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PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

**September 11, 1996**

**First National Bank of Evergreen Park  
Charter Number: 14618  
3101 West 95th Street  
Evergreen Park, IL 60642**

**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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **First National Bank of Evergreen Park (FNB-EP)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agent.

The evaluation represents the OCC's current assessment and rating of the institution's CRA performance based on an examination conducted as of **September 11, 1996**. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U.S.C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

### Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under 5 performance categories, as detailed in the following section of this evaluation.

## ASSIGNMENT OF RATING

### Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

#### **Outstanding record of meeting community credit needs.**

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

#### **Satisfactory record of meeting community credit needs.**

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

#### **Needs to improve record of meeting community credit needs.**

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

#### **Substantial noncompliance in meeting community credit needs.**

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

## DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating:

Based on the findings presented below, this institution is rated:  
**"Satisfactory Record of Meeting Community Credit Needs ."**

### **BACKGROUND**

Assessment Factor K - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions and other factors.

- O First National Bank of Evergreen Park (FNB-EP) is capable of meeting the credit needs of it's community. Local economic conditions limit demand due to the level of low- and moderate-income areas and low-income people in the community.**

### **Community Profile:**

FNB-EP's community includes the Southwest corner of the City of Chicago and the neighboring suburbs to the Southwest of the City. (See Reasonableness of Delineated Community for details). The population of the delineated community is 1,199,430 persons. Thirteen percent (13%) of the persons are over the age of 65, and 26% are under the age of 16. Ten percent (10%) of the households receive public assistance, 29% receive social security, and 11% of the households are below the poverty level. Seventeen percent (17%) of the community is retired with 78% of the population receiving wage or salary income.

Owner-occupied units account for 66% of the housing in the delineated community. Eighty percent (80%) of the housing units are 1-4 family and 17% are multi-family. Building permits have steadily increased from 1992 to 1994 for both single-family and multi-family units.

The majority of the people in the community work in the service industry (29%) with other significant industries including manufacturing (17%), retail trade (16%), and government (12%). Unemployment in the delineated community is 5% and shows a steady decline since 1992.

The Metropolitan Statistical Area (MSA) Median Family Income for the Chicago MSA (#1600) is \$54,100 for 1996. Based on family income levels, the population is comprised of 23% low-income, 20% moderate-income, 26% middle-income and 31% upper-income families.

**Bank Profile:**

FNB-EP is a wholly owned subsidiary of First Evergreen Corporation, a one-bank holding company. The bank operates 6 offices, a loan production office, and 14 automatic teller machines. The bank's traditional focus has been centered in small business lending.

The following table (Table 1) illustrates general financial information for the bank over the past few years:

Table 1

Fiscal/Interim Period Covered	Total Assets (in \$000's)	Total Liabilities (in \$000's)	Net Income (in \$000's)	Return on Average Assets	Loans/Deposits	Total Risk-Based Capital
6/30/96	\$1,880,985	\$1,706,319	\$10,463	1.13%	35.21%	25.87%
12/31/95	\$1,887,998	\$1,714,769	\$20,408	1.11%	31.68%	26.76%
12/31/94	\$1,871,977	\$1,715,371	\$20,513	1.10%	28.04%	28.37%
12/31/93	\$1,870,595	\$1,723,984	\$22,156	1.20%	24.02%	27.70%

Source: Uniform Bank Performance Report

**Reasonableness of Delineated Community**

- O FNB-EP's delineated community is reasonable and does not arbitrarily exclude low- and moderate-income areas.**

FNB-EP's delineated community consists of an area which represents an approximate seven mile radius from each of its Oak Lawn and Orland Park facilities. The area is comprised of 289 census tracts. Seventy-four of the census tracts are in the southwest corner of the City of Chicago. The other 215 tracts are in the neighboring suburbs to the south and southwest of Chicago. The area extends south to approximately Lincoln Highway and west to about the Cook/DuPage county line. The northern edge is generally Interstate 55 (I-55) with the northeast corner an approximate diagonal from I-55 down to the Illinois Central Railroad tracks. The eastern edge is the Illinois Central Railroad tracks. Thirty seven of the tracts are low-income, 78 are moderate-income, 143 are middle-income, 24 are upper-income tracts, and the remaining 7 tracts have no income (i.e. the airport, parks, and hospitals).

**Evaluation Period:**

This performance evaluation covers FNB-EP's activities during the period from October 7, 1994, through September 11, 1996.

**Public Contacts:**

We made contact with 2 community groups during this examination. One of the groups was a housing related organization and the other was a small business related organization. We also relied on information from a contact performed by another regulatory agency. These groups identified the community credit needs as small business loans, basic banking services, and basic financial education.

## I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Assessment Factor A - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

- O Bank management actively identifies the credit needs of its community, including low- and moderate-income neighborhoods.**

The bank uses several methods to learn of the credit needs of its community. These include: an officer business calling program; officer and employee participation in various civic, religious, and professional organizations; and contact with local government officials. Management works with a wide variety of community organizations in all segments of its community. Loan products are tailored to meet credit needs and services identified by these groups.

Demographic data is reviewed by senior management and the board annually. This information was instrumental in the decision to locate the new branch at 82nd and Ashland Avenues.

Assessment Factor C - The extent of participation by the institution's board of directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

- O The board of directors and senior management are actively involved in the review and oversight of the bank's CRA activities.**

The board has made CRA a part of its business and strategic plans. The Directors have adopted a satisfactory CRA compliance program. The board supports product development, outreach efforts, and economic development. Two management committees oversee CRA activities. A comprehensive annual self-assessment is performed. Compliance with the Act, adequacy of policies and procedures, and an analysis of applications by race is included.

Reports of the bank's CRA and marketing activities are reviewed by the board monthly. These reports include information on the disposition of all loan applications.

## II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

Assessment Factor B - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

- O Marketing efforts are sufficient to inform all segments of FNB-EP's community of the products and services offered.**

FNB-EP has used both traditional media and direct marketing campaigns to inform their community. They have advertised in local newspapers and on cable television. The bank has used brochures as handouts at community organization events and "door

knob hangers" to directly advertise products and services. Officer calls generated over 2,000 business customer development contacts in 1995.

The bank is involved in offering three types of credit seminars: home buyers, general credit, and small business. The home buyer seminars have been advertised in local newspapers, on cable television and through direct marketing campaigns. Six home buyers seminars have been held with 185 people attending. Eight credit seminars were conducted since August 1995, with 130 people attending. The bank has offered 8 seminars for small businesses with approximately 270 people participating. One of the business related seminars is "Applying for a Business Loan."

FNB-EP offers a bank-at-school program. Currently, there are five schools (3 of which are in moderate-income census tracts) participating in the program. Over 650 students received educational training on how banking works with over 200 deposit accounts established. After numerous requests, the bank expanded the program to allow the teachers to participate. Bank officers also participate in various educational presentations. These have included presentations to elementary students and high school students.

Loan products are reviewed on a monthly basis. Since the last examination, several new products have been introduced with other existing products modified to meet identified needs.

Assessment Factor I - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community.

**O FNB-EP originates loans consistent with those listed in their CRA statement. They have extended numerous housing related loans in addition to small business loans.**

Total lending for the bank has shown a steady increase with the loan-to-deposit ratio increasing from 27% on September 30, 1994 to 35% on June 30, 1996. The loan mix has remained relatively steady with 61% 1-4 family, 18% non-farm non-residential real estate, 14% commercial and industrial, and 5% consumer. This reflects increased lending in both real estate and business portfolios. The total number of loans originated within the delineated community was 82% for 1995, and 84% for the first six months of 1996. The breakdown of applications and loans originated within the community for major loan types for year-to-date 1996 is illustrated in Table 2 on the following page:

Table 2

January 1, 1996 through June 30, 1996	HMDA* Reportable		Commercial		Consumer	
	#	\$ (in 000's)	#	\$ (in 000's)	#	\$ (in 000's)
Total Applications	725	66,703	400	77,901	997	9,318
Number of Loans Inside	495	41,696	248	32,780	536	4,960
Total Number of Loans	602	54,891	326	54,959	591	5,693
Percentage of Loans Inside Community	82%	76%	76%	60%	91%	87%

\* Home Mortgage Disclosure Act (HMDA)

Source: Bank Reports

Several products have been enhanced in response to community input. Lower down payments and adjustable interest rates for mortgages, extended maturities, and waived fees and points on commercial loans have contributed to FNB-EP's increasing lending levels.

FNB-EP's record of extending housing related loans (as reported in HMDA statements) shows improvement in both the numbers and dollars extended. However, there has been a shift from home purchase and home improvement loan types to refinancings. Table 3 illustrates the bank's performance regarding HMDA reportable applications (Apps) and loan originations for year-to-date 1996 and 1995.

Table 3

Loan Types	June 30, 1996				1995			
	Apps	Loans			Apps	Loans		
		#	%	\$ (in 000's)		#	%	\$ (in 000's)
Home Purchase	293	176	36%	16,605	490	404	51%	39,335
Home Improvement	87	65	13%	1,328	194	155	20%	2,673
Home Refinance	337	248	50%	21,922	271	225	28%	19,112
Multi-Family	8	6	1%	1,841	8	8	1%	1,592
Total	725	495	100%	41,696	963	792	100%	62,712

NOTE: 1996 is only for ½ year.

Source: Bank's HMDA-LAR for 1995 and YTD 1996.

FNB-EP lowered the interest rate on its Home Equity Line of Credit from prime plus 1% to prime rate. This has resulted in increased activity in this loan type. There were 138 home equity loan applications in 1995 with 112 resulting in loans of \$4,569,000. For year-to-date June 30, 1996, FNB-EP has made 111 home equity loans for \$3,530,000.



The bank eliminated both minimum borrowing requirements and fees on commercial loans. This has resulted in increased volume of commercial lending. Commercial loan applications for 1996 (800 when annualized) show an increase over those received in 1995. The number of loans and dollars lent (652 loans and \$109,918 when annualized) also show an increase. Lending to small businesses represents a significant portion of the bank's commercial lending activity. Year-to-date June 30, 1996, FNB-EP's commercial loans include 286 loans for \$33,650,000 which meet the definition of small business (original amounts of \$1,000,000 or less). Of these loans, 189 or \$18,295,000 were to businesses which have gross annual revenue of less than \$1 million. (NOTE: The five loans made under the SBA program are included in the discussion under Assessment Factor J below also).

Consumer lending levels have declined slightly; however, the application volume is down. Approval rates have declined slightly from 65% to 59%. The majority of lending in these categories is within the bank's delineated community. Table 4 shows commercial and consumer lending data for 1995 and year-to-date through June 30, 1996.

Table 4

Lending Activity	June 30, 1996			1995		
	Apps	Loans		Apps	Loans	
		#	\$(in 000's)		#	\$(in 000's)
Commercial Loans - Total	400	326	54,959	770	627	68,821
Commercial Loans - Inside Community	N/A	248	32,780	N/A	492	45,840
		76%	60%		78%	67%
Consumer Loans	997	591	5,693	2,176	1,409	13,841
Consumer Loans - Inside Community	N/A	536	4,960	N/A	1,243	12,112
		91%	87%		88%	88%

NOTE: 1996 is only for ½ year.

N/A = Not Available

Source: Bank Reports

Although there is very limited opportunity for the bank in the area of small farm lending, the bank has made 1 farm loan for \$100,000. This loan was made under the Small Business Administration (SBA) low-doc program (included below under Assessment Factor J).

FNB-EP is the first lender in the state of Illinois to offer access to "reverse mortgages." This program is in conjunction with the Senior Income Reverse Mortgage Corporation. The bank's involvement is limited to making referrals for this product with 26 referrals made between July 1994, and September 1995. Five of these referrals actually resulted in loans totalling \$259,886.

Assessment Factor J - The institution's participation in

governmentally-insured, guaranteed, or subsidized loan programs for housing, small businesses, or small farms.

**O FNB-EP participates in a variety of governmentally-insured, guaranteed or subsidized loan programs.**

The bank offers SBA loans under the 7(a), 504, and low-documentation programs. During 1995, the bank made 2 loans for \$875,750 under the 504 program and 11 loans for \$554,607 under the low-doc program. As of June 30, 1996, the bank has extended 5 loans for \$302,400 under the low-doc program with no loans under the 504 program. FNB-EP has not extended any loans under the 7(a) program since our last examination.

FNB-EP offers Federal Housing Administration (FHA) Title I home improvement loans. Performance since the last examination includes 2 loans for \$35,000 in the fourth quarter of 1994, 7 loans for \$114,104 during 1995, and 1 loan for \$21,960 this year. In August 1996, the bank added FHA Title II loans to their available products. This program covers loans for the purchase of existing homes. There have not been any loans made under this new program.

A local government program the bank is involved in is the Oak Lawn Business Development Program. The program is designed to help the city retain or attract businesses to the local community. The bank provides lower interest rate loans for rehab or expansion of existing buildings. This program began in 1995, and FNB-EP has made 7 loans totalling \$753,600.

The bank was recently designated a "Municipal Depository" by the City of Chicago. This will allow the bank to make various loans under the city's subsidized and/or linked-deposit programs. Businesses must be located in the City of Chicago, employ fewer than 100 persons, be in operation for at least 3 years, and be current on debts to the City in order to qualify. All programs require loans to be for \$250,000 or less (some programs the maximum is even lower). Due to the recency of the designation, FNB-EP has not made any loans under these programs.

**III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES**

Assessment Factor E - The geographic distribution of the institution's credit extensions, credit applications, and credit denials.

**O The geographic distribution of FNB-EP's loans demonstrates reasonable penetration throughout the community. FNB-EP has made loans in most census tracts in the delineated community.**

Lending in low- and moderate-income areas is low compared to the make-up of the community. However, the low- and moderate-income census tracts are geographically the farthest from the bank's existing locations. Census tracts in the community are 13% low-, 28% moderate-, 51% middle-, and 8% upper-income. The geographic distribution of the bank's HMDA reportable lending from January 1, 1995, through June 30, 1996, by income level of the census tract is illustrated in Table 5 (by loan type):

Table 5

Jan-1-95 to Jun-30-96	Home Purchase		Home Improvement		Refinance		Total *	
	#	%	#	%	#	%	#	%
Low- income	1	0%	0	0%	0	0%	1	0%
Moderate- income	13	3%	5	2%	19	4%	40	3%
Middle- income	338	69%	164	77%	331	74%	841	73%
Upper- income	135	28%	43	20%	99	22%	277	24%
Total	487	100%	212	**99%	449	100%	1,159	100%

\*Includes Multi-family loans as follows: 3 moderate-income (27%), 8 middle-income (73%).

\*\* Due to Rounding

Source: Bank HMDA-LAR 1995 & YTD 1996

FNB-EP's loans show a reasonable distribution among borrowers of different income levels. Based on HMDA reportable loans from January 1, 1995, thru June 30, 1996, FNB-EP made 6% of its loans to low-income, 22% of its loans to moderate-income, 33% of its loans to middle-income, and 34% of its loans to upper-income borrowers. This is generally reflective of the make-up of the population within the bank's community. Table 6 shows the distribution by loan type:

Table 6

Jan-1-95 to Jun-30-96	Home Purchase		Home Improvement		Refinance		Total	
	#	%	#	%	#	%	#	%
Low- income	32	7%	16	7%	26	6%	74	6%
Moderate- income	136	28%	43	20%	74	16%	253	22%
Middle- income	145	30%	67	32%	162	36%	374	33%
Upper- income	153	31%	78	37%	164	37%	395	34%
Income Unknown	21	4%	8	4%	23	5%	52	5%

Source: Bank's HMDA-LAR for 1995 and YTD 1996.

The board and senior management monitor the geographic distribution of loans by census tract and income level of the applicant on a monthly basis.

Assessment Factor G - The institution's record of opening and closing offices and providing services at offices.

- O Offices are reasonably accessible from all segments of the bank's community. Services are commensurate with the local needs.**

FNB-EP operates 6 full service offices. One office is in Evergreen Park, three are in Oak Lawn, one is in Orland Park, and one in the City of Chicago. A Loan Production Office (LPO) was opened in February 1995, in Roseland in conjunction with the Roseland Christian Community Homes Corporation. This LPO is an innovative way for the bank to bring its services to its potential customers. Additionally, the bank operates 14 ATM's which allow customers 24-hour access to their deposit accounts.

FNB-EP has never closed a banking office. Since the last CRA examination, the bank has begun construction of a new branch in the City of Chicago. The branch will be at the corner of Ashland Avenue and 82nd Street (a middle-income census tract - number 7112). The branch is bordered on three sides by moderate-income census tracts. This area of the bank's community is where the low- and moderate-income census tracts are concentrated. It also represents a location in an area under-served by financial institutions.

Office hours are commensurate with the local community needs. Business hours at the Business Banking Center (Oak Lawn) and Clearing facility (City of Chicago) were recently expanded. Hours include late Friday evening access.

FNB-EP is implementing some alternative delivery systems in addition to the LPO in Roseland. These include establishment of a "home-page" on the Internet; an advanced function ATM installed at the main office; testing of a personal computer based home banking product; and a voice response unit to provide customers with general bank information and specific account information.

#### **IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES**

Assessment Factor D - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).

- O We found no practices intended to discourage applications for the types of credit set forth in the bank's CRA statement.**

The bank accepts credit applications from all segments of its community at each of its offices. Policies and procedures have been developed to ensure compliance with fair lending laws. Employees have received adequate training to reinforce their understanding of the requirements of these laws.

Assessment Factor F - Evidence of prohibited discriminatory or other illegal credit practices.

- O The bank is in substantial compliance with the provisions of the Equal Credit Opportunity Act, Fair Housing Act, Home Mortgage Disclosure Act, and all other anti-discrimination laws and regulations.**

During this examination, we reviewed home purchase loans (both successful and unsuccessful applicants) to determine if similarly situated applicants had an equal chance of obtaining a loan. To accomplish this, we reviewed 6 denied black applicants and 43 approved white applicants during the period from January 1, 1996, thru June 30, 1996. Unsuccessful minority applicants were compared to the successful non-minority applicants to determine the treatment received and the level of assistance provided to each. We found that both groups were treated similarly, and each received comparable levels of assistance throughout the application process.

FNB-EP has a second review program for all denied loans. In conjunction with these reviews, the committee which reviews the residential real estate transactions also reviews any approvals with policy exceptions and 3 additional random approvals from the month to compare the qualifications and final outcome of the applications. The focus of the reviews is to ensure credit standards are applied consistently.

FNB-EP has implemented a system to test for discrimination in lending; however, the system is limited to comparing denials to the most closely matched approval. This comparative file test was recently completed with no exceptions noted. The bank's approach is not as broad as the analysis performed by the regulatory agencies; however, it does provide some safeguard to identify discriminatory activity.

## V. COMMUNITY DEVELOPMENT

Assessment Factor H - The institution's participation, including investments, in local community development, and redevelopment projects or programs.

### **O FNB-EP maintains a high level of participation in community development and redevelopment programs within its community.**

Management works with local churches, schools, government officials, and community development organizations to ensure that it meets basic financial needs of its community. FNB-EP supports local housing development and redevelopment initiatives through direct loans and lending arrangements with a variety of community development organizations.

FNB-EP is involved in several initiatives to support multi-family housing development. In addition to direct lending efforts, FNB-EP works closely with community groups. Some examples follow:

FNB-EP has a \$5,000,000 commitment over a 5-year period to the Community Investment Corporation (CIC). CIC rehabilitates multi-family housing for low- and moderate-income groups in Chicago. As of June 30, 1996, FNB-EP funded 17 loans for \$124,200 under this program. During 1995, FNB-EP funded 36 loans for \$327,215.

In addition, FNB-EP took a leadership role in supporting the Muhammad Ali Community & Economic Development Corporation. This organization remodels public housing units in Chicago and teaches building trades and janitorial skills to unemployed public housing residents. Recent bank loans to this organization totaling \$359,000 have funded

its working capital needs and the rehab of over 200 units.

During 1995, FNB-EP worked with the Ambassadors for Christ in conjunction with the acquisition and renovation of a mixed-use property in a moderate-income area. The existing structure consisted of commercial space and 20 units. The renovated project will consist of 15 units targeted at low- and moderate-income families and 3 commercial units on the ground floor. \$300,000 was extended for the acquisition with an additional \$500,000 for rehabilitation.

FNB-EP made 8 direct multi-family loans totaling \$1,592,000 in 1995. On June 30, 1996, 8 direct loans equaling \$2,250,000 had been made. Eleven of these loans (\$2,838,000) were within the bank's delineated community. Five of the 16 loans, which amounted to \$915,000, were in moderate-income census tracts.

FNB-EP is involved in business development lending in various ways. It has extended numerous direct business loans for acquisition and rehabilitation. FNB-EP has made several loans for new and expanding businesses. Some of these businesses have been placed in previously vacant buildings. Many of these projects have provided job opportunities to others in the community. One business loan resulted in not only providing the owner an avenue off of welfare, but provided several low- and moderate-income level job opportunities. Some of the more significant projects are:

A building was purchased and redeveloped into a residential home for children who are wards of the state. The New Direction Outreach Center received \$175,000 in funding from the bank in connection with this project.

A large hotel, bar and grill complex was financed by the bank. This project provides numerous low- and moderate-income jobs for the community. The total project required \$7.9 million dollars for the development and construction with \$2,500,000 extended by FNB-EP since our last examination.

Two small minority owned grocery stores were made possible from funding provided by FNB-EP. The bank extended \$195,000 for the purchase and rehabilitation of one building and \$50,000 to purchase the other building. The businesses both serve low-income areas of the bank's community.

The bank also made a commitment for \$152,000 to acquire and rehabilitate the building directly east of the Ambassadors for Christ facility. The building is a commercial strip in a moderate-income census tract. To date, the bank has advanced \$97,500 to cover the down payment and the cost of rehabilitation of the property.

In addition to direct lending, FNB-EP supports single family housing efforts in its community. The bank works with local community organizations through shared-risk pools, lower interest rate programs, etc.

The bank partners with Roseland Christian Community Homes, Inc. (RCCI) in its "Adopt a Home Program" by serving as the mortgage lender for low-income families that purchase houses. RCCI purchases distressed single family houses

from the U.S. Department of Housing and Urban Development (HUD). Local churches adopt these homes and pay for all remodeling costs. They subsequently sell these houses to low-income families at the original HUD sales price. Through this program the bank made 4 loans for \$165,000 as of June 30, 1996, and 2 loans for \$95,940 during 1995. (Activity for this program is included in the mortgage loan totals under Assessment Factor I).

FNB-EP has provided extensive funding to the New Cities Community Development Corporation (NCCDC). This corporation acquires residential properties and provides for the rehabilitation by minority business enterprises. The bank has provided funding for 30 homes which amounted to \$1,369,200 since October 1, 1994. Only 3 of these homes (\$144,000) have been sold.

Recently, the bank extended a \$165,000 line of credit to NCCDC. They also committed to purchase \$667,000 in 80% first mortgages and \$100,000 in second mortgages. They patterned the NCCDC program after a Neighborhood Housing Services (NHS) program that the bank has successfully participated in for many years.

Loan commitments to NHS total \$600,000. Under this program, FNB-EP provided a total of \$562,888 for 264 loans for both first and second mortgages in 1995 and 1996. Table 7 illustrates FNB-EP's portion of the number and dollar amount of loans extended:

Table 7

NHS Loan Pool Lending Activity	As of August 31, 1996		1995	
	Number of Loans	Dollar Amount of Loans	Number of Loans	Dollar Amount of Loans
First Mortgages	23	\$93,578	54	\$200,903
Second Mortgages	66	\$97,386	121	\$171,021

Source: Bank Reports

A significant amount of lending activities is in support of local religious organizations. Many of these loans were for construction and rehabilitation of churches which serve low- and moderate-income areas and people. Year-to-date June 1996, 6 churches serving low- and moderate-income areas and people received loans for \$3,160,000 with 7 such churches receiving \$1,123,854 in 1995.

A variety of community organizations have received grants from FNB-EP totaling \$72,000 as of June 30, 1996. Grants in 1995 totaled \$134,164. Community development organizations receiving significant contributions include: Project Simeon 2000, Greater Roseland Community Development Corporation, The Monroe Foundation, Minority and Women Business Enterprise Initiative, Teaching Area Residents in Gresham and Englewood to Take Part in Area Development (TARGET), and Rebirth of West Englewood. One grant of specific note was to the Roseland Christian Community Homes Corporation. The bank made a grant of \$48,700 to allow them to purchase computer equipment and software compatible with bank systems. This equipment is used in conjunction with the LPO to allow the bank to better reach members of its community who do

not live close to an existing bank facility.

Bank officers are involved with various organizations and provide technical expertise through positions on committees, boards, etc. Examples include:

- O An officer sits on the Housing Committee of the Beverly Area Planning Association.
- O Another individual is involved with the Plaid Academy in developing a resource strategy and grant proposal.
- O Still another employee is on the board for the TARGET project.

Technical assistance was also provided to the Greater Roseland CDC in conjunction with their Small Business Incubator program and to On our Own Inc. for revenue sources and corporate sponsors.

Assessment Factor L - Any other factors that, in the regulatory authority's judgment, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

- O **FNB-EP is actively involved in other significant projects designed to help satisfy the credit needs of its community.**

FNB-EP encouraged The Monroe Foundation to work with small inner-city businesses. The Monroe Foundation helped 15 businesses obtain credit and banking services from the bank. The Monroe Foundation is a publicly supported not-for-profit agency that seeks to educate, link, and fund community development projects in the City of Chicago.

Annually, FNB-EP donates office equipment to community organizations to help them succeed with meaningful community development projects. Roseland Christian Ministries is an example of a community development organization where the bank donated office equipment, trained its staff, and agreed to fund community development loans in its community.

FNB-EP offers the Home Savings Account. This is a program to assist individuals in saving money for a down payment on a home.