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PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

**September 26, 1996**

**Old Second National Bank of Aurora  
Charter Number: 4596  
37 South River Street  
Aurora, IL 60507**

**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 **Old Second National Bank of Aurora** 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 26, 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:  
**"Outstanding 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.

- Old Second National Bank is capable of meeting the credit needs of its local community.

### **Community Profile**

The bank serves the lower Fox Valley region in the counties of Kane, Kendall, Will, and DuPage. Cities within the bank's delineated community include Aurora, North Aurora, Batavia, Geneva, St. Charles, West Chicago, Warrenville, Elburn, Sugar Grove, Plano, Oswego, Montgomery, and portions of Naperville.

The only low- to moderate-income areas within the delineation are located in Aurora, the major population center with approximately 112,000 residents. The majority of Aurora's housing stock is single-family with some pockets of rental (mostly absentee landlord). In Aurora, 89% of the homes exceed 25 years in age and 59% exceed 45 years in age. The value of Aurora's homes/condominiums range from \$50,000 to \$450,000 with the average value of \$121,985.

The Metropolitan Statistical Area (MSA) Median Family Income for the Chicago MSA (#1600) is \$54,100 for 1996. Based on family income levels, the bank's delineated population is comprised of less than 1% low-income, 9% moderate-income, 46% middle-income, and 45% upper-income families.

A majority of the employment opportunities center in retail, government, and manufacturing with the riverboat casinos providing additional support. Among the employers are Fox Valley Shopping Center, City of Aurora, Caterpillar Tractor, Hollywood Casino, Lyons Metal, Northern Illinois Gas, Nalco Chemical, and Post. Aurora's unemployment rate was 5.1% at February 1996 (most recent numbers available from the bank).

### **Bank Profile**

Old Second National Bank (OSNB) is a \$410 million bank with a main office in downtown Aurora and three branch facilities. The bank is a wholly-owned subsidiary of Old Second Bancorp, Inc., a multi-bank holding company. OSNB is a full service institution with commercial and retail loan products. The bank considers one of its "niches" to be loans to small business. The bank also originates and sells real estate mortgages through the secondary market.

Some financial highlights are outlined in the following table:

<b>FINANCIAL PROFILE</b>	<b>6-30-96</b>	<b>12-31-95</b>	<b>12-31-94</b>
Average Total Assets (\$000)	421,545	409,960	382,838
Gross Loans (\$000)	243,714	237,681	211,231
Loan/Deposit Ratio	63%	61%	56%
Net Income (\$000)	3,400	5,918	5,026
Return on Average Assets	1.61%	1.44%	1.31%
Tier 1 Leverage Capital Ratio	9.34%	8.93%	8.65%

### **Reasonableness of Delineated Community**

- The community delineation is reasonable and does not arbitrarily exclude any low- and moderate-income areas.

The bank's delineated community consists of 56 census tracts. One census tract is low-income, and seven census tracts are moderate-income. Since its last examination, the bank enlarged its delineation in each direction. Previously, the delineation consisted of 39 census tracts, encompassing an area approximately eight miles to the east, nine miles to the north, six miles to the south, and fourteen miles to the west of Aurora.

In March of 1996, the bank prepared an analysis of the delineated area by reviewing the distribution of all deposits and loan activity by census tract. The data indicates loan originations and Home Mortgage Disclosure Act (HMDA) applications are distributed throughout the community.

### **Evaluation Period**

This evaluation covers the period from September 21, 1993, through September 26, 1996. However, primary emphasis is on activities occurring during calendar year 1995 and year-to-date 1996.

### **Community Contacts**

We used information from prior contacts with local organizations to help assess local community credit needs. These contacts generally identified housing and small business loans as the primary credit needs within the delineated community.

## 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.

- The bank effectively ascertains community credit needs through ongoing community contacts, outreach activities, officer calls, and bank surveys. Management uses information received from these contacts to analyze credit products offered by the bank.

The bank assesses credit needs primarily through its officer call program. Bank officers contacted 1,043 businesses during 1995, and 611 through the first eight months of 1996. Reports are completed for each call, and identified credit needs are summarized monthly and presented to the Board of Directors (Board) for review. Through these contacts, the bank recently identified a business credit need for low downpayment equipment loan financing. A product to address this need is currently being developed.

The bank also uses surveys to help ascertain credit needs. The bank recently surveyed area businesses to solidify its assessment of the need for favorable equipment loan financing. Additionally, in 1994, the bank distributed over 11,000 survey forms to households within its assessment area to help ascertain the credit needs of the community. The survey forms were printed in both English and Spanish.

Additionally, the bank assesses credit needs through ongoing contacts with a wide range of community leaders, local organizations, and community outreach activities. Management completes a summary report of monthly contacts with community organizations. Bank individuals contacted over 767 community organizations during 1995, and 437 through the first eight months of 1996.

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.

- The Board supports the bank's CRA efforts and monitors bank activities monthly.

The Board appointed a CRA Officer and CRA Committee to oversee the bank's efforts. This committee contributes to bank CRA strategies and reviews marketing, lending, and community outreach activities. The CRA committee recently reviewed an analysis of bank loan disbursements throughout the delineation. The Board reviews CRA Committee minutes.

The Board receives monthly updates on the Bank's CRA activities. Updates include information on lending activity, community outreach, and a summary of officer calls. Board members are involved (sometimes in leadership positions) in local organizations that support community redevelopment and housing organizations (Refer to Assessment Factor H for further details). The Board annually approves the bank's CRA statement and ensures technical compliance with the CRA.

## **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.

- The bank's marketing program informs all segments of the community of the types of credit and services it offers. Marketing strategies include media aimed at low- and moderate-income neighborhoods. Also, the bank sponsors credit counseling seminars.

The advertising programs are designed to inform all segments, including low- and moderate-income neighborhoods, of the bank's products and services. During 1995 and 1996, the bank advertised its credit products and services on a continuous basis using conventional media such as local newspapers, radio spots, direct mail, flyers, and statement stuffers.

The bank advertises in Spanish on local radio and in Hispanic publications. The bank prints its product and services brochures in Spanish. In April of 1996, the bank conducted a direct mailing to over 6,000 Hispanic homeowners in the Aurora area promoting its home improvement and flexible mortgage programs. The brochures used in this direct mailing included information written in both English and Spanish.

During 1995 and 1996 the bank conducted several "Fix your Credit" and "Small Business Workshop" seminars. The "Fix your Credit" seminars were directed toward families in distressed financial circumstances. The "Small Business Workshop" was directed toward individuals interested in opening a business or small business owners in need of additional credit or financial services. The brochures used to announce these seminars also contained information on specialized services offered by the bank.

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.

- The bank is responsive to community credit needs through its level of residential mortgage and small business loan originations. The bank offers loan products needed by its community.

## Loan Portfolio Composition

The bank's loan portfolio is comprised of 47% real estate, 32% commercial, 17% consumer, and 4% other loans. The loan-to-deposit ratio at 63% has increased from 58% at its last CRA examination. The ratio does not include a significant volume of loans sold on the secondary market. From 1992 through 1995, the bank sold an average of \$16 million of loans on the secondary market, plus an additional \$8 million loans sold between January and July of 1996.

## Real Estate Loan Originations

The bank's level of HMDA originations is considered good in relation to the number of financial institutions serving the local community. Data for 1995 reveals that the bank ranked in the top 5% out of the 448 institutions originating HMDA loans within the delineated community.

The level of HMDA originations increased during 1996. For the first eight months of 1996, there were 314 originations, compared to 257 originations for the full calendar year 1995. The increase is primarily due to the bank's new flood loan product detailed on the following page.

A significant number (91% in 1995 and 87% in 1996) of the HMDA related loans are located within the bank's delineated community. Additionally, a significant number of secondary market loans (90% in 1995 and 92% in 1996) are originated within this area.

The following tables provide details regarding the bank's HMDA loan originations.

### 1995 HMDA LOANS

TYPE	Originations Within Delineation		Total Originations		Percent within Delineation	
	#	\$	#	\$	#	\$
Direct	235	12,481	257	13,344	91.43%	93.53%
Secondary Market	76	NA	84	NA	90.48	NA

Note: Dollar Amounts are in (\$000s).  
NA = Not Available

### 1996 HMDA LOANS

TYPE	Originations Within Delineation		Total Originations		Percent within Delineation	
	#	\$	#	\$	#	\$
Direct (YTD 9-5-96)	273	10,011	314	10,287	86.94%	97.32%
Secondary Market (YTD 7-31-96)	69	7,139	75	7,844	92.00%	91.01%

Note: Dollar Amounts are in (\$000s).



### Small Business Loan Originations

The majority of the bank's commercial loan portfolio (75% of dollar volume) is for small business loans - defined as commercial loans with original loan amounts of \$1 million or less. During the first seven months of 1996, the bank originated 329 small business loans - averaging over two small business loan originations per business day. A significant number of small business loan originations (78%) are located within the delineated community. The table on the following page provides details on the bank's small business loan originations.

#### SMALL BUSINESS LOANS

DATE	Originations Within Delineation		Total Originations		Percent within Delineation	
	#	\$	#	\$	#	\$
YTD 7/31/96	256	33,573	329	37,648	77.81%	89.18%

Notes: Dollar amounts are in (\$000s).

1995 small business loan data not compiled by bank. Collection of small business loan data for large institutions begins in 1996.

### Bank Lending Programs

The bank participates in housing programs designed to assist low- and moderate-income individuals.

- Home purchase loans with Neighborhood Housing Services Inc. (NHS). The program facilitated low-income individuals in purchasing homes. During 1994 and 1995, five loans totaling \$294,000 were originated and then sold into the secondary market. NHS no longer offers this program.
- Housing rehabilitation and construction loans with Joseph Corporation. The program facilitates low-income individuals in purchasing homes. Between 1994 and 1996, the bank made two loans for the program totaling \$140,000.
- Federal National Mortgage Association (FNMA) Community Home Buyer Programs. The program offers 3% downpayment, 5% downpayment, and 3/2 program. The bank originated loans under this program, but did not track the volume.

The bank developed a loan program to assist homeowners affected recently by local flooding.

- Flood Loan Program. In July 1996, Old Second Bancorp banks committed \$1 million in flood loans available to local homeowners affected by flooding. The bank offered a maximum loan amount of \$5,000 at a 6.5% interest rate over a 5-year term, with no closing costs and on the spot approval. The 6.5% rate was 2.25% below the normal interest rate for similar types of loans. The bank had made 117 loans totaling \$589,661 as of August 31, 1996.

**Note - Loan dollars and numbers of originations for the above four loan programs are also included in HMDA data on previous tables.**

The bank has developed other flexible loan programs to help meet the credit needs of the community.

- 81% to 100% Home Equity Products. The bank developed a home equity product which provides financing of up to 100% of equity. The bank originated 26 loans totaling \$437 thousand during 1995, and 16 loans totaling \$255 thousand through August 31, 1996. These home equity loans are often used for home improvement. **Home improvement loans originated under this program are included in HMDA data on previous tables.**
- Unsecured loans to low net worth individuals. This program is offered to low net worth individuals meeting qualification guidelines. The bank offers a maximum loan amount of \$2,000 over an 18-month term. Bank reports are not available to determine the number or dollar amount of originations for this product. However, management stated that the bank generally originates three loans per month (averaging \$1,000 to \$2,000 per loan) under this program.
- Auto loans to individuals with limited credit histories. This program is offered to current bank deposit account customers with a demonstrated repayment capacity and a minimum one-year employment history. The product was primarily designed for recent school graduates with limited credit histories. Bank reports are not available to determine the number or dollar amount of originations for this product. Management stated that the volume for this product was low (approximately one per month) due to the lack of bank marketing and the limited number of potential prospects.

### **Bank Analysis of HMDA and Small Business Lending**

Management periodically analyzes its HMDA and small business lending performance. Bank analysis of 1995 and 1996 loan data revealed results similar to our examination.

Assessment Factor J - The institution's participation in governmentally-insured, guaranteed, or subsidized loan programs for housing, small businesses, or small farms.

- The bank participates in numerous government-sponsored loan programs and is very active in Small Business Administration (SBA) lending programs.

The bank is involved in the following government loan programs:

- SBA Lender. In 1995, the bank received the designation of Preferred SBA Lender. This provides the bank with the benefit of a shortened application approval process. In March 1993, the bank had become the first certified SBA Lender in Aurora. The bank was ranked the 11th largest SBA Lender in six counties by Crain's Chicago Business in 1995,

with no other institutions within the delineation included on the list. The bank offers different types of SBA loans, including the low documentation program. The bank originated 22 SBA loans (totaling over \$3 million) in 1995 and 1996.

- City of Aurora Downpayment Assistance Program. Through this program, the City of Aurora will provide up to 3% of the downpayment necessary for a purchaser to qualify for a mortgage loan. The bank originated loans under this program, but did not track the volume. This is used in conjunction with the FNMA Community Home Buyer Program.
- City of Aurora - Guaranteed Loans. The city guaranteed loans for the renovation of two local commercial properties. The bank committed \$400,000 to the projects in August of 1995. 100% of this commitment has been funded.
- City of Aurora - Community Facade Loans. Since 1994, the bank has made two loans totaling \$73,000 for commercial property facade improvements. The facade program provides the property owners with interest free loans for up to five years and with subsidized architectural fees. In addition, the bank also services \$290,000 of Community Facade Loans for the City of Aurora.
- State of Illinois Women's Finance Initiative Program. Under this program, the State placed public funds at local institutions to enable them to offer lower interest rate loans to female-owned businesses. The bank originated two loans totaling \$163,000 under this program in 1994. The State discontinued this program in 1994.

The bank offers other government loan programs, including Federal Housing Authority (FHA), Veterans Administration (VA), and Illinois Housing Development Authority (IHDA) Loans. To date, no loans have been originated through these programs. Bank management stated that competition from local institutions specializing in these products, plus the lack of marketing to local Realtors, is the primary reason that the bank has not had demand for these products.

***Note - Loan dollars and numbers of originations for the above programs are also included in the Small Business data in the table listed in Assessment Factor I.***

### **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.

- The geographic distribution of the bank's credit originations reflect a high level of loan approvals to low- and moderate-income areas and individuals. Applications, extensions, and denials reflect a reasonable penetration in all segments of the delineated community.

The bank originates a high percentage of its HMDA related and small business loans in low- and moderate-income census tracts. The level of originations in these areas exceed (in proportion)

the level of originations in higher income census tracts. For example, 22% of 1995 HMDA loans were from low- to moderate-income census tracts versus 14% low- to moderate-income census tracts in the delineation. Also, for 1996, 19% of HMDA and 19% of small business loans originated were from low- to moderate-income census tracts. Refer to the following table for details.

DISTRIBUTION OF ORIGINATIONS BY CENSUS TRACT INCOME LEVEL  
(WITHIN ASSESSMENT AREA)

C.T. Income Level	# of C.Ts.	% C.Ts.	HMDA 1995		HMDA YTD 9/5/96		Small Business YTD 7/31/96	
			#	%	#	%	#	%
Low	1	2%	0	0%	1	1%	14	5%
Mod	7	12%	51	22%	50	18%	35	14%
Middle	28	50%	131	56%	164	60%	122	48%
Upper	20	36%	53	22%	58	21%	85	33%
Total	56	100%	235	100%	273	100%	256	100%

NOTE - The low-income census tract is a commercial area in downtown Aurora.

The bank originates a high percentage of its HMDA related loans to low- and moderate-income individuals. An analysis of 1995 HMDA data revealed that the bank ranked in the top 3% of the market share of loan originations to low- and moderate-income individuals within its delineated community. Also, the level of originations to these individuals exceeds (in proportion) the level of originations to higher income individuals. For example, the bank originated 34% of its 1995 HMDA loans to low- and moderate-income individuals versus a delineation population of less than 10% low- and moderate-income families. Refer to the table below for details.

DISTRIBUTION OF ORIGINATIONS BY BORROWER INCOME LEVEL  
(WITHIN ASSESSMENT AREA)

Borrower Income Level	HMDA 1995			
	#	%	\$	%
Low	25	11%	715	6%
Moderate	54	23%	1,937	16%
Middle	61	26%	2,679	21%
Upper	87	37%	6,462	52%
Not Available	8	3%	688	5%
Total	235	100%	12,481	100%

Bank analysis of YTD 1996 HMDA data also reveals that a high percentage (33%) of originations were to low- and moderate-income individuals.

The bank makes many of its small business loans of less than \$1 million to smaller size companies. Of the 329 small business loans originated in 1996, 147 or 44.68% were to businesses with annual revenues of less than \$1 million. Approximately 78% of the small business loans made year-to-date are for loan amounts of \$100,000 or less.

### Bank Analysis of Loan Portfolio Distribution

In March 1996, bank management performed an analysis to determine the distribution of its loan portfolio by census tract income level. This analysis revealed results similar to our examination.

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

- Bank offices provide reasonable hours and access to all segments of the delineated community. Services offered by the bank meet the needs of the community.

The bank has six office locations with the following services offered:

<u>Location</u>	<u>Services Offered</u>
37 S. River Rd.	Full Service, ATM, Night Deposit, Drive-Up, Trust
555 Redwood Dr. 4080 Fox Valley Center Dr. 1991 W. Wilson St., Batavia	Full Service, ATM, Night Deposit, Drive-Up
321 James St., Geneva 111 N. Main St., Elburn	Trust

The 37 S. River Road facility is located in a low income census tract.

In addition to the locations listed above, the bank has additional ATM locations at 994 North Lake Street, and 1028 Prairie Street, in Aurora.

Banking hours are convenient for customers to transact business, with drive-up locations offering early morning, late evening, and Sunday hours. (The 37 South River Street facility does not offer Sunday hours).

The bank provides alternate banking services for certain individuals unable to bank at office locations. Bank customer representatives go to two Aurora retirement homes weekly to provide banking services to these individuals. Also, the bank has an automated phone line in both English and Spanish that provides deposit account information.

The bank has a formal branch closing policy. The policy conforms to the requirements listed in regulatory issuances.

#### 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).

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

Old Second National Bank solicits credit applications from throughout its assessment area. Adequate policies and procedures have been implemented to ensure employees are aware of the requirements of the antidiscrimination laws and regulations. Initial and periodic training sessions are conducted to reinforce employees' understanding of the requirements of these laws.

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

- The bank is in compliance with the antidiscrimination laws and regulations including: Equal Credit Opportunity Act, Fair Housing Act, and the Home Mortgage Disclosure Act.

During our examination, we tested home improvement loan applications (both successful and unsuccessful applicants) to determine if similarly situated applicants had an equal chance of obtaining a loan. To accomplish this, we conducted an analysis of applications from January 1, 1996 to July 31, 1996. Unsuccessful single applicants were compared to successful joint applicants to determine if a similarity existed with their creditworthiness and the level of assistance provided. We found no similarity in the creditworthiness between approvals and denials, and each group received comparable levels of assistance throughout the application process. We also tested rates and terms offered to approved customers. We found no evidence of disparate interest rates or loan maturities.

The bank has a Fair Lending Review Committee. The purpose of this Committee is to ensure discriminatory practices are not in place and that the bank's credit standards are being applied consistently throughout their branch network. The review includes 100% of the denials and a sample of approvals in order to perform a comparative analysis.

#### V. COMMUNITY DEVELOPMENT

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

- The bank contributes to community development by providing loans and supporting local organizations that promote economic development and provide needed social services.

The bank facilitates community development through lending to organizations providing economic development and social services. In addition to groups described in Factor I, bank loans have been provided to a local daycare center, Aurora Young Women's Christian Association, and several area churches in moderate-

income census tracts. Also, the bank supports local schools and community groups through monetary donations. Bank donations totaled \$141 thousand in 1995, and \$157 thousand YTD 1996.

The bank supports numerous community development organizations, including:

- Aurora Economic Development Commission - The organization focuses on attracting businesses to the Aurora area. The bank is a founding member, and a representative of the bank serves on its Board of Directors.
- Oswego Economic Development Commission - The organization focuses on attracting businesses to the Oswego area. The bank is a founding member and an officer serves on its Board of Directors.
- Community Development Assistance Program of Batavia - The program assists both existing businesses and those relocating to the area with their financing needs through the use of a revolving loan fund provided by the City of Batavia. A bank officer serves on the Board of the organization and is involved in the business loan approval process.
- Joseph Corporation - The organization focuses on creating opportunities for low- and moderate-income individuals in purchasing homes. Bank officers have participated in educational seminars through Joseph Corporation for low- to moderate-income individuals applying for housing assistance. Also, the bank has provided home financing through Joseph Corporation programs. See Assessment Factor I for details.
- Aurora Downtown (formerly known as Aurora Downtown Redevelopment Committee) - The organization was formed in 1984 to restore Aurora's core downtown area. A bank Director serves on its Board of Directors.
- Neighborhood Housing Services (NHS) of Aurora and Batavia - The organization focuses on restoring and revitalizing older neighborhoods by facilitating home improvement loans to low-income individuals. The bank provides financial and technical support. Also, the bank participates in home improvement loan pools through NHS. During 1995, bank participations through NHS pools totaled \$11,000 for two loans in Aurora. NHS recently notified the bank of additional participation opportunities that will be available to the bank in the near future. The bank is a founding member and employees serve on its Board of Directors.
- Community Contacts, Inc. - The organization offers a variety of services including home weatherization, utility bill assistance, and home rehabilitation to low- and moderate-income individuals, primarily senior citizens. The bank provides two working capital lines of credit totaling \$175,000 to this group.
- Family Counseling Service of Aurora - The organization facilitates several community services, including credit counseling for families in distressed financial circumstances. A bank officer is on the organizations's Consumer Counseling Committee. Also, credit counseling

seminars through this organization are sponsored annually by the bank.

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.

- The bank participates in other programs to help meet the needs of its community.

Downpayment Club Dedicated Savings Program. The program is designed to assist individuals in saving for a downpayment for a home purchase and establish a positive payment pattern. The bank waives home purchase application fees for individuals who have regularly deposited funds to their downpayment account.