



Public Disclosure

March 30, 1998

Community Reinvestment Act Performance Evaluation

**First National Bank of Farmington
Charter Number: 6183**

**Post Office Box 4540
Farmington, NM 87401-4540**

**Office of the Comptroller of the Currency
Phoenix Field Office
2929 North 44th Street, Suite 980
Phoenix, AZ 85018-7240**

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.

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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 CRA performance of **First National Bank of Farmington (FNB)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **March 30, 1998**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Community Reinvestment Act (CRA) - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Metropolitan Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Census Tract (CT) - Small, locally defined statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Home Mortgage Disclosure Act (HMDA) - A statute that requires certain mortgage lenders that do business or have banking offices in a MSA to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and its disposition (e.g., approved, denied, withdrawn).

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of census tracts. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Low-Income - Income levels that are less than 50 percent of the MFI.

Moderate-Income - Income levels that are at least 50 percent and less than 80 percent of the MFI.

Middle-Income - Income levels that are at least 80 percent and less than 120 percent of the MFI.

Upper-Income - Income levels that are 120 percent or more of the MFI.

Small Business Loans - Loans with an original amount of \$1 million or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

Small Farm Loans - Loans with an original amount of \$500 thousand or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

CRA Rating

Institution’s CRA Rating: This institution is rated **“Outstanding.”**

The major factors which support this rating include:

- ▶ Lending levels reflect excellent responsiveness to assessment area credit needs. The bank is the largest volume lender in the assessment area.
- ▶ The bank has a high level of community development loans totaling \$7 million that directly benefit the assessment areas.
- ▶ The bank has a high level of qualified community development investment and grants given the limited level of available community development investment opportunities in the assessment area.
- ▶ The bank is a leader in providing community development services in its assessment area.
- ▶ Retail Banking Services provided in low-and moderate-income (LMI) CTS are specifically tailored to the needs of the LMI population.

The following table indicates the performance level of **First National Bank of Farmington** with respect to the lending, investment, and service tests:

Performance Levels	First National Bank of Farmington Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High satisfactory			
Low satisfactory			
Needs to improve			
Substantial noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Description of Institution

First National Bank of Farmington (FNB) is a subsidiary of First Place Financial Corporation, a three-bank holding company headquartered in Farmington, New Mexico. On December 31, 1997, FNB had total assets of \$691 million and 173 employees. Gross loans and leases totaled \$351 million of which loans secured by nonfarm nonresidential properties totaled \$119 million, or 34 percent; \$64 million, or 18 percent, was for commercial and industrial loans; and loans secured by one-to-four family residential properties totaled \$55 million, or 16 percent of gross loans. FNB has eight deposit taking branches with five branches in Farmington, and other branches in Aztec, Bloomfield, and Shiprock. In addition, the bank has ten automated teller machines at various locations in these communities. The bank offers consumer loans, one-to-four family mortgage loans, and commercial and commercial real estate loans. Because Farmington is not in an MSA, the bank does not report its home mortgage loans for HMDA purposes. We previously examined the bank's performance under the Community Reinvestment Act (CRA) in October 1996. We rated the bank's performance as "Outstanding Record of Meeting Community Credit Needs." The bank's performance is evaluated based on activity that occurred between November 1996 and March 1998. No legal or financial impediments affect the bank's ability to meet the credit needs of its community.

Description of the Bank's Assessment Area

FNB designates San Juan County as its assessment area for CRA performance. This area meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies. The population of this area is 91,605 as of the 1990 census. San Juan County contains seventeen census tracts, of which two tracts are low-income and three tracts are moderate-income areas. None of the low- or moderate-income census tracts are in Aztec, Bloomfield, or Farmington city limits. Both low-income tracts and two of the three moderate-income tracts are within the Navajo Nation. Farmington is the primary regional center for the four corners area (New Mexico, Arizona, Colorado, and Utah). Principal industries and major employers in the area include the educational systems, regional retail sales, two power plants, San Juan Regional Medical Center, coal mining, oil and gas related industries, the City of Farmington, Mesa Airlines, agriculture, and regional services. The economic base is well diversified.

The county includes the communities of Farmington, Bloomfield, Aztec, and Shiprock and the surrounding rural areas along the San Juan, Animas, and La Plata river valleys. The Navajo Nation encompasses a large part of the county including the community of Shiprock. Tribes and individual owners of Indian trust land are not authorized to encumber financially or commit trust resources without the approval of the Bureau of Indian Affairs. This and other burdensome processes have discouraged lending of all types on trust land for many years. However, significant efforts to overcome these impediments are beginning to produce results. The other significant lenders in the area are predominately credit card banks, finance companies or mortgage companies without a physical presence or full service operations.

Table 1 below shows the demographics of the assessment area by income level of the census tracts.

Table 1 Distribution of the Number of Businesses, Farms, Housing Units and Households Within The Assessment Area By Income Level of the Census Tracts								
Census Tracts	Low-Income		Mod-Income		Middle-Income		Upper-Income	
	2	12%	3	18%	5	29%	7	41%
Demographic Category	#	%	#	%	#	%	#	%
Businesses	67	2%	49	2%	1,156	41%	1,582	55%
Farms	0	0%	1	2%	19	41%	26	57%
Housing Units	6,397	19%	3,569	10%	9,777	29%	14,505	42%
Households	4,632	16%	2,533	9%	8,748	30%	13,300	46%

Assessment Area Credit Needs

To evaluate the credit and community development needs, examiners reviewed recent contacts with community development organizations and relevant information from other sources. We also reviewed the results of the bank's analysis of the community's needs. The primary credit and community development needs of the assessment area include:

Loans to small businesses.

Affordable home ownership programs.

Operating grants to local community groups.

Home-ownership counseling.

Assistance with financial services and credit education for small business owners.

Economic and residential development on the Navajo Indian Reservation.

Conclusions with Respect to Performance Tests

LENDING TEST

In assessing lending performance, we focused on FNB's lending activity; assessment area concentration; geographic distribution of loans; borrower profile; responsiveness to credit needs of economically disadvantaged geographies, low-income persons or small businesses; community development lending; and, product flexibility.

Conclusions:

The bank is one of the largest volume lenders in San Juan County in small business and home loans.

Ninety percent of the small loans to businesses and farms made by the bank were made in the assessment area. Ninety-six percent of the home mortgage loans made by the bank were made in the assessment area.

The bank's distribution of home and small business loans is reasonable given the significant challenges faced by the bank in lending to the LMI CTS in the assessment area.

Community development lending is strong and responsive to the needs of the community. The \$7 million in CD loans made by the bank during the assessment period helped revitalize economically depressed areas, provide needed community service and facilitate affordable housing. The bank is a leader in the effort to work with the Navajo Nation and other government authorities to overcome obstacles in lending to the LMI CTS on the reservation.

Lending Activity

The bank is one of the largest volume lenders in San Juan County. Because the bank does not report loans for HMDA purposes, we compared HMDA data to information on the bank's home loans that we collected during the examination. The information showed that the bank was the second largest lender of home loans compared to HMDA lenders in the assessment area during 1996.

The volume of small loans to businesses made by the bank is good. In 1996, the bank was the largest volume lender of small loans to businesses in its assessment area including LMI CTS. Lending levels continued through 1997.

Assessment Area Concentration

Ninety-six percent of the home mortgage loans made by the bank were made in the assessment area. Table 2 Appendix B summarizes FNB Farmington's home mortgage lending within the assessment area.

Ninety percent of the small loans to businesses and farms made by the bank were made in the assessment area. Table 3 Appendix B summarizes FNB Farmington's small business and farm lending within the assessment area.

Geographic Distribution of Loans within the Assessment Area

Lending to businesses, farms and households within LMI CTS represents significant challenges for the bank. All of the LMI CTS in the assessment area are in the Navajo Indian Reservation. Tribes and individual owners of Indian trust land are not authorized to financially encumber or commit trust resources without the approval of the Bureau of Indian Affairs. The traditional collateral for home mortgages and small business lending is not available. Additionally, fifty-five percent of the population living in these areas have incomes below the poverty level and have very limited capacity to borrow. The bank is a leader in the effort to work with the Navajo Nation and government agencies to overcome obstacles in lending on the reservation.

Thirty-eight percent of the households in the assessment area live in LMI CTS. The bank's home loans in these CTS represented only five percent in 1996 and seven percent in 1997 of the bank's total home loan portfolio. Given the constraints mentioned above, the level distribution of home loans is reasonable. Institutions that lend in the area and file HMDA reports made five percent of their total home loans in LMI CTS. However, these HMDA lenders represent large volume finance and mortgage companies that are not similarly situated to the bank and are not full service lenders in the community. Table 4 Appendix B shows the distribution of home mortgage loans compared to the income levels and demographics of the census tracts in the assessment area.

The bank's distribution of small business and farm loans in LMI CTS is good and demonstrates a high level of responsiveness to the needs of the small business community in LMI CTS. In 1996 and 1997 respectively, two percent and five percent of the bank's loans to small businesses were made in low income census tracts. On the average in 1996, banks reporting small loans to businesses in the area made less than one percent of their loans in low income CTS. The low income census tracts in the assessment area have been targeted by community contacts and government authorities as needing economic development and revitalization. Seventy-eight percent of all loans made in these low income CTS were made by FNB Farmington. In the middle and upper income census tracts where ninety-six percent of small farms and businesses are located, the bank makes ninety-one percent of its small loans to farms and businesses. Table 5 Appendix B shows FNB Farmington's lending by the income level of the census tracts. The demographics of the assessment area are also shown.

Distribution by Borrowers' Income within the Assessment Area

Lending to individuals of different incomes is reasonable. Home mortgage and mobile home loans to LMI individuals represent twelve percent of the bank's total home loans. Although the population of LMI households is thirty-eight percent of total households in the assessment area, the level is reasonable given that forty-two percent of the low income households are on census tracts where traditional home mortgage lending has severe restrictions and, as mentioned previously, fifty-five percent of all LMI households are below the poverty level. Comparisons to similarly situated banks in the area were not available. Although lending by institutions reporting loans for HMDA indicates that HMDA reporters average sixteen percent of total loans to LMI borrowers, this again is not comparable as the institutions reporting for HMDA are primarily high volume finance and mortgage companies and do not provide full service. Table 6 Appendix B shows the distribution in 1996 and 1997 of the bank's home loans by income level compared to the percent of households within those income levels.

The distribution of loans by the income of the businesses and farms is good. Business demographics indicate that ninety-one percent of all businesses in the assessment area have revenues of less than \$1 million. Of those loans reported, eighty-nine percent of the small loans to businesses and ninety-three percent of the small loans to farms were to farms or businesses with revenues of less than \$1 million.

Contacts with organizations representing small business in the assessment area indicate that small businesses have a need for small loans with flexible underwriting standards. Given the fact that a substantial majority of small loans to businesses reported by the bank are actually to businesses with revenues of less than \$1 million, we consider loan size as an indicator of the bank's responsiveness to the needs of the small business community. In 1996, eighty-eight percent of the loans to businesses and farms made by FNB were less than \$100 thousand in size while data for all banks in the assessment area indicates that eighty-seven percent of all loans were less than \$100 thousand in size. In 1997, the bank also reported that eighty-eight percent of its small loans to businesses were less than \$100 thousand in size. Table 7 and 8 Appendix B shows the percent breakdown by loan size of the FNB's small loans to businesses in 1996 and 1997. This data indicates that the bank is responsive to the needs of small businesses in the assessment area.

Community Development Lending

The bank has a strong level of community development loans. Contacts with members of the community indicated that FNB is a leader in community development initiatives in the assessment area. The bank made 14 loans totaling \$7 million that directly benefited the bank's assessment areas during the assessment period. These loans and loans from prior years indicate a substantial and continuing commitment to community development. Several of these projects involved negotiations with both public and private financial entities and community groups to bring the project to completion.

Some of the larger loans were to affordable housing projects, projects that provide jobs in LMI areas, or facilities meeting the health care needs to LMI individuals. Some of the smaller credits were for community facilities or services in LMI neighborhoods. Many of the small business loans, although not counted under the community development loan volumes are part of a concerted effort by the bank to help revitalize and stabilize the low income geographies on the Navajo Reservation

Product Innovation and Flexibility

The bank uses Federal Home Loan Bank Board Helping Hand grants to assist low-income families to rehabilitate existing homes. The grants are combined with the bank's loans and other public funds to facilitate affordable and better quality housing. The funds have also been used to defray construction costs on new homes for the disabled and provide down payment assistance and closing cost assistance. The bank uses the HUD 184 program and VA Native American loan program to facilitate housing on the Navajo Reservation. The bank was the first institution to use these programs on the Navajo reservation. The bank also works with the Enterprise Loan Fund, a revolving loan fund, to assist small business ventures that fall outside of the bank's normal underwriting criteria.

INVESTMENT TEST

To assess FNB's performance under the Investment Test, we reviewed its investment and grant activity; responsiveness to credit and community development needs; and, its initiatives with community development.

Conclusions:

The bank has a high level of qualified community development investment and grants given the limited level of available community development investment opportunities in the assessment area. Grants and investments totaled \$7 million.

The bank's community development investments and grants were responsive to community development needs.

The bank uses innovative investments to support community development initiatives.

Investment and Grant Activity

With the lack of formal city- or county-developed community investment opportunities in the assessment area, FNB has been proactive in seeking out community investment opportunities. The bank has two investments totaling more than \$2.5 million that qualify as community development investments. Our discussions with local community contacts identified affordable housing as one community development need. The bank's qualified CRA investments include the following:

FNB used low-income tax credits and other creative financing sources to fund an affordable rental housing project in Farmington. To qualify for housing in the project residents must not make more than sixty percent of the adjusted median income as defined by HUD. The project operates under the Affordable Housing Program and Section 42 of the Internal Revenue Code. This allowed FNB to buy \$2.3 million in low-income housing tax credits issued by the State of New Mexico. The proceeds from the tax credit sale become equity funds for the project.

The bank is the first bank in San Juan County to use these methods to facilitate the financing of this type of project. FNB originated the construction loan and employed Community Investment Program funds from the Federal Home Loan Bank of Dallas to fund the permanent real estate mortgage on the property.

The bank purchased nearly \$250 thousand in revenue bonds from the state first time home-buyer program.

Additionally, FNB contributed grants totaling more than \$96 thousand to twenty-four different community development organizations that provide community services and/or affordable housing targeted to low- and moderate-income individuals, or do activities that revitalize or stabilize low- and moderate-income geographies.

SERVICE TEST

In assessing FNB's performance under the Service Test, we focused on the accessibility of its delivery systems; changes in branch locations; reasonableness of its business hours and services in meeting the needs of its assessment areas; and, level of community development services.

Conclusions:

Services are accessible to all portions of the assessment area. Retail Banking Services provided in low- and moderate-income (LMI) CTS are specifically tailored to the needs of the LMI population.

The bank has not opened or closed any branches during the performance period.

Services do not vary in a way that inconveniences certain portions of the assessment area.

The bank is a leader in providing community development services.

Retail Banking Services

FNB has eight branches in San Juan County communities including a branch in Shiprock, New Mexico, that is located on Navajo Nation land. This branch is the only banking office on the New Mexico side of the Navajo Nation and is the only office of a financial institution in San Juan County located in low- to moderate-income census tracts. The bank had no branch openings or closing during the performance period. Banking offices are open from 9 a.m. to 3 p.m. Monday through Thursday and from 9 a.m. to 6 p.m. on Fridays. The Personal Banking Center and the Animas Valley Mall offices are open 9 a.m. to 6 p.m. daily. Each office's drive-up facilities are open 8 a.m. to 6 p.m. Monday through Friday. Three offices in Farmington are open 10 a.m. to 2 p.m. on Saturdays. The community of Farmington is a regional retail hub. People living in the surrounding areas including the LMI CTS traditionally travel to Farmington for shopping. They find it more convenient on weekends to use the Farmington branches which are in middle and upper income CTS than the rural branches. We think the business justification for opening these offices in middle- and upper-income census tracts, while not having Saturday hours in other offices, is reasonable.

FNB operates ten ATMs in San Juan County communities including two on Navajo Nation land. These are the only ATMs in low- and moderate-income census tracts in San Juan County and are two of three ATMs on the New Mexico side of the Navajo Nation. The ATMs are available twenty-four hours per day except for the Hogback convenience store and Shiprock grocery store ATMs. These stores open at 7 a.m. and close at 10 p.m. and 11 p.m., respectively.

The bank does not surcharge its customers for ATM transactions, nor does it surcharge non-customer ATM transactions. FNB customers can access account information, transfer funds between accounts, and can make loan payments by transferring funds by telephone twenty-four

hours per day. The bank has several Navajo- and Spanish-speaking employees available to help non English-speaking customers and one employee that signs for hearing-impaired customers.

Community Development Services

FNB is a leader in providing community development services. Employees serve on several boards of directors and provide financial services to various community organizations that provide community development assistance. FNB employees provided services representing a contribution of more than 1,600 hours of employee time in the past year. The bank's assistance to these organizations helped provide financial services to LMI individuals and facilitate access to affordable housing loans.

A bank employee provided financial oversight and acted as fiscal agent for the Tohatchi Special Education Training Center. The Center rehabilitates substandard housing for very low-income individuals in the Shiprock area and provides affordable housing for low-income disabled people.

A bank employee served on the Board, loan committee, and marketing committee of the Navajo Partnership for Housing (NPH). This nonprofit organization promotes home ownership for members of the Navajo Nation. The bank employee provided general oversight as a member of the Board, and as loan committee member helped in developing loan underwriting standards and processing systems. As a member of the marketing committee the employee helped develop a newsletter and brochures to promote NPH services.

A bank employee served as a Board and loan committee member of the Northwest New Mexico Community Development Corporation (NWNMCDC). This organization supports economic development through special projects and oversees the Enterprise Loan Fund (ELF), a nonprofit revolving loan fund for small business development. Another bank employee served as a Board member of the ELF. One current NWNMCDC project is the development of Assisted Living apartments for disabled low-income individuals. Bank employees helped develop policies and procedures to operate the ELF and set up a cost free escrow agreement at the bank to facilitate funds disbursement.

A bank employee served as fiscal agent to the Shiprock Community Development Corporation. This nonprofit organization promotes affordable home ownership in low- to moderate-income areas. Bank employees prepare tax returns and provide bookkeeping and fiscal management for the organization's grant funds.

Bank employees provided home buyer education for Navajo Housing Services (NHS) counselors. NHS is an agency of the Navajo Nation that provides rehabilitation services for individual members of the Navajo Nation. The employees trained NHS counselors on the mortgage loan, credit, and budgeting process.

A bank employee served as a Board member of the San Juan Economic Development Corporation. This organization's mission is to recruit and retain small businesses in San Juan County.

Bank employees provided "How to Do Your Banking" training to students at sixteen high schools in the region. Employees also served on a School to Work task force whose mission was to make students better prepared to enter the work force after high school graduation. The majority of the schools where the seminars are held are in LMI CTS.

A bank employee served as a Board member of the Enterprise Loan Fund, a nonprofit revolving loan fund for small business development. The employee helped develop loan underwriting standards and systems.

Other ongoing community development services offered by the bank are:

Non-profit Accounts - FNB provides service charge free checking accounts for non-profit organizations.

Fair Lending Review

During the examination of the FNB, we performed a review of the bank's most recent Fair Lending self assessment using the OCC Fair Lending Examination Procedures. The size of this sample conforms to OCC's procedure requirements. We tested fifty percent of the approved mobile home loan applications from white persons and all five denied mobile home loan applications from Hispanic persons. No inaccuracies were noted. The bank did not identify any violations of the anti-discrimination laws and regulations. We also reviewed the second and third review process for mortgage lending, underwriting policies and internal controls. The bank's policies and procedures and a strong compliance program help to ensure prevention of any illegal disparate treatment.

Appendix A: Scope of Examination

Our evaluation of FNB's CRA performance covered the performance period beginning November 1996 through March 1998. We applied interagency procedures and guidelines for Large Retail Institutions in our review. Loan products evaluated were small loans to businesses, home loans and community development loans. We reviewed the bank's performance under the lending, investment and service tests.

Appendix B: Additional Tables

Table 2						
Volume of Home Loan Originations in 1996 and 1997						
Within The Assessment Area						
Product	Total Originations		Within the Assessment Area			
	#	\$ (000)	#	%	\$ (000)	%
Home Purchase/Refinance	305	\$22,160	294	96%	\$21,170	96%
Mobile Home	45	\$814	42	93%	\$714	88%
Total 1996	350	\$22,974	336	96%	\$21,884	95%
Home Purchase/Refinance	251	\$19,411	241	96%	\$18,437	95%
Mobile Home	64	\$1,555	59	92%	\$1,489	96%
Loans Sold	59	\$5,513	56	95%	\$5,167	94%
Total 1997	374	\$26,479	356	95%	\$25,093	95%
Grand Total	724	\$49,453	692	96%	\$46,977	95%

Table 3						
Volume of Small Business and Small Farm Loan Originations in 1996 and 1997						
Within The Assessment Area						
Loan Product	Total Originations		Within the Assessment Area			
	#	\$ (000)	#	%	\$ (000)	%
Small Business	513	\$38,945	453	88%	\$27,228	70%
Small Farm	21	\$272	21	100%	\$272	100%
Total 1996	534	\$39,217	474	89%	\$27,500	70%
Small Business	593	\$34,505	542	91%	\$27,973	81%
Small Farm	20	\$1,006	20	100%	\$1,006	100%
Total YTD 1997	613	\$35,511	562	92%	\$28,979	82%
Grand Total	1147	\$74,728	1036	90%	\$56,479	76%

Table 4
Distribution of Home Loan Originations in 1996 and 1997
Within Assessment Area
By Income Level of the Census Tracts

Assessment Area Data	Low-Income		Mod-Income		Middle-Income		Upper-Income	
Census Tracts	2	12%	3	18%	5	29%	7	41%
Census Tracts Penetrated (% of tracts in income group)	1	50%	3	100%	5	100%	7	100%
Number of 1-4 Family Units	5,117	22%	2,324	10%	5,871	26%	9,505	42%
Median Year Built of Housing	1972		1976		1969		1975	
Loan Product	#	%	#	%	#	%	#	%
Home Purchase/Refi	0	0%	10	3%	114	39%	170	58%
Mobile Home	4	10%	2	5%	22	52%	14	33%
Total 1996	4	1%	12	4%	136	40%	184	55%
Home Purchase/Refi	0	0%	11	4%	132	44%	154	52%
Mobile Home	3	5%	9	15%	34	58%	13	22%
Total 1997	3	1%	20	6%	166	47%	167	47%
Grand Total	7	1%	32	5%	302	44%	351	51%

Table 5
Distribution of Small Business and Farm Loan Originations in 1996 and YTD 1997
Within The Assessment Area
By Income Level of the Census Tract

Assessment Area Data	Low-Income		Mod-Income		Middle-Income		Upper-Income	
Census Tracts	2	12%	3	18%	5	29%	7	41%
Census Tracts Penetrated (% of tracts in income group)	2	100%	3	100%	5	100%	7	100%
Number of Businesses Revenues <= \$1 million	35	2%	37	2%	864	43%	1,085	54%
Number of Farms Revenues <=\$1million	0	0%	1	3%	17	43%	22	55%
Loan Product	#	%	#	%	#	%	#	%
Small Business	10	3%	19	5%	138	35%	233	58%
Small Farm	0	0%	5	24%	7	33%	9	43%
Total 1996	10	2%	24	6%	145	34%	242	57%
Small Business	26	5%	27	5%	205	41%	247	49%
Small Farm	0	0%	3	15%	5	25%	12	60%
Total YTD 1997	26	5%	30	6%	210	40%	259	49%
Grand Total	36	4%	54	6%	355	38%	501	53%

Table 6
Distribution of Home Loan Originations in 1996 and 1997
Within The Assessment Area
By Income Level of the Borrower

Assessment Area Data	Low-Income		Mod-Income		Middle-Income		Upper-Income	
Household Population	7,333	25%	3,855	13%	4,459	15%	13,564	46%
Loan Product	#	%	#	%	#	%	#	%
Home Purchase/Refi	6	2%	24	8%	58	19%	217	71%
Mobile Home	3	7%	9	20%	12	27%	21	47%
Total 1996	9	3%	33	9%	70	20%	238	68%
Home Purchase/Refi	7	2%	13	4%	43	14%	247	80%
Mobile Home	4	6%	11	17%	18	28%	31	48%
Total YTD 1997	11	3%	24	6%	61	16%	278	74%
Grand Total	20	3%	57	8%	131	18%	516	71%

**Table 7
Distribution of Small Business and Farm Loan Originations in 1996
Within The Assessment Area
By Loan Size and Business Revenues**

Loan Size					Loans to Small Businesses and Farms w/ Annual Revenues < \$1 Million			
	#	%	\$ (000)	%	#	%*	\$ (000)	%*
less than \$100,000	416	88%	\$10,992	29%				
\$100,000 to \$250,000	37	8%	\$6,002	16%				
\$250,000 to \$1,000,000	21	4%	\$20,635	55%				
Totals	474	100%	\$37,629	100%	421	89%	\$2,065	5%
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm (1997 Data):					*As a percentage of loans of the size category			
< 1 Million 71% > 1 Million 7% Unknown 22%								

**Table 8
Distribution of Small Business and Farm Loan Originations in 1997
Within The Assessment Area
By Loan Size and Business Revenues**

Loan Size					Loans to Small Businesses and Farms w/ Annual Revenues < \$1 Million		
	#	%	\$ (000)	%	#	%*	
less than \$100,000	494	88%	\$12,942	43%			
\$100,000 to \$250,000	48	9%	\$8,001	27%			
\$250,000 to \$1,000,000	20	4%	\$8,944	30%			
Totals	562	100%	\$29,887	100%	505	85%	
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:					*As a percentage of loans of the size category		
< 1 Million 71% > 1 Million 7% Unknown 22%							

