



Comptroller of the Currency
Administrator of National Banks

Cleveland Office
3 Summit Park Drive, Suite #530
Independence, Ohio 44131

Public Disclosure

October 22, 1997

Community Reinvestment Act Performance Evaluation

First National Bank of Sycamore
Charter Number 11383

P.O. Box 188
Sycamore, Ohio 44882

Note: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of the **First National Bank of Sycamore (FNB)** prepared by Comptroller of the Currency, the institution's supervisory agency, as of **June 30, 1997**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

Institution's CRA Rating: This institution is rated Satisfactory.

FNB's loan to deposit ratio is reasonable in the 60% range, and has steadily increased since 1996. The bank originates residential, consumer, commercial and farm loans which meet the general needs of the community. Presently, the bank does not offer credit card lending, or home-equity loans. The bank actively makes loans of various dollar amounts to persons with various incomes. A majority of loans made are within the bank's designated lending areas.

DESCRIPTION OF INSTITUTION

FNB is a \$43 million independent bank headquartered in Sycamore, Ohio. Subject bank is the only financial institution in town. Competition is afforded by financial institutions located in the cities of Bucyrus, Tiffin and Upper Sandusky, Ohio, all approximately within a 20 mile radius. The bank is very service oriented and practices "low fees" for customers. In addition to the main office, the bank operates one branch in McCutchenville, Ohio. Both locations are full-service and provide drive-in facilities. The bank does not offer Automated Teller Machine Services. FNB is a profitable, well managed institution with no legal impediments which would limit its ability to fully comply with the Community Reinvestment Act.

ASSESSMENT AREA

AREA 1 - DESCRIPTION OF WYANDOT COUNTY

Wyandot County is in a Non-Metropolitan Statistical Area. The bank selected one Block Numbering Area (BNA), #9880 as part of its assessment area. It is a middle income area where both the bank's main office and branch are located. It includes the county seat of Upper Sandusky. The community consists of older housing units, primarily single family homes. Most of the housing is occupied. The Metropolitan Statistical Area(MSA)/Non-MSA Updated Median Family Income is \$38,800. The county's income is primarily derived from wages with approximately 15% derived from farming. There are no low or moderate income areas.

SYCAMORE

Sycamore is a small rural village with a population of approximately 1,000. Local businesses consist of small retail shops and restaurants. The major employer in town is Toledo Tool & Die, a manufacturing concern that is headquartered in Toledo, Ohio. Although the majority of the area is agricultural, most residents earn wages from the local plant or commute to nearby towns for employment.

Within the last two years, the village installed a sanitary sewer system needed to further develop land and facilitate the construction of new homes. During 1997, four new homes are in the process of being built, and the village annexed additional land to the south which will be subdivided and developed.

Discussion held with the Office of the Village of Sycamore disclosed the community credit needs to be affordable housing for senior citizens and low interest auto loans. The bank has began an indirect lending arrangement with auto dealers which helps the bank continue to service customer needs. The community has a large number of senior residents presently housed in larger homes who are in need of housing more tailored to meet the needs of senior citizens. The local community is hoping such housing will be developed once the annexation is completed.

The Village of Sycamore recently formed a Community Investment Corporation. This organization works to attract new businesses to the community.

AREA 2 - DESCRIPTION OF CRAWFORD COUNTY

Crawford County is part of the Mansfield MSA #4800. The bank included census tract #9742 as part of its lending area because it makes some loans in the area. The MSA/Non-MSA updated Median Family Income is \$38,850. The median housing value is \$68,800. A predominant portion of the housing units are occupied, 73% are one to four family units and 20% are multifamily units.

LABOR FORCE STATISTICS

Unemployment rates of Wyandot at 8.2%, and Crawford at 5.8%, are higher than the State of Ohio rate of 4.1%, as of July 1997.

LOAN TO DEPOSIT RATIO:

- ◆ FNB's net loan to deposit ratio has been trending upward over the last six quarters. During 1996, it averaged 57%. Through June 1997 the loan to deposit rate is 65%. Although the bank's performance continues to improve, peer banks net loan to deposit ratio is higher. Peer ratio has been consistently in the moderate 60% range throughout 1996 and 1997.

LENDING IN ASSESSMENT AREA:

ORIGINATIONS OF REAL ESTATE, CONSUMER AND COMMERCIAL LOANS

ASSESSMENT AREA	1996				January - June 1997			
	WITHIN		OUTSIDE		WITHIN		OUTSIDE	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
	PERCENT OF TOTAL FOR PERIOD				PERCENT OF TOTAL FOR PERIOD			
REAL ESTATE	67	2,446	28	1,623	30	1,346	14	685
	71%	60%	29%	40%	68%	66%	32%	34%
INSTALMENTS	227	1,287	75	510	84	353	22	83
	75%	72%	25%	28%	79%	81%	21%	19%
COMMERCIAL	66	1,851	43	435	60	1,674	40	484
	61%	81%	39%	19%	60%	78%	40%	22%
FARM LOANS	58	790	7	63	33	423	4	42
	89%	93%	11%	7%	89%	91%	11%	9%

- ◆ The information on loans originated was based on the bank's computer loan system data base. The information was grouped by loan product, by city, and the numbers were manually adjusted to arrive at lending within or outside of the assessment area.
- ◆ The above chart shows that a majority of loans were made within the bank's assessment area. Loans outside of the assessment area were primarily non-designated portions of Wyandot and Crawford Counties.

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

- ◆ The chart below shows that the bank's real estate activity involves customers of varying incomes. At least 51% of the applications received in 1996, and for the first two quarters in 1997, were from low and moderate income applicants.
- ◆ In 1996, and through June 1997, the bank made commercial loans totaling \$3,525M of which \$2,533M, or 72% were small business loans. Also during the same period, the bank made small farm loans totaling \$1,222M. Small business and small farm loans are generally to borrowers with gross revenues of \$1 million or less.
- ◆ Income categories below are defined as follows: low income is less than 50% of the area median family income; moderate income is at least 50% and less than 80% of the area median family income; middle income at least 80% and less than 120% of the area median family income; and upper income is 120% or more of the area median family income.

NUMBER OF 1996 REAL ESTATE APPLICATIONS GROUPED BY INCOME

Year 1996	LOW INCOME	MODERATE INCOME	MIDDLE INCOME	UPPER INCOME
First Quarter	4	12	6	5
Second Quarter	6	9	6	6
Third Quarter	7	7	4	10
Fourth Quarter	1	8	11	4
TOTAL	18	36	27	25

NUMBER OF 1997 REAL ESTATE APPLICATIONS RECEIVED GROUPED BY INCOME

Year 1997	LOW INCOME	MODERATE INCOME	MIDDLE INCOME	UPPER INCOME
First Quarter	3	5	4	6
Second Quarter	7	9	7	5
TOTAL	10	14	11	11

GEOGRAPHIC DISTRIBUTION OF LOANS

The bank makes a majority of loans in middle income BNA's and census tract.

COMPLIANCE WITH ANTI-DISCRIMINATION LAWS

No violations of the anti-discrimination laws were identified. Bank policies and procedures prohibit discriminatory actions.