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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

November 1, 1996

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**First National Bank of Greeley  
Charter Number 17478**

**1800 Greeley Mall  
Greeley, Colorado 80631**

**Comptroller of the Currency  
50 Fremont Street, Suite 3900  
San Francisco, California 94105**

**NOTE:** This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## GENERAL INFORMATION

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the CRA performance of **First National Bank of Greeley** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of November 1, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

First National Bank of Greeley is committed to serving the community in which it operates. Its loan-to-deposit ratio is satisfactory for the bank's size, financial condition, and assessment area credit needs. Overall, the lending activities reflect a reasonable dispersion throughout the assessment area given the area's demographics. Also, lending activities show satisfactory penetration among borrowers of different income levels and businesses of different sizes.

The following table indicates the performance level of **First National Bank of Greeley** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	First National Bank of Greeley Performance Levels		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the prior examination.		

## DESCRIPTION OF INSTITUTION:

First National Bank of Greeley is a full service commercial bank located in Greeley, Colorado. The bank has two offices in its assessment area. The main office is in the southeast section of the city near the Greeley Mall. The branch is located in the northwest section of the city. The bank has two automatic teller machines, one at each office. As of August 30, 1996, the bank reported total assets of \$69 million. The following table reflects the bank's loan portfolio by major product type.

<b>LOANS BY MAJOR PRODUCT TYPE</b> As of August 30, 1996		
<b>Loan Type</b>	<b>Dollar Amount</b>	<b>% of Total Loans (\$)</b>
Agricultural Loans	\$12,402,665	26%
Commercial Loans	13,017,448	27%
Consumer Loans	5,681,281	12%
Real Estate Loans	16,711,452	35%
<b>Total Loans</b>	<b>\$47,812,846</b>	<b>100%</b>

Agricultural loans help farmers and ranchers fund the operations for growing crops or raising livestock. Commercial loans are loans to small businesses to fund operations or to purchase the operating facilities. Included in this category are Small Business Administration loans. Consumer loans are loans to individuals for the purchase of consumer products, especially automobiles, or services. Real estate loans are predominantly shorter term conventional home loans and construction loans. Further, the bank acts as an agent for the secondary mortgage market to enable a consumer to purchase or refinance an existing home. For the eight-month period through August 30, 1996, the bank sold 123 loans at \$12 million to the secondary market.

There are no financial or legal impediments to the bank's ability to help meet the credit needs of its community.

## DESCRIPTION OF THE ASSESSMENT AREA:

The bank's assessment area encompasses 19 census tracts in the Greeley, Colorado Metropolitan Statistical Area (MSA). The census tracts are located in the city of Greeley and some rural areas in Weld County. The assessment area complies with regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies.



The table below reflects the composition of the assessment area by census tract type:

<b>ASSESSMENT AREA COMPOSITION</b>		
<b>Census Tract Type</b>	<b># of Tracts in Area</b>	<b>% of Assessment Area (#)</b>
Low Income	3	16%
Moderate Income	7	37%
Middle Income	2	10%
Upper Income	6	32%
No Income Reported	1	5%
<b>Total Census Tracts</b>	<b>19</b>	<b>100%</b>

(Note: The census tract for which there is no reported income is where the University of Northern Colorado is situated.)

There are 72,381 residents in the assessment area with a median-family income of \$30,801 based on 1990 census data. Median housing value is \$59,300. The area is one of the key growth areas of Northern Colorado. Weld County has changed significantly, from a predominantly agricultural economy to a diverse economy with manufacturing and service industries showing significant growth. Strong competition for market share exists among the numerous banks and financial institutions that serve the area. We contacted four local community officials and determined that financing and technical assistance for small businesses and entrepreneurs are needed in the community.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :**

**Loan-to-Deposit Ratio**

The bank’s loan-to-deposit ratio is satisfactory. The average loan-to-deposit ratio for eight quarters beginning July 1994 through June 1996 is 78%. This is comparable to four other similarly situated banks. The banks were selected based on asset size, location, and similar business focus. For the same time period, the eight-quarter average loan-to-deposit ratios for similar banks are 88%, 68%, 79%, and 84%.

## Lending in Assessment Area

The bank's lending in the area is satisfactory. The bank originated a majority of the number and dollar volume of its loans within the assessment area. We based our analysis on a randomly selected sample of residential mortgage and commercial loans originated between February 1996 and our examination date.

<b>LENDING INSIDE AND OUTSIDE OF AREA</b>				
<b>February 1996 through September 1996</b>				
	<b>Loans (#)</b>	<b>% Loans (#)</b>	<b>Loans (\$)</b>	<b>% Loans (\$)</b>
In Area	27	68%	\$2,151,409	60%
Out of Area	13	32%	1,418,482	40%
<b>Totals</b>	40	100%	\$3,569,891	100%

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

Lending activity to borrowers of different income levels in the assessment area is satisfactory. The following table reflects the bank's residential loan activity. The absence of loan activity in low-income census tracts is reasonable given the demographics. In these tracts, mortgage lending opportunities are restricted due to most residents being college students or long-time homeowners who have paid their original mortgages.

<b>SINGLE FAMILY RESIDENTIAL (SFR) LOANS IN ASSESSMENT AREA</b>					
<b>BY BORROWER INCOME</b>					
<b>February 1996 through September 1996</b>					
<b>Income Level</b>	<b>% of Assessment Area</b>	<b>SFR Loans (#)</b>	<b>% of SFR Loans (#)</b>	<b>SFR Loans \$(000's)</b>	<b>% of SFR Loans (\$)</b>
Low	16%	0	0%	\$ 0	0%
Moderate	37%	3	20%	192	16%
Middle	10%	6	40%	463	38%
Upper	32%	6	40%	576	46%
No Income Reported	5%	0	0%	0	0%

**SINGLE FAMILY RESIDENTIAL (SFR) LOANS IN ASSESSMENT AREA  
BY BORROWER INCOME**

February 1996 through September 1996

<b>Total</b>	100%	15	100%	\$1,231	100%
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The bank has demonstrated an excellent loan penetration to small businesses. This is reflected in the chart below from a random sample of commercial and agricultural loans. Also, 75% of the business loans were in amounts less than \$100,000.

**DISTRIBUTION OF BUSINESS LOANS BY REVENUE**

February 1996 through September 1996

	<b>Loans (#)</b>	<b>% of Sample Business Loans (#)</b>	<b>Loans \$(000's)</b>	<b>% of Sample Business Loans (\$)</b>
Loans to Small Businesses (<\$1 Million Gross Annual Revenue)	15	75%	1,313	70%
Total Business Loans Sampled	20	100%	1,874	100%

**DISTRIBUTION OF BUSINESS LOANS BY SIZE**

February 1996 through September 1996

<b>Outstanding Balance of Business Loans \$(000's)</b>	<b># of Business Loans</b>	<b>% of Business Loans</b>
Loans >= \$1,000	0	0%
Loans >= \$500 < \$1,000	1	5%
Loans >= \$250 < \$500	1	5%
Loans >= \$100 < \$250	3	15%
Loans < \$100	15	75%
<b>Total</b>	20	100%

## Geographic Distribution of Loans

The bank's lending activities reflect reasonable dispersion throughout the assessment area. The table below compares the bank's loan activity with the percentage of various income level census tracts that comprise the assessment area. We note that demographic factors in low-income areas reasonably explain the absence of lending activity based on our sample of single-family residential loans. These tracts contain the fewest housing units, lowest populations, and high percentages of rentals.

<b>LENDING IN ASSESSMENT AREA BY CENSUS TRACT TYPE</b> February 1996 through September 1996					
<b>Income Level</b>	<b>% of Assessment Area</b>	<b>Loans in Tracts (#)</b>	<b>% of Loans (#)</b>	<b>Loans in Tracts \$(000's)</b>	<b>% of Loans (\$)</b>
Low	16%	0	0%	\$ 0	0%
Moderate	37%	11	41%	905	42%
Middle	10%	3	11%	358	17%
Upper	32%	13	48%	888	41%
No Income Reported	5%	0	0%	0	0%
<b>Total</b>	<b>100%</b>	<b>27</b>	<b>100%</b>	<b>\$2,151</b>	<b>100%</b>

## Response to Complaints

The bank has received no CRA-related complaints since the last performance evaluation.

## Fair Lending Analysis

The bank is in substantial compliance with fair lending laws and regulations. Our fair lending review, conducted along with this examination, found no unusual patterns or discriminatory lending practices.