and undertook additional corrective action.

Additionally, the OCC found evidence of violations of Servicemembers Civil Relief Act provision limiting interest to 6 percent on loans to members of a reserve component. Following look-back efforts, the Bank adjusted the rates on 25 accounts held by servicemembers and remediated the excess funds.

The CRA performance rating was not lowered as a result of these findings. We considered the nature, extent, and strength of the evidence of the practices; the extent to which institution had policies and procedures in place to prevent the practices; and the extent to which the institution has taken or has committed to take corrective action, including voluntary corrective action resulting from self-assessment; and other relevant information.

The OCC will consider any evidence of discriminatory or other illegal credit practices relative to this institution that other regulators may provide to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information provided concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Illinois

**CRA Rating for Illinois:**

**Needs to Improve**

**The Lending Test is rated:**

**Satisfactory**

**The Community Development Test is rated:**

**Needs to Improve**

The major factors that support the ratings for Illinois include:

- The bank exceeded the standards of satisfactory performance in lending to borrowers of different income levels; and,
- The bank met the standards of satisfactory performance in lending among low- and moderate-income geographies.
- The bank’s community development performance demonstrated weak responsiveness to the community development needs of the AA.

### Description of Institution’s Operations in Illinois

MidCountry Bank had two AAs, the IL Non-MSA and Carbondale MSA (Carbondale AA), both located in southern Illinois. The AAs are further detailed below.

#### Illinois Non-MSA

Demographic Information for Full-Scope Area: IL Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	38	2.63	36.84	55.26	2.63	2.63
Population by Geography	130,368	1.11	34.96	60.43	2.32	1.18
Owner-Occupied Housing by Geography	40,045	0.46	34.74	61.90	2.89	0.01
Business by Geography	6,735	4.69	34.15	57.34	3.80	0.01
Farms by Geography	764	0.00	23.82	75.65	0.52	0.00
Family Distribution by Income Level	34,899	24.51	20.74	21.98	32.77	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	15,793	1.40	43.42	53.84	1.34	0.00
Median Family Income FFIEC Estimated Median Family Income for 2015 Households Below Poverty Level		54,499 60,100 17%	Median Housing Value Unemployment Rate (2010 US Census)	77,531 4.12%		

(\* ) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2015 FFIEC Estimated MFI

The IL Non-MSA AA consists of Franklin, Jefferson, Johnson, Massac, Pulaski, and Union counties. The AA was comprised of one low-income CT, 14 moderate-income CTs, 21 middle-income CTs, one upper-income CT, and one CT not assigned an income classification. MidCountry had four branches and three deposit-taking ATMs within the AA. Ten of the nonmetropolitan middle-income CTs were designated as distressed and/or underserved by the FFIEC.

The bank offered a full range of commercial and consumer loan and deposit products and services. As of June 30, 2015, MidCountry's deposits in the AA totaled \$92.2 million, or 4.23 percent of the total market share. According to the FDIC Market Share Report, MidCountry ranked eighth in deposit market share out of the 25 institutions. The top five institutions, for deposit market share in the AA, were The City National Bank of Metropolis, Banterra Bank, Peoples National Bank, The Anna-Jonesboro National Bank, and Community First Bank of the Heartland. These institutions accounted for 55.83 percent of deposits in the AA.

Economic conditions in the area improved. According to the Bureau of Labor Statistics, the 2015 average annual unemployment rate for all counties in the AA was 8.0 percent. This is a significant decline from 2013, when unemployment rates for these counties averaged 11.3 percent. Each county's unemployment rate was comparable to or above the statewide average of 6.6 percent, as of April 2016. The percentage of families living below the poverty level, according to the 2010 US Census, was moderate.

One community contact was conducted in the AA. The organization supported affordable housing and economic development. The contact noted that two counties in the AA, Massac and Pulaski, were economically distressed. The contact stated that affordable housing was needed in the area and noted a need for more participation by banks in government lending programs.

### Carbondale MSA

The Carbondale-Marion MSA AA (Carbondale AA) is comprised of Jackson and Williamson counties. The AA includes one low-income CT, eight moderate-income CTs, 14 middle-income CTs, and six upper-income CTs. MidCountry had four branches and four deposit-taking ATMs within the AA.

Demographic Information for Limited-Scope Area: Carbondale-Marion IL MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	29	3.45	37.93	55.17	3.45	0.00
Population by Geography	99,978	1.45	34.78	60.75	3.02	0.00
Owner-Occupied Housing by Geography	31,181	0.59	34.63	61.07	3.71	0.00
Business by Geography	5,246	6.02	30.35	58.75	4.88	0.00
Farms by Geography	527	0.00	23.34	75.90	0.76	0.00
Family Distribution by Income Level	26,698	24.32	21.23	21.89	32.56	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,162	1.82	43.72	52.73	1.73	0.00
Median Family Income		54,499	Median Housing Value		74,212	
FFIEC Estimated Median Family Income for 2015		54,800	Unemployment Rate		4.41%	
Households Below Poverty Level		17%	(2010 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census and 2015 FFIEC Estimated MFI

The bank offered a full range of commercial and consumer loan and deposit products and services. As of June 30, 2015, MidCountry’s deposits in the AA totaled \$75.7 million, or 3.73 percent of the total market share. According to the FDIC Deposit Market Share report, MidCountry ranked eighth in deposit market share, out of 20 institutions. Five institutions accounted for 60.33 percent of total deposits within the AA. The five institutions with the largest market share included First Southern Bank, Bank of Herrin, Old National Bank, Banterra Bank, and The Bank of Carbondale.

Economic conditions in the area improved. According to Moody’s Analytics, unemployment in the AA was 5.9 percent as of December 31, 2015, which is a decline from 6.7 percent one year prior and 8.2 percent two years prior. The AA’s unemployment rate of 5.9 percent is comparable to 5.0 percent nationwide and outperforms the 6.6 percent statewide rate according to the Bureau of Labor Statistics, as of April 2016. The percentage of families living below the poverty level based on the 2010 US Census was moderate. According to Moody’s Analytics, the housing market was not in a favorable position as limited job opportunities caused the population to move out of the area to find suitable employment.

One community contact was conducted in the AA for both the IL Non-MSA AA and the Carbondale AA. The organization supported affordable housing and economic development. The contact stated that affordable housing was needed in the area and noted a need for more participation by banks in government lending programs.

## Scope of Evaluation in Illinois

The IL Non-MSA AA received a full-scope review while the Carbondale MSA AA received a limited-scope review. The Illinois state rating was based primarily on results of the area that received a full-scope review.

The IL Non-MSA AA was weighted most heavily in arriving at the overall conclusions, as the bank’s largest market share for loans and deposits was concentrated in this area. Of the bank’s deposit activity in Illinois, 55 percent was generated out of the Illinois Non-MSA AA. Similarly, of the bank’s lending activity in Illinois, 64 percent of loans by number and 63 percent of loans by dollar were originated within the Illinois Non-MSA AA. The Carbondale MSA AA comprised the remaining 45 percent of deposits, 36 percent of loans by number, and 37 percent of loans by dollar.

Within the IL Non-MSA AA, consumer loans represented the largest volume of lending by number of loans and received the most weight in the Illinois lending test rating. Home purchase loans represent the majority of home mortgage lending in the AA, followed by home refinance loans.

Primary Product Loans in the Illinois Non-MSA AA				
	Number of Loans		Dollars of Loans (000's)	
Type of Loan	#	%	\$	%
Consumer	163	64.94%	\$1,839	16.57%
HMDA Purchase	67	26.69%	\$3,936	35.46%
HMDA Refinance	21	8.37%	\$5,324	47.97%
Totals	251	100.00%	\$11,099	100.00%

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ILLINOIS

MidCountry’s CRA performance in Illinois is rated Needs to Improve. The bank’s performance was Satisfactory under the Lending Test and Needs to Improve under the Community Development Test.

### LENDING TEST

The bank’s performance under the Lending Test in Illinois is rated Satisfactory. The bank exceeded the standards of satisfactory performance when lending to borrowers of different income levels and met the standards of satisfactory performance in lending among low- and moderate-income geographies in Illinois.

**Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

The borrower distribution of loans to borrowers of different incomes in the IL Non-MSA AA exceeded the standards for satisfactory performance.

**Borrower Distribution of Consumer Loans**

The distribution of consumer loans in the IL Non-MSA AA exceeded the standards for satisfactory performance to borrowers of different incomes. The bank’s lending to low-income individuals met the standards of satisfactory performance, when considering the disproportionate impact of the poverty level on lending opportunities to low-income households. The bank’s lending to moderate-income individuals also exceeded the standards of satisfactory performance when compared to the percent of moderate-income households in the AA.

<b>Borrower Distribution of Consumer Loans in Illinois Non-MSA AA</b>									
<b>Borrower Income Level</b>	<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>		<b>Unavailable</b>
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of Number of Loans
<b>% of Total</b>	27.75%	18.33%	18.27%	30.00%	18.17%	30.00%	35.81%	21.67%	0.00%

Source: Consumer loan sample; 2010 US Census data

**Borrower Distribution of Home Mortgage Loans**

The borrower distribution of home purchase and home refinance loans to borrowers of different incomes exceeded the standards for satisfactory performance when compared to aggregate lending data and AA demographics, in the IL Non-MSA AA. The bank’s lending to low-income borrowers exceeded the standards of satisfactory performance for home purchase loans and met the standards for satisfactory performance for home refinance loans. The bank’s lending to moderate-income borrowers exceeded the standards for satisfactory performance for both home purchase and home refinance loans, as both significantly exceeded the percent of moderate-income families in the AA.

<b>Borrower Distribution of Home Mortgage Loans in Illinois Non-MSA AA</b>					
<b>Borrower Income Level</b>	<b>% Total Thrift Loans</b>		<b>% of Loans by AA Lenders</b>		<b>% of AA Families by Income Level</b>
	<b>Purchase</b>	<b>Refinance</b>	<b>Purchase</b>	<b>Refinance</b>	
Loan Type					
Low	28.36%	5.56%	9.95%	6.51%	24.51%
Moderate	37.31%	38.89%	28.34%	19.35%	20.74%
Middle	23.88%	38.89%	29.09%	26.25%	21.98%
Upper	10.45%	16.67%	32.62%	47.89%	32.77%

Source: Data reported under 2014-2015 HMDA; 2014 Peer Mortgage Data; 2010 US Census Data

**Geographic Distribution of Loans**

The geographic distribution of loans met the standards for satisfactory performance in the Illinois Non-MSA AA.

**Geographic Distribution of Consumer Loans**

The geographic distribution of consumer loans in the IL Non-MSA AA met the standards for satisfactory performance. The bank made no consumer loans in low-income CTs; however, there was only one low-income CT in the AA, with 539 households. The bank’s lending in moderate-income CTs met the standards for satisfactory performance. Additionally, 18 of the 60 loans sampled were made in distressed or underserved middle-income CTs.

<b>Geographic Distribution of Consumer Loans in Illinois Non-MSA AA</b>								
<b>Census Tract Income Level</b>	<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
	<b>% of AA Households</b>	<b>% of Number of Loans</b>	<b>% of AA Households</b>	<b>% of Number of Loans</b>	<b>% of AA Households</b>	<b>% of Number of Loans</b>	<b>% of AA Households</b>	<b>% of Number of Loans</b>
<b>% of Total</b>	1.04%	0.00%	36.33%	35.00%	60.05%	63.33%	2.57%	1.67%

Source: Consumer loan sample; 2010 US Census data

**Geographic Distribution of Home Mortgage Loans**

The geographic distribution of home purchase and home refinance loans exceeded the standards for satisfactory performance in the IL Non-MSA AA. The bank did not make any home purchase or refinance loans in the low-income CT in the AA. The bank met the standards for satisfactory performance, given that less than 200 owner-occupied housing units in the AA were located in the low-income CT. The bank’s percentage of home purchase loans in moderate-income CTs exceeded the standards for satisfactory performance. The percentage of home refinance loans in moderate-income CTs exceeded that of other AA lenders and was similar to to the percent of owner-occupied housing units, and exceeded the standards for satisfactory performance.

<b>Geographic Distribution of Home Mortgage Loans in Illinois Non-MSA AA</b>					
<b>Census Tract Income Level</b>	<b>% Total Thrift Loans</b>		<b>% of Loans by AA Lenders</b>		<b>% of AA Owner Occupied Housing Units</b>
	<b>Purchase</b>	<b>Refinance</b>	<b>Purchase</b>	<b>Refinance</b>	
<b>Loan Type</b>	<b>Purchase</b>	<b>Refinance</b>	<b>Purchase</b>	<b>Refinance</b>	
Low	0.00%	0.00%	0.41%	0.00%	0.46%
Moderate	58.21%	35.00%	32.76%	27.27%	34.74%
Middle	37.31%	65.00%	59.21%	68.01%	61.91%
Upper	4.48%	0.00%	7.63%	4.71%	2.89%

Source: Data reported under 2014-2015 HMDA; 2014 Peer Mortgage Data; 2010 US Census Data

**Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank’s performance under the lending test in the Carbondale MSA AA consistent with the bank’s excellent performance under the borrower distribution lending test and the satisfactory performance in the geographic distribution in the IL NonMSA AA. The bank originated 27.8 and 25.0 percent of consumer loans to low- and moderate-income borrowers, respectively, in the Carbondale AA. Low- and moderate-income households represented 27.6 and 13.6 percent of the population, respectively, in the AA. The bank originated 2.8 percent of of consumer loans in the AA in low-income CTs and 5.6 percent in moderate-income CTs. The percent of households located in low- and moderate-income CTs was 3.2 and 26.6 percent, respectively.

**COMMUNITY DEVELOPMENT TEST**

The bank’s performance under the Community Development test in Illinois is rated Needs to Improve. The bank’s community development performance demonstrated weak responsiveness to the community development needs of its AAs through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities.

**Number and Amount of Community Development Loans**

The banks community development lending in the IL Non-MSA AA was weak. The bank did not originate any CD loans during the evaluation period.

**Number and Amount of Qualified Investments**

MidCountry’s qualified investments in the IL Non-MSA AA of the state was weak in relation to the bank’s capacity, identified area needs, and available investment opportunities. The bank made fourteen donations during the evaluation period, totaling approximately \$200,000, in the IL Non-MSA AA. Some of these include:

- One investment totaling over \$192,000 to provide funding for LMI first-time homebuyers.
- Two donations totaling \$3,000 to an organization focused on providing social services to LMI individuals.
- Three charitable donations totaling approximately \$800 to an emergency shelter.

### **Extent to Which the Bank Provides Community Development Services**

MidCountry provided an excellent amount of community development services in the IL Non-MSA AA. During the evaluation period, employees provided services to six different organizations that focused on community development. Ten of the employees that provided services during the evaluation period served in a leadership capacity. Many of the services included providing financial expertise to organizations promoting economic development.

### **Responsiveness to Community Development Needs**

MidCountry's community development investments, services and loans reflected weak responsiveness to the community development needs of the IL Non-MSA AA.

### **Performance in Limited-Scope Assessment Areas in the State of Illinois**

Based on a limited-scope review, the bank's performance in the Carbondale MSA AA was stronger than the overall weak performance for the Community Development Test in the IL Non-MSA AA. In the Carbondale MSA AA, the bank provided two community development services that promoted financial literacy to LMI individuals, six investments totaling over \$314,000, and one CD loan totaling \$1.25 million.

**State of Minnesota**

**CRA Rating for Minnesota: Satisfactory**

**The Lending Test is rated: Outstanding**

**The Community Development Test is rated: Satisfactory**

The major factors that support the overall rating for Minnesota include:

- The bank’s lending among businesses of different sizes and borrowers of different income levels exceeded the standards of satisfactory performance;
- The bank’s distribution of loans among low- and moderate-income geographies met the standards for satisfactory performance; and,
- The bank’s community development performance demonstrated an adequate responsiveness to the community development needs of the AA.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN MINNESOTA**

MidCountry has three AA’s in Minnesota. Two, the Minneapolis MSA and MN Non-MSA AAs, are located in central Minnesota, and one, the St. Cloud MSA, is just north of the Minneapolis MSA. The AAs are further detailed below.

Minneapolis MSA

Demographic Information for Full-Scope Area: Minneapolis MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	743	8.48	19.92	43.20	27.86	0.54
Population by Geography	3,104,089	6.58	17.22	45.81	30.26	0.12
Owner-Occupied Housing by Geography	866,732	2.63	14.18	49.24	33.95	0.00
Business by Geography	245,772	4.72	15.58	45.03	34.64	0.02
Farms by Geography	7,296	1.23	13.97	54.89	29.91	0.00
Family Distribution by Income Level	772,116	19.08	17.52	23.09	40.31	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	282,547	10.80	25.40	46.30	17.50	0.00
Median Family Income		79,301	Median Housing Value		255,176	
FFIEC Estimated Median Family Income for 2015		85,700	Unemployment Rate (2010 US Census)		3.71%	
Households Below Poverty Level		9%				

(\* ) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2015 FFIEC Estimated MFI

The Minneapolis-St. Paul-Bloomington MN-WI MSA (Minneapolis MSA) consists of Anoka, Carver, Dakota, Hennepin, Mille Lacs, Ramsey, Scott, Sherburne, Sibley,

Washington, and Wright counties. The Minneapolis AA included 63 low-income CTs, 148 moderate-income, 321 middle-income, 207 upper-income, and four CTs not assigned an income classification. The bank had eight branches and seven deposit-taking ATMs within the AA.

The bank offered a full range of commercial and consumer loan and deposit products and services in the AA. As of June 30, 2015, MidCountry's deposits in the AA totaled \$214.2 million, or 0.13 percent of total market share. According to the FDIC Market Share report, the bank ranked 37, out of 138, in deposit market share. The top five institutions, for deposit market share in the AA, were Wells Fargo Bank, US Bank, TCF National Bank, BMO Harris Bank, and Bremer Bank. These five institutions accounted for 86.55 percent of the deposits in the AA.

The economic condition of the Minneapolis MSA was stable. The Minneapolis MSA's labor market expanded on pace with the rest of the nation and was a leader in the Midwest. Job growth in 2015 was 1.9 percent, similar to the prior five years. The 2015 annual average unemployment rate was 3.7 percent, a decrease from 2011 when it was 6.7 percent. The leisure/hospitality and business/professional industries created the most jobs in 2015. The top five employers in the AAs were Target Corporation, Allina Health System, the University of Minnesota, HealthPartners, and Fairview Health System.

Real estate demand grew quickly. Single-family homes were spending less time on the market. Increased demand and limited supply led to more home construction. Commercial construction also strengthened. Many firms were expanding their offices and new businesses were opening.

Two community contacts were conducted in the AA. One organization supported affordable housing in the AA and one focused on economic development. The contacts noted a need for mixed-income development financing and affordable housing in the AA.

#### MN Non-MSA

The MN Non-MSA AA encompasses all of McLeod and Meeker counties. The AA was comprised of 10 middle-income and three upper-income CTs, there were no low- or moderate-income CTs in the AA. MidCountry had four branches and four deposit-taking ATMs within the AA.

Demographic Information for Limited-Scope Area: MN Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	13	0.00	0.00	76.92	23.08	0.00
Population by Geography	59,951	0.00	0.00	72.29	27.71	0.00
Owner-Occupied Housing by Geography	19,254	0.00	0.00	72.54	27.46	0.00
Business by Geography	4,170	0.00	0.00	72.11	27.89	0.00
Farms by Geography	889	0.00	0.00	69.40	30.60	0.00
Family Distribution by Income Level	16,986	13.25	16.11	24.74	45.90	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	4,986	0.00	0.00	79.62	20.38	0.00
Median Family Income		57,683	Median Housing Value			173,685
FFIEC Estimated Median Family Income for 2015		63,600	Unemployment Rate			3.19%
Households Below Poverty Level		8%	(2010 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census and 2015 FFIEC Estimated MFI

The bank offered a full range of commercial and consumer loan and deposit products and services. As of June 30, 2015, MidCountry’s deposits in the AA totaled \$131.4 million, or 10.68 percent. According to the FDIC Market Share Report, MidCountry was ranked fifth, out of 12, in deposit market share. The four institutions ranked above MidCountry in deposit market share were Security Bank & Trust, Wells Fargo Bank, Citizens Bank & Trust Co., and Center National Bank. These four institutions accounted for 62.85 percent of deposits in the AA.

Economic conditions in the area improved during the review period. According to the Bureau of Labor Statistics, the 2015 annual average unemployment rate was 4.1 percent. This is a decline from 2011, when unemployment rates were 7.8 percent. The April 2016 unemployment rates for both counties were below the statewide average of 6.6 percent. The percentage of families living below the poverty level based on the 2010 US Census is relatively low.

One community contact was conducted for this AA. The contact represented a community development organization. The contact noted a need for affordable housing in the AA and also noted that there was a need for more banks to participate in government lending programs.

St. Cloud MSA

The St. Cloud MSA consists of Benton and Stearns counties. There were no low-income CTs, six moderate-income CTs, 29 middle-income tracts, and three upper-income tracts. MidCountry had one branch and one deposit-taking ATM in the AA.

Demographic Information for Limited-Scope Area: St Cloud MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	38	0.00	15.79	76.32	7.89	0.00
Population by Geography	189,093	0.00	16.74	74.67	8.60	0.00
Owner-Occupied Housing by Geography	51,701	0.00	12.52	79.97	7.51	0.00
Business by Geography	13,883	0.00	18.25	72.96	8.79	0.00
Farms by Geography	1,784	0.00	12.16	86.10	1.74	0.00
Family Distribution by Income Level	46,838	19.07	17.04	26.14	37.74	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	16,916	0.00	19.53	77.27	3.20	0.00
Median Family Income FFIEC Estimated Median Family Income for 2015 Households Below Poverty Level		64,993 73,200 13%	Median Housing Value Unemployment Rate (2010 US Census)		176,880 3.82%	

(\* ) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2015 FFIEC Estimated MFI

The bank offered a full range of commercial and consumer loan and deposit products and services. As of June 30, 2015, MidCountry’s deposits in the AA totaled \$31.0 million, or 0.69 percent of the total market share. The amount of competition in the AA was high. According to the FDIC Market Share Report, MidCountry was ranked 28, out of 32, in deposit market share. The top five institutions, for deposit market share, were Stearns Bank, Bremer Bank, Wells Fargo Bank, US Bank, and Plaza Park State Bank. These five institutions accounted for 56.25 percent of deposits in the AA.

Job growth increased after a slow first half of 2015. The education and healthcare industries saw the most job growth. The 2015 annual average unemployment rate was 4.0 percent, down from 7.0 percent in 2011. The top five employers in the AA were CentraCare Health System, Coburn’s Inc., Veteran Affairs Medical Center, Electrolux Home Products, and St. John’s University. There was a strong demand for housing in the AA. With housing becoming more affordable, households were choosing to buy instead of rent. This caused an increase in vacancies in multifamily housing units.

Two community contacts were conducted in the AA. The agencies represented affordable housing and small businesses. The contacts noted a need for construction and permanent financing for multi- and single-family housing, for-profit business lending, and lines of credit for both for-profit and non-profit organizations.

### Scope of Evaluation in Minnesota

The Minneapolis MSA AA received a full-scope review, while the MN Non-MSA and St. Cloud MSA AAs received limited-scope reviews. The Minnesota state rating was based primarily on results of the area that received a full-scope review.

The Minneapolis MSA AA was weighted most heavily in arriving at the overall conclusions, as the bank’s largest market share for loans and deposits was concentrated in this area. Of the bank’s deposit activity in Minnesota, 57 percent was generated out of the Minneapolis MSA AA. The MN Non-MSA AA held 35 percent of deposits in the state, with the remaining eight percent in the St. Cloud MSA AA. Similarly, of the bank’s lending activity in Minnesota, 72 percent of loans by number and 81 percent of loans by dollar were originated within the Minneapolis MSA AA.

Within the Minneapolis MSA AA, home mortgage purchase loans represented the largest volume of lending by number of loans and received the most weight in the Minnesota Lending Test rating. Home mortgage refinance loans had the second largest volume, followed by business loans.

<b>Primary Product Loans in the Minneapolis MSA AA</b>				
Type of Loan	Number of Loans		Dollars of Loans (000's)	
	#	%	\$	%
Commercial	204	14.56%	\$252,573	53.09%
HMDA Purchase	942	67.24%	\$167,626	35.23%
HMDA Refinance	255	18.20%	\$55,584	11.68%
Totals	1401	100.00%	\$475,783	100.00%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA**

MidCountry’s CRA performance in Minnesota is rated Satisfactory. The bank’s performance was Outstanding under the Lending Test and Satisfactory under the Community Development Test.

**LENDING TEST**

The bank’s performance under the Lending Test in Minnesota is rated Outstanding. The bank’s lending among businesses of different sizes and borrowers of different income levels exceeded the standards for satisfactory performance. The bank’s distribution of commercial and residential mortgage loans among low- and moderate-income geographies met the standards of satisfactory performance.

**Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

The borrower distribution of loans to borrowers of different incomes and businesses of different sizes in the Minneapolis MSA AA exceeded the standards for satisfactory performance.

**Borrower Distribution of Business Loans**

The borrower distribution of business loans in the Minneapolis MSA AA exceeded the standards for satisfactory performance. The bank’s performance exceeded the aggregate peer group in both the number and dollar volume of loans to borrowers with revenues less than or equal to \$1.0 million.

<b>Borrower Distribution to Businesses in Minneapolis MSA AA</b>				
<b>Business Revenues</b>	<b>&lt;= \$1,000,000</b>	<b>&gt; \$1,000,000</b>	<b>Unavailable</b>	<b>Total</b>
% of AA Businesses	72.55%	4.27%	23.18%	100.00%
% of Loans by AA Lenders	48.47%	51.53%	0.00%	100.00%
% of Bank Loans in AA by #	77.78%	22.22%	0.00%	100.00%
% of Bank Loans in AA by \$	79.32%	20.68%	0.00%	100.00%

Source: OCC Loan Sample; 2014 Peer Small Business Data; 2010 US Census Data

**Borrower Distribution of Home Mortgage Loans**

The borrower distribution of home mortgage loans exceeded the standards of satisfactory performance among individuals of different income levels when compared to aggregate lending data and the AA demographics in the Minneapolis MSA AA. The bank’s lending to low-income borrowers exceeded the standards of satisfactory performance for home purchase loans and met the standards of satisfactory performance for home refinance loans. The bank’s lending to moderate-income borrowers exceeded the standards of satisfactory performance for home purchase loans and met the standards of satisfactory performance for home refinance loans.

<b>Borrower Distribution of Home Mortgage Loans in Minneapolis MSA AA</b>					
<b>Borrower Income Level</b>	<b>% Total Thrift Loans</b>		<b>% of Loans by AA Lenders</b>		<b>% of AA Families by Income Level</b>
	<b>Purchase</b>	<b>Refinance</b>	<b>Purchase</b>	<b>Refinance</b>	
Low	23.71%	7.05%	12.41%	10.02%	19.08%
Moderate	42.27%	19.09%	28.08%	22.33%	17.52%
Middle	20.06%	28.63%	24.69%	26.44%	23.09%
Upper	13.95%	45.23%	34.81%	41.21%	40.31%

Source: Data reported under 2014-2015 HMDA; 2014 Peer Mortgage Data; 2010 US Census Data

**Geographic Distribution of Loans**

The bank’s geographic distribution of loans met the standards of satisfactory performance in the Minneapolis MSA AA.

### Geographic Distribution of Business Loans

The geographic distribution of business loans met the standards of satisfactory performance in the Minneapolis MSA AA. The bank’s performance in both low- and moderate-income CTs met the standards of satisfactory performance when compared to other AA lenders and the percent of businesses in those CTs.

<b>Geographic Distribution to Businesses in Minneapolis MSA AA</b>				
<b>Census Tract Income Level</b>	<b>Low</b>	<b>Moderate</b>	<b>Middle</b>	<b>Upper</b>
% of AA Businesses	4.72%	15.58%	45.03%	34.64%
% of Loans by AA Lenders	3.67%	14.36%	43.74%	38.23%
% of Number of Bank Loans	5.56%	11.11%	50.00%	33.33%

Source: OCC Loan Sample; 2014 Peer Small Business Data; 2010 US Census Data

### Geographic Distribution of Home Mortgage Loans

The geographic distribution of home mortgage loans exceeded the standards of satisfactory performance in the Minneapolis MSA AA. The bank’s percentage of home purchase and refinance loans in low-income CTs was similar to that of other AA lenders and to the percent of owner-occupied housing units, and met the standards of satisfactory performance. The bank’s percentage of home purchase loans in moderate-income CTs exceeded the standards of satisfactory performance when compared to the percentage of loans made by other AA lenders and the percent of owner-occupied housing units. The bank’s percentage of home refinance loans met the standards of satisfactory performance.

<b>Geographic Distribution of Home Mortgage Loans in Minneapolis MSA AA</b>					
<b>Census Tract Income Level</b>	<b>% Total Thrift Loans</b>		<b>% of Loans by AA Lenders</b>		<b>% of AA Owner Occupied Housing Units</b>
	<b>Purchase</b>	<b>Refinance</b>	<b>Purchase</b>	<b>Refinance</b>	
Loan Type					
Low	5.66%	3.54%	2.75%	2.19%	2.63%
Moderate	22.09%	11.02%	13.67%	11.94%	14.18%
Middle	50.37%	48.82%	48.69%	48.28%	49.24%
Upper	21.88%	36.61%	34.90%	37.59%	33.95%

Source: Data reported under 2014-2015 HMDA; 2014 Peer Mortgage Data; 2010 US Census Data

### Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope reviews, the bank’s performance under the Lending Test in the MN Non-MSA AA and the St. Cloud MSA AAs was consistent with the bank’s overall outstanding performance under the lending test in the Minneapolis MSA.

In the MN NonMSA AA, the bank originated 15.0 percent of consumer loans to low-income borrowers, compared to 16.8 percent of low-income households located within the AA. The bank originated 45 percent of consumer loans to moderate-income households, with moderate-income households representing 14.7 percent of households in the AA. The bank originated 83.6 percent of loans to farms with revenues of \$1.0 million or less. Farms of this size represent 98.7 percent of all farms in the AA. There were no LMI CTs in the AA, so no geographic distribution analysis was completed.

In the St. Cloud MSA, the bank originated 30.0 and 10.0 percent of consumer loans to low- and moderate-income borrowers, respectively. Low- and moderate-income households represented 23.0 and 16.9 percent of households in the AA. The bank originated 45.0 percent of the loans with moderate-income CTs in the AA with 19.4 percent of households located in these CTs. There were no low-income CTs in the AA.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the Community Development test in Minnesota is rated Satisfactory. The bank's community development performance demonstrated adequate responsiveness to the community development needs of its AAs through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities.

### **Number and Amount of Community Development Loans**

The bank's community development lending in the Minneapolis MSA AA was adequate. The bank originated eleven CD loans in the Minneapolis MSA AA during the evaluation period totaling approximately \$31 million. Some of these included:

- One \$4 million dollar loan to an organization providing community services to low-income individuals.
- One \$4 million dollar loan to an organization located in a low-income CT providing food and health services to LMI individuals.
- One \$8 million dollar loan to a pharmacy in a middle-income CT, which borders two moderate-income CTs.

### **Number and Amount of Qualified Investments**

MidCountry's qualified investments in the Minneapolis MSA AA was weak in relation to the bank's capacity, identified area needs and available investment opportunities.

Midcounty made thirteen donations during the evaluation period totaling approximately \$264 thousand dollars. Some of these donations included:

- One donation of \$210,000 to an organization focused on providing academic services to low-income at-risk youth.
- One charitable donation totaling \$10,000 promoting social services for LMI individuals by providing food to a local food bank.

### **Extent to Which the Bank Provides Community Development Services**

MidCountry provided an adequate amount of community development services in the Minneapolis MSA AA. During the evaluation period, employees provided services to twelve different community development organizations. Eleven of the employees that provided services during the evaluation period served in a leadership capacity. Many of the services included providing financial expertise to affordable housing organizations and social services to LMI.

### **Responsiveness to Community Development Needs**

Midcounty's community development investments, services and loans reflected adequate responsiveness to the community development needs of the Minneapolis MSA AA.

### **Performance in Limited-Scope Assessment Areas of the State of Minnesota**

Based on a limited-scope review, the bank's performance in the St. Cloud MSA and MN Non-MSA AAs was weaker than the overall adequate performance in the Minneapolis MSA AA. The bank provided four community development services that promoted financial literacy to LMI individuals, economic development, and affordable housing. The bank did not originate any CD loans in the AAs and made one donation, totaling \$250.

**State of Nevada**

**CRA Rating for Nevada: Satisfactory**

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Satisfactory**

The major factors that support the overall rating for Nevada include:

- The distribution of consumer loans among borrowers of different income levels in the Nevada AA met the standards of satisfactory performance; and,
- The geographic distribution of consumer loans in low- and moderate-income geographies met the standards of satisfactory performance.
- The bank’s community development performance demonstrated adequate responsiveness to the community development needs of the AA, considering the bank’s limited operations in the AA.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN NEVADA**

MidCountry had one AA, the Las Vegas MSA, located in the southern most corner of Nevada. The AA is further detailed below.

Las Vegas MSA

Demographic Information for Full-scope Area: Las Vegas-Paradise MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	487	5.75	23.20	41.27	29.77	0.00
Population by Geography	1,951,269	5.29	22.78	42.19	29.74	0.00
Owner-Occupied Housing by Geography	405,047	1.74	15.53	45.66	37.07	0.00
Business by Geography	98,521	4.92	21.14	42.34	31.59	0.00
Farms by Geography	1,587	2.33	18.27	43.86	35.54	0.00
Family Distribution by Income Level	457,592	20.10	18.02	22.00	39.88	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	174,412	9.69	33.02	40.10	17.20	0.00
Median Family Income HUD Adjusted Median Family Income for 2015 Households Below Poverty Level		63,888 58,000 10%	Median Housing Value Unemployment Rate (2010 US Census)		253,307 4.62%	

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2015 HUD updated MFI

The Las Vegas MSA consists of Clark County. The AA includes 28 low-income census tracts, 113 moderate-income census tracts, 201 middle-income census tracts, and 145 upper-income census tracts. MidCountry has one branch and one automated teller machines located in this AA.

The bank offered a full range of commercial and consumer loan and deposit products and services; however, their primary focus in the area was consumer loans to military personnel. As of June 30, 2015, MidCountry's deposits in the AA totaled \$9.3 million, or 0.02 percent of the total market share. According to the FDIC Deposit Market Share report, MidCountry ranked 32 in deposit market share, out of 38 institutions. The five institutions with the largest market share include Wells Fargo Bank, Bank of America, Citibank, Western Alliance Bank, and US Bank. These institutions accounted for 75.26 percent of deposits in the AA.

Economic conditions in the area were stable. Las Vegas is the largest city in Nevada and continues to grow. Leisure and hospitality services were the largest industries in the Las Vegas area given the millions of national and international visitors. Large employers in the AA include Station Casinos Inc., Nellis Air Force Base, Boyd Gaming Corp., Las Vegas Sands Corp., Wynn Las Vegas LLC, MGM Resorts International, and Bellagio LLC. According to the US Bureau of Labor Statistics, the 2015 unemployment rate for Clark County was 6.2 percent. The unemployment rate of Clark County was lower than the 6.7 percent unemployment rate in Nevada, but higher than the 5.3 percent national average.

One community contact was conducted in the AA. The organization supported community services. The contact noted a high rate of foreclosures remaining from the economic downturn. Support for first time homebuyer programs and financial literacy were identified as needs in the AA.

## **SCOPE OF EVALUATION IN NEVADA**

The Las Vegas MSA received a full-scope review. The Nevada state rating is based solely on the results of the full-scope review. The bank originated only consumer loans in the Las Vegas MSA AA.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEVADA**

MidCountry's CRA performance in Nevada is rated Satisfactory. The bank's performance was Satisfactory under the Lending Test and Satisfactory under the Community Development Test.

## LENDING TEST

The bank’s performance under the Lending Test in Nevada is rated Satisfactory. The bank met the standards of satisfactory performance for lending to borrowers of different income levels and met the standards of satisfactory performance for lending in low- and moderate-income geographies in Nevada.

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans among borrowers of different income levels in the Las Vegas MSA AA met the standards of satisfactory performance.

### Consumer Loans

The distribution of consumer loans among borrowers of different income levels, given the demographics of the AA, met the standards of satisfactory performance. The bank’s lending to low-income individuals met the standards of satisfactory performance, considering the disproportionate impact of households below the poverty level on low-income lending opportunities.. The bank’s lending to moderate-income individuals exceeded the standards of satisfactory performance when compared to the percent of moderate-income households in the AA.

<b>Borrower Distribution of Consumer Loans in Las Vegas MSA AA</b>									
<b>Borrower Income Level</b>	<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>		<b>Unavailable</b>
	<b>% of AA Households</b>	<b>% of Number of Loans</b>	<b>% of AA Households</b>	<b>% of Number of Loans</b>	<b>% of AA Households</b>	<b>% of Number of Loans</b>	<b>% of AA Households</b>	<b>% of Number of Loans</b>	<b>% of Number of Loans</b>
<b>% of Total</b>	21.70%	13.33%	17.61%	43.33%	19.78%	33.33%	40.91%	10.00%	0.00%

Source: Consumer Loan Sample; 2010 US Census Data

### Geographic Distribution of Loans

The geographic distribution of loans met the standards of satisfactory performance in the Las Vegas MSA AA.

### Consumer Loans

The geographic distribution of consumer loans throughout low- and moderate-income CTs met the standards of satisfactory performance. The bank’s lending in low- income CTs did not meet the standards of satisfactory performance. The bank’s lending

performance exceeded the standards of satisfactory performance in moderate-income CTs.

Geographic Distribution of Consumer Loans in Las Vegas MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	5.52%	0.00%	22.93%	28.33%	42.95%	43.33%	28.60%	28.33%

Source: Consumer Loan Sample; 2010 US Census Data

## COMMUNITY DEVELOPMENT TEST

The bank’s performance under the Community Development test in Nevada is rated Satisfactory. The bank’s community development performance demonstrated adequate responsiveness to the community development needs of its AA through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development.

### Number and Amount of Community Development Loans

The banks community development lending in the Las Vegas MSA AA was weak. The bank did not originate any CD loans during the evaluation period.

### Number and Amount of Qualified Investments

MidCountry’s qualified investments in the Las Vegas MSA AA was excellent in relation to the bank’s capacity, identified area needs and available investment opportunities. Midcounty made four investments during the evaluation period totaling over \$500,000. These included:

- One investment totaling \$500,000 providing funding for an affordable multi-family rental project.
- Three charitable donations totaling approximately \$4,500 to provide food for LMI individuals to a local food bank.

### **Extent to Which the Bank Provides Community Development Services**

MidCountry provided no community development services in the Las Vegas MSA AA. During the evaluation period, no employees provided services to any community development organizations. However, the performance is considered adequate because of the small size of the only branch in the AA.

### **Responsiveness to Community Development Needs**

Midcountry's community development investments, services and loans reflect adequate responsiveness to the community development needs in the Las Vegas MSA AA. Although overall community development performance was limited, activity was targeted to investments the bank identified as responsive to community needs, consistent with the limited operations in the AA.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test: 01/01/2014 to 12/31/2015 Community Development Test: 01/01/2011 to 12/31/2015	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
MidCountry Bank (MidCountry or Bank) Marion, IL	Commercial, Consumer, Residential Real Estate	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Illinois: Illinois Non-MSA Carbondale-Marion IL MSA	Full-Scope Limited-Scope	99999 16060
Minnesota: Minneapolis MSA St. Cloud MSA Minnesota Non-MSA	Full-Scope Limited-Scope Limited-Scope	33460 41060 99999
Nevada: Las Vegas-Paradise MSA	Full-Scope	29820

## Appendix B: Summary of State Ratings

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Overall Bank:	Lending Test Rating	Community Development Test Rating	Overall Bank/State/Multistate Rating
MidCountry Bank	Satisfactory	Satisfactory	Satisfactory
Illinois	Satisfactory	Needs to Improve	Needs to Improve
Minnesota	Outstanding	Satisfactory	Satisfactory
Nevada	Satisfactory	Satisfactory	Satisfactory