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Comptroller of the Currency  
Administrator of National Banks

**LARGE BANK**

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## **Public Disclosure**

September 1, 1999

### **Community Reinvestment Act Performance Evaluation**

**FIRST NATIONAL BANK OF ELMHURST  
Charter No. 23404**

**990 North York Road  
Elmhurst, Illinois 60053**

**Office of the Comptroller of the Currency  
One Financial Place, Suite 2700  
440 S. LaSalle Street  
Chicago, Illinois 60605**

**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.**

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## GLOSSARY OF TERMS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation.

**Assessment Area (AA)** - The geographic area in which an institution's CRA performance is assessed.

**Block Numbering Area (BNA)** - A small, statistical area within a nonmetropolitan county.

**Community Development Loan** - A loan with a primary purpose of community development. With one exception, community development loans specifically exclude loans reported on the Home Mortgage Disclosure Act (HMDA) or CRA Disclosure Statement. Multi-family housing loans are the only type that can be reported both as a HMDA and as a Community Development loan.

**Community Development** - Affordable housing (including multi-family rental housing) for low and moderate income (LMI) individuals; community services targeted for LMI individuals; activities that promote economic development by financing businesses or farms that meet certain size and revenue standards prescribed by regulation; and, activities that revitalize or stabilize LMI geographies.

**Community Development Service** - A service, related to the provision of financial services, with a primary purpose of community development.

**Community Reinvestment Act (CRA) Disclosure** - Report based on annual information filed by an institution reflecting small business, small farm, and community development loan activity.

**Geography** - Locally defined statistical units commonly known as Census Tracts in metropolitan statistical areas and Block Numbering Areas in non-metropolitan statistical areas.

**Home Mortgage Disclosure Act (HMDA)** - A statute that requires mortgage lenders to file annual summary reports of housing-related lending activity.

**Income Levels** - There are four income categories relating to individuals, families, and geographies.

Low-Income:	less than 50% of the median
Moderate-Income:	at least 50%, but less than 80% of the median
Middle-Income:	at least 80%, but less than 120% of the median
Upper-Income:	above 120% of the median

**Median Family Income (MFI)** - The MFI is determined by the United States Census Bureau. The Department of Housing and Urban Development (HUD) updates this figure annually using an estimated inflation factor.

## **GLOSSARY OF TERMS AND COMMON ABBREVIATIONS (Continued)**

**Metropolitan Statistical Area (MSA)** - An area containing a city with a population of at least 50,000 or an urban area with a population of 50,000 within a metropolitan area of at least 100,000.

**Qualified Investment** - A lawful investment with a primary purpose of community development.

**Small Business** - A business with gross annual revenues of \$1 million or less.

**Small Farm** - A farm with gross annual revenues of \$1 million or less.

**Small Loan to a Business** - A loan of \$1 million or less to any business.

**Small Loan to a Farm** - A loan of \$500,000 or less to any farm.

## General Information

The 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 First National Bank of Elmhurst** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **September 1, 1999**. The agency evaluates performance in AAs, as they are delineated by the institution, rather than by individual branches. This AA evaluation may include visits to some, but not necessarily all of the institution's branches. 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**".

The major factors that support this rating include:

- ♀ The geographic distribution of all loans is adequate.
- ♀ The distribution of loans to customers of different income levels is adequate.
- ♀ The level of qualified investments is adequate in response to community needs.
- ♀ Delivery systems make products and services reasonably accessible to geographies and individuals of different income levels.

The following chart indicates the performance level of **First National Bank of Elmhurst** with respect to the lending, investment, and service tests.

Performance Levels	First National Bank of Elmhurst Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory			
Low satisfactory	X	X	X
Needs to improve			
Substantial noncompliance			

\* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

## Description of Institution

First National Bank of Elmhurst (FNBE) is a wholly owned subsidiary of MidCity Financial Corporation (MCFC), a \$1.6 billion multi-bank holding company. MCFC is the parent corporation of four additional banks. They include: Mid-City National Bank of Chicago, Chicago, Illinois; The First National Bank of Morton Grove, Morton Grove, Illinois; Union Bank and Trust Company, Oklahoma City, Oklahoma; and Abrams Centre National Bank, Dallas, Texas. MCFC also owns one non-bank data processing subsidiary. FNBE is the fourth largest affiliate in the group.

FNBE's head office is located in the western suburb of Elmhurst in DuPage County. Originally named the Bank of Elmhurst, it was first chartered as a state bank in 1968. MCFC purchased the bank in November 1986. The first branch was acquired in October 1995. On July 1, 1997, MCFC converted the bank to a national charter.

Branch locations are supplemented by two attached automatic teller machines (ATMs). Other alternative delivery systems include automated telephone banking in which customers can access loan and deposit information 24 hours a day.

FNBE provides a full range of retail and commercial bank products. Its primary focus is commercial lending, with a niche of providing working capital loans to small to mid-sized businesses. The bank does not focus on agricultural lending. Prior to MCFC's purchase in November 1986, the Bank of Elmhurst was primarily a retail bank with an emphasis in indirect automobile lending. The bank's retail portfolio continues to have a significant concentration of indirect automobile loans.

This evaluation considered FNBE's performance since the last examination, dated February 5, 1996, at which the bank received a Satisfactory rating. The current evaluation reflects lending performance from January 1, 1997 thru December 31, 1998. The investment and service test performances are evaluated from March 1, 1996 thru July 1, 1999.

There are no current impediments that would hamper FNBE's ability to meet the credit needs of its communities. For the six months ending June 30, 1999, FNBE had a net income of \$1.1 million. The bank had total assets of \$161 million and the loan-to-deposit ratio was 59%. The Tier 1 Capital ratio and Return on Average Assets were 7.9% and 1.4%, respectively. Loans represented 54% of total assets. The loan portfolio was comprised of residential real estate (24%), commercial and commercial real estate (57%), and consumer (19%) loans.

## DESCRIPTION OF ASSESSMENT AREA

The AA is comprised of the eastern portion of the political subdivision of DuPage County and the far western portion of Cook County, of which both are portions of the MSA (1600). This AA represents 117 census tracts. The AA is comprised of the townships of Addison, York, and Downers Grove. Portions of the Elk Grove, Leyden, Maine, Proviso and Lyons townships are also included. The head office is located in the municipality of Elmhurst, which is a part of the Addison Township. The townships of Elk Grove, Leyden, Proviso and Lyons are located in the Cook County portion of the AA. The townships of Addison, York and Downers Grove are located in the DuPage County portion of the AA. This AA includes census tracts where the bank has its branch and where a substantial portion of the bank's loans has been originated.

The following table displays significant demographic information regarding FNBE's AA. We used this information to understand the context of the area in which the bank operates.

Assessment Area Demographic Profile

DEMOGRAPHIC CHARACTERISTICS	#	LOW-INCOME	MODERATE-INCOME	MIDDLE-INCOME	UPPER-INCOME
Census Tracts or BNA's	117	0	7%	55%	38%
Population	630,264	0	5%	54%	41%
Families by Income Level	170,435	11%	16%	26%	47%
Owner Occupied Housing Units by Income Level	170,982	0	3%	52%	45%
Businesses by Income Level	30,734	0	6%	51%	43%
Farms by Income Level	304	0	2%	52%	46%
1990 Median Family Income = \$42,758 1998 HUD Adjusted Median Family Income = \$59,500					

Source: 1990 U.S. Census, Dun & Bradstreet

Overall economic conditions in the AA are good and stable. In August 1999, unemployment for Cook County excluding the City of Chicago and DuPage Counties were 3.9% and 3.0%, respectively. Both were lower than the national average of 4.2%. The employment base is diversified with numerous employment opportunities.

The overall AA is primarily suburban. The area is generally stable, prosperous and is experiencing fairly constant growth. However, the portion of the AA that relates to Cook County (excluding the City of Chicago) is somewhat different in terms of its demographic make-up of the population, income levels, and the nature of housing stock. Also, all of the bank's moderate-income census tracts are located in Cook County.

Forty-five percent of the owner occupied housing units within the AA is in Cook County. The housing stock within Cook County is somewhat older than the rest of the AA. The median year built for housing units for the DuPage County portion of the AA was 1965. In Cook County, the median year built for housing units was 1957.

The overall housing cost is high, at \$133,816. The cost of housing impacts the ability for LMI families to purchase a home. For example, the average cost of housing is approximately 4.5 times that for low-income families and 2.8 times that for moderate-income families.

### Similarly Situated Banks

FNBE's principal business activities are highly competitive. The bank competes actively with other financial service providers offering a wide array of financial products and services. Competitors include: other national and state banks; savings banks; savings and loan associations; finance companies; insurance companies; and, various nonfinancial intermediaries.

Similarly situated banks for the AA include: Amerimark Bank, Villa Park, Illinois; Continental Community Bank and Trust, Maywood, Illinois; and, Oxford Bank and Trust, Addison. These banks are independently owned, range from \$200 million to \$600 million in total assets, serve similar market areas, and primarily have a commercial lending focus.

### **Credit Needs and Opportunities**

Based on the size and location of the bank's AA, credit and community development needs are numerous and varied. Significant credit needs include, affordable housing (low down payment loans, down payment assistance and rehabilitation), consumer and small business loans (working capital, and microloans to maintain economic viability). These needs were identified through several community contacts with housing, economic and government representatives contacted by banking regulatory agencies in the past 24 months. We performed one community contact during the examination.

Opportunities for qualified investments, community development loans, and community development services exist within the bank's AA. These opportunities include: investment in Community Development Corporations (CDCs); Small Business Administration loan programs (Microlending Demonstration Program and 504 Program); credit counseling agencies; small business development centers; and, non-profit organizations that provide social services to LMI individuals.

# Conclusions with Respect to Overall Performance Tests

## LENDING TEST

The lending test is the most influential consideration in evaluating the bank's CRA performance. Consideration is given to FNBE's origination of credit within its AA; the extension of credit to low- and moderate-income areas within the assessment area; the level of credit provided to low- and moderate-income borrowers, small loans to businesses, and credit provided for community development. The bank does not originate farm loans. Per FNBE's request, consumer data was reviewed. More weight was placed on small business lending performance due to FNBE's historical commercial lending focus. Based on FNBE's size and resources, our review found that its lending activity demonstrates:

- ♀ an adequate responsiveness to credit needs in its AA;
- ♀ an adequate level of loans to moderate-income census tracts within the AA;
- ♀ an adequate percentage of loans made within the AA;
- ♀ an adequate distribution of loans among borrowers of different income levels; and,
- ♀ an adequate use of flexible credit products.

### Performance Criteria:

#### Lending Activity

FNBE's lending activity reflects adequate responsiveness to AA credit needs. As of June 30, 1999, the loan-to-deposit ratio was 59%. This ratio is lower than other peer banks, which average 71%. Peer banks include all banks within Cook and DuPage Counties with total assets between \$90 million to \$250 million, and have a commercial and commercial real estate loan base of at least 50%. Thirty-seven banks fit into this custom peer group. The average loan-to-deposit ratio, for three years, is higher at 64%. Declines in the bank's indirect automobile portfolio, as well as, significant payoffs within the commercial real estate portfolio contribute to the lower lending levels. Furthermore, deposits have grown at a faster pace than loans.

Although FNBE originates a wide variety of loans, it has historically been primarily a commercial lender. Fifty-seven percent of the loan portfolio is commercial related. Most of the small business lending is generated through officer calls and referrals.

The bank originated 152 small loans to businesses in 1997 and 1998. Seventy-seven percent or 117 of these small loans to businesses were within the AA. Based on the 1997 Small Business Aggregate data published by the FFIEC, FNBE ranked 109 out of 325 lenders. The statistics are skewed toward reporters, such as American Express, who issue a large number of business credit cards, which are considered small business loans for reporting purposes. FNBE's small business lending performance could not be compared to its similarly situated banks because they were not required to collect small business aggregate data.

The bank is not an active home mortgage lender, primarily due to the lack of expertise needed to effectively offer these products. The bank does not actively advertise for residential mortgages. As such, the bank's mortgage

product lines have not been as extensive as that of other financial institutions. There is steep competition from many larger multinational banks, regional banks and mortgage companies. Aggregate market data for 1997 HMDA activity revealed that 104,455 owner occupied HMDA loans were originated within the bank's AA, with FNBE originating only 39 of HMDA reportable loans. The market share data revealed that leaders are several multinational and regional banks. The five banks reflecting the highest market share within the AA include: MidAmerica Federal Savings and LaSalle Bank FSB with each sharing 4% market share; Chase Manhattan Mortgage Company and Countrywide Home Loans, Inc., each with 3% market share; and, First Chicago NBD Mortgage Company with 2% market share.

Of the total HMDA reportable loans, 36% were home purchase, 19% were home improvement, 44% were refinances and 1% was multi-family. The bank ranked 155<sup>th</sup> with a .13% market share in the bank's AA in 1997, the most current year for which HMDA market share data is available. FNBE's market share was 3<sup>rd</sup> when compared to similarly situated banks within its AA.

The bank originated 822 consumer loans in 1997 and 1998. Seventy-seven percent of that number is automobile loans. Historically, the bank had originated a significant number of indirect automobile loans. However, consumer loan originations decreased 27% primarily due to increased competition from larger financial institutions.

#### **Assessment Area Concentration**

The majority of FNBE's loans were made within its AA. Seventy-seven percent, 63%, and 51%, respectively, of small loans to businesses, HMDA, and consumer loans were originated within the bank's AA. See **Tables 1 and 14** for the number and dollar amount of loans originated within the bank's AA.

#### **Geographic Distribution**

Overall, FNBE's geographic distribution of home mortgage loans and small loans to businesses, within the AA, is adequate given the AA's characteristics. The geographic distribution of consumer loans is good given the AA's characteristics. The dispersion of lending within the AA is very good considering the bank's size and resources.

#### Home Mortgage Loans

**Tables 2, 3, and 4** compare the bank's level of home purchase, home improvement, and home mortgage refinance loans to the proportionate percentage of owner-occupied housing units by type of geography. The bank did not originate any home purchase, home improvement, or refinance loans within its moderate-income census tracts. Three percent of all owner occupied units within the AA are located in these moderate-income census tracts, while only 7% of FNBE's census tracts are moderate-income. Some lending opportunities exist, since 50% of the housing within the moderate-income census tracts are owner-occupied. As stated in the *Description of the*

*Assessment Area* section, all of these census tracts are located within the Proviso or Elk Grove townships where the bank does not have a branch. The lack of a physical presence, as well as, steep competition from other financial institutions makes it difficult for the bank to penetrate this area.

#### Small Business Loans

**Table 5** compares the bank's level of small loans to businesses with the proportionate number of businesses operating in the type of geography. FNBE's distribution of small loans (less than \$1 million) is good when compared to the percentage distribution of businesses throughout the geographies. Eight percent of FNBE's loans were originated in moderate-income geographies. This distribution was good when compared to the percentage (6%) of businesses located in these geographies. The bank's overall market share for small loans to businesses is low, at .06%. However, FNBE's market share in moderate-income geographies is good, since it is comparable to the overall market share of small loans to businesses. The four similarly situated banks were not required to collect CRA data and, therefore, cannot be compared to FNBE.

#### Consumer Loans

**Table 14** compares the bank's level of consumer loans with the proportionate number of households by type of geography. The bank's performance is adequate since its percentage of loans originated in moderate-income census tracts (5%) equals the percentage of households within these census tracts.

The lending gap analysis determines the dispersion of lending of all product types throughout the AA. When all product types are considered, no conspicuous gaps were identified. The good dispersion is primarily attributed to consumer lending. Only one moderate-income census tract had no lending activity. When considering only HMDA loans and small loans to businesses, FNBE had lending activity in only one of the eight moderate-income census tracts; however, lending activity was concentrated around branch locations. This dispersion of all loans is acceptable considering the bank does not have branches located in moderate-income areas.

## **Borrower Characteristics**

We evaluated loans by borrower characteristics to determine the extent that FNBE provides loans to LMI borrowers and small businesses. This analysis revealed that the distribution of FNBE's home mortgages to LMI borrowers is good when compared to the income distribution of the AA's families. The analyses also revealed that a limited number of small loans are provided to businesses with revenues less than \$1 million. However, FNBE extends a substantial number of very small loans. Consumer lending to low-and moderate-income borrowers is excellent.

### Home Mortgages

**Tables 7, 8, and 9** compare FNBE's home purchase, home improvement, and home mortgage refinance lending to borrowers of different income levels to the proportionate number of families in each income level. Home mortgage loans to low-income borrowers are good when compared to the percentage of low-income families in the AA. FNBE originated 7% of home purchase, 13% of home improvement, and 8% of refinance loans to low-income individuals. Eleven percent of all families are low-income. As reflected in the *Description of the Assessment Area*, the housing cost within the AA, in relation to the income level of low-income individuals, impairs the low-income individual's ability to afford a home. While FNBE's overall market share for home mortgage products is very low, the market share for low-income borrowers compares favorably to the overall market share. The bank's market share of home purchase and home improvement loans to low-income borrowers exceeds its overall market share.

Home mortgage loans to moderate-income borrowers are good when compared to the percentage of moderate-income families in the AA. FNBE originated 17% of home purchase, 13% of home improvement, and 25% of refinance loans to moderate-income individuals. Sixteen percent of all families are moderate-income.

### Small Business Lending

**Table 10** illustrates the distribution of small business loans in the AA. Our analyses revealed that only 28% of FNBE's small loans to businesses were to businesses with gross revenues of \$1 million or less. This performance is poor when compared to the percentage (62%) of businesses with gross revenues of \$1 million or less and the aggregate market's percentage of 46%. Seventy-eight percent of all small loans to businesses were originated for amounts of \$100,000 or less for an average loan size of \$78,000. Management attributes the lending to business with large revenues to its ability to use affiliates when setting lending limits.

### Consumer Lending

**Table 14** compares FNBE's consumer lending to borrowers of different income levels to the proportionate number of households in each income level. The bank's performance is excellent given the percentage of households that are low-income (15%) and moderate-income (14%). The bank originated 16% of bank loans to low-income borrowers and 26% to moderate-income borrowers.

## **Community Development Lending**

FNBE has not extended any community development loans during the evaluation period.

## **Innovative or Flexible Lending Practices**

FNBE makes adequate use of flexible loan programs. These programs have been instrumental in providing affordable lending for consumer purposes and small business development.

- **Smart Equity:** This home equity loan allows a generous 14-year term and no up-front costs or annual fees. The customer may switch between fixed or variable interest rates and choose either fixed monthly or interest-only payments. There are no points and no closing costs. In July 1999, the loan-to-value was relaxed to 90%. FNBE has extended 83 of these loans in 1997 and 1998.
- **Fixed Rate Equipment Loans:** In June 1998, the bank initiated a commercial product that provides 100% financing for equipment loans. Four small loans to businesses have been extended under this program, totaling \$149,000.
- **Small Business Administration Low DOC Program:** This government guaranteed program that benefits small businesses allows for shorter application and approval time. During this evaluation period the bank originated four loans, totaling \$400,000.
- **Elmhurst Low Interest Rate Business Loan Program:** The bank participates in this program in conjunction with the Elmhurst Economic Development Corporation. The program is available to businesses operating within the City of Elmhurst and must be for activities such as exterior or interior building renovations, corrections to City Code violations, weatherizing, or compliance projects for the Americans with Disabilities Act. This loan program promotes economic development through the support of small business activity. Loans can range from \$5,000 to \$50,000. The interest rate is below prime. The program was recently implemented in August 1999. As such the bank has not extended any loans under this program.

While the small business programs discussed above are flexible, no data was available to conclude on the effectiveness of the small business loan programs in addressing the needs of LMI individuals or census tracts.

## INVESTMENT TEST

In its investing activities, FNBE exhibits adequate responsiveness to credit and community development needs. This conclusion is based on the needs and opportunities within the area identified through community contacts and the bank's size and financial capacity. Due to the bank's presence within a large metropolitan area, many investment opportunities are available to assist needs within the communities in which the bank serves. Specific needs and opportunities are discussed within the *Description of Assessment Area* section of this report.

The bank provides investments in its communities through cash and in-kind contributions and grants to several organizations serving LMI residents in its AA. Total qualifying investments during this evaluation period amounted to \$996,182. Specific noteworthy investments include:

- In June 1999, the bank made a 20% (\$989,182) investment in a \$4,997,993 mortgage backed loan pool. The investment is backed by home mortgage loans originated to LMI individuals within DuPage and Cook counties. The loans within the pool incorporate a broad area that includes the bank's AA, however, a relatively low amount directly benefited FNBE's AA. While consideration is given to the entire investment amount, significant weight was placed on only the portion of the investment that directly benefited the AA

Additional donations and grants were provided to organizations with a primary purpose of community development. FNBE contributed to 14 different community development organizations, totaling \$7,000 during the evaluation period.

## SERVICE TEST

FNBE serves the needs of its community through various service-oriented activities. This conclusion is based on the following:

- ♀ FNBE employs various delivery systems that make products and services reasonably accessible to individuals of different income levels.
- ♀ Branch offices are reasonably accessible to geographies and individuals of different income levels within the AA considering the bank's size and resources. Branch hours are reasonable.
- ♀ FNBE provides an adequate level of community development services.

### Retail Banking Services

FNBE has two offices (including the main office). The main office is located in the Village of Elmhurst. The branch is located in the Village of Burr Ridge. **Table 13** depicts the census tracts and income levels of the population served by the two branch offices.

As shown in **Table 13**, the bank's two offices are located in upper income census tracts. Only a small percentage of the population within the AA (5%) is located in moderate-income geographies. However, our analyses reveal that within the immediate surrounding area of the branches, some LMI families are served. The immediate areas surrounding the branches include Addison, Bensenville and Villa Park.

Products and services are fairly consistent for both branch locations. FNBE's hours are tailored to the needs of the surrounding area. Hours of operation are consistent throughout the AA. Both of the branches maintain Saturday hours. Additionally, both branches have drive-up facilities which offer extended hours.

The bank maintains two ATM machines and customers have access to 19 affiliate owned ATM's. The bank subscribes to the Cash Station network that enables customers to transact banking through a large number of ATM machines throughout the AA and nationwide.

### Alternative Delivery Systems

FNBE's alternative delivery systems make services more accessible. These programs enhance the overall delivery of products to the market as a whole. In addition to the ATM network, these systems include an automated telephone banking system known as Personal Automated Teller (PAT) and Loan by Phone for home equity lines of credit. Using PAT, customers can obtain loan and deposit information 24 hours a day via a toll-free number. Customer initiated transactions may include account balance inquiries, funds transfers, loan payments and rate information. Loan originators are willing to accept applications over the telephone. As part of the bank's service to the multi-ethnic communities it serves, bank employees utilize a foreign language directory in order to provide assistance to non-English speaking customers. Bank personnel speak six different languages. This allows the bank to provide better customer service as it gives the bank the ability to have a translator join in on conversations with customers.

We did not place significant weight on the alternative delivery systems when drawing our CRA performance conclusions because no data was available to determine the effectiveness of delivering retail banking services to

low- and moderate-income census tracts and to low-and moderate-income individuals.

### **Community Development Services**

Several bank employees offer community development services to organizations that have as their primary purpose economic development or revitalization. Their involvement is to provide technical assistance, develop programs to provide lending, and inform the community about credit and deposit products.

♀ An officer of the bank serves as liaison of the DuPage Homeownership Center. This not-for-profit organization supports services for LMI individuals seeking to purchase a home in DuPage County.

♀ An officer of the bank serves as a member of the Banking Committee of the Elmhurst Economic Development Corporation. This organization promotes economic development in Elmhurst. The committee was instrumental in developing the Elmhurst Low Interest Rate Business Loan Program which assists in financing small businesses.

## **FAIR LENDING REVIEW**

We performed a fair lending review of automobile loans by reviewing denied and approved applications for 1999. Applications were compared on the basis of race. The sample consisted of comparing denied applications for the prohibited basis group to the approved applications for the control group. We found no evidence of discrimination.

## Appendix A: Scope of Examination

<b>Time Period Reviewed</b>	<b>Lending Test:</b> January 1, 1997 to December 31, 1998 <b>Service &amp; Investment:</b> January 1, 1997 to June 30, 1999	
<b>Financial Institution</b>		<b>Products Reviewed</b>
<b>First National Bank of Elmhurst Elmhurst, Illinois</b>		HMDA, Small Business and Consumer Loans 1997 & 1998
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
MSA 1600, Portions of DuPage and Cook Counties, IL	On-site	

## Appendix B: Tables of Performance Data

### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A-Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/AA; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/AA. The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/AA.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/AA. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.

- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.
- Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.
- Table 14. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of the population within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage of households by income level in each MSA/assessment area.



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**Table 1. Lending Volume**

LENDING VOLUME Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to December 31, 1997									
MSA /Assessment Area	% of Total bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farms		Community Development	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
Full Scope:									
MSA 1600/Portions of Cook and Dupage Counties, IL	100	81	9,149	117	10,453	0	0	0	0

Home Mortgage loan mix: Home Purchase - 29; Home Improvement - 15; Refinance - 36; Multi-family - 1

**Table 2. Geographic Distribution of Home Purchase Loan Originations**

Geographic Distribution: HOME PURCHASE Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to December 31, 1997												
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod
Full Scope:												
MSA 1600/Portions of Cook and Dupage Counties, IL	0	0	3	0	52	45	45	55	120	0.12	0	0

(\*) Based on 1997 Aggregate HMDA Data only.

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**Table 3. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to December 31, 1997												
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod
Full Scope:												
MSA 1600/Portions of Cook and Dupage Counties, IL	0	0	3	0	52	40	45	60	53	0.26	0	0

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: HOME MORTGAGE REFINANCE Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to December 31, 1997												
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod
Full Scope:												
MSA 1600/Portions of Cook and Dupage Counties, IL	0	0	3	0	52	53	45	47	177	0.09	0	0

(\*) Based on 1997 Aggregate HMDA Data only.

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**Table 5. Geographic Distribution of Small Business Loan Originations**

Geographic Distribution: SMALL BUSINESS Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to December 31, 1998												
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography		
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod
Full Scope:												
MSA 1600/Portions of Cook and Dupage Counties, IL	0	0	6	8	51	55	43	37	109	0.06	0	0

(\*) Based on 1997 Aggregate Small Business Data only.

**Table 6. Geographic Distribution of Small Farm Loan Originations**

Geographic Distribution: SMALL FARM Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to December 31, 1998												
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*		
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod
Full Scope:												
MSA 1600/Portions of Cook and Dupage Counties, IL	0	0	0	0	0	0	0	0	0	0	0	0

(\*) Based on 1997 Aggregate Small Farm Data only.

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**Table 7. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to December 31, 1997												
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income		
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod
Full Scope:												
MSA 1600/Portions of Cook and Dupage Counties, IL	11	7	16	17	26	31	47	45	101	0.17	0.38	0.17

(\*) As a percentage of loans with borrower income information available.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 8. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HOME IMPROVEMENT Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to December 31, 1997												
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income		
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod
Full Scope:												
MSA 1600/Portions of Cook and Dupage Counties, IL	11	13	16	13	26	40	47	34	42	0.57	0	0.19

(\*) As a percentage of loans with borrower income information available.

(\*\*) Based on 1997 Aggregate HMDA Data only.

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**Table 9. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HOME MORTGAGE REFINANCE Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to 1998												
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income		
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod
Full Scope:												
MSA 1600/Portions of Cook and Dupage Counties, IL	11	8	16	25	26	31	47	33	154	0.12	0.19	0.16

(\*) As a percentage of loans with borrower income information available. No information was available for 3% of loans originated by FNBE.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 10. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to December 31, 1998										
MSA /Assessment Area	Business with Revenues of \$1 million or less			Loans by Original Amount regardless of Business Size			Market Share****		#	
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less		
Full Scope:										
MSA 1600/Portions of Cook and Dupage Counties, IL	62	28	46	78	8	14	0.06	0.04	1	

(\*) As a percentage of businesses with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 7% of loans originated by FNBE.

(\*\*\*) The market consists of all other Small Business reporters in FNBE's assessment area and is based on 1997 Aggregate Small Business Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Business Data only.

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**Table 11. Borrower Distribution of Small Farm Loan Originations**

Borrower Distribution: SMALL FARM Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to December 31, 1998									
MSA /Assessment Area	Farm with Revenues of \$1 million or less			Loans by Original Amount regardless of Farm Size			Market Share****		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#
Full Scope:									
MSA 1600/Portions of Cook and Dupage Counties, IL	0	0	0	0	0	0	0	0	0

(\*) As a percentage of Farms with known revenues.

(\*\*) As a percentage of loans with revenue information available..

(\*\*\*) The market consists of all other Small Farm reporters in FNBE's assessment area and is based on 1997 Aggregate Small Farm Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Farm Data only.

### Table 12. Qualified Investments

QUALIFIED INVESTMENTS Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to June 30, 1999							
MSA /Assessment Area	Prior Period Investments*			Current Period Investments			Total Investm
	#	\$ (000's)	%**	#	\$ (000's)	%**	#
Full Scope:							
MSA 1600/Portions of Cook and Dupage Counties, IL	0	0	0	15	996	0	15

(\*) "Prior Period Investments" means investments made in a previous evaluation period that remain outstanding.

(\*\*) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

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### Table 13. Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to													
MSA /Assessment Area	Deposits	Branches						ATMs					
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp
Full Scope:													
MSA 1600/Portions of Cook and Dupage Counties, IL	100	2	100	0	0	0	100	2	100	0	0	0	100

**Table 14. Geographic and Borrower Distribution of Consumer Loan Originations (Optional)**

Geographic and Borrower Distribution: CONSUMER LOANS Bank: First National Bank of Elmhurst Evaluation Period: January 1, 1997 to														
MSA /Assessment Area	Geographic Distribution								Borrower Distribution					
	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers	
	% of Pop*	% Bank Loans	% of Pop*	% Bank Loans	% of Pop*	% Bank Loans	% of Pop*	% Bank Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans
Full Scope:														
MSA 1600/Portions of Cook and Dupage Counties, IL	0	0	5	5	54	59	41	36	15	16	14	26	22	25

(\*) The percentage of the population in the MSA/Assessment area that resides in these geographies.