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Comptroller of the Currency  
Administrator of National Banks

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## **Public Disclosure**

**July 15, 1997**

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

**FIRST NATIONAL BANK AND TRUST OF SYRACUSE  
Charter Number 3083**

**Fifth and Midland, Box 340  
Syracuse, Nebraska 68446**

**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 First National Bank and Trust of Syracuse, Syracuse, Nebraska prepared by The Office of the Comptroller of the Currency, as of July 15, 1997. 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.

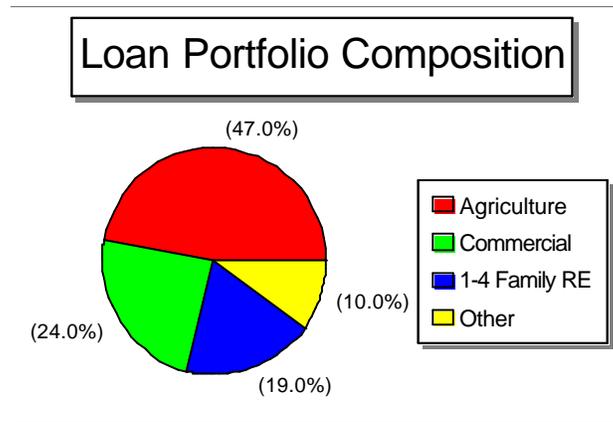
**Institution's CRA Rating:** This institution is rated "**Satisfactory.**"

First National Bank and Trust of Syracuse (FNB&T) satisfactorily meets the credit needs of its assessment area. The bank's primary lending activities are centered around agricultural, commercial, and residential real estate loans. FNB&T's average loan-to-deposit ratio since the last CRA examination is reasonable. The bank has a satisfactory record of originating loans in the assessment area and making loans to individuals with different income levels and to agricultural and commercial operations of different sizes.

### **Description of Institution**

FNB&T is a \$42 million financial institution located in southeast Nebraska. The bank is the third largest financial institution in its assessment area. Syracuse Agency, Inc., a one bank holding company with total assets of \$3.4 million as of December 31, 1996, owns 99% of outstanding shares of the bank. FNB&T has one full service facility, one drive-up facility, three full-service automated teller machines (ATMs), and one cash dispensing ATM. All facilities and ATMs are located in the assessment area.

The following table displays FNB&T's loan portfolio composition as of March 31, 1997:



### Description of Otoe County

FNB&T has designated all of Otoe County as its assessment area. The county consists of five block numbering areas (BNAs). All five BNAs are middle income. The inflation adjusted 1996 median family income for non-metropolitan statistical areas is \$35,100 (see table below for additional information regarding income categories). Based on 1990 census data, the population of the assessment area is 14,252. The median housing value for the assessment area is \$37,300. The assessment area did not meet the requirements of the regulation prior to the CRA examination, since it did not include whole geographies. The revised assessment area meets the requirements of the regulation and does not arbitrarily exclude any low- and moderate-income areas.

The following table illustrates the number and percentage of families in each income category in the bank's assessment area. The data is based on the 1990 median family census income of \$27,623.

<b>Families by Income Category</b>		
<b>Income Category</b>	<b>Number</b>	<b>Percentage</b>
Low Income	598	15%
Moderate Income	736	19%
Middle Income	1,034	27%
Upper Income	1,524	39%

The economy of the assessment area is driven largely by agriculture, but does include some diversification in manufacturing. Major employers include Lawson-Mardon-Wheaton, Maverick Media, Inc., and Good Samaritan Center.

The bank faces moderate competition from six financial institutions, a loan production office, and a mortgage company.

Discussions with community leaders and economic development organizations revealed a need for long-term fixed rate housing loans. FNB&T has a reasonable record of originating housing loans to all family income levels. Also, FNB&T's focus on agricultural lending is consistent with the needs of the assessment area.

## **Conclusions with Respect to Performance Criteria**

### **Loan-to-Deposit Ratio**

FNB&T's loan-to-deposit ratio since the last CRA examination is reasonable and in line with the average of all financial institutions in the bank's assessment area. The bank's average loan-to-deposit ratio over the past eight quarters is 62%. The eight quarter average of all banks in FNB&T's assessment area is 62%, with a range of 36% to 78%.

### **Lending in the Assessment Area**

FNB&T originates a reasonable proportion of its loans in the assessment area. Our sample of 20 residential real estate loans originated from January 1996 through March 1997 and 20 agricultural/commercial operating loans originated from July 1996 through June 1997 revealed 90% and 65% of the number of loans, respectively, were originated in the assessment area. The tables in the next section display our analyses of lending in the assessment area.

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

FNB&T has a satisfactory record of lending to individuals of different income levels and to farms and businesses of different sizes. The loan portfolio is reasonably balanced in relation to the demographics of the assessment area and reflects the bank is meeting the majority of identified housing credit needs. The bank recently began offering fixed rate long-term residential real estate loans to be sold on the secondary market, but has not yet originated any credits under this program. Originations of secondary market loans would benefit the community and meet an expressed need.

FNB&T originated 35 residential real estate loans totaling \$1.5 million over the past 15 months. The following table represents a sample of 20 residential real estate loans originated from January 1996 through March 1997.

<b>Residential Real Estate Loans</b>				
<b>Income Levels of the Assessment Area</b>	<b>% of Households</b>	<b>% of Families</b>	<b>Real Estate Loans % by Number / % by Dollar</b>	
Low	22%	15%	10%	8%
Moderate	18%	19%	20%	17%
Middle	19%	27%	30%	40%
Upper	41%	39%	40%	35%
Percent originated in the Assessment Area			90%	82%

The following table represents a sample of 20 agricultural and commercial operating loans originated from July 1996 through June 1997. The table displays the bank's record of lending to farms and businesses of different sizes.

<b>Agricultural/Commercial Operating Loans</b>		
<b>Annual Gross Revenue (000)</b>	<b>% of Number Made in Revenue Range</b>	<b>% of Dollar Volume Made in Revenue Range</b>
<100	35%	31%
100 - 250	40%	55%
251 - 500	10%	5%
501 - 1,000	10%	7%
>1,000	5%	2%

FNB&T originated 65% of the number and 68% of the dollar volume of the above agricultural and commercial loans in the assessment area.

### **Geographic Distribution of Loans**

All five block numbering areas in FNB&T's assessment area are middle income. Therefore, specific analysis of the geographic distribution of loans is not meaningful. We note from observation that the bank's loans are distributed in proportion to the population in the entire assessment area.

### **Response to Complaints**

No complaints have been received since the last CRA examination.

### **Record of Compliance with Antidiscrimination Laws**

We did not identify any violations of antidiscrimination laws or regulations, or disparate treatment of loan applicants. FNB&T has policies, procedures and audit programs designed to prevent and detect lending discrimination.