



---

Comptroller of the Currency  
Administrator of National Banks

---

## **PUBLIC DISCLOSURE**

October 25, 1996

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**First National Bank of Wahoo  
Charter Number 2780**

**201 East Fifth Street  
Wahoo, Nebraska 68066**

**Office of the Comptroller of the Currency  
Omaha Duty Station  
11606 Nicholas Street, Suite 201  
Omaha, Nebraska 68154**

**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 Community Reinvestment Act (CRA) performance of **First National Bank of Wahoo** prepared by **The Office of the Comptroller of the Currency**, as of October 25, 1996. 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.

The First National Bank of Wahoo (FNB Wahoo) is actively meeting the credit needs of its community.

- The bank's lending efforts penetrate borrowers of all income levels and farms of various sizes.
- FNB Wahoo's loan-to-deposit ratio is high, especially compared to other institutions in the area.
- The majority of the bank's loan portfolio is comprised of residential real estate loans which is the identified credit need in the community.
- The majority of loans being made are to customers within its assessment areas.

The following table indicates the performance level of First National Bank of Wahoo with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>First National Bank of Wahoo</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio	X		
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans	Analysis not meaningful. All geographies are middle or upper income.		
Response to Complaints	No complaints have been received since the last examination.		

## **DESCRIPTION OF INSTITUTION**

FNB Wahoo is a \$55 million bank located in Wahoo, Nebraska. Wahoo is 30 miles northwest of Omaha, NE. Bank Management Inc., a one bank holding company, owns the majority of FNB Wahoo. The bank has three offices. The main office is located in Wahoo and the two branches are in Sterling and Burchard, Nebraska. FNB Wahoo also has two automated teller machines, one in Wahoo and one in Sterling.

The bank's loan portfolio comprises 73% of total assets. FNB offers a wide variety of loan products including residential real estate, agriculture, small business, and consumer loans, including home improvement. These comprise 65%, 15%, 14% and 4% of the portfolio respectively. There are no legal impediments or other factors, including the financial condition of the bank, which hinder the bank's ability to help meet the credit needs in its assessment area. The prior CRA evaluation was performed March 5, 1992 with a rating of satisfactory.

## **DESCRIPTION OF SAUNDERS, JOHNSON AND PAWNEE COUNTIES:**

The bank has designated three separate assessment areas, Saunders, Johnson and Pawnee counties where each of their banks are located. Saunders, Johnson and Pawnee counties have five, two and one block numbering areas (BNAs) with median family incomes of \$30,344, \$24,921 and \$23,072 respectively. According to 1990 census information, there are no low or moderate-income BNAs in the bank's assessment areas. However, 36 percent of the middle income block numbering area population is composed of low- and moderate-income families. The median family income of the assessment areas is \$28,620, representing 102% of the statewide, metropolitan median family income. The assessment areas are characterized by a fairly high elderly population (19%).

The population of the three assessment areas is 26,275. Agriculture and its related industries dominate the areas. Government and services also make up a majority of employment because Wahoo is the county seat of Saunders County. There are 12 other financial institutions in Saunders County and Johnson and Pawnee Counties each have one other competitor. We reviewed four community contacts on file which indicated the need for middle income housing loans. Members of the community, contacted by examiners, stated a particular need for housing in the \$60-80 thousand price range. The demand for housing is driven by Wahoo's location as a bedroom community for Lincoln and Omaha.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :**

FNB Wahoo adequately responds to the credit needs of its assessment areas. This is demonstrated by each assessment area’s high loan to deposit (LTD) ratio compared to area competitors.

	<u>FNB Wahoo</u>		<u>Competitor bank’s:</u>	<u>Ranged from:</u>
Saunders County:	83%		70%	38% to 83%
Johnson County:	136%	(only 1 competitor):	66%	66% to 136%
Pawnee County:	67%	(only 1 competitor):	84%	67% to 84%

In aggregate, FNB Wahoo had the highest LTD ratio in the past seven of the eight quarters.

Lending in Assessment Areas

A substantial majority of the bank’s loans are within its defined assessment areas. This was determined by reviewing a sample of residential real estate and agriculture loan originations. The results are listed in the tables below.

Lending to Borrowers of Different Incomes

The bank is willing to make a reasonable number of residential real estate loans to moderate-income level borrowers. Our sample for Pawnee County shows they made no real estate loans to low or moderate-income borrowers, however, the branch is located in a community of 102 people and residential real estate transactions are limited.

<b>SAUNDERS COUNTY</b>				
TYPE OF LOAN	SAMPLE SIZE	% LOANS IN ASSESSMENT AREA	% LOANS TO LOW INCOME BORROWERS*	% LOANS TO MODERATE INCOME BORROWERS*
1996 Residential Real Estate	9	78%	0%	22%
1995 Residential Real Estate	3	100%	0%	100%

\*Low income is defined as <50% of, and moderate as 50 to 80% of, the state’s 1996 non-metropolitan statistic area median family income of \$35,100 (\$17,550 - 50%; \$28,080 - 80%).

<b>PAWNEE COUNTY</b>				
<b>TYPE OF LOAN</b>	<b>SAMPLE SIZE</b>	<b>% LOANS IN ASSESSMENT AREA</b>	<b>% LOANS TO LOW INCOME BORROWERS*</b>	<b>% LOANS TO MODERATE INCOME BORROWERS*</b>
1996 Residential Real Estate	0 (none made in 96)	0%	0%	0%
1995 Residential Real Estate	1 (1 made in 95)	0%	0%	0%

\*Low income is defined as <50% of, and moderate as 50 to 80% of, the state's 1996 non-metropolitan statistic area median family income of \$35,100 (\$17,550 - 50%; \$28,080 - 80%).

<b>JOHNSON COUNTY</b>				
<b>TYPE OF LOAN</b>	<b>SAMPLE SIZE</b>	<b>% LOANS IN ASSESSMENT AREA</b>	<b>% LOANS TO LOW INCOME BORROWERS*</b>	<b>% LOANS TO MODERATE INCOME BORROWERS*</b>
1996 Residential Real Estate	2	0%	0%	50%
1995 Residential Real Estate	7	71%	0%	43%

\*Low income is defined as <50% of, and moderate as 50 to 80% of, the state's 1996 non-metropolitan statistic area median family income of \$35,100 (\$17,550 - 50%; \$28,080 - 80%).

First National Bank of Wahoo makes a substantial amount of their agriculture loans in their assessment areas. Saunders, Pawnee, and Johnson county had 95, 82, and 95 percent respectively. The loans originated penetrate farms of various sizes.

<b>Agriculture Loan Originations (based on our sample)</b>			
<b>ANNUAL GROSS INCOME</b>	<b>SAUNDERS COUNTY</b>	<b>PAWNEE COUNTY</b>	<b>JOHNSON COUNTY</b>
< \$100,000	4	3	7
\$100,000 to \$250,000	4	6	12
\$250,000 to \$500,000	2	2	0

Geographic Distribution of Loans

All census tracts and BNA's in the assessment areas are middle and upper income. Therefore, specific analysis of geographic distribution is not meaningful.

Record of Compliance with Antidiscrimination Laws

We did not note any violations of the substantive provisions of the antidiscrimination laws or disparate treatment of loan applicants.