



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

December 23, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Hulett National Bank
Charter Number 18154**

**133 Main Street
Hulett, Wyoming 82720**

**Comptroller of the Currency
50 Fremont Street, Suite 3900
San Francisco, California 94105**

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 **Hulett National Bank** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of December 23, 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.”**

Hulett National Bank is meeting the needs of its community through home mortgage, small business, and other consumer lending. The bank makes a substantial majority of its loans inside its assessment area. Also, lending patterns show a good penetration to individuals of different income levels and businesses and farms of different sizes.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	Hulett National Bank 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		X	
Response to Complaints	No complaints received since the last examination.		

DESCRIPTION OF INSTITUTION:

Hulett National Bank is a \$7 million community bank located in Hulett, Wyoming, a small rural agricultural community of about 429 people residing within the city limits. Hulett is located near the center of Crook County, Wyoming which is in the extreme northeast corner of the state. The bank has one office which does not operate any branches or remote automated teller machines. The corporate structure is a single independent bank. The bank’s stock is widely held among the local citizens.

The bank offers a full range of credit products including agricultural, small business, consumer, and home mortgage loans. As of November 20, 1996, the bank’s loan and lease portfolio consisted of 25% business loans, 11% consumer loans, 32% residential real estate loans, 31% agricultural loans, and 1% ready reserve financing accounts. There are no financial or legal impediments to the bank’s ability to meet the credit needs of its assessment area.

DESCRIPTION OF CROOK COUNTY:

Hulett National Bank has designated all of Crook County as its assessment area. The county is not in a Metropolitan Statistical Area (MSA). There are three block numbering areas (BNAs) included in the assessment area. Two of the BNAs are designated middle-income. One BNA, which includes Hulett, is designated moderate-income. There are no low-income BNAs. Following is a chart depicting the make-up, by income, of the assessment area:

FAMILY INCOME FOR THE ASSESSMENT AREA Statewide Non-MSA Median Income is \$32,096		
Income Category	Number of Families	Percentage
Low Income (Less than \$16,048)	325	22.43%
Moderate Income (At least \$16,048 but less than \$25,677)	331	22.84%
Middle Income (At least \$25,677 but less than \$38,515)	351	24.22%
Upper Income (At least \$38,515)	443	30.57%
Total	1,449	100.00%

The population of the county totals 5,294 based on the 1990 U.S. Census. The census data indicates less than one-half of the population is considered low- to moderate-income. The statewide non-MSA median-family income (updated in 1996 by the Department of Housing and Urban Development) for the assessment area is \$40,500. According to the 1990 census data, the median housing value for the area is \$53,400.

The economy in the assessment area is dependent upon agricultural and two saw mills. Cattle production is the main agricultural business. The major employers are the saw mills and the school district. Also visible from the town is Devils Tower National Monument which attracts thousands of visitors to the area.

Hulett National Bank is the only bank in Hulett, Wyoming. The closest competing bank is located in Sundance, Wyoming, approximately 38 miles away.

We reviewed three community contacts in the assessment area performed by the Federal Reserve Bank in October and November of 1995. Two of these contacts were representatives of municipalities and one dealt with community development. These contacts revealed the need for affordable housing. We also conducted one community contact in Hulett in December 1996. This contact indicated a need for affordable housing, seminars in starting up and financing a business, and seminars in how to obtain a home loan.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan-to-Deposit Ratio

Hulett National Bank's loan-to-deposit ratio is more than reasonable given its size and operating environment. The bank's average loan-to-deposit ratio for the eight quarters ending September 30, 1996, is 76%. This is well above the state average of 56% for banks, both state and national, with assets less than \$250 million. The one bank most similarly situated to this bank has an average loan-to-deposit ratio for the same time period of 63%.

Lending in Assessment Area

Hulett National Bank originates a substantial majority of its loans and leases within its assessment area. This conclusion is based on our sample of 100% of all types of loans and leases made between November 30, 1995, and November 30, 1996. This review showed 96% of the number of loans made are within the bank's assessment area. This lending pattern was fairly consistent for all types of loans.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Hulett National Bank's distribution of loans reflects a good penetration among business, farms, and individuals of different income levels and sizes. The table on page 5 reveals all commercial loans made so far in 1996 were to businesses and farms with revenues less than \$1 million. The majority of the loans were made to businesses with annual revenues less than \$100,000. This is reflective of the bank's operating environment since most of the bank's commercial loans are to businesses in Hulett which is home to very few large businesses.

DISTRIBUTION OF BUSINESS AND AGRICULTURAL LOANS BY REVENUE		
Business Size by Revenue \$(000's)	# of Business Loans	% of Loans Sampled with Business Revenues < \$1,000,000
Revenue ≥ \$1,000	0	0
Revenue ≥ \$500 < \$1,000	0	0
Revenue ≥ \$250 < \$500	3	10.00%
Revenue ≥ \$100 < \$250	8	27.00%
Revenue < \$100	19	63.00%
Total	30	100.00%

The table below shows the bank extends a large percentage of consumer and home mortgage loans to low- and moderate-income borrowers. The table is based on a sample of loans made between November 30, 1995, and November 30, 1996. This bank's lending pattern compares favorably to the percent of low- and moderate-income families in the bank's assessment area based on 1990 U.S. Census data. Also, the bank's lending pattern is reflective of the fact that most of the bank's loans are made to customers in Hulett. Of the families in Hulett, approximately 64% of the families are considered low- or moderate-income.

DISTRIBUTION OF CONSUMER AND MORTGAGE LOANS BY INCOME LEVEL					
Income Designation of Borrowers	Percent of Families in Assessment Area	Mortgage Loan Sample		Consumer Loan Sample	
		# of Borrowers	% of Borrowers	# of Borrowers	% of Borrowers
Low	22.43%	5	23.81%	8	40.00%
Moderate	22.84%	8	38.10%	6	30.00%
Middle	24.22%	6	28.57%	3	15.00%
Upper	30.57%	2	9.52%	3	15.00%
Total	100.00%	21	100.00%	20	100.00%

Geographic Distribution of Loans

The table below shows Hulett National Bank does a good job lending throughout its assessment area. Our sample showed the majority of loans were made in Hulett, Wyoming and the surrounding area, which is designated a moderate-income BNA. This is reflective of the fact the bank is located in the only moderate-income BNA in its assessment area.

GEOGRAPHIC DISTRIBUTION OF LOAN ORIGINATIONS FROM NOVEMBER 30, 1995, THROUGH NOVEMBER 30, 1996			
Income Characteristic of Block Numbering Area (BNA)	# of BNAs	% of BNAs	% of Total Samples
Low Income	0	0.00%	0.00%
Moderate Income	1	33.33%	95.00%
Middle Income	2	66.67%	5.00%
Upper Income	0	0.00%	0.00%
Total	3	100.00%	100.00%

Response to Complaints

No complaints have been received regarding the bank's CRA performance since the last CRA Performance Evaluation dated December 9, 1993.

Record of Compliance with Antidiscrimination Laws

At our last fair lending examination, we did not find any evidence of discrimination or practices intended to discourage applicants from applying for credit.