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Comptroller of the Currency  
Administrator of National Banks

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Central District Office  
One Financial Place, Suite 2700  
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Chicago, Illinois

## **Public Disclosure**

March 6, 1998

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

**ALBANY BANK AND TRUST COMPANY, N.A.  
Charter No. 14688**

**3400 West Lawrence Avenue  
Chicago, Illinois 60625**

**Office of the Comptroller of the Currency  
One Financial Place, Suite 2700  
440 S. LaSalle Street  
Chicago, Illinois 60605**

**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**

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<b>General Information</b>	3
<b>Description of Institution</b>	4
<b>Conclusions with Respect to Performance Test</b>	
Lending Test	8
Investment Test	16
Service Test	17
<b>Fair Lending Review</b>	20

## 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 **Albany Bank and Trust Company, N.A.** prepared by **The Office of the Comptroller of the Currency**, the institution’s supervisory agency, as of **March 6, 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.

**Institution’s CRA Rating:** This institution is rated “**Satisfactory record of meeting community credit needs**”.

The following chart indicates the performance level of **Albany Bank and Trust Company, N.A.** with respect to the lending, investment, and service tests.

Performance Levels	Albany Bank and Trust Company, 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

Albany Bank and Trust, National Association (Albany), with total assets of \$316 million at December 31, 1997, is headquartered in Chicago, Illinois. The bank was incorporated as Albany Bank and Trust, National Association in 1953. Albany is the largest locally owned financial institution when compared to others in the surrounding area. Albany is 92% wholly-owned by Albank Corporation, which was formed in 1983. It is a one bank holding company with combined total assets that are virtually the same as the bank's.

Albany has 3 branches, which are all located in the Albany Park Community area. The most recent branch was purchased in 1992 from a failed savings and loan association. The facility and deposits were acquired through this purchase. Each of the branches has an automated teller machine (ATM). There are 5 ATMs, two of which are free standing. The bank's assessment area is contiguously located around all branch and ATM locations.

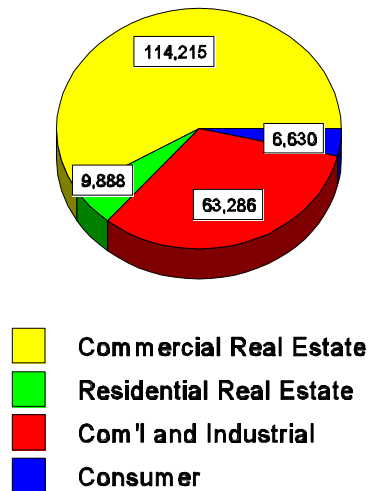
The bank offers traditional deposit services and a wide variety of lending products. However, the bank's lending efforts are largely commercial. All of the products are offered at all branch locations. Underwriting is performed only at the main office.

This evaluation considered the bank's performance since the last examination, dated January 26, 1996, at which the bank received an Outstanding rating. The current evaluation reflects performance from January 1, 1996 thru December 31, 1997.

There are no current impediments which would hamper Albany's ability to meet the credit needs of its communities. The bank has historically been a strong financial performer. On December 31, 1997, Albany had net income of \$3.7 million and a loan-to-deposit ratio of 69%. Loans represent 61% of total assets with commercial lending representing 91% of gross loans. **Figure I** displays the distribution of the loan portfolio at December 31, 1997:

# Loan Portfolio Distribution

Figure 1 (000's)



## DESCRIPTION OF ASSESSMENT AREAS

During this evaluation the assessment area was redefined to contain a substantial portion of the bank's lending activity. The original assessment area consisted of 49 census tracts, 49% of which were moderate-income, 49% were middle-income and 2% were upper-income. Based on re-evaluation of where loans were originated and discussions with management, 94 census tracts were added to form the assessment area which is the basis of this evaluation.

The assessment area is comprised of a portion of the Chicago Metropolitan Statistical Area (MSA 1600). This assessment area represents 143 geographies. This assessment area includes geographies where the bank has a branch and where a substantial portion of bank's loans have been originated. It includes all of the Albany Park, North Park, Lincoln Square, Portage Park, Irving Park, Belmont Cragin, Hermosa, Avondale, and Logan Square communities. The assessment area includes portions of the West Ridge, Lincoln Park, Humbolt Park, Austin and Dunning communities. Because the city of Chicago was deemed too large to serve based on the bank's size and resources, the assessment area was adjusted to include only the communities reflected above. A general description of the bank's assessment area would include all census tracts within four to five miles of the branch locations.

Per 1990 census data, **Table 1** displays significant demographic information regarding Albany’s assessment area:

<b>Table 1 Demographic Information</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>% of Chicago</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>
Population	535,418	19%	7%	51%	41%	1%
Households	191,986	19%	6%	49%	44%	1%
Households Below Poverty Level	24,911	13%	17%	58%	24%	1%
Census Tracts	143	17%	13%	47%	39%	1%
Owner Occupied Housing	84,888	20%	4%	39%	56%	1%
Small Businesses	14,957	18%	6%	45%	47%	2%

Note: The demographic information presented in this table are based on census tracts. The number of households below the poverty level for each income level is as a percentage of the total number of households.

The assessment area consists of 206,026 housing units. Forty-one percent of these units are owner occupied, 52% are rental and 6% are vacant housing units. The median housing value is \$99,480. The median year built of housing in the assessment area is 1941 which is in line with median year built for all housing units in Chicago, of 1939.

There are 129,479 families within the bank’s assessment area. The number of families located in Albany’s assessment area represents 20% of Chicago’s total family base. Twenty-nine percent of the families are low-income, 23% are moderate-income, 25% are middle-income, and 23% are upper-income. The median family income for the assessment area is \$55,800.

The economy for the assessment area is mature and stable. The employment base is largely service and retail oriented and extremely ethnically diverse. Most of the businesses within the assessment area are sole proprietorships and very small. Over 70% percent of the businesses have less than four employees. The unemployment rate for the city of Chicago is higher at 5.9%, than the national average of 4.9%.

Competition from banks within the assessment area is steep. Approximately 20 banks are located within the bank’s assessment area. In addition, numerous other financial institutions are in the area, including credit unions, brokerage companies, home mortgage and insurance companies.

Similarly situated banks for the assessment area include Bank of Lincolnwood, Devon Bank and Park National Bank and Trust of Chicago. These banks are independently owned, range from \$200 million to \$400 million in assets, serve a similar market area, and primarily have a commercial lending focus.

Significant credit needs include small business loans for business expansion and multi-family property

acquisition and rehabilitation. Other needs include used car loans on extended terms, low down payment mortgage programs and home improvement financing. These needs were identified through several community contacts with economic development and government representatives contacted by banking regulatory agencies in the past 24 months. An additional community contact conducted during this examination confirmed that these are still the credit needs of the community.

# Conclusions with Respect to Overall Performance Tests

## LENDING TEST

The lending test is the most influential consideration in evaluating the bank's CRA performance. Consideration is given to the bank's origination of credit within its assessment area; the extension of credit to low- and moderate-income areas within the assessment area; the level of credit provided to low- and moderate-income borrowers and small businesses and farms, and credit provided for community development. Overall, our review found that Albany's lending activity demonstrates:

- a good responsiveness to credit needs in its assessment area;
- a reasonable level of loans to low- and moderate-income geographies within the assessment area;
- an adequate percentage of loans made within the assessment area;
- a good distribution of loans among borrowers of different income levels;
- a good use of innovative and/or flexible credit products; and
- a high level of community development lending.

### Performance Criteria:

#### **Lending Activity**

Albany's lending volume is good. As of September 30, 1997, the loan-to-deposit ratio was 71%. This ratio is better than the 64% average of similarly situated banks within the area. Albany's loan-to-deposit ratio is reflective of the bank's willingness to extend credit. While the bank's loan portfolio growth rate leveled off in 1997, the loan portfolio experienced significant loan growth in 1995 and 1996 of over 15%, due to third party lease transactions and commercial real estate lending. Albany originates a wide variety of loans. However, it has historically been a commercial lender. As reflected in **Figure 1**, 91% of the loan portfolio is commercial. Further, approximately 89% of the commercial loan portfolio is small business.

As shown in **Tables 2 and 3**, the bank is not a significant home mortgage lender. In 1996, all of the home loans originated were home improvement. In 1997, 4 of the home loans originated were home improvement, 2 were home purchase and 1 refinancing. Management does not emphasize this type of lending due to steep competition from many larger regional banks and mortgage companies who have the resources and expertise to offer these types of loans. The significant rental market also contributes to low home loan originations.

Consumer lending only represents 3% of the loan portfolio, although the bank experienced a significant increase in this type of lending in 1997. The increase is attributed to the bank's offering of automobile loans with extended terms. Eighty percent of the consumer loans originated in 1997 were automobile loans. See the *Innovative or Flexible Lending Practices* section of this Report for further explanation of this product.



As shown in **Table 2**, the level of loans originated within the assessment area is reasonable.

<b>Table 2</b>				
<b>Loan Originated Inside the Assessment Area</b>				
	Home Mortgage	Consumer	Small Business	Total
<b>Number</b>				
Loans Inside the Assessment Area	18	312	51	381
Total # of Loans	29	515	141	685
% Inside the Assessment Area	62%	61%	36%	<b>56%</b>
<b>Dollars (000's)</b>				
Loans Inside the Assessment Area	3,270	2,346	4,888	10,504
Total \$ Amount of Loans	8,173	5,564	15,127	28,864
% Inside the Assessment Area	40%	42%	32%	<b>36%</b>

Source: 1997 HMDA-LAR; 1997 Consumer Data Collection Register; 1997 Small Business/Farm Data Collection Register

An adequate portion of the bank's 1997 overall originations are within the assessment area. However, only 36% of the 141 small business loans are located within the assessment area. Contributing to this small number is that many of the bank's established customers have moved to suburban neighborhoods but, continue to maintain banking relationships with the bank.

### **Geographic Distribution**

Overall, Albany's geographic distribution of home mortgage loans, consumer loans and small business loans, within the assessment area, is good. Also, the dispersion of lending within the assessment area is reasonable. The analysis is based on the location of home loans, consumer loans and small business loans originated by the bank.

#### Home Mortgage Loans

The distribution of credit to low- and moderate-income tracts is good when compared to the owner-occupied characteristics of the assessment area. **Table 3** shows that Albany originated 55% in 1996 and 57% in 1997, to low- and moderate-income tracts. This distribution compares favorably to the 43% of owner-occupied units in the low- and moderate-income geographies. It is also comparable to the low- and moderate-income characteristics within the assessment area.

Table 3 Home Mortgage Loans By Income Level of Geography											
Income Level of Geography	1996				1997				Assessment Area Characteristics		
	#	%	\$ (000's)	%	#	%	\$ (000's)	%	% of Owner-Occupied Units	% of Geography	
Low	1	11%	3	7%	1	14%	5	1%	4%	13%	
Moderate	4	44%	29	69%	3	43%	114	26%	39%	47%	
Middle	4	45%	10	24%	3	43%	313	73%	56%	39%	
Upper	0	0%	0	0%	0	0%	0	0%	1%	1%	
Total	9	100%	42	100%	7	100%	432	100%	100%	100%	

Source: 1996 and 1997 HMDA-LAR. Only owner-occupied lending is reflected in this table.

The bank's market share for home mortgage lending is very low, as Albany is number 183 amongst 367 lenders within the assessment area. However, Albany leads the other similarly situated banks in market share, for home mortgage loans within the assessment area.

**Table 4** reveals that Albany's multi-family lending volume within the low- and moderate-income tracts is very good when compared to the percentage of structures in the assessment areas. Overall, the bank's market share for multi-family lending is very good when compared to other banks within its assessment area. Albany ranks number one among similarly situated institutions with a 2.76% market share. It ranks number 11, in overall market share for 64 lenders within the assessment area. However, lenders with higher market shares are larger regional banks and a federal savings bank.

Table 4 Multi-Family Home Mortgage Loans By Income Level of Geography										
Income Level of Geography	1996				1997				Assessment Area Characteristics	
	#	%	\$(000's)	%	#	%	\$(000's)	%	% of Multi-Family Structures	
Low	0	0%	0	0%	1	10%	80	3%	7%	
Moderate	7	70%	4,840	82%	3	30%	1,526	55%	59%	
Middle	3	30%	1,055	18%	6	60%	1,165	42%	33%	
Upper	0	0%	0	0%	0	0%	0	0%	1%	
TOTAL	10	100%	5,895	100%	10	100%	2,771	100%	100%	

Source: 1996 and 1997 HMDA - LAR.

Our analysis revealed sporadic originations of home mortgage loans in low- and moderate-income tracts, for 1996 and 1997. However, this dispersion of home loans throughout the assessment area is reasonable since most of the low- and moderate-income tracts had greater than sixty percent rental units. The owner occupancy is particularly low in low-income census tracts, at 22%. These facts support limited lending opportunities.

Small Business Loans

Albany originates a satisfactory portion of small business loans in low- and moderate-income areas. **Table 5**, below, reflects that the percentage of loans originated in low- and moderate-income tracts is comparable to the small business assessment area characteristics for these census tracts. A favorable trend is continued in 1997 when comparing the geographic distribution of small business lending to 1996.

Table 5 Small Loans to Businesses By Income Level of Geography									
Income Level of Geography	1996				1997				Small Business Assessment Area Characteristics
	#	%	\$ (000's)	%	#	%	\$ (000's)	%	% of Geographies
Low	2	5%	268	7%	3	6%	112	2%	6%
Moderate	21	49%	1,042	23%	28	55%	2,853	58%	45%
Middle	18	42%	3,056	68%	18	35%	1,898	39%	47%
Upper	2	4%	100	2%	2	4%	25	1%	2%
Total	43	100%	4,466	100%	51	100%	4,888	100%	100%

Source: 1996 and 1997 Small Business Data Collection Register.

Consumer Loans

As shown in **Table 6**, the bank's geographic distribution of consumer loans is only adequate when compared to the assessment area characteristics. However, consumer loans dispersion is good as all low- and moderate-income census tracts around the bank's branch locations are penetrated.

Table 6 Consumer Loans By Income Level of Geography									
Income Level of Geography	1996				1997				Assessment Area Characteristics
	#	%	\$ (000's)	%	#	%	\$ (000's)	%	% of Geography
Low	N/A	N/A	N/A	N/A	4	1%	25	1%	13%
Moderate	N/A	N/A	N/A	N/A	125	40%	875	37%	47%
Middle	N/A	N/A	N/A	N/A	182	58%	1,296	55%	39%
Upper	N/A	N/A	N/A	N/A	1	1%	150	7%	1%
Total	N/A	N/A	N/A	N/A	312	100%	2,346	100%	100%

Source: 1997 Consumer Loan Data Collection Register. Consumer data was not available for 1996.

### Borrower Characteristics

We evaluated loans by borrower characteristics to determine the extent that Albany provides loans to low- and moderate-income borrowers and small businesses. This analysis revealed that the distribution of Albany's home mortgages and consumer loans to low- and moderate-income borrowers is reasonable when compared to the income distribution of the assessment area's population. The analysis also revealed that an adequate level of small loans are provided to businesses with revenues less than \$1 million and the bank lends a considerable number of loans to businesses of varying sizes within the assessment area.

#### Home Mortgages

The distribution of home loans among borrowers of various income levels is overall satisfactory but reveals an unfavorable trend when compared to the population's income distribution characteristics. **Table 7** reflects that within the entire assessment area, the bank extended 67% in 1996 to low- and moderate-income borrowers. The borrower distribution declined to 14% in 1997 for these same borrowers. Fifty-two percent of the area's families are low- and moderate-income.

Table 7 Home Mortgage Loans By Borrower Income									
Borrower Income Distribution	1996				1997				Assessment Area Characteristics
	#	%	\$(000's)	%	#	%	\$(000's)	%	% of Families
Low	1	11%	4	10%	1	14%	100	23%	29%
Moderate	5	56%	26	62%	0	0%	0	0%	23%
Middle	1	11%	6	14%	2	29%	143	33%	25%
Upper	1	11%	3	7%	1	14%	10	2%	23%
Income Not Available	1	11%	3	7%	3	43%	179	42%	N/A
Total	9	100%	42	100%	7	100%	432	100%	100%

Source: 1996 and Year-to-date 1997 HMDA - LAR

### Consumer Lending

**Table 8** reveals that consumer lending to low- and moderate-income borrowers has been very good when compared to the assessment area characteristics. The lending activity to low-income borrowers is especially impressive in 1997. Fifty percent of consumer loans were extended to low-income borrowers while 29% of the families within the assessment area are low-income. The bank's extended terms automobile loan program significantly contributes to the lending activity.

Table 8 Consumer Loans By Borrower Income									
Borrower Income Distribution	1996				1997				Assessment Area Characteristics
	#	%	\$(000's)	%	#	%	\$(000's)	%	% of Families
Low	N/A	N/A	N/A	N/A	156	50%	912	39%	29%
Moderate	N/A	N/A	N/A	N/A	88	28%	652	28%	23%
Middle	N/A	N/A	N/A	N/A	25	8%	390	16%	25%
Upper	N/A	N/A	N/A	N/A	11	4%	211	9%	23%
Income Not Available	N/A	N/A	N/A	N/A	32	10%	181	8%	N/A
Total	N/A	N/A	N/A	N/A	312	100%	2,346	100%	100%

Source: 1997 Consumer Loan Data Collection Register. Consumer data was not available for 1996.

### Small Business Lending

A review of demographic data revealed that 81% of the 14,957 businesses in the assessment area have revenues less than \$1 million. The distribution of Albany's loans to small businesses revealed an adequate level of lending to businesses having revenues less than one million dollars. In 1996 and 1997, respectively, 60% and 57% of the small business loans within the assessment area were made to businesses having less than \$1 million in annual revenues.

Based on our review of the 1996 and 1997 Small Business Data Collection Registers, Albany's distribution of small business loans to borrowers of varying sizes is significant. As presented in **Table 9**, 72% of the small loans were originated to small businesses by loan size of less than \$100,000, within the assessment area. For 1997, originations improved, with 80% of the small business borrowers granted loans in amounts less than \$100,000.

<b>Table 9</b> <b>Distribution of Small Business Loan Originations in 1996 and 1997</b> <b>Within the Assessment Area</b> <b>By Loan Size and Business Revenues</b>								
Loan Size					Annual Revenues < \$1 Million			
1996	#	%	\$ (000's)	%	#	%*	\$ (000's)	%*
less than \$100,000	31	72%	\$1,101	25%	22	85%	\$604	49%
\$100,000 to \$250,000	7	16%	\$1,165	26%	4	15%	\$640	51%
\$250,000 to \$1,000,000	5	12%	\$2,200	49%	0	0%	\$0	0%
Totals	43	100%	\$4,466	100%	26	100%	\$1,244	100%
<b>1997</b>								
less than \$100,000	41	80%	\$1,326	27%	27	93%	\$644	51%
\$100,000 to \$250,000	4	8%	\$830	17%	1	4%	\$170	14%
\$250,000 to \$1,000,000	6	12%	\$2,732	56%	1	3%	\$432	35%
Totals	51	100%	\$4,888	100%	29	100%	\$1,246	100%
<b>Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:</b>			< 1 Million	81 %	*As a percentage of loans of the size category			
			> 1 Million	8 %				
			Unknown	11%				

Source: 1996 and 1997 Small Business Data Collection Register.

### Community Development Lending

Based on our community outreach and considering the bank's size and competitive environment, we determined that Albany originates a high level of community development loans in response to identified credit needs. A community development loan is a loan that: 1) has as its primary purpose community development; and, 2) except in the case of a wholesale or limited purpose bank, has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area

as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan; and, benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). During the evaluation period the bank originated loans for the following community development purposes.

- A loan totaling \$500,000 to finance the construction of senior citizen housing within a moderate-income tract. This project provides subsidized housing. Albany is the lead lender in this \$9 million project.
- Eleven multi-family loans, totaling \$6,446,000 in low- or moderate-income census tracts.

### **Innovative or Flexible Lending Practices**

Albany makes good use of flexible loan programs that benefit low- and moderate-income borrowers or geographies. These programs have been instrumental in providing affordable lending for consumer purposes and small business development.

- **Albank A-B-C Creditability Loan Program:** This program is designed to establish, or re-establish credit. The terms require that the borrower put the loan proceeds in a Albank Certificate of Deposit (CD). The minimum loan amount of \$2,500 is required for a maximum term of 30 months. Pricing of the loan is three percent over the current CD rate at the time of financing. The program originated in March of 1996. Eighteen loans have been extended, totaling \$220,000.
- **Automobile Loan Programs:** The following two programs were designed in response to the growing demand to finance older model automobiles for persons with no credit history. These programs are considered a risky form of lending. As such, the loan products are appropriately priced for the level of risk involved. The pricing varies based on the borrower's length of employment. The first program requires customers to have at least two years employment. Loan amounts are limited to \$10,000 for 36 months, with an interest rate of 13%. Implemented in 1996, the bank has extended 61 loans under this program. The second loan program is tailored to customers with less than two years employment. Terms require at least 50% down and an interest rate of 18.50%. Since the bank implemented this program in June of 1997, two loans have been originated. The bank will finance automobiles up to eight model years old under both programs.
- **Small Business Administration Low DOC Program:** This government guaranteed program allows for shorter application and approval time. During this evaluation period the bank has originated 7 loans, totaling \$420,806.
- **Small Business Administration 7(a) Program:** As a preferred lender under this government guaranteed program, fast and efficient service is provided to small businesses who might otherwise have difficulty in obtaining favorable financing. During this evaluation period the bank originated 6 loans, totaling \$1,010,000.

## **INVESTMENT TEST**

In its investing activities, Albany exhibits adequate responsiveness to credit and community development needs. This conclusion is based on the needs and opportunities within the market identified through community contacts and the bank's size and financial capacity. The bank provides investment in its communities through cash and in-kind contributions and grants to numerous organizations serving the low- and moderate-income residents of both assessment areas. Total qualifying investments during this evaluation period, total \$55 thousand and represent less than two percent of the bank's equity capital and 2% of 1997 pretax net operating income. Specific noteworthy investments include:

- As a founding member of a community center which is the leading provider of social services within the assessment area, the bank has recently demonstrated continued support through cash grants totaling \$14,000 for 1996 and 1997. The bank provides in-kind contributions by providing office space at a discounted rental of \$8,000 per year.
- As a founding member of the community-based community development corporation, the bank continues to be committed in achieving the corporation's goals and is vigorously involved in its efforts to create and maintain a thriving community that is a desirable place to live, work, and do business. Recently, the bank has supported the corporation through cash grants and in-kind contributions. Cash grants to the corporation totaled \$5000 during 1996 and 1997. As in-kind contributions, Albany provides mailing services and meeting space for the corporation.
- The bank has provided cash grants, totaling \$13,200 in grants to the Foundation of a university within the bank's assessment area. The foundation provides scholarships to low-income and minority students.

Additional donations and grants were provided to organizations with a community development focus. Albany contributed to 16 different community development organizations, totaling \$7 thousand during the evaluation period.



## SERVICE TEST

Albany has an adequate record of supporting the community through service-oriented activities. This conclusion is based on the following:

- Retail banking services are reasonably accessible to essentially all of its assessment area.
- These services are also easily accessible to individuals of all income levels within its assessment area.
- Alternative delivery systems are available to the bank's customers.

### Retail Banking Services

Albany has 3 branch locations which are located in high-traffic areas. Five ATMs are located within the bank's assessment area. These branches and ATMs are all located within a three mile radius of the head office, the portion of the assessment area in which the bank considers as its primary service area.

**Table 10** depicts the geographies and income levels of the individuals served by the bank's 3 branch offices.

Table 10 Distribution of Branches by Geography Served						
Income Level of Geography	Branches		ATMs		Assessment Area Characteristics	
	#	%	#	%	Distribution of Tracts	Distribution of Families
Low	0	0%	0	0%	13%	29%
Moderate	1	33%	2	40%	47%	23%
Middle	2	67%	3	60%	39%	25%
Upper	0	0%	0	0%	1%	23%
Total	3	100%	5	100%	100%	100%

Moderate- and middle-income tracts are somewhat intertwined in the areas around the branches. Therefore, branches located in middle-income tracts also serve moderate-income tracts. The bank does not have branches in low-income census tracts as all of the low-income tracts are around the outer edge of the assessment area. Further, these low-income census tracts were added when the we redefined the assessment area, as explained in *Description of Assessment Area* at the beginning of this Report.

The head office is located in the moderate-income census tract. Products and services are offered in a manner consistent with branch offices in the other segments of the community. The staffing of

lending officers at the branches varies somewhat. The majority of loan officers are at the head office but branch loan officers have some limited lending authority. However, products and services are available at all locations. Lenders will readily make appointments to meet with customers at any bank office.

Albany's hours are generally tailored to the needs of the surrounding area. All of the branch offices maintain Saturday hours.

Each location is equipped with a 24 hour ATM. The head office is equipped with two ATMs, one of which is free-standing. Based on customer demand ATM cards can now be used worldwide. Two of the branches have drive-up facilities which offer extended hours. These two branches are located in the moderate- and middle-income tracts.

### **Alternative Delivery Systems**

Albany's alternative delivery systems make services more accessible. In addition to the ATMs previously discussed, the bank offers a 24 hour telephone banking service at no charge. The banking service is accessible in English, Spanish and Korean. Also, a toll free number is available to access the service from outside of the Chicago area. Customers can obtain account information on their checking and savings account and can also obtain rate information on certificates of deposits.

### **Community Development Services**

Several bank employees offer community development services to organizations that have as their primary purpose economic development or revitalization and serve low- and moderate- income individuals. Their involvement is providing technical assistance, developing programs to provide lending and inform the community about credit and deposit products, sponsoring seminars and counseling programs on home ownership and starting small businesses. Detailed below are some of the programs and organizations.

- The bank's president serves as Vice-Chairman, and a director of the bank serves as Chairman of the Board of a local community center which leads in providing social services for Albany Park. Both provide technical expertise and financial counseling on various ventures with the community center. Specifically, these executive officers have provided financial expertise to the community center on budgeting, staffing matters, as well as locating funding sources for affordable housing projects.
- A director of the bank has been a member of a grant committee that successfully obtained a \$3,000,000 grant, in June 1996, from the City of Chicago for community improvements. The director provided technical assistance with the grant proposal, as well as with the application of the grant funds.
- An officer of the bank serves on the Board of Directors of an Albany Park-based Community Development Corporation within the assessment area. This organization represents many organizations, businesses and residents of Albany Park and surrounding communities.

- As part of the bank's service to the multi-ethnic community it serves, the bank has recruited and hired persons who are multi-lingual. Bank personnel currently speak 16 separate languages. This allows the bank to provide better customer service as it gives the bank the ability to have a translator join in any conversation with the customer.
- In April of 1997, the bank was the principal sponsor of the local Chamber of Commerce Open House. Among other activities, real estate seminars were provided to persons visiting the community.
- A Vice President of the bank provides financial expertise on a city government committee. Members of this committee strive to determine ways to facilitate lending to women and minority owned firms for start up and emerging companies within the City of Chicago.

## **FAIR LENDING REVIEW**

We conducted a fair lending examination to determine if all applicants that applied for home loans were treated similarly. Specifically, we compared files of denied applicants of a prohibited basis group to approved loan applicants to make this determination. We also determined if the rates and terms granted to approved borrowers of the prohibited basis group were similar to other approved loan borrowers. We found no evidence of discrimination.