



Comptroller of the Currency
Administrator of National Banks

Public Disclosure

January 12, 1998

Community Reinvestment Act Performance Evaluation

**FirstBank of Breckenridge, N.A.
Charter Number: 20534**

**200 Ski Hill Road
Breckenridge, Colorado 80424**

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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.

Table of Contents

General Information	2
Definitions and Common Abbreviations	3
CRA Rating	4
Description of Institution	4-5
Description of Assessment Area	5-7
Conclusions with Respect to Performance Tests	
Lending Test	8-14
Investment Test	14-15
Service Test	15-17
Fair Lending Review	18
Appendix A: Scope of Examination	19

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 **FirstBank of Breckenridge, N.A.**, prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **January 12, 1998**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the 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.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Community Reinvestment Act (CRA) - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Metropolitan Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Census Tract (CT) - Small, locally defined statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per 10-year census and an average population of 4,000.

Home Mortgage Disclosure Act (HMDA) - A statute that requires certain mortgage lenders that do business or have banking offices in a MSA to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and its disposition (e.g., approved, denied, withdrawn).

Median-Family Income (MFI) - The median income determined by the United States Census Bureau every 10 years and used to determine the income level category of census tracts. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Low Income - Income levels that are less than 50% of the MFI.

Moderate Income - Income levels that are at least 50% and less than 80% of the MFI.

Middle Income - Income levels that are at least 80% and less than 120% of the MFI.

Upper Income - Income levels that are 120% or more of the MFI.

Small Business Loans - Loans with an original amount of \$1 million or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

Small Farm Loans - Loans with an original amount of \$500,000 or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

CRA Rating

Institution’s CRA Rating: This institution is rated “**Satisfactory.**”

The major factors which support this rating include:

- ▶ Lending activity reflects good responsiveness to area credit needs, good penetration to businesses of different sizes, and some flexible products.
- ▶ The bank has a satisfactory level of qualifying investments and grants which meet the needs of the assessment area totaling \$110,000.
- ▶ Delivery systems are reasonably accessible and have not undergone any significant changes.

The following table indicates the performance level of **FirstBank of Breckenridge, N.A.**, with respect to the lending, investment, and service tests:

Performance Levels	FirstBank of Breckenridge, N.A. Performance Tests		
	Lending Test *	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		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

FirstBank of Breckenridge, N.A., (FBB) was chartered in 1986 and is headquartered in Breckenridge, Colorado. FBB operates two full-service automated teller machines (ATMs) and two limited-service ATMs, plus the affiliated holding company system operates a larger proprietary ATM network with two other ATMs in the bank’s assessment area. FBB’s services include 24-hour telephone banking and bank-by-mail through systems provided by the holding

company. FBB reported \$59 million in total assets, \$516,000 in year-to-date net income, and 27 full-time equivalent employees as of June 30, 1997.

FBB offers a wide range of loan products, including real estate, consumer, credit card, and commercial loans. The bank is consumer oriented with a primary lending focus on small business and residential real estate, including construction and permanent loans. The table below illustrates the composition of the loan portfolio by loan type.

LOAN PORTFOLIO COMPOSITION		
June 30, 1997		
Loan Type	Amount \$(000's)	Percentage of Total Loans
Residential Real Estate	\$24,379	62%
Commercial Real Estate	11,387	29%
Consumer	1,975	5%
Commercial	589	2%
Other	791	2%
Total Loans	\$39,121	100%

Source: June 30, 1997, Call Report.

FBB is wholly owned by FirstBank Holding Company of Colorado (FHCC), a multibank holding company. FHCC is the largest, locally owned banking organization in Colorado. The company owns and operates staffed commercial banking offices at nearly 80 locations throughout the Denver metropolitan area and other Front Range and mountain communities. FHCC also owns and operates FirstBank, N.A., in Palm Desert, California. FHCC reported total assets of \$2.9 billion and consolidated total income of \$25.1 million as of June 30, 1997.

FBB's performance under the CRA was last evaluated as of May 26, 1995. The bank was rated "Outstanding Record of Meeting Community Credit Needs."

Description of Assessment Area

FBB's assessment area is in a Non-Metropolitan Statistical Area (non-MSA). It contains six contiguous block numbering areas (BNAs). The assessment area is located in the Rocky Mountains, approximately 75 miles west of Denver. Because much of the area is mountainous, there is a limited supply of developable land. The population tends to be concentrated along major roadways, making it fairly easy for businesses to establish locations accessible to most residents.

The assessment area comprises all of Summit County and part of Park County, Colorado. All of the five-block numbering areas in Summit County are upper income. The Park County BNA is designated as middle income. The major towns within the assessment area are Breckenridge, Silverthorne, Frisco, Dillon, and Fairplay, Colorado. These towns, except for Fairplay, are situated around Dillon Lake. Summit County has four world-class ski resorts. The skiing industry, complemented by the recreational activities of Dillon Lake, make Summit County a resort area with global appeal.

In 1997, FBB added one Park County BNA to its assessment area. In adding this BNA, FBB recognized the impact of Park County residents who commute to Breckenridge. Although the hub of this added area is Fairplay, there is only one financial institution in the town. So, many of the area’s residents bank in Breckenridge for the convenient access to products and services near their places of employment.

The following table provides assessment area demographic data, including the distribution of the population by BNA income level and a summary of BNAs classified by income category.

ASSESSMENT AREA PROFILE						
Non-MSA (Summit and Park Counties)						
Demographic Characteristics	#	\$	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population (#)	14,188		7%	11%	20%	62%
Median Income(\$) - 1997 HUD est.		\$57,400				
Block Numbering Areas	6		0%	0%	17%	83%
Unemployment Rate - 1995*	3%					
Owner Occupied Housing (#)	3,005		0%	0%	14%	86%
Median Housing Value (\$)		\$117,422				
Small Businesses	1,547		0%	0%	7%	93%

Source: 1990 U.S. Census and 1997 HUD data and bank estimates.

*Bank management believes the current unemployment rate is lower than 3% based on high growth, development activity, and difficulty in recruiting workers.

1990 U.S. Census data shows 19,632 housing units in the bank’s assessment area. The weighted average median year built for the housing stock was 1978. Information provided by bank management shows the average sales price of single-family homes of all types is currently \$176,000 in Summit County and \$68,000 in Park County. Also, it is important to note that a large part of the housing in the assessment area is comprised of second and vacation homes, with vacancy rates as high as 64% in Breckenridge during the year.¹

¹ Source: *Summit Daily Newspaper*, August 1997.

The breakdown of housing by type gives important insight to the composition of the assessment area. As of the 1990 U.S. Census, 49% of the housing units were multifamily and 45% were 1-4 family units, with 48% of total housing comprised of condominiums. Only 15% of housing units were owner occupied. This composition affects the bank's ability to market some types of loan products.

The economy is strong, with low unemployment. The bulk of the economy in the assessment area is tourism-based, heavily reliant upon the snow ski industry. Summit County receives over 2.9 million skier activity days during the winter tourist season; the largest concentration of skiers in the nation. And there has been extensive growth in the retail, service, and construction sectors, as well as the real estate market. Currently there are large commercial and residential construction projects in progress. Vail Associates, Inc., which recently purchased the Breckenridge and Keystone ski areas, is the largest private sector employer. The largest public sector employers are the county and city government, including public elementary and secondary education.

The fast growth rate and the perceived benefit of living in the Summit County area are causing a general and growing division between the resident and non-resident population. Within the county are a significant number of second homes owned by people who reside out of county. The ever-increasing population of temporary residents strains housing resources by restricting selection and driving prices higher for full-time residents. Like most Colorado mountain ski resort towns, the area needs affordable housing for workers. This need is expected to grow as commercial activity expands and additional jobs are created.

The competitive climate for financial services is aggressive, as five other financial institutions have staffed offices and ATMs located in the assessment area. Also, a larger affiliate of FBB is headquartered in nearby Silverthorne. Mergers and acquisitions by large out-of-state banking organizations continue to change the banking environment throughout Colorado. The largest regional bank with a local presence is Norwest Bank. Other financial institutions and mortgage companies provide growing competition as a result of liberalized branch banking laws and new technologies for electronic banking.

Community Credit Needs

We identified community credit needs through a review of recent community contacts by the bank regulatory agencies. We analyzed this information in conjunction with demographic and economic data to identify affordable housing loans, both rental and owner-occupied, economic development loans for new small businesses, and low down payment mortgage loans as the primary needs of the bank's assessment area.

Conclusions with Respect to Performance Tests

LENDING TEST

In assessing lending performance, we focused on FirstBank of Breckenridge, N.A.'s lending activity; assessment area concentration; geographic distribution of loans; borrower profile; responsiveness to credit needs of economically disadvantaged geographies, low-income persons or small businesses; community development lending; and product flexibility. (Unless otherwise indicated, YTD 1997 means as of June 30, 1997.)

Conclusions:

The bank's lending performance within its assessment area is rated as "High Satisfactory." This rating is based on the following:

- ▶ FBB's lending level reflects good responsiveness to the overall need for credit in its assessment area by originating 873 loans totaling \$23.4 million.
- ▶ FBB makes a good percentage of its loans (over 80%) within its assessment area.
- ▶ FBB demonstrates a reasonable record of serving the credit needs of low- and moderate-income borrowers and small businesses, consistent with safe and sound banking practices.
- ▶ FBB engages in some flexible lending practices.

In addition to small business and community development loan data which large banks are required to collect and report to the regulatory agencies, FBB collected and provided data on consumer loans made in 1996 and YTD 1997. The bank also collected and provided data on consumer revolving lines for business purposes which are not reportable as small business loans. We believe this additional consumer and small business loan data is suitable for analyzing the bank's lending performance under the CRA. The bank does not collect income information for Cash Reserve loans, which represent a significant portion of the number of consumer loans. As a result, we were unable to analyze distribution by borrower income for a majority of consumer loans, but we were able to analyze distribution by census tract income. The bank is required to collect, but not report, information on residential mortgage loan activity. We were able to analyze distribution of those loans, but not market share. Please refer to **Appendix A** for additional information on the scope of the evaluation.

Lending Activity

Lending levels reflect good responsiveness to credit needs in the bank's assessment area. As shown in the following table, FBB originated 873 loans totaling \$23.4 million within the assessment area during 1996 and YTD 1997.

FBB originates a substantial majority of its loans in the assessment area. As the following table shows, 88% of the total number and 81% of the total dollar volume of loans originated by FBB in 1996 and YTD 1997, are within the assessment area. Somewhat affecting these percentages is the fact that some of the out-of-area loans are actually to customers of other FirstBanks who have a vacation home in Breckenridge and borrow from FBB for that purpose.

Also, the bank's loan-to-deposit ratio (LTD) reflects good efforts to reinvest deposit funds to meet the credit needs of the assessment area. When compared to similar banks, a bank's LTD ratio is one measure of its willingness to reinvest deposit funds into the community in the form of loans. As of June 30, 1997, the bank's eight-quarter average LTD ratio, expressed as a percentage, was 82%. FBB's LTD is high in comparison to six similar banks in other Colorado mountain communities, whose eight-quarter average LTD ratios range from 62% to 82%. FBB's LTD ratio has increased in the past 18 months, with rapid growth in loans (28%) out pacing growth in deposits (9%). The strong economy continues to drive development in resort communities and create demand for credit. Bank management reports that FBB's LTD ratio is affected by the bank being a net seller of loan participations to affiliates, decreasing the loan portfolio by about \$4 million. Also, somewhat affecting the LTD ratio is the fact the holding company lead bank carries the credit card portfolio for all affiliated banks.

VOLUME OF FIRSTBANK OF BRECKENRIDGE, N.A.'S LOAN ORIGINATIONS IN 1996 and YTD 1997						
Product	Total Originations		Within Assessment Area			
	#	\$(000's)	#	%	\$(000's)	%
Motor Vehicle Loans	77	\$ 782	75	97%	\$ 754	96%
Home Equity Loans	195	\$7,417	175	90%	\$6,816	92%
Other Secured Loans	135	\$5,982	107	79%	\$3,653	61%
Other Unsecured Loans	413	\$ 561	368	89%	\$ 499	89%
Total Consumer Loans	820	\$14,742	725	88%	\$11,722	80%
Total Small Business Loans	135	\$7,078	114	84%	\$5,961	84%
Home Purchase/Refinance Loans	37	\$6,997	34	92%	\$5,770	82%
Home Improvement Loans*	-	-	-	-	-	-
Multifamily Loans	0	\$ 0	0	0%	\$ 0	0%
Total Home Mortgage Loans	37	\$6,997	34	92%	\$5,770	82%
Total Community Development Loans	0	\$ 0	0	0%	\$ 0	0%
Grand Total Loans	992	\$28,817	873	88%	\$23,453	81%

Source: Bank-prepared Consumer and Small Business Loan Data Collection Registers and HMDA Loan Application Register.

*The bank is not required to, and did not, maintain separate reporting information on home improvement loans. The home improvement loans made during the evaluation period are included in the appropriate consumer loan numbers in the table.

Based on dollar volume, consumer loans account for the largest segment of FBB's lending, at 51% of the dollar volume of loans originated during 1996 and YTD 1997. Consumer loans also account for 83% of the number of loans originated during that period. A substantial number of the consumer loans are Cash Reserve (check credit) loans which have a low dollar limit. Banks are not required to collect and report data on consumer loan activity. Therefore, no market comparison is possible.

Small business loans, both reportable and nonreportable, account for the second largest segment of FBB's recent lending activity, at 25% of the dollar volume of loans originated during 1996 and YTD 1997. A significant number of the small business loans in the above table are actually secured consumer revolving lines in relatively small dollar amounts where the funds were used for business purposes. Including those, FBB originated 135 small business loans totaling over \$7 million. Available market share data for the reportable portion of those loans for 1996 shows that FBB had an overall market share of 6% of the dollar volume of small business loans in the assessment area. This is considered good in view of the bank's small size, product mix, and competitive position in the market.

Home mortgage loans are the third largest segment of FBB's loan originations. The bank made 37 home purchase and refinance loans totaling nearly \$7 million during the evaluation period. This represents 24% of the total dollar volume of loans. This shows a fairly good lending focus towards one type of credit most needed in the assessment area, according to community contacts. A market share comparison is not possible because the bank is not a HMDA loan reporter. The volume of home mortgage lending is consistent with the bank's small size and lending focus.

Geographic Distribution of Loans within the Assessment Area

The bank's assessment area consists of only middle- and upper-income geographies. Therefore, a detailed analysis of loan distribution based on income level of geographies is not meaningful. A review of loan distribution indicates the bank is making loans of all types in all geographies in its assessment area.

Distribution by Borrower Income within the Assessment Area

The following table summarizes FBB's lending activities within the assessment area by product type, income level of BNA, and income level of the borrower. Summit and Park Counties are not in an MSA.

LENDING TEST 1996 and YTD 1997							
Loan Type	#	\$ (000)	BNA	Low % of #	Moderate % of #	Middle % of #	Upper % of #
			B				
Residential - Home Purchase	30	\$5,126	BNA	0	0	8%	92%
			B	0	3%	26%	71%
Residential - Refinance	4	\$ 644	BNA	0	0	10%	90%
			B	25%	25%	25%	25%
Residential - Home Improvement*	0	\$ 0	BNA	0	0	0	0
			B	0	0	0	0
Consumer - Motor Vehicle**	75	\$ 754	BNA	0	0	6%	94%
			B	46%	22%	11%	13%
Consumer - Home Equity	175	\$6,816	BNA	0	0	19%	81%
			B	5%	25%	33%	37%
Consumer - Other**	475	\$4,152	BNA	0	0	7%	93%
			B	13%	6%	4%	6%
Small Business	114	\$5,961	BNA	0	0	4%	96%
Community Development	0	\$ 0					
Total Lending	873	\$23,453					

Source: Bank-prepared Consumer and Small Business Loan Data Collection Registers and HMDA Loan Application Register.

BNA = Block Numbering Area.

B = Borrower.

*Residential - Home Improvement loans are not tracked separately. They are included in consumer loan totals.

**Income information was not gathered for many of these loans. Most of the Consumer - Other loans are Cash Reserve accounts; they comprise about 71% of this loan category.

In the context of the high-income, resort characteristics of the assessment area, the distribution of refinance and purchase money residential mortgage loans by borrower income level is reasonable. The table shows that the small number of refinance loans made by the bank were evenly distributed to borrowers of all income levels. And 3% of home purchase loans were made to moderate-income borrowers, which is lower than the demographic composition for this income level in the assessment area, at 11%. While the Summit County part of the assessment area has experienced high growth recently, the new housing is expensive and therefore not affordable for low- and moderate-income borrowers. This affects the bank's ability to make residential mortgage loans to low- and moderate-income borrowers in much of its assessment area.

Efforts to serve low- and moderate-income borrowers with consumer loan products show good results. The distribution of motor vehicle, home equity, and other consumer loans to borrowers of low- and moderate-income levels is generally close to, or exceeds, the demographic concentrations of those borrowers in the assessment area. However, consumer loans have not been identified as one of the important credit needs in the area.

FBB's lending to small businesses is reasonable. Loans for small businesses are often made through the proprietor's open-ended home equity line of credit. Accordingly, such borrowers reside in the area. As shown in the table below, the distribution of small business loans by size reflects a significant number of loans in small dollar amounts. To the extent that loan size is an indicator of the size of the business, the bank's efforts to extend small business loans are good.

DISTRIBUTION OF SMALL BUSINESS LOAN ORIGINATIONS IN 1996 and YTD 1997 BY LOAN SIZE					
Less than \$100,000		\$100,001-\$250,000		\$250,001-\$1,000,000	
#	\$(000)	#	\$(000)	#	\$(000)
98	\$2,218	10	\$1,733	6	\$2,010

Source: Bank-prepared Small Business Loan Data Collection Register.

Community Development Lending

Due to the makeup of the assessment area, lending for affordable housing has been the main avenue of opportunity for the bank to engage in community development lending. The bank has made community development loans to finance affordable housing in the past, but it did not originate any community development loans during this evaluation period. Although management reports there were no community development projects within FBB's assessment area during the evaluation period, there is a need for more community development projects to address the pressing need for affordable housing. Community development loans are those which meet the definition of community development lending, as contained in the CRA regulation, and that have not been considered in the review of small business, small farm, home mortgage, or consumer loans.

Product Innovation and Flexibility

FBB offers some flexible, but not innovative, loan products to serve the home mortgage credit needs of its assessment area. The bank offers home purchase loans with flexible underwriting guidelines, including lower down payments and interest rates and discounted loan fees. Three of these products help meet the home purchase needs of low- and moderate-income individuals. These products, named the “Affordable Housing Program,” “Super Affordable Housing Program,” and “Boulder Ridge Affordable Housing Project,” are underwritten to accommodate applicants with diverse qualifications. In 1996 and YTD 1997, the bank originated three loans totaling \$240,000 through these housing loan programs.

FBB provides commercial loans with flexible terms to businesses through the Small Business Administration (SBA) loan programs. During the evaluation period, the bank originated one SBA Low Doc loan totaling \$40,000.

INVESTMENT TEST

To assess FirstBank of Breckenridge, N.A.’s performance under the Investment Test, we reviewed its investment and grant activity; responsiveness to credit and community development needs; and its community development initiatives.

Conclusions:

FBB’s investment performance within its assessment area is rated as “Low Satisfactory.”

- ▶ FBB has one long standing investment in a municipal bond which financed construction of a multifamily, low-income housing project in Silverthorne.
- ▶ FBB makes grants to several local nonprofit organizations and a county housing authority which promote affordable housing or provide services to low- and moderate-income individuals.

Qualifying investments can include but are not limited to: investments, grants, or depositor shares that have community development, as defined in the CRA regulation, as their primary purpose. The bank rarely assumes a leadership role in this area, but exhibits a good responsiveness to community development needs when opportunities are available. Affordable housing has been a significant need in the bank’s assessment area for a long time. FBB continues to help meet that need by carrying in its investment portfolio a Colorado Affordable Catholic Housing Bond for \$100,000. This bond helped finance construction of a multifamily, low-income housing project in Silverthorne.

FBB supports several local nonprofit organizations and a county housing authority through grants. These entities provide medical services, resident care and counseling, emergency assistance, educational services, and a mortgage loan down payment assistance program targeted

primarily towards low- and moderate-income individuals and families. During the evaluation period, a total of \$10,000 in grants were made to these entities. FBB, along with its affiliate in Silverthorne, shared in a leadership role by being the first financial institution to make a grant to a county mortgage loan down payment assistance program which lost its government funding in 1997 due to budget cutbacks.

INVESTMENT TEST: FirstBank of Breckenridge, N.A.'s Assessment Area					
Investment Type	Equity	Deposit	Grant	Total	# of Housing Units or Jobs
Affordable Housing	\$100,000	0	0	\$100,000	61 housing units
Economic Development	0	0	0	0	
Other	0	0	\$10,000	0	Not readily available
Total	\$100,000	0	\$10,000	\$110,000	

Source: Bank-prepared records for investments and grants.

SERVICE TEST

In evaluating FirstBank of Breckenridge, N.A.'s performance under the Service Test, we focused on the accessibility of its delivery systems; changes in branch locations; reasonableness of its business hours and services in meeting the needs of its assessment areas; and, level of community development services.

Conclusions:

FBB's performance under the Service Test is rated "Low Satisfactory."

- ▶ The bank's delivery systems are reasonably accessible to all portions of the assessment area, with the exception of the Park County BNA where there are no FBB facilities.
- ▶ The bank has not opened or closed any branches since the last CRA examination.
- ▶ The bank provided some community development services during the evaluation period.

SERVICE TEST: Branch and ATM Distribution Summit County Assessment Area						
Service Type	#	Deposits \$ (million)	Low % / #	Moderate % / #	Middle % / #	Upper % / #
Branch Offices (#)	1	\$47	0	0	0	100
			0	0	0	1
ATMs - Attached - Full Service	2		0	0	0	100
			0	0	0	2
ATMs - Detached - Ltd Service	2		0	0	0	100
			0	0	0	2

Source: Bank-prepared records.

Retail Banking Services

Delivery systems are reasonably accessible to most of the assessment area. FBB, together with holding company systems, have a good geographic dispersal of staffed offices and ATMs in Summit County given the rural, mountainous nature of the area and concentration of population along major roadways. But, currently there are no FBBs located in the less populated Park County part of the assessment area. The mitigating circumstance is that many residents of that area commute to Summit County to work and shop, where they have convenient access to FirstBank facilities in Breckenridge and Silverthorne.

The FirstBank system also includes more than 150 ATMs located throughout much of the State of Colorado for customer convenience. Some of the ATMs are full service and the remainder have cash dispensing abilities but do not accept deposits. FirstBank customers do not pay an ATM fee at these locations. Also, the FirstBank ATM network is part of the CIRBUS system, which provides customers nationwide accessibility to funds for a fee.

In an effort to reach more individuals within the assessment areas, the bank uses the following alternative delivery systems. Management was not able to provide information about how effective these systems are in delivering banking services to low- and moderate-income persons.

- ▶ **Loans By Phone** - This is a 24-hour system which allows individuals to apply for most types of consumer and mortgage loans by phone. The applicant is informed of a loan decision within 24 hours. By calling the same telephone number, an individual can also apply for a new checking or savings account. Applicants that are approved for loans or new accounts are referred to the nearest branch for loan closing or account set-up.

- ▶ **Business PC Banking** - This system is designed to allow businesses access to electronic banking through a personal computer. Services include funds transfer, account reconciliation, and tax payment filing.
- ▶ **FirstBank Web Site** - The web site at www.1stbank.com provides customers with product information, bank locations and hours, and telephone numbers. Customers can also apply for a consumer loan.

The bank also offers a service to small business owners called the “Simplified Employee Pension Account.” This service provides a simplified way for employers to establish a retirement plan for their employees by using Individual Retirement Accounts.

FBB did not open or close any branches during the evaluation period. Bank management has a policy in place to address the impact of closing a branch to ensure that individuals will not be negatively affected.

FBB’s business hours, products and services are reasonable. The bank offers a wide array of products and services. FBB is open from 9:00 a.m. to 5:00 p.m., Monday through Thursday; from 9:00 a.m. to 6:00 p.m. on Friday; and from 9:00 a.m. to noon on Saturday.

Community Development Services

FBB provides some community development services within Summit County. The bank helps low- and moderate-income individuals and small businesses by providing basic financial and banking education. It also facilitated access to affordable housing loans through its work with one community group.

The bank’s employees devoted 52 hours of service to three nonprofit organizations and a county housing authority. These organizations: promote construction of affordable housing; provide down payment assistance for low- and moderate-income home buyers; improve transportation for low- and moderate-income workers who commute from Park County; and raise funds for grants to other entities that provide community development services and assistance to low- and moderate-income individuals.

Other ongoing community development services offered by the bank are:

- ▶ **Free Government Check Cashing** - The bank will cash all forms of federal, state, and local government checks free of charge for both customers and noncustomers alike.
- ▶ **Free Non-Profit Accounts** - The bank provides free checking accounts for Colorado non-profit organizations.

Fair Lending Review

A fair lending examination was conducted in November 1996. The examination evaluated the uniform HMDA loan underwriting practices of the national bank subsidiaries of FirstBank Holding Company of Colorado. Lending policies and procedures were reviewed. And a comparative file analysis was done on a sample of 100 home improvement loans to white applicants and 12 denied applications for home improvement loans from minority applicants to test for illegal discrimination on the basis of race. No violations of the substantive provisions of the anti-discriminatory laws and regulations were identified. The holding company's compliance program requires fair lending training for appropriate bank personnel, and the company's audit department performs fair lending reviews of the subsidiary banks.

Appendix A: Scope of Examination

Time Period Reviewed						
Lending Date: January 1, 1996, through June 30, 1997						
Other Performance Criteria: January 1, 1996, through January 20, 1998						
Financial Institution	Products Reviewed					
FirstBank of Breckenridge, N.A.	Loans: Consumer, Home Improvement, Residential Mortgage, and Small Business loans. Other: Qualified Investments, Product Delivery Systems, and Community Development Services.					
Affiliate	Products Reviewed					
None.	None.					
List of Assessment Areas and Type of Examination						
Assessment Areas	Type of Exam	Deposits Attributed to Area Branches as of June 1997				
Breckenridge - Fairplay	On-site	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Dollars (in millions)</td> <td style="text-align: center;">Percent</td> </tr> <tr> <td style="text-align: center;">\$47</td> <td style="text-align: center;">100%</td> </tr> </table>	Dollars (in millions)	Percent	\$47	100%
Dollars (in millions)	Percent					
\$47	100%					