



Comptroller of the Currency
Administrator of National Banks

Public Disclosure

January 23, 1998

Community Reinvestment Act Performance Evaluation

**The Stanton National Bank
Charter Number 7836**

**924 Ivy
Stanton, Nebraska 68779**

**Office of the Comptroller of the Currency
Omaha Field Office
11606 Nicholas Street, Suite 201
Omaha, Nebraska 68154**

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 **The Stanton National Bank** prepared by The Office of the Comptroller of the Currency, as of January 23, 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.

The bank's lending level is reasonable, given the institution's size, financial condition, and assessment area credit needs. A significant majority of the bank's loans are within the bank's assessment area. The bank does an excellent job of lending to farms of different sizes. Lending levels to borrowers of different income levels is reasonable. Examiners did not detect illegal discrimination or disparate treatment of applicants regardless of gender during our fair lending examination. The bank has no written complaints related to their CRA performance.

Description of Institution

The Stanton National Bank (SNB) is a \$25 million bank in Stanton County in northeastern Nebraska. The main office and one automated teller machine (ATM) are located in Stanton. The bank has six ATMs located throughout Norfolk, Nebraska. SNB is primarily owned by the Eberly Investment Company, Inc., a one bank holding company. There are no legal or financial impediments limiting the bank's ability to help meet the credit needs of the community.

On September 30, 1997, SNB's loan portfolio is 56% of total assets. The bank's primary credit products are agricultural loans and residential real estate loans. They comprise 76% of loans by volume. The table below details the loan portfolio by outstanding dollars and number of loans.

	% of Outstanding Loans By Dollars	% of Outstanding Loan By Number
Agricultural Loans	46%	32%
Residential Real Estate Loans	30%	18%
Commercial Loans	14%	9%
Consumer Instalment Loans	11%	41%

SNB was rated "Satisfactory Record of Meeting Community Credit Needs" at the last CRA examination, April 4, 1994.

Description of The Stanton National Bank's Assessment Area

SNB's assessment area is Stanton County and the six block numbering tracts, numbered 9806 thru 9811, in the community of Norfolk. The bank's assessment area meets all the requirements of CRA. Individuals can refer to the CRA Public File for a map outlining the assessment area.

The population of the assessment is 30,126. The population is divided between Stanton, Nebraska, population 1,526 people, Norfolk, Nebraska, population 22,332, and rural Stanton County. The median family income is \$31,188 or 84% the 1996 Nebraska state wide median family income of \$37,100. Census tract 9808 is a high income census tract. All other tracts are middle income tracts. Family incomes in the assessment area are: 13% low income, 16% moderate income, 26% middle income, and 45% upper income. The area economy is stable with the main sources of employment provided by agriculture, meat packing, and the retail trade in Norfolk.

The banking environment in the assessment area is highly competitive. The area includes twelve other banks, two saving and loans, two credit unions, and Farm Credit Services. The primary credit needs of the area include agriculture, residential real estate and some retail credit and consumer instalment loans. We determined the credit needs of the area by contacting two officers of two economic development agencies in the area.

Conclusions with Respect to Performance Criteria

The bank's lending levels are reasonable.

SNB's loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and assessment area credit needs. SNB's ratio averaged 63% over the past fourteen quarters and was 63% on September 30, 1997. The last three year-end and 9/30/97 loan-to-deposit averages of six similarly situated banks ranged from 60% to 74%.

The bank is lending in the Assessment Area.

SNB originates a significant majority of its loans within the assessment area (AA). The table below shows the findings of our sample:

ASSESSMENT AREA CONCENTRATION

(A sample of 41 of 309 residential & agricultural loans outstanding as of September 30, 1997)

	# of Loans	% of total #	\$ of Loans	% of total \$
Inside AA	35	85%	\$1,301,091	83%
Outside AA	6	15%	\$257,287	17%
Totals	41	100%	\$1,558,378	100%

Lending to Borrowers of Different Incomes and to Farms of Different Sizes is reasonable.

SNB has a satisfactory record of lending to borrowers of different income levels. The bank is making residential loans to all income levels. The majority of the bank's residential loans sampled were to middle and upper income individuals. These lending levels correspond to the income levels within the (AA). Lending levels, given the demographics of income within the (AA), reflect a reasonable penetration among individuals of different income levels.

The table below demonstrates the bank's breakdown of loans to individuals as compared to the income demographics of the assessment area (AA). The breakdown of income in the (AA) is from 1990 census data.

LOANS TO INDIVIDUALS OF DIFFERENT INCOME LEVELS

(Sample of 21, out of 112 residential real estate loans outstanding as of September 30, 1997)

Income Level	# of loans	% of total #	\$ of loans	% of total \$	AA
Low	4	19%	\$ 63,783	7%	13%
Moderate	1	5%	\$ 40,000	5%	16%
Middle	4	19%	\$130,495	15%	26%
Upper	12	57%	\$619,998	73%	45%
Totals	21	100%	\$854,276	100%	100%

The bank does an excellent job of lending to farms of different sizes. The table below demonstrates the bank's strong performance in making farm loans to operations of all sizes, especially small and moderate size farms.

The table separates farm size by gross revenues. The breakdown of farm size was determined by discussions with an officer of Farm Credit Services, an officer of a regional economic development agency, and bank officers.

LOANS TO FARMS OF DIFFERENT SIZES

(A sample of 20, out of 197 agricultural loans outstanding September 30, 1997)

Gross Revenue of Farm / Business	# of Loans	% of total #	\$ of loans	% of total \$
\$0 - \$150,000	12	60%	\$448,968	56%
\$150,001 - \$500,000	6	30%	\$245,894	31%
\$500,001-\$1,000,000	1	5%	\$ 79,240	10%
over \$1,000,000	0	0%	\$ 0	0%
Totals	20*	100%	\$794,102	100%

* One credit file did not contain revenue information.

Geographic Distribution of Loans

Examiners did not complete an analysis of the geographic distribution of loans throughout the (AA) as it is not meaningful. All the block numbering areas within the (AA) are middle or upper income tracts. The bank cannot limit lending to low- or moderate income tracts without low- or moderate income tracts.

Response to Complaints

The bank received no written complaints related to its CRA performance during the evaluation period.

We did not detect violations of any substantive provisions of antidiscrimination laws or disparate treatment of any instalment loan applicants during our evaluation. The bank has satisfactory fair lending policies, procedures, training programs in place. We did detect two isolated Equal Credit Opportunity Act violations which management corrected during the examination.