



# INTERMEDIATE SMALL BANK

---

Comptroller of the Currency  
Administrator of National Banks

---

Washington, DC 20219

## PUBLIC DISCLOSURE

December 8, 2011

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Mountain West Bank, National Association  
Charter Number 22141

1225 Cedar Street  
Helena, MT 59601

Office of the Comptroller of the Currency

Salt Lake City  
2795 East Cottonwood Parkway, Suite 390  
Salt Lake City, UT 84121-7036

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.

## 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 **Mountain West Bank, National Association, (MWB)** prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency. The agency rates the CRA performance of an institution consistent with the provisions set forth in 12 CFR § Part 25 Appendix A.

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

**The Lending Test is rated: "Satisfactory".**

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

The major factors supporting the institution's rating are as follows:

- The distribution of loans by revenue and income levels reflects reasonable penetration among businesses of different sizes and to individuals of different income levels.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas (AAs.)
- MWB's loan-to-deposit ratio is more than reasonable given the financial institution's size, financial condition, and the AAs' credit needs.
- A substantial majority of the bank's loan originations are made within its AAs.
- The bank's community development performance demonstrates satisfactory responsiveness to community development needs in its AAs through qualified investments and community development services.

## SCOPE OF EXAMINATION

The Community Reinvestment Act (CRA) Evaluation process determines the bank's record of meeting the credit needs of its communities. We evaluated MWB's performance under the Lending and Community Development Tests. In evaluating the bank's lending performance, we reviewed lending data for the bank's two primary loan products: commercial real estate and home mortgage loans. As of September 30, 2011

commercial real estate and residential real estate loans represented 63 and 18 percent of total loans by dollar volume, respectively. For demographic comparisons, we used Dunn and Bradstreet data for business loans and Home Mortgage Data (HMDA) for home purchase home the mortgage loans. The Community Development Test consisted of a review of the bank's community development loans, investments and services activities that originated or occurred during the evaluation.

The evaluated period for the Lending Test is August 19, 2008 to September 30, 2011. For loan sampling purposes, we selected loans originated January 1, 2009 to September 30, 2011. We conducted a data integrity exam and reviewed a sample of 99 commercial loans and 137 home mortgage loans to assess the bank's lending performance. For the Community Development Test, we only used those that met the regulatory definition for community development in our analysis. The evaluation period for the Community Development Test is August 19, 2008 to December 8, 2011. The CRA evaluation also included contacting local community organizations in the AAs to assess the willingness of financial institutions to help meet the credit needs of their communities.

We revised the bank's assessment areas (AAs) for CRA evaluation purposes due to differences in the income levels of individuals and revenue of businesses in non-Metropolitan Statistical Area (non MSA) vs. Metropolitan Statistical Areas (MSA). The resulting AAs consisted of combining all non MSA areas with the Helena AA and separating the Great Falls and the Missoula MSAs into separate AAs. Review the Description of Assessment Areas for additional details.

For assigning the CRA rating, we primarily based the rating on the bank's performance in the Helena non MSA AA due to the significant volume of loans and deposits represented by this AA. Using financial information as of September 30, 2011, the Helena non MSA AA presents 78.5 percent of the bank's loans by dollar volume and 85.9 percent of deposits. The Great Falls and Missoula MSA AAs represent 10.7 and 10.8 percent of loans by dollar volume and 5.9 and 8.2 percent of the bank's deposits, respectively.

## **DESCRIPTION OF INSTITUTION**

MWB is a full-service financial institution headquartered in Helena, Montana. Mountain West Financial Corp. owns 100 percent of the bank and is also headquartered in Helena, Montana. The bank offers a full range of credit products within its AAs including consumer, commercial, and real estate loan products. The bank's primary lending focus is on commercial real estate, small business lending, and home loans. MWB sells most of the home loans it originates to secondary market investors. MWB operates 9 full service branches offering various loan and deposit products, 1 loan production office, 2 limited branches offering only manned teller services, 12 on-site and 4 off-site automated teller machines (ATMs). In addition, the bank opened 2 temporary limited-service locations in Helena and Bozeman which are opened one to two days per

week for 30 to 90 minutes depending on the location. Branch closures/changes were as follows: The Board closed the Great Falls limited-service branch (Cambridge Court); downsized the Whitefish branch to a manned teller facility; and converted the Broadway teller facility in Missoula to an ATM facility.

As of September 30, 2011, MWB reported total assets of \$667 million, total loans of \$458 million, total deposits of \$570 million and Tier I Capital of \$68 million. The loan portfolio by dollar volume composition is as follows: 63 percent commercial real estate, 14 percent general commercial, 18 percent residential real estate, 3 percent instalment loans and 2 percent agricultural related loans.

MWB received a Satisfactory rating at its last CRA Performance Evaluation with an examination date of August 18, 2008. There are no legal, financial, regulatory, or other factors impeding the bank's ability to meet the credit needs of its AA(s).

## **DESCRIPTION OF ASSESSMENT AREAS**

The bank has three AA(s) for CRA Evaluation purposes. Each meets the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income areas. We contacted two community organizations during the evaluation. The contacts stated primary credit needs consist of loans for small businesses and affordable housing programs. The contacts indicated local financial institutions were active in meeting the credit needs of their communities. The primary trade for each AA is approximately 47 percent services and 13 percent retail.

### ***Helena non MSA AA***

The Helena non MSA AA consists of 51 census with the following income designations: zero low-income, two moderate-income, 31 middle-income, and 18 upper-income within the counties of Lewis & Clark, the western portion of Broadwater County (census tract 1.00), the northern part of Jefferson County (census tracts 9822.01 and 9822.02); all census tracts within Gallatin County (Bozeman), the western portion of Park County (census tract 3.00 and 4.00); all census tracts within Flathead County (Kalispell), the northeastern portion of Lincoln County (census tract 4.00), the northern portion of Lake County (census tracts 9403.01 and 9403.03); the southern portion of Teton County (census tracts 2.00 and 3.00); and the southwestern portion of Chouteau County (census tract 102.00).

MWB operates seven full-service branches, one limited service mobile office branch, and 11 ATMs. The bank also operates two temporary limited-service locations one in Helena and one Bozeman which are opened one to two days per week. The bank's branch in Polson is in a distressed middle-income census tract (census tract 9403 in Lake County) due to the area poverty level. National financial institution affiliates, as well as affiliates of bank holding companies based in Montana provide strong banking competition. Of the 36 financial institutions with offices in the AA, the Federal Deposit

Insurance Corporation's (FDIC) Summary of Deposits Report for June 30, 2011, shows MWB ranking fifth with a deposit market share of 6.16 percent. Helena is Montana's state capital city. The largest employer in the AA is the State of Montana. Based on 2000 U.S. Census data, the total population of the Helena AA was 236,330. The unemployment rate as of November 2011 was at 7.5 percent which is higher than the state average of 7.1 percent but lower than the national average of 8.7 percent. The updated HUD median family income for the AA is \$54,200. Approximately 12.5 percent of the households live below the poverty level.

### ***Great Falls MSA AA***

The Great Falls MSA AA consists of all of Cascade County. The AA includes 23 census tracts of which, one is low-income, five moderate-income, 15 middle-income, and two upper-income. MWB operates two branches and two ATMs in this AA. National financial institution affiliates provide most of the competition. Of the 10 financial institutions with offices in the AA, the FDIC Summary of Deposits Report for June 30, 2011 shows MWB ranking fourth with a deposit market share of 19.49 percent. Major employers are Malmstrom Air Force Base, Benefits Health Care Center, Montana Air National Guard, and the Great Falls Clinic. Based on 2000 U.S. Census data, the total population of the Great Falls MSA was 80,357. The unemployment rate as of November 2011 was at 5.6 percent which is lower than both the state and national averages of 7.1 and 8.7 percent, respectively. The updated HUD median family income for the AA is \$55,100. Approximately 13.4 percent of the households live below the poverty level.

### ***Missoula MSA AA***

The Missoula MSA consists of all of Missoula County. The AA includes 19 census tracts of which none are low-income, four moderate-income, 13 are middle-income, and two upper-income. MWB operates two branches and three ATMs in this AA. National financial institution affiliates and locally-based community banks provide most of the banking competition. Of the 14 institutions with offices in the AA, the FDIC Summary of Deposits Report for June 30, 2011 shows MWB ranking sixth with a deposit market share of 4.22 percent. Major employers include St. Patrick's Hospital, University of Montana, Community Medical Center, and Plum Creek Timber Company, Inc. Based on 2000 U.S. Census data, the total population of the Missoula MSA 95,802. The unemployment rate as of November 2011 was at 6.9 percent which is lower than both the state and national averages of 7.1 and 8.7 percent, respectively. The updated HUD median family income for the AA is \$61,400 although 15.5 percent of the households live below the poverty level.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### LENDING TEST

MWB's performance under the Lending Test is satisfactory. We primarily based this assessment on the bank's performance with its commercial real estate portfolio. This portfolio represents 63 percent of total loans. The Lending Test also included a review of the bank's home mortgage portfolio which represents 18 percent of total loans. We weighted our conclusions more toward performance in the Helena non MSA AA. Loans in this AA represent a significant volume of loan originations.

### Loan-to-Deposit Ratio

MWB's quarterly average loan to deposit (LTD) ratio is more than reasonable at 88 percent. We calculated the bank's quarterly average LTD ratio from September 30, 2008 to September 30, 2011. For comparison purposes, we selected eight similar situated financial institutions with offices in MWB's three AAs. The eight financial institutions in general range in asset size from \$43 million to \$437 million although three of the eight have assets greater than \$1 billion. The average LTD for all institutions in the group was 92 percent with an average high LTD ratio of 129 percent and an average low LTD ratio of 64 percent.

### Lending in the Assessment Area(s)

A substantial majority of MWB's loans are inside the bank's three designated AAs. Approximately 90.4 percent by number and 90.7 percent by dollar are inside the AAs.

Lending in the Combined AA(s): Helena non MSA, Great Falls MSA, and Missoula MSA								
Loan Type	Number of Loans				Dollar of Loans			
	Inside		Outside		Inside		Outside	
	#	%	#	%	\$(000)	%	\$(000)	%
<b>Commercial</b>	99	95	5	5	32,594	92	3,012	8
<b>Home Purchase</b>	137	87	20	13	16,599	93	1,240	7
<b>Total</b>	236	90.4%	25	9.6%	49,193	90.7%	5,052	9.3%

Source: Loan Sample January 1, 2009 to September 30, 2011

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

The bank's overall penetration of loans to borrowers of different income levels and to businesses of different sizes is satisfactory.

### Commercial Real Estate Loans

The bank's overall borrower penetration of commercial loans is reasonable.

The table below shows the banks' penetration of commercial loans in the Helena non MSA AA. The bank's performance is slightly below demographic data and represents 73 percent of the stated percentage by number of loans. The table shows the percentage of bank loans in the sample originated to businesses with revenues less than and greater than \$1 million compared to demographic data. The table also shows that 17 percent of the businesses in the AA did not report revenue information.

<b>Borrower Distribution of Loans to Businesses in the Helena non MSA AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	79.15	3.80	17.05	100%
% of Bank Loans in AA by #	57.69	42.31	0.00	100%
% of Bank Loans in AA by \$	58.41	41.59	0.00	100%

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011.

The table below shows the banks' penetration of commercial loans in the Great Falls MSA AA. The bank's performance is slightly below demographic data and represents 72 percent of the stated percentage by number of loans. The table shows the percentage of bank loans in the sample originated to businesses with revenues less than and greater than \$1 million compared to demographic data. The table also shows that 20 percent of the businesses in the AA did not report revenue information.

<b>Borrower Distribution of Loans to Businesses in the Great Falls MSA AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	75.60	4.66	19.73	100%
% of Bank Loans in AA by #	54.55	45.45	0.00	100%
% of Bank Loans in AA by \$	41.67	58.33	0.00	100%

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011.

The table below shows the banks' penetration of commercial loans in the Missoula MSA AA. The bank's performance is slightly below demographic data and represents 83 percent of the stated percentage by number of loans. The table shows the percentage of bank loans in the sample originated to businesses with revenues less than and greater than \$1 million compared to demographic data. The table also shows that 18 percent of the businesses in the AA did not report revenue information.

<b>Borrower Distribution of Loans to Businesses in the Missoula MSA AA</b>				
Business Revenues/Sales	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	77.28	4.79	17.93	100%
% of Bank Loans in AA by #	64.00	36.00	0.00	100%
% of Bank Loans in AA by \$	48.30	51.70	0.00	100%

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011.

### **Home Purchase Mortgage Loans**

The bank's overall borrower penetration of home mortgage loans is reasonable.

The table below shows the bank's borrower distribution of home purchase loans to borrowers at different income levels for the Helena non MSA AA. The bank's performance is excellent for this AA. The bank's performance exceeds demographic data for low-income borrowers and is only slightly below demographic data for moderate-income borrowers.

<b>Borrower Distribution of Residential Real Estate Loans in the Helena non MSA AA</b>										
Borrower Income Level	Low-Income		Moderate-Income		Middle-Income		Upper-Income		Income Not Required or applicable	
Loan Type	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #
Home Purchase	20.40	27.83	16.77	16.30	23.17	17.39	44.98	29.35	0.00	20.66

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011



The table below shows the bank's borrower distribution of home purchase loans to borrowers at different income levels for the Great Falls MSA AA. The bank's overall performance for this AA is reasonable. The bank's performance significantly exceeds demographic data for moderate-income borrowers. The bank's performance for lending to low-income borrowers in this AA is below demographic data represents 47 percent of the stated demographic percentage. This AA is impacted by a high percentage of households that live below the poverty level. Approximately 13.4 percent of the households live below the poverty level making it difficult to qualify for home loans. In addition only 60 percent of the homes are owner-occupied with a median housing value of \$91 thousand.

<b>Borrower Distribution of Residential Real Estate Loans in the Great Falls MSA AA</b>										
Borrower Income Level	Low-Income		Moderate-Income		Middle-Income		Upper-Income		Income Not Required or applicable	
Loan Type	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #
Home Purchase	18.42	8.70	18.98	39.13	24.09	30.43	38.51	17.39	0.00	4.35

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011

The table below shows the bank's borrower distribution of home purchase loans to borrowers at different income levels for the Great Falls MSA AA. The bank's overall performance for this AA is reasonable. The bank's performance significantly exceeds demographic data for moderate-income borrowers. The bank's performance for lending to low-income borrowers in this AA is below demographic data represents 47 percent of the stated demographic percentage. This AA is impacted by a high percentage of households that live below the poverty level. Approximately 15.7 percent of the households live below the poverty level making it difficult to qualify for home loans. In addition only 58 percent of the homes are owner-occupied with an median housing value of \$127 thousand.

<b>Borrower Distribution of Residential Real Estate Loans in the Missoula MSA AA</b>										
Borrower Income Level	Low-Income		Moderate-Income		Middle-Income		Upper-Income		Income Not Required or applicable	
Loan Type	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #	% of AA Families	% of Bank Loans by #
Home Purchase	20.40	4.55	18.95	36.36	22.65	18.18	39.20	31.82	0.00	9.09

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011

## Geographic Distribution of Loans

The bank's overall dispersion of loans is reasonable. We did not identify gaps in lending.

### Commercial Loans

The bank's overall dispersion of commercial loans is reasonable.

An analysis of the bank's geographic distribution of loans in the Helena non MSA AA is not meaningful. This AA does not have low-income census tracts and the percentage of businesses in the two moderate-income tracts is low at less than four percent.

Geographic Distribution of Loans to Businesses in the Helena non MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans
Commercial	0.00	0.00	3.92	0.00	60.78	38.46	35.29	61.54

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011.

The table below shows the dispersion of bank loans in the sample compared to demographic data for each census tract category within the Great Falls MSA AA. The bank's performance exceeds demographic data and shows excellent dispersion in both the low and the moderate-income census tracts.

Geographic Distribution of Loans to Businesses in the Great Falls MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans
Commercial	4.35	4.55	21.74	31.82	65.22	54.55	8.70	9.08

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011.

The table below shows the dispersion of bank loans in the sample compared to demographic data for each census tract category within the Missoula MSA AA. The bank's performance exceeds demographic data and shows excellent dispersion in moderate-income census tracts. An analysis loans in the low-income category is not meaningful since none have a low-income designation.

<b>Geographic Distribution of Loans to Businesses in the Missoula MSA AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans
Commercial	0.00	0.00	21.05	28.00	68.42	64.00	10.53	8.00

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011.

### **Home Mortgage Loans**

The bank's overall dispersion of home mortgage loans is reasonable.

An analysis of the bank's geographic distribution of loans in the Helena non MSA AA is not meaningful. This AA does not have low-income census tracts and the percentage of businesses in the two moderate-income tracts is low at less than four percent.

<b>Geographic Distribution of Residential Real Estate Loans in the Helena non MSA AA</b>								
Borrower Income Level	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
Loan Type	% of AA Owner Occupied Housing	% of Bank Loans by #	% of AA Owner Occupied Housing	% of Bank Loans by #	% of AA Owner Occupied Housing	% of Bank Loans by #	% of AA Owner Occupied Housing	% of Bank Loans by #
Home Purchase	20.40	0.00	3.92	0.00	60.78	50.00	35.29	50.00

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011

The table below shows the dispersion of bank loans in the sample compared to demographic data for each census tract category within the Great Falls MSA AA. The bank's performance for this AA is below demographic data but considered reasonable given the heavy competition in the AA for home mortgage loans. The bank's performance in the moderate-income tract is below demographic data and represents 60 percent of the stated percentage. There is a low volume of homes in the low-income tract so an analysis is not meaningful.

<b>Geographic Distribution of Residential Real Estate Loans in the Great Falls MSA AA</b>								
Borrower Income Level	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
Loan Type	% of AA Owner Occupied Housing	% of Bank Loans by #	% of AA Owner Occupied Housing	% of Bank Loans by #	% of AA Owner Occupied Housing	% of Bank Loans by #	% of AA Owner Occupied Housing	% of Bank Loans by #
Home Purchase	19.86	0.00	21.74	13.04	65.22	69.57	8.70	17.39

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011

The table below shows the dispersion of bank loans in the sample compared to demographic data for each census tract category within the Great Falls MSA AA. The bank's performance for this AA is below demographic data. Competition from competitors is high. The bank's performance in the moderate-income tract is below demographic data and only represents 22 percent of the stated percentage. The AA does not include low-income tracts therefore an analysis for this category is not meaningful.

<b>Geographic Distribution of Residential Real Estate in the Missoula MSA AA</b>								
Borrower Income Level	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
Loan Type	% of AA Owner Occupied Housing	% of Bank Loans by #	% of AA Owner Occupied Housing	% of Bank Loans by #	% of AA Owner Occupied Housing	% of Bank Loans by #	% of AA Owner Occupied Housing	% of Bank Loans by #
Home Purchase	0.00	0.00	21.05	4.55	68.42	77.27	8.70	17.39

Source: 2010 Dunn and Bradstreet. Loan Sample January 1, 2009 to September 30, 2011

## Responses to Complaints

MWB has not received any complaints regarding its CRA performance 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**

The bank's level of responsiveness to meeting community development (CD) needs is Satisfactory.

### ***Community Development Lending***

Mountain West Bank's level of responsiveness to community lending need is adequate.

During the examination evaluation period, Mountain West Bank originated six CD loans totaling \$1.7 million. Example of the bank's CD lending activity is as follows:

- Two separate loans totaling \$719 thousand made to a multi-faceted non-profit organization that provides Low Income Energy Assistance (LEAP), Meals on Wheels, and affordable housing, among others, which primarily benefit low- and moderate income Montana families including those residing within the banks AAs.
- A loan in the amount of \$21 thousand was made to a non-profit headquartered in Helena that offers a variety of health related programs targeted primarily for low and moderate income Native Americans.
- A loan in the amount of \$812 thousand made to construct a housing facility in Helena that provides a wide range of services targeted to low and moderate income individuals with disabilities. Approximately 93 percent of the clients are at or below the poverty line.
- In addition to the aforementioned loans there were two other CD loans totaling \$146 thousand.

### ***Community Development Investments***

Mountain West Bank's level of responsiveness to community investment needs is adequate.

Investments and donations total \$361 thousand for the exam period. These investments include \$200 thousand in single family mortgage revenue bonds purchased in 2008 and 2009 respectively from the Montana Board of Housing. Also considered were prior period investments in the amount of \$52 thousand for previous single family mortgage revenue bonds purchased. These pooled funds are then administered by Neighbor Works® Montana who uses the proceeds to provide second mortgages primarily benefiting low and moderate income families and individuals throughout Montana including the banks AAs.

The bank also maintains a \$100 thousand equity equivalent (EQ2) made directly to the Neighbor Works® Montana organization (NWMT). This allows NWMT to further its mission of creating sustainable homeownership opportunities affordable to low and

moderate income families throughout Montana including the bank's AAs.

In addition, nine donations were made to various organizations with targeted assistance to low- and moderate-income individuals totaling slightly more than \$9 thousand.

### ***Community Development Services***

The bank's community development service activity is excellent.

Bank officers routinely share financial expertise as board or committee members at local community based organizations. It merits highlighting the high number of employee hours devoted towards affordable housing efforts from service on affordable housing nonprofits to providing 1<sup>st</sup> time home buyer training benefiting low and moderate income families. This CD service is laudable. All of these efforts benefit the bank's AAs. Financial services provided included fundraising, interpreting financial statements, assisting with long range strategic planning and other types of banking assistance. Projects and programs managed by community organizations where bank employees were involved were highly responsive to the need for affordable home ownership and rental, shelter for the homeless, job assistance, financial literacy instruction, life skills, and health care for low- to moderate-income individuals.