



Comptroller of the Currency
Administrator of National Banks

Public Disclosure

December 12, 1997

Community Reinvestment Act Performance Evaluation

**FirstBank of Cherry Creek, N.A.
Charter Number: 20967**

**100 St. Paul Street
Denver, Colorado 80206**

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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.

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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 Cherry Creek, N.A.**, prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **December 12, 1997**. 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:

- ▶ An adequate responsiveness to the credit needs of the assessment area.
- ▶ A weak geographic distribution of loans in low-income census tracts, but good distribution in moderate-income census tracts.
- ▶ An adequate distribution of loans to borrowers of all income levels and businesses of all sizes.
- ▶ A total of community development investments and grants of \$18,400.
- ▶ A reasonable accessibility of delivery systems to all portions of the assessment area.
- ▶ A high level (309 hours) of community development services.

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

Performance Levels	FirstBank of Cherry Creek, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory			X
Low satisfactory	X		
Needs to improve		X	
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 Cherry Creek, N.A., (FBCC) is headquartered in Denver, Colorado. The bank opened in 1986 and currently has 3 offices with 43 employees. Two offices are free-standing, while the third is located in a King Soopers grocery store. Each office has a full-service automated teller machine (ATM) with 24-hour access. The bank also offers 24-hour telephone banking and bank-by-mail through systems provided by the affiliated holding company. FBCC reported total assets of \$82 million and net income of \$767,000 as of June 30, 1997.

FBCC offers a wide range of loan products, including real estate, consumer, and commercial loans. The bank's primary lending focus is residential real estate. The following table illustrates the composition of the loan portfolio by type of lending product.

LOAN PORTFOLIO COMPOSITION		
June 30, 1997		
Loan Type	Amount \$(000's)	Percentage of Total Loans
Residential Real Estate	\$35,875	82%
Commercial Real Estate	\$ 2,956	7%
Consumer	\$ 2,620	6%
Commercial	\$ 1,918	4%
Other	\$ 141	1%
Total Loans	\$43,510	100%

Source: June 30, 1997, Call Report.

FBCC is a wholly owned subsidiary of FirstBank Holding Company of Colorado (FHCC). The holding company operates 23 banking offices and 52 branches in Colorado, a proprietary ATM network, and one banking office and one branch in Palm Desert, California. FHCC reported total assets of \$2.9 billion and consolidated net income of \$25.1 million as of June 30, 1997.

FBCC's performance under the Community Reinvestment Act was last evaluated as of August 4, 1994. The bank's overall performance was rated "Outstanding Record of Meeting Community Credit Needs."

Description of Assessment Area

The bank's assessment area consists of 80 contiguous census tracts located in the Denver Metropolitan Statistical Area (MSA). Seventy-three census tracts are located in the eastern portion of the city of Denver and seven are located in the city of Aurora.

The following table provides demographic data, including a summary of CTs classified by income category. Unless otherwise noted, the information was obtained from the 1990 U.S. Census.

ASSESSMENT AREA PROFILE						
FirstBank of Cherry Creek, N.A.						
Demographic Characteristics	#	\$	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population (#)	248,120		19%	33%	30%	18%
Median Income(\$)		\$ 40,222				
Census Tracts*	80		23%	26%	25%	16%
Unemployment Rate - 12/31/96	3.6%					
Owner Occupied Housing (#)	51,698		13%	26%	33%	28%
Median Housing Value (\$) As of 12/31/96		\$170,000				
Small Businesses	15,031		24%	24%	36%	16%

Source: Unless otherwise noted, 1990 U.S. Census data.

*Eight census tracts are sparsely populated and not categorized by income level. These CTs consist of Federal facilities, airports, parks, cemeteries, etc.

The assessment area has experienced substantial population and economic growth since 1990. As a result, both income and housing costs have steadily risen. According to the Denver County Assessor's office, the median housing value in Denver County is \$170,000 as of December 31, 1996, a significant increase over the 1990 figure. At the same time, median family income for the Denver MSA increased to \$53,100. Fifty percent of the 144,607 housing units in the bank's assessment area are rentals. Another 36% of the units are owner occupied. As noted in the table above, 13% of the owner-occupied units are located in low-income census tracts, and 26% are located in moderate-income census tracts. According to 1990 U.S. Census data, the median year built for housing is 1948.

The economic outlook for metropolitan Denver remains positive. The Denver economy continues to grow and out pace national trends. The unemployment rate for Denver County remained steady at 3.6% through June 30, 1997. Arapahoe County's unemployment rate was even lower at 2.4%. In comparison, the national unemployment rate was 4.9% for this same time period.

The bank's assessment area is dominated by many financial and other service industry companies, as well as retail shopping centers. Small businesses also play an important role in the growth of the service and retail sectors. In addition, federal and local governments are significant employers which contribute to the local economy.

The local financial services and banking industry is very competitive. Thirty-one other banking offices are located in the assessment area. These include offices of national banks, state banks, and savings banks. Several large interstate banking companies have a presence in the assessment area, including Banc One Corporation, Commercial Federal Banks, Key Banks, Norwest Banks, and U.S. Bank.

Community Credit Needs

We identified community credit needs through a review of information recently gathered at meetings between regulatory agencies and various community groups, governmental agencies, etc. We analyzed this information in conjunction with demographic and economic data to identify affordable housing, home improvement, small business, and consumer loans as the primary credit needs in the bank's assessment area.

Conclusions with Respect to Performance Tests

LENDING TEST

In assessing lending performance, we focused on FirstBank of Cherry Creek, 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:

- ▶ FBCC's loan volume reflects adequate responsiveness to the credit needs of its assessment area.
- ▶ FBCC made an adequate percentage (69%) of its loans within its assessment area.
- ▶ FBCC's distribution of loans reflects weak penetration of low-income census tracts; but good distribution in moderate-income census tracts.
- ▶ FBCC demonstrates an adequate record of serving the credit needs of low- and moderate-income borrowers and small businesses, consistent with safe and sound banking practices.

Lending Activity

Lending levels reflect a reasonable responsiveness to credit needs in the bank's assessment area. FBCC originated 1,361 loans totaling more than \$23 million within the assessment area in 1996 and YTD 1997.

As of June 30, 1997, the bank's eight-quarter average loan-to-deposit ratio was 59%. This ratio is only slightly lower than that of similarly situated banks. And, the loan-to-deposit ratio has been steadily increasing over the past eight quarters.

FBCC originates an adequate percentage of loans in the assessment area. As noted in the following table, 69% of the number and 61% of the dollar volume of total loans originated by the bank in 1996 and YTD 1997 are within the assessment area.

**VOLUME OF FIRSTBANK OF CHERRY CREEK, N.A.'S
LOAN ORIGINATIONS IN 1996 and YTD 1997**

Product	Total Originations		Within Assessment Area			
	#	\$(000)	#	%	\$(000)	%
Motor Vehicle Loans	107	\$ 1,182	62	58%	\$ 662	56%
Home Equity Loans	168	\$ 3,800	111	66%	\$ 2,316	61%
Other Secured Loans	107	\$ 6,131	61	57%	\$ 3,546	58%
Other Unsecured Loans	1,158	\$ 1,456	849	73%	\$ 1,085	75%
Total Consumer Loans	1,540	\$12,569	1,083	70%	\$ 7,609	61%
Total Small Business Loans	116	\$ 7,357	60	52%	\$ 3,101	42%
Home Purchase/Refinance Loans	163	\$15,113	114	70%	\$ 10,558	70%
Home Improvement Loans	145	\$ 3,088	103	71%	\$ 2,004	65%
Multifamily Loans	1	\$ 112	1	100%	\$ 112	100%
Total Home Mortgage Loans	309	\$18,313	218	71%	\$ 12,674	69%
Grand Total Loans	1,965	\$38,239	1,361	69%	\$ 23,384	61%

Source: Bank-prepared Small Business, HMDA, and Consumer Loan Registers.

The bank originated 218 HMDA loans totaling \$12.7 million in the assessment area in 1996 and YTD 1997. This represents 54% of the total dollar volume and 16% of the number of loans. Home purchase and refinance loans comprise the largest segment of the bank's HMDA lending. A review of 1996 HMDA market share data for the assessment area reveals that FBCC ranks 17th with a market share of 1.27%. The volume of HMDA lending is consistent with the bank's lending focus, business strategy, and size.

Consumer loans account for 80% of the number of loans originated in the assessment area, but only 33% of the dollar volume. A substantial number of the consumer loans (78%) are Cash Reserve (check credit) loans which have a low credit limit. Banks are not required to collect and report data on consumer loan activity. Therefore, no market comparison is possible.

The bank made 60 small business loans within the assessment area totaling \$3.1 million. This represents 13% of the dollar volume and 4% of the number of all loans FBCC originated in the assessment area. Small business loan data for 1996 indicates that within FBCC's assessment area the bank has a market share of less than 1%. This is consistent with the bank's retail lending focus.

Geographic Distribution of Loans within the Assessment Area

The overall geographic distribution of loans reflects adequate penetration throughout the assessment area. The following table provides a breakdown of loan penetration by loan category and census tract income level:

GEOGRAPHIC DISTRIBUTION OF 1996 LOAN ORIGINATIONS BY CENSUS TRACT INCOME LEVEL*						
Census Tract Characteristics			# Penetration % HMDA	# Penetration % Small Businesses	# Penetration % Consumer	# Penetration % Total
Income Level of Tract	% Census Tracts by Income Level**	% Small Businesses within Each Income Tract Level				
Low Income	23%	24%	10%	13%	10%	10%
Moderate Income	26%	24%	20%	6%	28%	26%
Middle Income	25%	36%	40%	42%	39%	39%
Upper Income	16%	16%	30%	39%	23%	25%

* Only 1996 loan numbers were used for this table because HMDA market share data, which corresponds to and further supports mortgage loan data, is only available for 1996, not YTD 1997.

** Income information was not available for 10% of the census tracts.

FBCC's distribution of HMDA loans in low-income census tracts is weak when compared to demographic percentages and market share data. But it is more favorable when compared to lending opportunities in these tracts. As the table indicates, the bank made 10% of its HMDA loans in low-income census tracts. In comparison, 23% of the bank's assessment area consists of low-income tracts. 1996 HMDA market share data indicates the bank's share of loans in low-income tracts is significantly lower than the bank's overall market share. The bank ranks 37th with a market share of .81% for loans in low-income tracts. This is substantially below its overall ranking of 17th across all tracts, with a market share of 1.27%. However, in comparison to lending opportunities, as measured by the distribution of owner-occupied units in tracts of different income levels, the bank's 10% distribution of HMDA loans in low-income tracts looks more favorable. Data indicates 13% of all owner-occupied homes in the assessment area are in low-income tracts.

Distribution of consumer loans (10%) in low-income census tracts is weak in comparison to demographic percentages. Distribution of small business loans (13%) in low-income tracts is also weak when compared both to demographic percentages and to lending opportunities. Data indicates that 24% of all small businesses in the assessment area are located in low-income census tracts.

Distribution of HMDA loans in moderate-income census tracts is good in comparison to demographic percentages and lending opportunities; but is weak in comparison to the bank's overall market share. The table indicates the bank originated 20% of its HMDA loans in

moderate-income census tracts. This compares favorably to demographic data which indicates 26% of the census tracts are moderate income. That distribution also compares favorably to the proportion of owner-occupied homes in moderate-income census tracts at 26%. HMDA market share data for 1996 indicates somewhat weak penetration of HMDA loans in moderate-income census tracts compared to overall penetration across all tracts. FBCC ranks 28th with a market share of .98% for loans in moderate-income census tracts.

As noted in the table, distribution of consumer loans in moderate-income census tracts is good at 28%. However, distribution of small business loans in moderate-income tracts is weak, both in comparison to demographics and in comparison to lending opportunities. As indicated in the table, 12% of the small business loans are in moderate-income tracts. In comparison, 26% of the tracts are moderate-income and 24% of the small businesses in the assessment area are located in these moderate-income census tracts.

Distribution by Borrower Income within the Assessment Area

The following table summarizes FBCC's lending activities within the assessment area by product type, income level of the census tract, and income level of the borrower.

LENDING TEST							
1996 and YTD 1997				MSA# 2080 (Denver)			
Loan Type	#	\$ (000's)	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
			B				
Residential - Home Purchase	36	\$ 4,247	CT	6%	28%	41%	25%
			B	11%	14%	17%	58%
Residential - Refinance	78	\$ 6,311	CT	15%	19%	31%	35%
			B	8%	19%	32%	41%
Residential - Home Improvement	103	\$ 2,004	CT	5%	20%	47%	28%
			B	4%	20%	21%	55%
Consumer - Motor Vehicle	62	\$ 662	CT	16%	26%	39%	19%
			B*	18%	39%	21%	22%
Consumer - Home Equity	111	\$ 2,316	CT	5%	18%	47%	30%
			B*	9%	24%	26%	40%
Consumer - Other	910	\$ 4,631	CT	9%	30%	38%	23%
			B*	NA	NA	NA	NA
Small Business	60	\$ 3,101	CT	13%	12%	43%	32%
Multifamily Loans	1	\$ 112					
Total Lending	1,361	\$23,384					

Source: Bank-prepared Small Business, HMDA, and Consumer Loan Registers.

* Note - Borrower Income for Consumer - Other Loans is not consistently available.

CT = Census Tract.

B = Borrower.

Distribution of loans to low-income borrowers is weak in comparison to demographics and in comparison to the bank's overall HMDA lending. As the table indicates, the bank made 11% of home purchase, 8% of home refinance, and 4% of home improvement loans to low-income borrowers during the evaluation period. In comparison, demographic data indicates 19% of the assessment area's population is low income. In addition, HMDA market share data for 1996 indicates weak penetration of HMDA loans to low-income borrowers in comparison to all other

borrowers. FBCC ranks 40th with a market share of .60% for HMDA loans to low-income borrowers. Overall, the bank ranks 17th with a market share of 1.27% for HMDA loans to all borrowers.

Consumer loan information indicates good distribution of motor vehicle loans (18%) to low-income borrowers, but weak distribution of home equity loans (9%). It is important to note that a majority of consumer loans are check credit loans which are very small lines of credit. The bank typically does not collect income information on these. Therefore, we are not able to analyze distribution of loans by borrower income for a majority of the consumer loans. In addition, banks are not required to report consumer loans; therefore, market share data is not available on any consumer loans.

Data indicates a somewhat weak distribution of HMDA loans to moderate-income borrowers. The bank originated 14% of home purchase, 19% of home refinance loans, and 20% of home improvement loans to moderate-income borrowers during the evaluation period. These percentages fall well below demographic percentages which indicate 33% of the assessment area's population is moderate income. HMDA market share data for 1996 indicates the bank ranks 26th with a market share of 1.01% for loans to moderate-income borrowers. This is somewhat lower than the overall ranking and market share, at 17th and 1.27%, respectively.

Consumer loan data indicates good distribution of motor vehicle loans (39%) and adequate distribution of home equity loans (24%) to moderate-income individuals.

An analysis of small business loans indicates that FBCC makes a significant number of these loans in small dollar amounts. The following table reveals that 87% of the bank's small business loans made in the assessment area were under \$100,000. There were no small business loans over \$250,000. In addition, the data also indicates that all of the small business loans FBCC originated in the assessment area were to businesses with gross annual revenues of \$1 million or less.

DISTRIBUTION OF SMALL BUSINESS LOAN ORIGINATIONS IN 1996 and YTD 1997 BY LOAN SIZE						
Distribution of Small Business Loans by Income Level of Census Tract	Less than \$100,000		\$100,001-\$250,000		\$250,001-\$1,000,000	
	#	\$(000)	#	\$(000)	#	\$(000)
Low	7	\$ 241	1	\$ 200	0	0
Moderate	7	\$ 235	0	0	0	0
Middle	22	\$ 645	4	\$ 827	0	0
Upper	16	\$ 415	3	\$ 538	0	0
Total	52	\$1,536	8	\$1,565	0	0

Source: Bank-prepared Small Business Loan Data Register.

Community Development Lending

During this review period, the bank did not make any loans which meet the definition of community development lending, as contained in the CRA regulation.

Product Innovation and Flexibility

FBCC offers some flexible, but not innovative mortgage loan products. The bank offers credit products with flexible underwriting guidelines to serve the home mortgage credit needs of its assessment area. Two of these products help meet the home purchase needs of low- and moderate-income individuals. These products, named the “Affordable Housing Program” and “Super Affordable Housing Program” are underwritten to accommodate applicants with diverse qualifications. These programs were just implemented in May 1997. The bank has not originated any loans under these programs as of June 30, 1997.

Other than SBA loans, the bank does not offer any flexible or innovative small business loan products. The bank originated two SBA loans totaling \$60,000 during the evaluation period.

The bank does not offer any flexible or innovative consumer loan products.

INVESTMENT TEST

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

Conclusions:

The bank’s investment performance within its assessment area is rated “Needs to Improve.” This rating is based on the following discussion:

- ▶ The bank provided grants totaling \$8,400 to organizations whose primary purpose is community development. However, the overall level of grants is low.
- ▶ The bank has a long standing equity investment, which amounts to \$10,000, in a community development corporation.

Qualifying investments, as defined in the CRA regulation, can include but are not limited to: investments, grants, or depositor shares that have community development as their primary purpose. The bank seldom assumes a leadership role in this area but exhibits some responsiveness to community development needs when opportunities are available.

As summarized in the following table, the bank made qualifying grants totaling only \$8,400 during the evaluation period. The grants went to nonprofit entities such as a micro-enterprise loan fund, a small business capital development program, and organizations which provide services to low- and moderate-income families. One grant will help provide low-income individuals with small business venture capital. Another will help provide educational and mentor programs for small businesses. Though small compared to the bank’s size and income, these grants help meet important needs in the assessment area.

One grant made by the bank supports a new and unique lending program called The Family Loan Program. This program originated about 14 years ago in another state but is new to Colorado. The program makes small loans with low interest rates to low- and moderate-income families primarily for emergency assistance. The bank’s donation helped fund start-up costs and establish a revolving loan fund. The bank was one of the first financial institutions in the Denver metropolitan area to support the program start-up, as well as making one of the first financial commitments. The bank’s early involvement indicates a leadership role in getting the program established in Colorado.

In addition, the bank continues to hold an equity investment, which it made in 1993, in the Downtown Denver Capital Corporation. This is a multibank community development corporation whose purpose is to provide small loans and technical support to small businesses which cannot qualify for loans from banks. This investment continues to help meet an important credit need of the assessment area.

INVESTMENT TEST: FirstBank of Cherry Creek, N.A.’s Assessment Area					
Investment Type	Equity	Deposit	Grant	Total	# of Housing Units or Jobs
Affordable Housing	0	0	0	0	
Economic Development	0	0	\$8,400	\$ 8,400	Unable to determine
Other	\$10,000	0	0	\$10,000	Unable to determine
Total	\$10,000	0	\$8,400	\$18,400	

Source: Bank-prepared records for investments and grants.

SERVICE TEST

In assessing FirstBank of Cherry Creek, 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:

The bank’s performance under the Service Test is rated “High Satisfactory.”

- ▶ The bank’s delivery systems are reasonably accessible to all portions of the assessment area.
- ▶ The bank opened one branch since our last examination but has not closed any branches.
- ▶ The bank provided a high level (309 hours) of community development services during the review period, some which reflect leadership.

Retail Banking Services

The bank’s delivery systems are reasonably accessible to the entire population within the assessment area. FBCC has two branches located in this assessment area, along with the main office. One of these branches just opened in August 1997. The other branch is located in a King Soopers grocery store. All three offices are located in middle-income census tracts.

The bank operates three proprietary automated teller machines (ATMs). A full-service ATM is attached to each office and is available 24 hours a day. The table below shows the location of FBCC’s branches and ATM’s in the assessment area.

SERVICE TEST: Branch and ATM Distribution FirstBank of Cherry Creek, N.A.’s Assessment Area						
Service Type	#	Deposits \$ (million)	Low % /#	Moderate % / #	Middle % / #	Upper % / #
Branch Offices (#)*	3	\$71	0%	0%	100%	0%
			0	0	3	0
ATMs - Attached - Full Service*	3		0%	0%	100%	0%
			0	0	3	0
ATMs - Detached - Ltd Service	0		0%	0%	0%	0%
			0	0	0	0

* Reflects the University Hills branch opened in August 1997.

In an effort to reach more individuals within the assessment area, the bank uses the following alternative delivery systems. However, management has not measured the effectiveness of these delivery systems in reaching low- and moderate-income geographies and individuals.

- ▶ **Loan 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 transfers, 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.

Another service provided by the bank is the “Simplified Employee Pension Account.” This product provides a simplified way for small business owners to establish a retirement plan for their employees utilizing Individual Retirement Accounts.

FBCC opened one branch since the last examination. No branches were closed. However, the bank has adopted a policy to address the potential impact of a branch closure.

FBCC’s business hours, products, and services are reasonable. The bank offers a wide array of products and services at all of its branches. The bank’s office hours are 9:00 a.m. to 6:00 p.m., Monday through Friday, and 9:00 a.m. to noon on Saturday. The branch located inside the King Soopers store maintains slightly different hours. This branch is open 10:00 a.m. to 7:00 p.m., Monday through Friday, and 9:00 a.m. to 2:00 p.m. on Saturday.

Community Development Services

FBCC provides a high level of meaningful community development services within the assessment area. During the evaluation period, FBCC officers provided community development services to nonprofit organizations totaling 309 hours. These services target low- and moderate-income individuals and promote affordable housing, economic development, and financial education. Also, some of the time was spent helping to establish small loan programs for low- and moderate-income individuals and families. The following summarizes the most significant contributions of community development services.

A bank officer provides financial expertise while serving on the Collaborative Decision Making Committee of an elementary school where a majority of the school population is from low- and moderate-income families (about one-third of students qualify for the free lunch program). The officer contributed approximately 115 hours of banking expertise to the school during the evaluation period. The officer also helped organize some general financial seminars for parents and members of the surrounding community.

Bank officers operate in a leadership role by providing banking information through seminars conducted at a library located in a low-income census tract. The library serves as a gathering place for the large, low-income Russian immigrant population in the area. These seminars focus on consumer banking and real estate lending issues, but also teach about the Colorado Quest

Card offered by the Colorado Department of Social Services as a more efficient vehicle for delivery of financial benefits. Seven seminars have been conducted during the evaluation period. FBCC officers contributed 35 hours of service.

A senior bank officer provides ongoing expertise to assist the Justice Information Center. This nonprofit center provides translation services and counseling to non English-speaking immigrants. A significant amount of the counseling helps individuals with housing and personal financial needs. A majority of the center's clients are low- and moderate-income individuals. The officer currently serves as president of the board for the organization, contributing budgeting and fund-raising assistance. The officer provided approximately 120 hours of service in 1996 and YTD 1997 to the center.

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.
- ▶ **Non-profit Accounts** - The bank provides service charge free checking accounts for Colorado non-profit organizations.
- ▶ **Free Personal, Business Checking, and Savings Accounts** - The bank offers these accounts to all borrowers from the Colorado Microcredit Fund which the bank supports through grants.

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 also 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 antidiscriminatory 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 - June 30, 1997 Other Performance Criteria: January 1, 1996 - December 12, 1997						
Financial Institution	Products Reviewed					
FirstBank of Cherry Creek, N.A.	Loans: Consumer, Home Improvement, Residential Mortgage, Small Business, and Community Development. Other: Qualified Investments, Product Delivery Systems, and Community Development Services.					
Affiliate	Products Reviewed					
None.	None.					
List of Assessment Areas and Type of Examination						
Assessment Area	Type of Exam	Deposits Attributed to Area Branches as of June 1997				
Denver Metropolitan Statistical Area (Includes 80 Census Tracts in this MSA.)	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;">\$71</td> <td style="text-align: center;">100%</td> </tr> </table>	Dollars (in millions)	Percent	\$71	100%
Dollars (in millions)	Percent					
\$71	100%					