

Comptroller of the Currency
Administrator of National Banks

Central District
Indianapolis Duty Station
8777 Purdue Road, Suite 105
Indianapolis, IN 46268

PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT PERFORMANCE
EVALUATION**

August 23, 1996

**Terre Haute First National Bank
Charter # 47
One First Financial Plaza
Terre Haute, Indiana 47807**

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of the Terre Haute First National Bank, prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agent.

The evaluation represents the OCC's current assessment and rating of the institution's CRA performance based on an examination conducted as of August 23, 1996. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U.S.C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under five performance categories, as detailed in the following section of

this evaluation.

ASSIGNMENT OF RATING

Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

Outstanding record of meeting community credit needs.

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Satisfactory record of meeting community credit needs.

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Needs to improve record of meeting community credit needs.

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Substantial noncompliance in meeting community credit needs.

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and

capabilities.

DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating:

Based on the findings presented below, this institution is rated: **“Outstanding record of meeting community credit needs.”**

Evaluation Period:

The bank's last Public Disclosure was dated July 1, 1993. This Public Disclosure evaluates the bank's performance from July 2, 1993 to August 23, 1996.

Bank Profile

Terre Haute First National Bank (THFNB) is a wholly owned subsidiary of First Financial Corporation, which owns eight commercial banks in Indiana and Illinois. At December 31, 1995, First Financial Corporation had total assets of \$1.4 billion. THFNB's main office is located in Terre Haute, Indiana. The bank maintains ten full service banking centers, each offering 24 hour ATM access. The bank has an additional 23 ATMs located in the Vigo County area. THFNB also has one mobile ATM that has two ATMs installed.

The bank, with June 30, 1996 total assets of \$956 million, reported net income of \$4.9 million. This represents an annualized return on average assets of 1.05% for 1996. As of June 30, 1996, total loans of \$537 million resulted in a loan-to-deposit ratio of 75%. At that date, the loan portfolio consisted of loans secured by 1-4 family homes (39%), other real estate loans (20%), loans to individuals (24%), commercial loans (15%) and loans for agricultural production or farmland (2%).

Community Profile

THFNB's delineated community is defined as Vigo County, Indiana. Vigo County is part of MSA 8320 and consists of 29 census tracts, 19 of which are in the city of Terre Haute. One census tract is designated a low-income area and eleven census tracts are designated as moderate-income areas. The median family income for the MSA is \$35,900. The area has a population of approximately 106,000 people living in 40,000 households. Sixty-two percent of home units are owner-occupied. The following tables provide additional demographic

information.

Population					
Total Population	Population over 65	# households with incomes less than the poverty level	# households on public assistance	Total Families	Total Households
106,107	15,988	6,188	2,953	26,854	39,667

Housing						
Owner-Occupied units	Rental-Occupied units	1-4 Family Units	Multi-family Units	Mobile Homes	Vacant Units	Total Units
27,566	12,238	36,996	3,869	2,906	4,399	44,203

Income								
Low Income Census Tracts	Moderate Income Census Tracts	Middle Income Census Tracts	Upper Income Census Tracts	Total Census Tracts	Low Income Households	Moderate Income Households	Middle Income Households	Upper income Households
1	11	10	7	29	202	13,201	16,134	10,130

Retail trade and services sectors represent 40% of the work force. As of May 1996, the unemployment rate for Vigo County was 6.7% and higher than the State of Indiana average of 4.7%. Terre Haute is home to Indiana State University (student population of approximately 11,000). Principal employers include Columbia House Company, Union Hospital, and Indiana State University. Current local economic conditions are sound.

Community Credit Needs

Our evaluation included contact with two local organizations to obtain information on the community's credit needs and the bank's CRA performance. Contacts by other regulatory agencies were not available. In addition to these contacts, we reviewed the bank's documentation of its ascertainment activities to identify local credit needs. Affordable housing was identified as the most pressing community credit need.

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Assessment Factor A - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

- **The Terre Haute First National Bank (THFNB) employs an active credit ascertainment process. The process has resulted in effectively identifying the community's credit needs.**

Bank officials actively participate and meet with a wide variety of individuals and organizations representing civic, religious, neighborhood, minority, small business, government officials and others to determine credit needs. Examples of these organizations include the Wabash Valley Community Foundation, the Alliance for Growth and Progress of Terre Haute, the Chamber of Commerce, the West Central Indiana Economic Development District, Homebuilders Association of the Wabash Valley and the NAACP.

The bank also uses focus groups designed to determine how effective the bank is in delivering financial services to all areas of the community. These focus groups primarily consist of business leaders and private individuals.

THFNB has an active officer call program with 86 bank officers calling on current, as well as prospective, customers. Approximately 700 businesses are called upon to determine needed banking services. The bank conducts "blitzes" where teams of two employees are sent out to call on 8-10 businesses within a four hour span. Particular attention is paid to minority-owned businesses, and the bank strives to call on all of them.

Loan personnel determine credit needs by analyzing loan volume within the market. The geographic distribution of loans is identified by either census tract or zip code. When a gap in loan coverage is determined, direct marketing efforts are used to target that market.

Credit Need: Affordable Housing Financing

Affordable housing has been identified as a primary need in the community. The bank has responded with an active mortgage lending program which includes a product designed for and targeted at low-income consumers who are purchasing properties under \$35,000. The bank sets aside \$1MM annually to fund this program.

Financial Education - The bank has determined that affordable housing seminars and other banking education, such as credit counseling, are needed in the community. The bank has actively responded to educational needs as discussed in this report.

Assessment Factor C - The extent of participation by the institution's Board of Directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

- **The Board of Directors and senior management have developed a comprehensive program to help meet the credit needs of the community. They effectively supervise THFNB's CRA activities.**

A CRA Compliance committee is in place for disseminating and discussing information pertaining to the Community Reinvestment Act. The committee is comprised of one board member and several key bank officers and is responsible for developing policy proposals for consideration by the Board of Directors. Key officers include the CRA officer and senior officials in lending, operations, marketing, and branch administration. The CRA committee meets periodically to monitor and review the bank's CRA performance. Credit needs are discussed in the CRA committee meetings and documented in the minutes. Other issues addressed include credit distribution analysis, CRA training, loan programs, and community development projects.

The bank has a CRA officer responsible for the coordination and evaluation of the CRA program. Primary responsibilities of the CRA officer include personnel training, coordinating and documenting community outreach efforts, maintaining the bank's CRA public file, and reporting the status of CRA activities to the Board and the CRA committee.

The bank's CRA public file is maintained as required.

II. **MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED**

Assessment Factor B - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

- **THFNB aggressively markets credit products and related programs to all areas of the community. Advertising is designed to reach all segments of the community. Marketing efforts are governed by an annual board approved marketing plan. The marketing plan identifies products, delivery media, and goals for the year. Market analyses are used to monitor product penetration throughout the community and to develop marketing strategies.**

Credit products are marketed throughout the community. The bank uses conventional mass media advertising, calling programs, seminars and direct mailings.

Mass Media - Credit products are marketed using traditional forms of mass media. These include television, newspapers, radio, and billboards. General circulation daily newspapers and smaller publications with distinctive readership are used. Several radio stations are used to promote credit products and services offered by the bank. All advertising copy is reviewed for regulatory compliance.

Direct mail - The bank uses direct mail campaigns to solicit existing and prospective customers.

Calling programs - Board members, loan officers, and branch managers participate in the bank's calling program as defined in the CRA plan. Calls are made to a wide range of groups, individuals, and businesses. Calls to realtors are specifically used to promote the bank and assist individuals considering credit applications.

Seminars - The bank actively responded to the community's banking educational needs through a variety of seminars. These include programs designed for small businesses, consumer credit counseling, homebuyers seminars, applying for consumer

credit and estate/retirement planning. A recent example of educational outreach was at the Community Expo in June 1996. The bank sponsored this event to highlight community resources and organizations dedicated to the well-being of area residents. Five bank departments were present representing mortgage, instalment and commercial lending, branch administration and human resources. The bank's affordable housing program was featured. Thirty nonprofit groups were also in attendance.

Assessment Factor I - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community or the purchase of such loans originated in its community.

- **The bank addresses a significant portion of identified credit needs by originating a notable level of loan products throughout the community.**

A wide variety of credit programs are offered and are listed in the bank's 1996 CRA Statement. The primary products offered include: Real Estate Loans - examples include 1-4 family dwellings, multifamily dwellings, construction loans, and an affordable housing program. Agricultural - examples include loans to farmers for equipment, working capital, livestock and real estate. Commercial - examples include loans for business equipment and working capital. Government-sponsored loans from the Small Business Administration (SBA) loans are offered. SBA loans are discussed in Assessment Factor J. Consumer - examples include credit cards, auto and truck loans, home improvement loans and unsecured lines of credit.

The composition of the loan portfolio has remained stable as illustrated in Table 1. This table does not include mortgage loans that were sold after being made. In 1993, 1994 and 1995, these loans totaled \$9,729,000, \$15,226,000 and \$34,429,000, respectively.

Table 1 - Loan Portfolio Composition - Outstanding Balances						
Loan Type	1993		1994		1995	
	(\$000s)	%	(\$000s)	%	(\$000s)	%
Real Estate *	299,206	57	312,184	56	305,627	56

Table 1 - Loan Portfolio Composition - Outstanding Balances						
Consumer	123,736	24	138,921	25	139,402	25
Commercial	71,967	14	76,189	14	78,006	14
Agriculture	11,023	2	12,034	2	12,684	2
Other	14,484	3	16,458	3	13,743	3

* Loans secured by 1-4 family dwelling total \$194,844, \$209,108, and \$194,143 for 1993, 1994, and 1995, respectively.
Source: Consolidated Reports of Condition

Mortgage Lending

The bank has aggressively originated mortgage loans in response to the community's credit needs. An analysis of 1994 and 1995 HMDA data indicates that the bank is the market leader in home purchase and home improvement loans. Tables 2 and 3 illustrate the volume of originations for the top five lenders in Vigo County, Indiana. The readers attention is directed to the column in home improvement lending that notes average loan size. THFNB's average loan size is typically smaller than the other lenders, which is an indication that loans are being directed to low- and moderate-income consumers. This is more fully discussed in Assessment Factor E.

Table 2 - 1995 Home Purchase Originations				
Bank	# of Loans	% Market Share	Total Amount (\$000s)	Average Loan Size (\$000s)
THFNB	629	33.33	35,986	57
#2	340	18.02	24,873	73
#3	246	13.04	12,007	49
#4	159	8.43	10,393	65
#5	70	3.71	2,243	32

Source: PCI Services, Inc., CRA Wiz

Table 3 - Home Improvement Originations				
Bank	# of Originations	% Market Share	Total Amount (\$000s)	Average Loan Size (\$000s)
THFNB	613	60.28	3,111	5
#2	88	8.65	991	11

Table 3 - Home Improvement Originations				
#3	82	8.06	841	10
#4	48	4.72	550	11
#5	44	4.33	385	9

Source: PCI Services, Inc., CRA Wiz

Tables 3 and 4 illustrate home-related loans originated within the community. As noted, a significant majority of loans are originated within the community.

Table 3 - Originations Inside the Market - 1994				
Loan Type	\$ Inside the Market (\$000's)	% of \$ Inside Market	# of Loans Originated in Market	% of Loans Originated in Market
Home Purchase	43,617	96%	793	96%
Home Improvement	24,030	94%	1,095	91%
Home Refinances	2,439	99%	51	98%

Source: PCI Services, Inc., CRA Wiz

Table 4 - Lending Inside the Market - 1995				
Loan Type	\$ Inside the Market (\$000's)	% of \$ Inside Market	# of Loans Originated in Market	% of Loans Originated in Market
Home Purchase	35,986	88%	629	91%
Home Improvement	3,111	80%	613	78%
Home Refinances	19,337	91%	408	91%

Source: PCI Services, Inc., CRA Wiz

Rental properties - The bank is an aggressive lender of non-owner occupied properties. In 1995, the bank had a 48% market share for all lenders doing business in Vigo County. This market share was considerably higher than the next leading lender, with a market share of 21%. THFNB originated 156 loans totaling \$5,869,000 compared to the next leading lender with 68 originated loans totaling \$1,930,000. Seventy-five of THFNB's originations were on properties located in moderate-income census tracts.

In 1991, the bank established an affordable housing program enabling low-income consumers to purchase a home with a 5% down payment and reduced closing costs. Private mortgage insurance is not required. The bank dedicates \$1 million to this program annually. The program is analyzed each year and program changes or enhancements are made, as necessary. In 1993, 54 loans were originated totaling \$1,018,950. In 1994, 57 loans were originated totaling \$1,089,674. In 1995, 49 loans were originated totaling \$1,032,275. As of Aug-15-96, 30 loans were originated

totaling \$743,975.

Small Farm and Small Business Lending

The bank originates a significant volume of farm and small business loans within its community.

Agricultural lending represents 2% of the bank's total loan portfolio with an outstanding balance of \$11.9 million at June 30, 1996. Information obtained from The Bank Strategist indicated that THFNB has a 77% market share of loans to finance agricultural production in Vigo County. The next leading lender has a 20% market share. Data was provided as of March 1996.

The bank is an active participant in originating small business loans. Small business loans are made to retail and wholesale businesses, not-for-profit organizations, and governmental units. The majority of the bank's small business lending is made within the delineated community.

Tables five and six illustrate the volume of small farm and small business loans originated within the community. Table 6 only illustrates activity for 1996 since the bank had not tracked small business loans prior to Jan-1-96.

Table 5 - Small Farm Loans					
1994		1995		YTD Aug-5-96	
# of Loans	Volume (\$000s)	# of Loans	Volume (\$000s)	# of Loans	Volume (\$000s)
138	5,510	86	3,892	56	3,132

Source: Bank information

Table 6 - Small Business Loans YTD Aug-6-96			
\$ Inside the Market (\$000s)	% of Total \$ Inside Market	# of Loans Extended in Market	% of Total Loans Extended in Market
13,953	96%	203	90%

Source: Bank information

Consumer Lending

The bank is an aggressive consumer lender, especially in indirect automobile loans. A majority of consumer lending is originated within the bank's assessment area. Table 7 provides data on the volume of consumer lending excluding home improvement loans which are shown in mortgage lending in the previous tables.

Table 7 - Consumer Loan Originations - 1995				
	# of Loans	% # Loans	(\$000s) of Loans	% of Loans
In assessment area	5,494	66	38,537	61
Out of assessment area	2,805	34	24,363	39

Source: Bank information

The bank offers a First Hospital Care Payment Plan. This program was established in March 1994 and is an affordable way for consumers to pay for various hospital services when there is little or no insurance to cover expenses. The plan offers a low fixed rate with extended repayment terms. Monthly payments can be as low as \$35. Since inception of the program the bank has originated 143 loans totaling \$441,000.

Assessment Factor J - The institution's participation in governmentally-insured, guaranteed or subsidized loan programs for housing, small business or small farms.

- **The bank has had limited participation in government-sponsored loans. Bank management indicates bank-sponsored programs are more attractive and have been better received by consumers.**

The bank participates in Small Business Administration (SBA) lending programs. Since the last evaluation five loans totaling \$280,662 have been originated under the LowDoc program. The LowDoc program is for loans less than \$100,000 and essentially affords the bank the ability to originate credit with minimal credit documentation. The bank also originated four loans totaling \$876,000 under the 7(A) program. The 7(A) program provides financing for working capital needs, the purchase of inventory, contract financing, or the acquisition of fixed assets. Loans are guaranteed up to 90% if less than \$750,000, and up to 85% for larger amounts.

THFNB originated approximately 25% of all SBA loans in the assessment area as reported by the Indianapolis SBA office.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

Reasonableness of Delineated Community

- **The bank's community delineation is reasonable.**

The bank's delineated community includes all of Vigo County, Indiana. This area includes all of the bank's branches and ATMs and captures a substantial majority of all lending activity. No low- or moderate-income areas are excluded by this delineation. The delineation is reviewed and approved annually by the bank's Board of Directors.

Assessment Factor E - The geographic distribution of the institution's credit extensions, credit applications, and credit denials.

- **The geographic distribution of credit extensions, applications and denials is reasonable. THFNB has a significant market share of loan products within its community. The bank has an excellent record in penetrating the community with loan products. The only census tract not penetrated consists of only nine dwellings and a Federal Prison.**

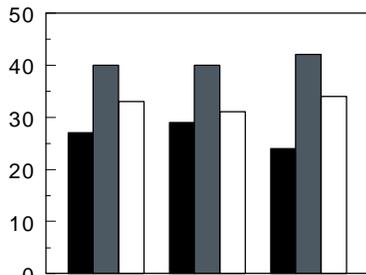
The CRA officer monitors the geographic distribution of loan and deposits products through the use of externally prepared, quarterly distribution reports. These reports aggregate loan originations by census tract. The reports are fairly new and data integrity is suspect as approximately 18% of loan originations were not census tract coded because of problems in address content. The reports do not analyze applications or denials. In addition, the CRA officer prepares a comprehensive analysis of mortgage loan data on an annual basis using aggregate HMDA-LAR data for Vigo County.

The following graphs illustrate the bank's home purchase and home improvement lending by income. The graphs show the percentage of loans originated in

low/moderate, middle and upper-income geographies. Also illustrated is the percentage of loans originated to low/moderate, middle and upper income consumers.

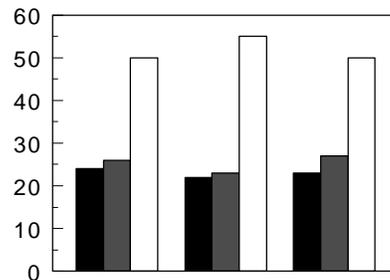
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Home Purchase Loans
Lending by Income of Census Tract



	1994	1995	1996
LMI	27	29	24
Middle	40	40	42
Upper	33	31	34

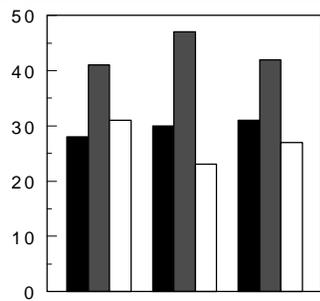
Home Purchase Loans
Lending by Borrower Income



	1994	1995	1996
LMI	24	22	23
Middle	26	23	27
Upper	50	55	50

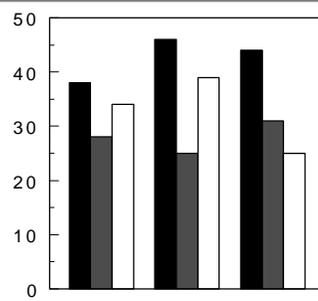
ctorily lending throughout its community by geography and by income. A reasonable level of home purchase loans to LMI consumers have been originated despite a large number of non-owner occupied homes in the community. The bank does an excellent job in home improvement lending to LMI borrowers. Source of data: PCI Services, Inc., CRA Wiz.

Home Improvement Loans
Lending by Income of Census Tract



		1994	1995	1996
LMI	■	28	30	31
Middle	■	41	47	42
Upper	□	31	23	27

Home Improvement Loans
Lending by Borrower Income



		1994	1995	1996
LMI	■	38	46	44
Middle	■	28	25	31
Upper	□	34	39	25

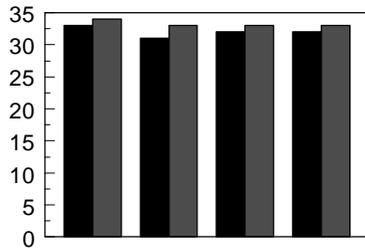
Market Share Analysis - This analysis is calculated using numbers of loans approved, not the dollar volume of loans. It is important to note that market share analysis is a measure of performance denoting how well the bank lends to certain segments of the community compared to total market share.

The following graphs illustrate the bank's 1995 market share for all home purchase mortgage applications and originations in Vigo County. The first graph measures market share in census tracts designated as low/moderate-income, middle-income and upper-income. The second method measures the bank's market share by income of the borrower.

Market Share by Census Tract Income - Applications and approvals by income reflects overall market share.

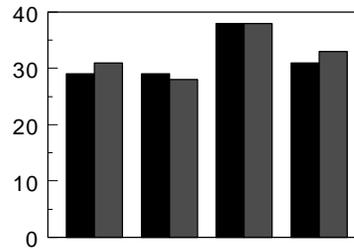
Market Share by Borrower Income - Market share to upper-income borrowers is significantly higher than overall market share. Market share to low- and moderate-income borrowers is fairly representative of overall market share.

Home Purchase Loans
1995 Market Share by Census Tract



	Low/Moderate	Middle	Upper	Total
% OF Applications	33	31	32	32
% OF Approvals	34	33	33	33

Home Purchase Loans
1995 Market Share by Borrower Income



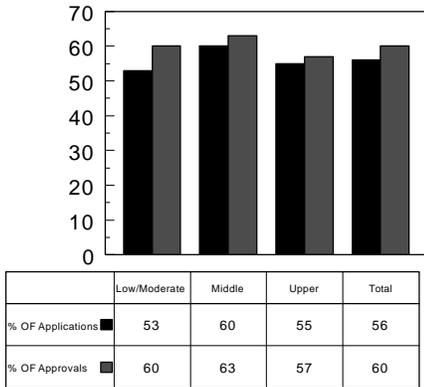
	Low/Moderate	Middle	Upper	Total
% OF Applications	29	29	38	31
% OF Approvals	31	28	38	33

The following graphs measure the bank's market share of home improvement lending by census tract and by borrower income.

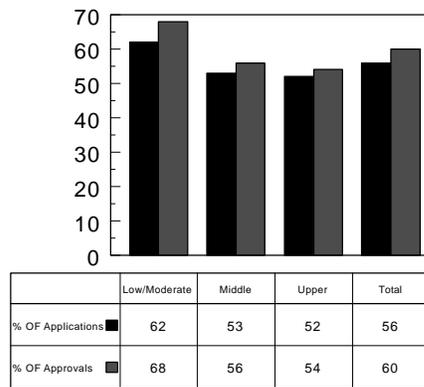
Market Share by Census Tract Income - Applications and approvals by income are fairly consistent with overall market share.

Market Share by Borrower Income - The bank excels in receiving applications and originations loans to low- and moderate-income consumers.

Home Improvement Loans
1995 Market Share by Census Tract



Home Improvement Loans
1995 Market Share by Borrower Income



Consumer Loans - Our analysis of consumer lending focused on determining if the bank was penetrating all census tracts within its community. An analysis of lending by borrower income was not performed. We concluded that the bank does an excellent job in originating credit throughout the community. Approximately 28% of all consumer loans were originated to consumers residing in low and moderate-income areas.

Assessment Factor G - The institution's record of opening and closing offices and providing services at offices.

- **The bank has not opened or closed any branches during the evaluation period. A full array of banking services and products are offered at all branch locations.**

The bank has an extensive branch and ATM system throughout the community. Branches and ATMs are conveniently located for easy consumer access. The bank has one mobile ATM which is authorized to travel statewide. This mobile branch is frequently used at promotional events which are, at times, located in low- and moderate-income areas or targeted at low- and moderate-income individuals.

All branches offer the same services, however, business hours vary according to the needs of the bank's consumers. Three branches serving moderate-income areas offer extended hours.

IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES

Assessment Factor D - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).

- **The bank does not discourage credit applicants on a prohibited basis.**

THFNB affirmatively solicits credit applications from all segments of its community. Policies and practices promote fair lending. The bank's loan policies and practices provide a sound basis for nondiscriminatory lending. There are no policies or underwriting standards that act as barriers to credit access.

Training is provided to all applicable personnel on an ongoing basis.

The bank uses a second review process for all loan transactions. The review process helps to ensure that all applicants are treated fairly and accurately.

The bank's compliance monitoring program adequately reviews for compliance with the technical requirements of various fair lending regulations.

Assessment Factor F - Evidence of prohibited discriminatory or other illegal credit practices.

- **THFNB is in compliance with fair lending laws and regulations.**

The examination reviewed the bank's compliance with fair lending laws and regulations. No violations or illegal practices were noted. Our examination included testing for compliance with the Equal Credit Opportunity and Fair Housing Acts. We performed a comprehensive review of the bank's owner occupied first real estate mortgage loans to test for discrimination based upon gender. All female applicants denied credit between September 1, 1995, and March 31, 1996 were reviewed. These applicants were compared to male applicants approved for credit during the same time period. The objective was to determine if the denied applicants were treated similarly and given the same level of assistance when compared to the approved applicants. Our findings show that all applicants were treated equally and provided the same level of assistance during the application process.

V. COMMUNITY DEVELOPMENT

Assessment Factor H - The institution's participation, including investments, in local community development and redevelopment projects or programs.

- **THFNB actively participates, often in a leadership position, in community development projects and programs in the community. Grants, technical expertise, and other assistance is provided to numerous organizations involved in community development programs. Employees and officers are very active in community organizations, in a variety of capacities, including board and committee memberships. A few of these organizations include the Alliance for Growth and Progress, Habitat for Humanity, Happiness**

Bag (job training for mentally impaired), the Indiana Area Development Council, Maryvale Housing

Project, NAACP, the Terre Haute Housing Authority and the Vigo County Area Planning Commission.

As previously discussed, affordable housing is the credit need most identified through the ascertainment process. THFNB has been active in addressing this need. The following presentation notes THFNB's community development activities:

Terre Haute Affordable Housing Limited Partnership (Harrison Apartments) -

This partnership was formed to develop, construct, and operate housing for low- and moderate-income tenants. The project was completed in 1994 and includes 56 housing units in Terre Haute. The bank provided a loan of \$125,000 and an equity investment of \$993,700. The total dollars invested from all sources totaled \$2,548,637.

High - I, L.P. Terre Haute Housing Authority Development Corporation

(THHADC) - This project is for the construction of 30 single-family, scattered site, residences in Terre Haute. The homes will be rented to low-income families. This partnership was formed in 1995. THFNB is providing permanent financing of \$700,000 and an equity ownership through the purchase of Low Income Housing Tax Credits of \$1,304,000. Other funds will come from HUD Home Funds and the THHADC.

Anthony Square Housing Limited Partnership - This 1996 project is for the construction of a 60-unit, 2 bedroom elderly low-income housing development in Terre Haute. The development will house a 7,400 square foot community building with kitchen and dining room. Total anticipated cost of the development is projected at \$3,400,000. THFNB will provide \$1,400,000 in permanent financing and will purchase \$1,600,000 of the total low-income housing tax credits of \$2,300,000.

THFNB is also the lead bank in providing financing for a 16-unit assisted living facility adjacent to the 60-unit project above. This project will house a medical

facility to be run by the Terre Haute Regional Hospital. THFNB is the lead bank in providing financing of nearly \$624,000 (THFNB portion is \$312,000).

Assessment Factor K - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions and other factors.

- **There are no legal, financial or economic impediments that hinder the bank's efforts to meet community credit needs. The reader is referred to the bank and community profiles at the beginning of this public disclosure for further detail.**

Assessment Factor L - Any other factors that, in the regulatory authority's judgement, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

- **THFNB is active in several other meaningful activities that help to meet the needs of the community.**

The bank contributes a large portion of its net operating income to organizations and groups in the community. For the years 1993 through 1995, cash contributions totaled nearly \$839,000 which represented approximately 2% of pre-tax net operating income.

The bank continues to provide transportation to groups and individuals at the bank's expense. A recent example is providing transportation to a group of foreign businessmen who were in Terre Haute reviewing the area for possible expansion of their business interests.

In November, 1994, the bank donated a building to the Children's Science and Technology Museum of Terre Haute, Inc. The building was formerly used as the mortgage loan office. The value of the building was estimated at \$125,000. In addition, the bank leases for \$1 per year the former main office building to the Chamber of Commerce, Alliance for Growth and Progress and the Wabash Valley

Community Foundation. The bank continues to pay all maintenance costs of the building.