

## **PUBLIC DISCLOSURE**

May 24, 1999

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The First National Bank of Ogden  
Charter #5304**

**102 South East Avenue  
Ogden, Illinois 61859**

**Office of the Comptroller of the Currency  
Indianapolis Field Office  
8777 Purdue Road, Suite 105  
Indianapolis, IN 46268-3109**

**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 First National Bank of Ogden** prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of June 7, 1999. Our assessment of the bank's performance covers the period since August 28, 1995. The rating received at that time was "Outstanding Record of Meeting Community Credit Needs". The 1995 CRA rating was arrived at by using the applicable regulation at the time. 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 Record of Meeting Community Credit Needs**".

This rating is supported by the following:

- C The bank has a good record of lending to small farms and small businesses.
- C The bank has a reasonable record of providing real estate loans to low-and moderate- income individuals.
- C A majority of the bank's loans originated during the assessment period are within its assessment area.
- C The bank provided a good level of services after a natural disaster, which took place in the assessment area.
- C The bank's loan to deposit ratio is reasonable.
- C The bank's qualified investments provide a benefit to the community, but do not significantly enhance the bank's performance under the Community Reinvestment Act.

This rating is based on analyses of the bank's lending performance from August 29, 1995 - May 31, 1999. The lending performance test includes analyses of the distribution of credit to borrowers of different incomes and businesses of different sizes, the bank's average loan-to-deposit ratio, the volume of total lending within the bank's assessment area, and the bank's level of compliance with Fair Lending laws and regulations. At the bank's request, we also reviewed the bank's investments and services.

## DESCRIPTION OF INSTITUTION

The First National Bank of Ogden is a \$54 million institution operating from a main bank in Ogden, Illinois and full service branches located in St. Joseph, Illinois and Royal, Illinois. This institution is owned by Longview Capital Corporation, a four-bank holding company with total assets of \$131 million, as of fiscal year-end 1998. Longview Capital Corporation is headed out of Newman, IL. The bank offers one non-deposit network ATM each in St. Joseph and Ogden, for customer service and convenience. Both ATMs are located in convenience store/gas stations. Ogden is a village of 700, located in East Central Champaign County. Ogden is an agricultural community approximately 15 miles east of Champaign/Urbana.

The bank's loan and lease portfolio totals approximately \$34 million and makes up 63% of total assets. As seen in *Table 1*, the bank's primary lending is agricultural.

<b>Loan Mix at March 31, 1999</b>		
<b>Table 1</b>		
Type of Loans	%	Dollars
Residential Real Estate	28%	\$9,469,000
Consumer	4%	\$1,353,000
Agricultural	44%	\$ 14,880,000
Commercial	24%	\$8,116,000
Total	100%	\$33,818,000

The bank has originated 211 residential real estate loans with a total dollar amount of \$12,964,000 in 1996 through 1998. These numbers include the mortgage loans that are sold in the secondary market. Origination information was unavailable for the other loan types.

The bank has no financial or legal impediments that restrict it from meeting the credit needs of its local community.

## DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area consists of two census tracts in Champaign County and one in Vermilion County. Based on 1990 census data, all three census tracts are considered middle-income. Champaign County is a Metropolitan Statistical Area (MSA). This assessment area conforms to the regulation and does not arbitrarily exclude low- or moderate- income areas. The following demographic information for the assessment area is based on 1990 census data:

Housing Stock:	91% of the housing units are 1-4 family.
Occupancy:	76% are owner occupied, 19% are renter occupied, and 5% are vacant. va
Home Values:	Median home value is \$54,080.
Age of Homes:	Median year of homes built is 1961.
Income Levels:	13% of families are designated low-income, 18% are moderate-income, 29% are middle-income, and 40% are upper-income.

For comparison purposes, the Champaign County MSA median family income was used when looking at the two census tract in Champaign County. The Illinois non-MSA median family income was used for the census tract in Vermilion County. The most recent numbers available are 1998 U.S. Department of Housing and Urban Development (HUD) estimated at \$49,800 for Champaign County and \$39,500 for non-MSA Illinois areas.

The assessment area is made up of 13,537 people in 5,056 households. Six percent of these households are below poverty level.

A substantial majority of the village of Ogden was destroyed by a tornado April 19, 1996 and spent a large part of this assessment period rebuilding. The St. Joseph area is a growing bedroom community of Champaign.

A majority of the people living in the assessment area hold jobs in either Champaign or Danville, Illinois. Thirty-six percent of the Champaign County MSA are employed by government according to 1995 US Bureau of Labor Statistics. As of April 1999, the unemployment rate for Champaign and Vermilion Counties were 2.2% and 5.0%, respectively.

There are thirteen other banks in Vermilion and Champaign counties with total assets between \$25 million and \$75 million. There are several larger banks located in Champaign and Danville. There are also a few smaller institutions in the area. There are six banks located inside the actual assessment area.

A local Realtor mentioned in our discussion that small business loans are a need in the community. Based upon our review, the bank is satisfactorily lending money to small businesses. *See the Agricultural and Business Loan Analysis that follows.*

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

### **LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES**

The First National Bank of Ogden satisfactorily extends credit to consumers of all income levels, and satisfactorily extends credit to smaller-sized agricultural and commercial borrowers within its assessment area. As mentioned before, 44% of the bank's portfolio is agricultural. Residential real

estate makes up an additional 28% of loans and leases. It should also be noted that 23% of the dollar of residential real estate loans made were sold into the secondary market.

### **Agricultural and Commercial Loan Analysis**

The bank's distribution of lending to small farms within the assessment area is excellent. As shown in *Table 2*, 100% of the number and dollars of loans sampled in the assessment area were made to small farms. A majority of the farms in the assessment are considered small farms. Small farms are defined as a farm with annual gross revenues below \$500,000.

<b>AGRICULTURAL LOANS</b>				
<b>Sample Distribution to Various Farms by Revenue Size</b>				
<b>Table 2</b>				
<i>Gross Revenues</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>
Less than \$100,000	8	57%	\$357,000	46%
\$100,001 - 250,000	5	36%	\$382,927	49%
\$250,001 - 500,000	1	7%	\$40,000	5%
More than \$500,000	0	0%	\$0	0%
Totals	14	100%	\$779,927	100%

Source: This table based on a sample of agricultural loans originated in the bank's assessment area between 8/29/95 and 5/31/99.

The bank's record of lending to small businesses is satisfactory. As shown on *Table 3*, 77% of the number and 33% of the dollars of the loans sampled in the assessment area were to small businesses. Small business loans were identified as a community credit need during our community contact. Business Demographic Data states that there are 384 nonfarm businesses in the assessment area. Based upon the information available for Business Demographic Data, ninety-three percent of these businesses are small businesses. Small businesses are defined as a business with annual gross revenues below \$1 million.

<b>COMMERCIAL LOANS</b>				
<b>Sample Distribution to Various Business Sizes by Revenue Size</b>				
<b>Table 3</b>				
<i>Gross Revenue</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>
Less than \$100,000	4	44%	\$128,824	17%
\$100,001 - 250,000	0	0%	\$0	0%

\$250,001 - 500,000	2	22%	\$40,000	5%
\$500,001 - \$1,000,000	1	11%	\$76,000	10%
Over \$1,000,000	2	22%	\$500,000	67%
Totals	9	100%	\$744,824	100%

Source: This table based on a sample of commercial loans originated in the bank's assessment area between 8/29/95 and 5/31/99.

### Mortgage Loan Analysis

The bank's record of real estate lending is reasonable. Thirteen percent of the population in the bank's assessment area is considered low-income, with an additional eighteen percent classified as moderate-income. As illustrated in *Table 4*, our analysis of the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR) for 1996, 1997, and 1998 indicated that the bank provides home loans to low- and moderate-income borrowers at a level in line with the population's characteristics: 11% of the number and 3% of the dollars of residential real estate loans were made to low-income borrowers, while 18% of the number and 14% of the dollars were to moderate-income borrowers.

<b>REAL ESTATE LOANS</b>					
<b>Distribution of Borrowers' Income Levels</b>					
<b>Table 4</b>					
<i>Income Level</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>	<i>% of Families in Each Category</i>
Low - Income Less than 50% of Median	12	10%	\$189,000	3%	13%
Moderate - Income 50% - 79% of Median	21	18%	\$919,000	14%	18%
Middle - Income 80%-119% of Median	32	28%	\$1,512,000	23%	29%
Upper - Income 120% or more of Median	50	43%	\$4,059,000	61%	40%
Totals	115	100%	\$990,199	100%	100%

Source: This table is data from the bank's HMDA LAR for 1996, 1997, and 1998. This table shows data only for loans that were inside the bank's assessment area.

### LENDING IN THE ASSESSMENT AREA

A majority of loans originated are within the assessment area. As illustrated in *Table 6*, our analysis of HMDA LAR data revealed that 52% of the dollar amount, and 55% of the number of residential real estate loans, were made inside the bank's assessment area. Our sample of agricultural and commercial loans revealed that 52% of the dollar amount and 58% of the number of loans, were made in the assessment area.

<b>LOAN PENETRATION ANALYSIS</b>				
<b>Table 6</b>				
<i>Type of Loan</i>	<i>Within Assessment Area</i>		<i>Outside Assessment Area</i>	
Residential Real Estate	\$6,749,000	52%	\$6,215,000	48%
	115	55%	95	45%
<b>Commercial Loans</b>				
Commercial Loans	\$744,824	44%	\$929,703	56%
	9	45%	11	55%
<b>Agricultural Loans</b>				
Agricultural Loans	\$779,927	62%	\$483,100	38%
	14	70%	6	30%
<b>Total Sample of Agricultural and Commercial Loans</b>				
Total Sample of Agricultural and Commercial Loans	\$1,524,751	52%	\$1,412,803	48%
	23	58%	17	42%

Source: The residential real estate information is from the bank's 1996, 1997, and 1998 HMDA LARs. The commercial and agricultural loan information is from a sample of twenty commercial and twenty agricultural loans. This sample covered the time period of 08/28/95 - 05/31/99.

## **LOAN-TO-DEPOSIT RATIO**

The bank's loan-to-deposit ratio is reasonable. During the assessment period, the bank's average quarterly loan-to-deposit ratio was 72.15%. This average ratio is comparable to the 70% average quarterly loan-to-deposit ratio of the fourteen banks located in Champaign and Vermilion Counties with total assets between \$25 million and \$75 million.

## **GEOGRAPHIC DISTRIBUTION OF LOANS**

A review of the geographic distribution of loans would not be meaningful since the assessment area includes only middle-income census tracts.

## **COMPLIANCE WITH FAIR LENDING LAWS**

The First National Bank of Ogden is in compliance with the substantive provisions of the anti-discriminatory laws and regulations. There is no evidence of practices to discourage individuals from applying for credit. Our Fair Lending review consisted of reviewing all unsecured personal loans made from January 1, 1998 through April 30, 1999 for loan terms. The bank generally solicits credit applications from all segments of its assessment area.

## **WRITTEN COMPLAINTS**

The First National Bank of Ogden has not received any written complaints about its performance in helping to meet the credit needs within its assessment area.

## **CONCLUSIONS WITH RESPECT TO INVESTMENTS AND SERVICES**

### **INVESTMENTS**

The First National Bank of Ogden has one qualified investment, the Illini Community Development Corporation (CDC). The bank's investment is \$55,150. The CDC has assisted four small businesses in the assessment area during the assessment period. The CDC loaned these four businesses a total of \$83,000, while The First National Bank of Ogden provided these projects with an additional financing of \$299,000. The bank's investments provide a benefit to the community, but do not significantly enhance the performance under the Community Reinvestment Act.

### **SERVICES**

The First National Bank of Ogden operates three full-service branches. All three branches are located in the Champaign County Census Tract 0107.00. The bank also operates two non-deposit taking 24 hour ATMs in the census tract. The bank's products and services are available at any location.

As mentioned earlier, the community of Ogden was declared a Natural Disaster Area due to a tornado that struck on April 19, 1996. The bank provided a good level of services after this natural disaster. The bank offered six month loans at 6% to customers needing immediate assistance. Approximately 5 loans were extended totaling less than \$100,000. The bank also bought checks for around 63 customers, costing about \$315. The First National Bank of Ogden set up forums for residents of the community to find out about Federal Emergency Management Association (FEMA), Small Business Administration (SBA), and Farm Service Agency (FSA) programs. They also set up appointments with these agencies and assisted in paperwork. The bank also waived about \$1,500 in overdraft and service charge fees over the three months following the tornado.

The president of the bank is active in the Community Development Program.

These investments and services have provided a benefit for the community, but do not significantly enhance the bank's rating under the Community Investment Act.