



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

March 30, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Clear Creek National Bank
Charter Number 21878**

**502 6th Street
Georgetown, Colorado 80444**

**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 **Clear Creek National Bank** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of March 30, 1998. 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.”**

Clear Creek National Bank has a satisfactory record of meeting the credit needs of its assessment area. A majority of the bank's loans are in its assessment area. The bank actively lends to individuals of all income levels and to businesses of different sizes.

DESCRIPTION OF INSTITUTION:

Clear Creek National Bank (CCNB) is a \$14 million community bank located in the mountains of central Colorado. The main office is situated in Georgetown, a small historical tourist town with a population of 1,130. CCNB operates a branch in Idaho Springs, 12 miles east of Georgetown. Idaho Springs is the largest town in the county with a population of 1,905. The bank will be opening a new drive-up facility in Idaho Springs in the second quarter of 1998. CCNB has three automated teller machines (ATMs) located in Idaho Springs, Downieville (6 miles east of Georgetown), and the Loveland Ski Area.

The primary lending focus of CCNB is real estate loans. The loan portfolio totaled \$5 million at December 31, 1997, and was comprised of 79% real estate loans, 12% consumer loans, and 9% commercial loans.

Clear Creek County has only one other bank, which is located in Idaho Springs. There is also a credit union at the Henderson Mine in Clear Creek County. However, additional competition comes from financial institutions in the Denver metropolitan area, as some residents of Clear Creek County commute to Denver. Large financial institutions in the Denver area can offer more products and services at lower costs due to size efficiencies. CCNB's small size places it at a competitive disadvantage with respect to lending due to its low legal lending limit. This restricts the loans the bank can make without the participation of other banks.

The bank received a "Satisfactory" rating at the May 1, 1996, CRA Examination.

DESCRIPTION OF ASSESSMENT AREA:

CCNB has designated Clear Creek County as its assessment area. The assessment area is reasonable and complies with regulatory requirements. The population of Clear Creek County, based on the 1990 U.S. Census, is 7,619. Clear Creek County is not located in a metropolitan statistical area (MSA). The county is comprised of three block numbering areas (BNAs). Two of the BNAs are designated upper income and the third BNA is designated middle income. The updated 1997 median family income is \$38,700 for all non-MSAs in Colorado.

The local economy continues to exhibit slow but steady growth. Employment is primarily services, retail trade, state and local government, and mining. The economy depends heavily on tourism, with primary attractions being Loveland Ski Area in the winter and the Georgetown Loop Railroad in the summer. The housing market continues to be strong.

We met with one local business-related community organization in Georgetown. This contact indicated that the bank is adequately meeting the community's credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Lending in Assessment Area

CCNB originates a majority of its loans within the assessment area. We reviewed 68% of all loans originated between February 1997 and February 1998 and found that 59% of the loans in our sample were originated within the assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The bank's distribution of loans reflects a good penetration among individuals of different income levels and businesses of different sizes. We sampled 21 of the 32 consumer loans (66%) and 10 of the 19 residential mortgage loans (53%) made between February 1997 and February 1998. The following table summarizes the results of our findings.

| DISTRIBUTION OF LOANS BY BORROWER INCOME LEVEL | | | |
|--|---|---|--|
| Income Category | Percentage of Consumer Loans Originated * | Percentage of Residential Mortgages Originated* | Percentage of Families in Each Income Category** |
| Low Income | 19% | 10% | 10% |
| Moderate Income | 14% | 20% | 11% |
| Middle Income | 19% | 0% | 17% |
| Upper Income | 48% | 70% | 62% |
| Total | 100% | 100% | 100% |

* Income information is based on updated 1997 Colorado non-MSA median family income of \$38,700.

** Population percentages in each income category are based on 1990 Colorado non-MSA median family income of \$28,258.

Our analysis shows that CCNB lends to individuals of all income levels. Of the consumer loans sampled, 33% were originated to low- or moderate-income individuals. And 30% of the residential mortgage loans were originated to low- or moderate-income individuals. This compares favorably to demographic data for Clear Creek County, which indicates that 21% of families are low or moderate income.

We also sampled 17 of the 21 commercial loans (81%) originated between February 1997 and February 1998. The following table summarizes the results of our findings.

| DISTRIBUTION OF BUSINESS LOANS BY ANNUAL REVENUE | | |
|---|---------------------------------|----------------------------------|
| Annual Revenue | Number of Loans Reviewed | Percent of Loans Reviewed |
| Revenues less than \$500,000 | 10 | 59% |
| Revenues between \$500,000-\$1,000,000 | 3 | 18% |
| Revenues over \$1,000,000 | 4 | 23% |
| Total Business Loans Sampled | 17 | 100% |

CCNB originated 77% of the commercial loans in our sample to businesses with annual revenues of less than \$1,000,000 and 59% to businesses with annual revenues of less than \$500,000. This reflects the bank's efforts to help meet the credit needs of small businesses.

Loan-to-Deposit Ratio

CCNB's loan-to-deposit ratio is reasonable given its size, financial condition, legal lending limit, and operating environment. CCNB's average loan-to-deposit ratio for the eight quarters ending December 31, 1997, is 51%. The eight-quarter average loan-to-deposit ratio for the other bank in Clear Creek County is 78%.

Geographic Distribution of Loans

We did not analyze the geographic distribution of loans. There is a lack of sufficient diverse geographies (BNAs) to provide a meaningful analysis.

Response to Complaints

No CRA-related complaints have been received by the bank since the last CRA Examination.

Record of Compliance with Antidiscrimination Laws

We did not find any evidence of discrimination during our fair lending examination.