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Comptroller of the Currency  
Administrator of National Banks

**SMALL BANK**

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500 N. Akard  
1600 Lincoln Plaza  
Dallas, Texas 75201-3394

## **PUBLIC DISCLOSURE**

May 26, 1998

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Lamar National Bank  
Paris, Texas  
Charter Number 17106  
200 South Collegiate Drive  
Paris, Texas 75461**

**Office of the Comptroller of the Currency  
Southwestern District  
500 North Akard  
1600 Lincoln Plaza  
Dallas, Texas 75201-3394**

**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 **Lamar National Bank, Paris, Texas**, prepared by The Office of the Comptroller of the Currency, the institution's supervisory agency, as of May 26, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

**Institution's CRA Rating:** This institution is rated "**Satisfactory**"

**Lamar National Bank, Paris, Texas (Lamar)** is actively seeking to make loans in its assessment area. Fees, charges, and interest rates assessed for loan products are reasonable and allow credit to be affordable to all segments of the assessment area. The loan-to-deposit ratio is comparable to other national and state chartered banks in the assessment area. Banking facilities and hours are reasonable to service the assessment area.

The following table indicates the performance level of **Lamar National Bank, Paris, Texas**, with respect to each of the five performance criteria.

<b>Small Institution Assessment Criteria</b>	<b>Lamar National Bank Performance Levels</b>		
	<b>Exceeds Standards for Satisfactory Performance</b>	<b>Meets Standards for Satisfactory Performance</b>	<b>Does Not Meet Standards for Satisfactory Performance</b>
<b>Loan-to-deposit ratio</b>		<b>X</b>	
<b>Lending in assessment area</b>		<b>X</b>	
<b>Lending to borrowers of different incomes and to businesses of different sizes</b>		<b>X</b>	
<b>Geographic distribution of loans</b>		<b>X</b>	
<b>Response to complaints</b>	<b>No complaints were received since the prior examination</b>		

## **Description of Institution**

Lamar National Bank (Lamar), is a \$70 million full-service financial institution. Lamar is wholly-owned by Lamar Bancorporation Incorporated, a Texas Corporation. In the previous CRA public evaluation, dated June 14, 1995, Lamar was rated **Satisfactory**.

Lamar has one location in Paris, Texas. The bank is located at 200 South Collegiate Drive approximately one mile east of downtown. The lobby is open Monday through Thursday from 9:00 a.m. to 3:00 p.m. and on Friday from 9:00 a.m. to 6:00 p.m. The drive-in facility is open Monday through Friday from 7:30 a.m. to 5:00 p.m. and on Saturday from 9:00 a.m. to 12:00 p.m. An automatic teller machine is located in the bank parking lot providing 24-hour deposit and withdrawal services.

Various loan products are offered and are properly structured to serve the needs of the assessment area. Long-term fixed and adjustable-rate loans, secured by one-to-four family residential properties, represents a large portion of total outstanding loans. Residential real estate mortgages comprised 44% of gross loans as of 3/31/98.

Commercial loans to businesses located in the assessment area are also a major loan product. They comprised 11% of gross loans as of 3/31/98. Based upon a sample of loans reviewed during this examination, loans to businesses with gross revenues of \$1 million dollars or less (small businesses) equaled 72% of all commercial loans originated. Consumer loans secured by automobiles or consumer products and those originated on an unsecured basis are also available to borrowers in the assessment area. Consumer loans totaled 21% of gross loans as of 12/31/97.

There are no financial, legal, or economic impediments impacting Lamar's ability to meet the requirements of the CRA.





Chart #3 shows the numbers, dollars, and percentages of sampled loans in the assessment area.

**Chart # 3** Source: Loan Sample 000's omitted

Loan Type	Number in Assessment Area	Percentage in Assessment Area	Dollars in Assessment Area	Percentage of Dollars in Assessment Area
One-to-Four Family	98	88%	\$3,944	86%
Business Loans	25	83%	\$5,352	91%

**Lamar meets the standards for satisfactory performance in lending to borrowers and businesses of different income levels.** Loans to low income borrowers secured by one-to-four family dwellings totaled 3% (3 of 111) of the number of sampled loans. This level of lending is not commensurate with the population of low income households which equal 26% of the total households, according to the 1990 census data (see Chart #2). However, loans to other income groups and small businesses correlated to the population of those groups within in the assessment area. Loans to moderate income borrowers totaled 13% (15 of 111) of the sampled loans with the total number of households being 13%. Loans to middle and upper income borrowers (84%) were higher than the population of households (60%) in these categories.

Lending to small businesses shows satisfactory results. Small businesses are defined by the CRA regulations as a business with annual gross revenues of \$1 million dollars or less. Approximately 73% of all commercial loans reviewed are to small businesses.

**Chart #4** Source: Commercial Loan Sample

Distribution of Commercial Loans By Gross Revenues January 1996- March 1998				
	Number of Loans	Percentage of Total Number	Total Dollars (000's)	Percentage of Total Dollars
Gross revenues less than \$1 million	19	73%	\$4,210	72%
Gross revenues greater than \$1 million	7	27%	\$1,643	28%
Totals	26	100%	\$5,853	100%

**Lamar meets the standards for satisfactory performance in the geographic distribution of loans** in the assessment area. Commercial and residential loans are disbursed throughout the assessment area. The majority of residential and commercial loans are in Paris. This is considered reasonable since there are no branches of Lamar in other parts of the assessment area.

No formal complaints pertaining to the Community Reinvestment Act were received during the review period.

A review of compliance with the Equal Credit Opportunity Act, Fair Housing Act and Home Mortgage Disclosure Act were reviewed concurrently with this examination. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified. Lamar has a good record of complying with anti-discrimination laws and regulations.