



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

November 13, 2007

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

AmFirst Bank, N.A.  
Charter Number: 8031

602 West B Street  
McCook, NE 69001-1447

Office of the Comptroller of the Currency

Omaha Field Office  
13710 FNB Parkway, Suite 110  
Omaha, NE 68154

**NOTE:** This document is an evaluation of this 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. 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.

**INSTITUTION'S CRA RATING: This institution is rated satisfactory.**

**State Name: Nebraska Rating: Satisfactory**

**State Name: Colorado Rating: Satisfactory**

AmFirst Bank, N.A. (AmFirst) meets the credit needs of its Nebraska and Colorado assessment areas (AA's).

The bank's overall rating is based on its state ratings and its bank-wide performance under the loan-to-deposit and lending in assessment area criteria.

- The bank's loan-to-deposit (LTD) ratio exceeds standards for satisfactory performance.
- A substantial majority of the bank's loans are within its AA's.
- AmFirst's performance in lending to businesses and farms of different sizes within its AA's is good.
- The bank met the standards for lending to farms and consumers of different income levels within the AA.
- The bank did not receive any complaints about its performance in meeting the credit needs of the AA during the evaluation period.

## **Scope of Examination**

The scope of the CRA examination covered the time period since the date of the prior Performance Evaluation (PE) of October 15, 2002 to October 31, 2007. Small bank procedures were used to evaluate the bank's performance under the Community Reinvestment Act. A full-scope review was completed of the bank's CRA activities in each of the assessment areas (Nebraska and Colorado). Samples of 20 loans of each of the bank's primary lending products in each AA were used to assess the bank's lending performance. The primary products for the Nebraska AA were agricultural and consumer loans. And the primary product for the Colorado AA was commercial loans. The evaluation period for the lending test was January 1, 2005 to year-to-date 2007.

## **Description of Institution**

AmFirst Bank, N.A is a \$212 million bank headquartered in McCook, Nebraska. The bank is 100% owned by AmFirst Financial Services Inc. AmFirst operates with three other branches. Two branches are located in Nebraska; Hayes Center and Benkelman, and one branch is located in Greenwood Village, Colorado. In addition, a Loan Production Office located in Longmont, Colorado will convert to a full-service branch by December 2007. The Nebraska branches remain primarily focused on agricultural operators while the Colorado branches remain primarily focused on commercial real

estate developers. Automated Teller Machines are located at each branch except for the Hayes Center location. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA's. The bank received a "Satisfactory" CRA rating at the last examination dated October 15, 2002.

AmFirst offers traditional loan and deposit products. According to the bank's September 30, 2007 Call Report, the bank's loan portfolio consists of commercial (55%), agricultural (34%), consumer (7%), and residential real estate (4%) loans based on outstanding dollars. The following table shows the breakdown of loans originated and purchased in the Nebraska AA since January 1, 2005, with the bank's primary products in bold.

<b>Loan Type</b>	<b>% by Dollars of Loans Originated/Purchased during evaluation period</b>	<b>% by Number of Loans Originated/Purchased during evaluation period</b>
<b>Agricultural Loans</b>	<b>70%</b>	<b>28%</b>
<b>Consumer Loans</b>	<b>7%</b>	<b>52%</b>
Commercial Loans	21%	16%
Residential RE Loans	2%	4%
Total	100%	100%

Source: Bank reports

The following table shows the breakdown of loans originated and purchased in the Colorado AA since January 1, 2005, with the bank's primary products in bold.

<b>Loan Type</b>	<b>% by Dollars of Loans Originated/Purchased during evaluation period</b>	<b>% by Number of Loans Originated/Purchased during evaluation period</b>
Agricultural Loans	0%	0%
Consumer Loans	0%	7%
<b>Commercial Loans</b>	<b>90%</b>	<b>83%</b>
Residential RE Loans	10%	10%
Total	100%	100%

Source: Bank reports

Please refer to the bank's *CRA Public File* for more information.

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

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

AmFirst Bank's average loan-to-deposit ratio exceeds the standard for satisfactory performance. The LTD ratio averaged 98% over the past twenty-one quarters and was 96% as of June 30, 2007. The average LTD ratio for other similarly situated financial institutions headquartered within the AA was 77%. Other similarly situated institutions operated with a quarterly LTD ratio range from 32% to 97%.

## Lending in Assessment Area

AmFirst Bank's lending in the AA exceeds the standard for satisfactory performance. We reviewed a sample of 20 loans from each of the primary products of agricultural, consumer, and commercial loans, originated between January 1, 2005 and October 31, 2007, to determine the bank's lending performance within the AA. We found 90% of the number of loans and 98% of the dollar of loans were within the bank's AA. The table below depicts the level of lending in and out of the bank's AA.

<b>Lending in the Assessment Area</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Agricultural	17	85%	3	15%	20	\$2,698,100	97%	\$87,296	3%	\$2,785,396
Consumer	18	90%	2	10%	20	\$164,506	90%	18,376	10%	\$182,882
Commercial	19	95%	1	5%	20	\$14,643,622	98%	\$315,009	2%	\$14,958,631
<b>Total</b>	<b>54</b>	<b>90%</b>	<b>6</b>	<b>10%</b>	<b>60</b>	<b>\$17,506,228</b>	<b>98%</b>	<b>\$420,681</b>	<b>2%</b>	<b>\$17,926,909</b>

*Source: Bank Reports*

## Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## State Rating

### State of Nebraska

#### CRA Rating for Nebraska: Satisfactory

AmFirst Bank's CRA performance in the Nebraska AA is satisfactory. AmFirst Bank meets the standard for borrower distribution to agricultural loans and does not meet the standard for borrower distribution to consumer loans. The community contact, however, did not identify any unmet needs within the community regarding consumer lending. In addition, AmFirst Bank exceeds the standard for geographic distribution on the number of agricultural loans originated to low and moderate census tract income levels and meets the standard on number of consumer loans originated to low and moderate census tract income levels within the AA which contributed more heavily to the overall satisfactory rating for Nebraska.

#### Description of Assessment Area(s)

AmFirst's Nebraska AA encompasses Chase, Dundy, Frontier, Furnas, Hayes, Hitchcock, Lincoln, and Red Willow counties. All counties, with the exception of Hayes and Lincoln, are designated as distressed or underserved by the Federal Financial Institutions Examination Council (FFIEC). The AA is contiguous and reasonable for the bank.

According to the 2000 U.S. Census, the total population of the Nebraska AA is 65,042. Approximately 23% of families in the AA are low-income, 18% are moderate-income, 20% are middle-income, and 39% are upper-income. Eleven percent of the AA households are below the poverty level. The weighted average median household income is \$34,151 for non-metropolitan statistical areas in Nebraska.

Businesses in the McCook area are doing reasonable; however the community faces economic challenges due to the population decline. This year produced a good grain crop; despite the recurring drought conditions faced by local farmers.

Examiners conducted one community contact with a local organization. The contact represented the community of McCook. The contact did not have any concerns about local financial institutions not meeting the needs of the community. The community contact indicated AmFirst has been supportive of local efforts to increase economic development in the community.

*Refer to the bank's CRA Public File for more information.*

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

AmFirst Bank meets the standard for borrower distribution to agricultural loans. Based upon a sample of 20 agricultural loans, the bank originated 80% of loans to farm operations located in the AA with gross revenues of less than \$1 million. Demographic

comparatives indicate 97% of AA farms have gross revenues less than \$1 million.

<b>Borrower Distribution of Loans to Farms in Nebraska AA</b>		
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000
% of AA Farms*	97%	1%
% of Bank Loans in AA by #	80%	20%
% of Bank Loans in AA by \$	47%	53%

Source: Bank Reports; Dun and Bradstreet 2007 Information

\*2% of farms did not report revenue income

AmFirst Bank, however, does not meet the standard for the number of consumer loans originated to low- and moderate-income households within the AA. Based upon the sample of 20 consumer loans, the bank originated 0% of consumer loans to low-income borrowers and 10% of consumer loans to moderate-income borrowers. The bank compares unfavorably with demographic information, which indicates 22.72% of households located in the AA have low-incomes and 17.51% of households located in the AA have moderate-incomes.

<b>Borrower Distribution of Consumer Loans in Nebraska AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	22.72%	0%	17.51%	10%	20.33%	15%	39.44%	75%

Source: Bank Report; 2000 US Census

### Geographic Distribution of Loans

AmFirst Bank exceeds the standard on number of agricultural loans originated to low and moderate census tract income levels within the AA. Based upon a sample of 20 agricultural loans, the bank originated 0% of agricultural loans to farms in the low census tract income level and 20% of agricultural loans to farms in the moderate census tract income level. The bank compares favorably with demographic information, which indicates 0% of farms are in the low census tract income level and 2.7% of farms located in the AA are in the moderate census tract income level.

<b>Geographic Distribution of Loans to Farms in Nebraska AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Agricultural	0%	0%	2.7%	20%	83.44%	75%	13.85%	5%

Source: Bank Reports; Dun and Bradstreet 2007 Information

AmFirst Bank meets the standard on number of consumer loans originated to low and moderate census tract income levels within the AA. Based upon the sample of 20 consumer loans, the bank originated 0% of consumer loans to households in the low and moderate census tract income levels. The bank compares favorably with demographic information, which indicates 0% of households are in the low census tract income level and 1.64% of households are located in the moderate census tract income level.

<b>Geographic Distribution of Consumer Loans in Nebraska AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0%	0%	1.64%	0%	86.39%	100%	11.98%	0%

*Source: Bank Reports; Dun and Bradstreet 2007 Information*

### **Responses to Complaints**

The Office of the Comptroller of the Currency and the bank did not receive any complaints about its CRA performance during the evaluation period.

## State Rating

### State of Colorado

#### CRA Rating for Colorado: Satisfactory

AmFirst Bank's CRA performance in the Colorado AA is satisfactory. AmFirst Bank meets the standard for borrower distribution to businesses with gross revenues under \$1 million. However, AmFirst Bank does not meet the standard for geographic distribution regarding the number of business loans originated to low and moderate census tract income levels within the AA. More consideration was given to the borrower distribution based upon the location of bank. AmFirst Bank has a large assessment area to serve and currently operates with only one branch in this area. Additionally, based upon the FFIEC geocoding/mapping system website, the twelve census tracts surrounding the bank's branch include seven upper and five middle income census tracts. Examiners also took into account the type of products offered. AmFirst Bank operates with a concentration in residential real estate development loans. Finally, the community contact did not identify any unmet need regarding commercial loans. Overall, these factors led to a Satisfactory rating for the state of Colorado.

#### Description of Assessment Area(s)

AmFirst's Colorado AA encompasses Adams, Arapahoe, Denver, Douglas, and Jefferson counties. None of the counties are designated as distressed or underserved by the Federal Financial Institutions Examination Council (FFIEC). The AA is contiguous and reasonable for the bank.

According to the 2000 U.S. Census, the population of the Colorado AA is 2,092,282. Approximately 4% of businesses in the AA are located in a low-income census tract, 24% are located in a moderate-income census tract, 37% are located in a middle-income census tract and 35% are located in an upper-income census tract.

The Denver economy remains stable. However, the weaknesses in the housing market are affecting home builders and commercial customers. Small businesses face challenges with labor availability due to the low unemployment rate.

Information from a community contact representing the community of Denver was used during this review. The contact did not have any concerns about local financial institutions not meeting the needs of the community.

*Refer to the bank's CRA Public File for more information.*

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

AmFirst meets the standard for borrower distribution. Based upon the sample of 20 commercial loans, AmFirst Bank originated 70% of loans to businesses with gross revenues of less than \$1 million. The bank exceeds the demographic comparative ratio



of 47%; however, only half of the businesses included in the demographic comparator in the AA reported gross revenues; therefore the bank’s business lending meets the standard for this category.

<b>Borrower Distribution of Loans to Businesses in Colorado AA</b>		
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000
% of AA Businesses*	47%	3%
% of Bank Loans in AA by #	70%	30%
% of Bank Loans in AA by \$	72%	28%

Source: Bank Reports; Dun and Bradstreet 2007 Information

\*50% of businesses did not report revenue income

**Geographic Distribution of Loans**

AmFirst Bank does not meet the standard of commercial loans originated to low and moderate census tract income levels within the AA. Based upon the 20 commercial loans reviewed, the bank originated 10% of commercial loans to businesses located in the low census tract income level which compares favorably with demographic information, that indicated 3.93% of businesses are located in the low census tract income level. Based upon the review, the bank originated 0% of commercial loans to businesses located in the moderate census tract income level. This, however, compares unfavorably with demographic information, which indicated 24.23% of businesses are located in the moderate census tract income level.

<b>Geographic Distribution of Loans to Businesses in Colorado AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans*	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	3.93%	10%	24.23%	0%	36.57%	25%	34.51%	65%

Source: Bank Reports; Dun and Bradstreet 2007 Information

\*.77% were listed as not available.

**Responses to Complaints**

The Office of the Comptroller of the Currency and the bank did not receive any complaints about its CRA performance during the evaluation period.