

PUBLIC DISCLOSURE

July 19, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

F&M BANK - WAUSHARA COUNTY

RSSD Number: 293941

123 E. Main Street
Wautoma, Wisconsin 54982

FEDERAL RESERVE BANK
OF CHICAGO

230 South LaSalle
Chicago, Illinois 60604

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 operations 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 **F&M Bank-Waushara County, Wautoma, Wisconsin** prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **July 19, 1999**. 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 228.

INSTITUTION'S RATING: This institution is rated Outstanding.

F&M Bank-Waushara County promotes economic growth in a manner consistent with its asset size, location and current economic conditions in the assessment area. The bank's efforts are accomplished through its origination of commercial, real estate, agricultural and consumer loans. The bank's lending performance is strong, as evidenced by a high loan-to-deposit ratio that consistently exceeds that of its peer group and its local competition; a substantial majority of its loans originated within its assessment area; and a strong level of lending to borrowers of different incomes and to businesses and farms of different revenue sizes. Community development lending opportunities are limited; however, the bank has made one such loan and participates in certain government-guaranteed loan programs to increase access to credit. Community development investments and services are also limited; however, interviews with community representatives and a review of economic and assessment area demographic information indicate that opportunities are limited. Retail banking services are accessible within the assessment area, and banking hours and products meet the needs of the community. The closing of one branch did not adversely affect the accessibility of retail banking services by assessment area residents. The examination revealed no patterns or practices intended to discriminate against or to discourage applications from any member of a protected class. No CRA-related complaints have been received since the previous examination.

The following table details the performance level of **F&M Bank-Waushara County, Wautoma, Wisconsin** with respect to the lending, investment and service tests.

| F&M BANK-WAUSHARA COUNTY | | | |
|-------------------------------------|--------------------------|------------------------|---------------------|
| Performance Levels | Performance Tests | | |
| | Lending Test* | Investment Test | Service Test |
| Outstanding | X | | X |
| High Satisfactory | | | |
| Low Satisfactory | | X | |
| 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

F&M Bank–Waushara County, with total assets of \$110.4 million as of June 30, 1999 is a subsidiary of F&M Bancorporation, Inc., a multi-bank holding company. The bank operates four full-service offices located in Wautoma, Plainfield, Redgranite and Wild Rose, all in Waushara County. The bank also maintains six automated teller machines (ATMs) – two full-service ATMs at the Wautoma and Wild Rose offices and four cash-dispensing machines at off-site locations in Wautoma, Plainfield and Redgranite. The bank’s CRA performance was most recently evaluated as of October 15, 1996 and it was rated outstanding.

F&M Bank–Waushara County is a commercial bank that offers a variety of deposit products and services as well as commercial, real estate, agricultural and consumer loans. A review of the bank’s March 31, 1999 Consolidated Report of Condition revealed that the bank is primarily a commercial lender based on the dollar amounts of loans outstanding. The bank also has a significant amount of residential mortgage loans in its loan portfolio, followed by agricultural loans. Consumer loans represent the largest number of loan transactions annually although they represent the lowest dollar amount outstanding of the bank’s four major loan product groupings. The bank offers a greater variety of residential real estate mortgage loan products through an affiliated bank to better serve the residents of its assessment area. In addition, the bank participates in various government-assisted loan programs provided through the Small Business Administration, the Farm Service Agency and the State of Wisconsin. Credit cards are available through Elan Financial Services. Credit products offered by the bank are consistent with the credit needs of the consumers, farmers and businesses in its assessment area. There are no factors relative to the bank’s financial condition, size, or economic conditions that would prevent it from meeting the community’s credit needs.

The bank’s primary competition exists in Wautoma, where both Firststar Bank Wisconsin (Madison) and M&I Mid-State Bank (Stevens Point) operate a branch office. In addition, the Wautoma office of Fox Cities Bank, which is now AnchorBank S.S.B. (Madison) as a result of a July 1999 acquisition, provides additional competition. There are currently no other banks operating in Plainfield, Redgranite or Wild Rose.

DESCRIPTION OF F&M BANK-WAUSHARA COUNTY’S ASSESSMENT AREA

The bank has defined its assessment area as Waushara County, which includes block numbering areas (BNAs) 9601 through 9608, inclusive. All eight BNAs are designated as middle-income.

The bank’s assessment area has a population of 19,385, according to 1990 census data, although recent estimates by the U.S. Bureau of the Census indicate that the area population has grown by 11.5% to 21,609 in 1998. The area is primarily rural with the largest community in the county, the City of Wautoma, having an estimated 1998 population of 2,015. Other communities in the assessment area include the towns of Marion, Dakota, and Springwater, and the Village of

Redgranite. The distribution of the assessment area’s population compared to all non-metropolitan areas in the State of Wisconsin (State) based on median family income is shown in the following table:

| F&M BANK-WAUSHARA COUNTY SUMMARY OF POPULATION BY MEDIAN FAMILY INCOME LEVEL | | | | | | | |
|---|-----------------------------|------------------------|--|-----------------------------|---------------------------|--------------------------|------------------------------------|
| | Median Family Income | | Percentage of Families-Per 1990 Census Data | | | | |
| | 1999 Estimate * | 1990 Census | Low- Income | Moderate- Income | Middle- Income | Upper- Income | Below Poverty Level |
| Assessment area | \$38,600 | \$26,046 | 22.0 | 23.4 | 26.2 | 28.4 | 10.1 |
| All non-metropolitan areas-State | \$44,400 | \$30,290 | 17.6 | 19.5 | 25.5 | 37.5 | 7.9 |
| <i>*Department of Housing and Urban Development (HUD) estimate.</i> | | | | | | | |

The preceding table illustrates that the population of the assessment area is generally less affluent than all non-metropolitan areas of the State as a whole. The assessment area’s median family income is approximately 13%-14% lower and the percentages of low- and moderate-income families and families with incomes below the poverty level are higher than for all non-metropolitan areas of the State. Community representatives indicated that the county historically trails most other counties in the State since there are few large employers in the county. Most employment opportunities in the assessment area are provided by small businesses, which generally offer lower pay, fewer benefits, and often provide part-time positions instead of full-time ones. In addition, individuals aged 65 and over represent a significant and growing segment of the population, which may contribute to the lower median family income figures.

The largest employers in the county (with the location and estimated total number of employees shown in parentheses) include Nelson Division (Wautoma; 200), Milsco Manufacturing Co. (Redgranite; 100), Especially For You, Ltd. (Coloma; 100), Waushara Industries (Wautoma; 85), and Wautoma Care Center (Wautoma; 75). Most of the other employment opportunities in the county are those in small businesses, agriculture and self-employment ventures. As a result, many residents of the area commute to Oshkosh, Appleton, Green Lake and other surrounding communities for employment. A new correctional facility is under construction in Redgranite, which is expected to add 150-300 new jobs starting in the year 2000.

The unemployment rate in Waushara County is consistently higher than that of the State overall and reflects wide seasonal fluctuations typically found in an agricultural and tourist community. The County’s unemployment rates for June 1999 and June 1998 were 4.8% and 4.7%, respectively, which compares to the State’s unemployment figures of 3.1% and 3.2%, respectively, for the same periods. During the past twelve months, the County’s unemployment rate was lowest in September 1998 at 3.2% and was highest at 6.9% in January and February 1999. The unemployment rates for Waushara County for the past year have been increasing as compared to the preceding year although they are still much lower than unemployment rates

noted earlier in this decade.

The assessment area includes 12,246 housing units, based upon 1990 census data, with a median housing value of \$45,641, which compares to \$50,092 for all non-metropolitan areas of the State. Of these units, 49.9% were owner-occupied and 83.8% were 1-to-4 family, which compares to 57.1% and 82.9%, respectively, for all non-metropolitan areas of the State. Vacant units represent 37.8% of the total housing units available, which is likely due to the significant number of vacation homes owned by out-of-area residents. The housing affordability index, which measures the affordability of housing, compares the median housing value to the median family income of the geographic area; higher ratios indicate decreased affordability. The affordability index, based upon 1990 census data, is 1.75 for the assessment area compared to 1.65 for all non-metropolitan area of the State. This indicates that housing is relatively more expensive in the assessment area despite its lower median housing value since the median family income is significantly lower compared to all non-metropolitan areas of the State overall.

Community representatives contacted during the examination indicated that much of the population growth in the area has not been supported by construction of new housing, which has tightened the availability of housing. They also noted the need for affordable housing in the county. Home sales in Waushara County for 1998 indicate 176 units were sold with a median sales price of \$81,800; for the first quarter of 1999, an additional 34 home sales with a median price of \$91,900 were reported. This indicates that home values have risen significantly since 1990. One of the community representatives indicated that home sales within Wautoma generally range from \$60,000 to \$90,000, while homes on lakefront properties in the county generally had an estimated median price of \$175,000, indicating a wide range of values based on location.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The evaluation of the bank's CRA performance included a review of the following: the bank's Consolidated Report of Condition dated March 31, 1999; its quarterly Uniform Bank Performance Reports since June 30, 1997; its small business and small farm loans as reported in the 1998 CRA loan application register (CRA-LAR); and consumer installment and single payment loans originated during the six months ending June 30, 1999. This data was reviewed to assess the bank's lending volume, assessment area lending concentration, distribution of lending to borrowers of different income levels and community development lending. Interviews of community representatives and bank management were conducted to identify and evaluate the bank's efforts in addressing community development lending opportunities.

Lending Volume

The bank's loan-to-deposit ratio as of March 31, 1999 was 84.42 percent and averaged 89.99 percent during the period from June 30, 1997 through March 31, 1999. The bank's ratio has

consistently exceeded that of its two principal competitors and its nationwide peer group during the eight quarters in this period. The loan-to-deposit ratios as of March 31, 1999 for Firststar Bank Wisconsin, M&I Mid-State Bank, and the nationwide peer group, were 74.64 percent, 84.03 percent and 72.08 percent, respectively; the eight-quarter average loan-to-deposit ratios were 83.64 percent, 82.62 percent and 72.53 percent, respectively.

The distribution of the bank’s loan portfolio by loan type as of March 31, 1999 is as follows:

| F&M BANK-WAUSHARA COUNTY COMPOSITION OF LOAN PORTFOLIO AT MARCH 31, 1999 | | |
|---|--|-----------------------------------|
| LOAN TYPE | DOLLAR AMOUNT OUTSTANDING (\$000) | PERCENT OF TOTAL LOANS |
| REAL ESTATE | | |
| Construction | 3,647 | 4.28 |
| Farmland | 5,543 | 6.50 |
| Revolving open-end (1-4) | 327 | 0.38 |
| Residential (1-4) | 30,497 | 35.78 |
| Multi-family | 158 | 0.19 |
| Commercial | 21,442 | 25.16 |
| CONSUMER | | |
| Open-end | 718 | 0.84 |
| All other | 5,252 | 6.16 |
| COMMERCIAL AND INDUSTRIAL | 12,278 | 14.40 |
| AGRICULTURAL | 3,901 | 4.58 |
| STATE AND POLITICAL OBLIGATIONS | 963 | 1.13 |
| LEASE FINANCING RECEIVABLES | 479 | 0.56 |
| OTHER | 34 | 0.04 |

The preceding chart illustrates that the bank is lending to all segments of the market based upon the loan categories of real estate, consumer, commercial and agricultural. Commercial real estate and commercial/industrial loans together comprise 39.56 percent of the bank’s portfolio, while residential 1-4 family real estate loans (revolving and closed end) comprise an additional 36.16 percent of the portfolio. Agricultural loans, including farmland, and consumer loans represent 11.08 percent and 7.0 percent, respectively, of the portfolio based upon dollar amount.

Discussions with management indicate, however, that the bank originates a larger number of consumer loans than any other loan product.

Lending in Assessment Area

The bank’s small business and small farm lending as reported in its 1998 CRA-LAR was utilized to evaluate the bank’s lending in its assessment area. The bank reported a total of 159 loans for 1998, of which 132 were small business and 27 were small farm loans. A small business loan is a loan with an original amount of \$1 million or less and a small farm loan is a loan with an original amount of \$500,000 or less according to the regulation. An analysis of this information revealed

that 119, or 90.15 percent, of small business loans reported were originated within the bank’s assessment area, and 26 or 96.30 percent of small farm loans reported were originated within its assessment area.

All consumer installment and single payment loans originated from January 1, 1999 through June 30, 1999 were also reviewed to evaluate the bank’s lending in the assessment area. This review indicated that 335 of the 396 loans, or 84.60 percent, originated during this time period, were to borrowers in the bank’s assessment area.

These analyses confirm that the bank is serving its assessment area as a substantial majority of loans sampled have been made to businesses, farmers and consumers in its assessment area.

Borrower Characteristics

The bank’s 1998 CRA-LAR and all consumer installment and single payment loans originated during the six-month period ended June 30, 1999 within its assessment area, were also reviewed to evaluate the bank’s lending to borrowers of different incomes and to businesses and farms of different revenue sizes. The following chart summarizes the distribution of small business and small farm lending during 1998, categorized by the size of the loan and the annual revenues of the borrower:

| F&M BANK-WAUSHARA COUNTY DISTRIBUTION OF 1998 SMALL BUSINESS AND SMALL FARM LOANS IN THE BANK’S ASSESSMENT BY LOAN AMOUNT AND BORROWER REVENUES | | | | | | |
|--|-----------------------|--------------|-------------------|--------------|---------------|--------------|
| | Small Business | | Small Farm | | Totals | |
| | # | \$000 | # | \$000 | # | \$000 |
| Loans \$100,000 or less | 109 | 2,040 | 22 | 373 | 131 | 2,413 |
| Loans >\$100,000 to \$250,000 | 5 | 733 | 2 | 375 | 7 | 1,108 |
| Loans >\$250,000 | 5 | 2,303 | 2 | 564 | 7 | 2,867 |
| Revenues \$1,000,000 or less | 107 | 2,029 | 17 | 250 | 124 | 2,279 |
| Revenues >\$1,000,000 | 12 | 3,047 | 9 | 1,062 | 21 | 4,109 |
| Totals | 119 | 5,076 | 26 | 1,312 | 145 | 6,388 |

The majority of businesses in Waushara County are small, and community representatives contacted during the examination indicated that there is a need for loans to small businesses. The preceding chart illustrates that the bank’s lending to small businesses, as well as to small farms to help meet this need, is strong. The majority of these loans (131 of 145 loans, or 90.34 percent) were in amounts of \$100,000 or less, where borrowing needs by small businesses and farms are the greatest. Furthermore, 89.92 percent of small business loans and 65.38 percent of small farm loans made in 1998 were to businesses and farms with annual revenues of \$1 million or less.

A review of consumer loans made during the sample period indicated that the bank’s loan files

included borrower income information for 333 of the 335 loans made in the assessment area. The bank has prepared a report that has coded these 333 loans as being made to low-, moderate-, middle- and upper-income borrowers using the HUD estimated 1998 median family income for all non-metropolitan areas of the State. Low-income is defined as less than 50% of the median family income, moderate-income is at least 50% and less than 80%, middle-income is at least 80% and less than 120% and upper-income is greater than 120% of the median family income. An analysis of consumer loans using the bank’s borrower income codes revealed that 75.37 percent were made to low-income and moderate-income borrowers. Low- and moderate-income families in the assessment area, based on 1990 census data, represent 45.40 percent of the population of the area. These figures indicate that the bank’s performance in meeting the borrowing needs of low- and moderate-income borrowers is very strong.

Innovative or Flexible Lending Practices

The bank offers a wide variety of secured and unsecured loan products to consumers, businesses, farmers, organizations and governmental bodies. Additional consumer mortgage loan products are offered by the bank to residents of the assessment area through its affiliate, F&M Bank-Northeast in Green Bay. The bank generated 102 loans totaling \$8.0 million in 1998 and 44 loans totaling \$4.0 million during the first six months of 1999 through its affiliate in mortgages originated through the secondary market.

The bank also participates in certain government-assisted loan programs, which are designed to enable small businesses and farmers in qualifying for bank loans. The following chart summarizes the bank’s activity in these programs:

| F&M BANK-WAUSHARA COUNTY GOVERNMENT-ASSISTED LOANS | | |
|---|---|---|
| Loan Balance as of June 30, 1999 | Type | Community Development Purpose |
| \$671,529 | Small Business Administration (SBA) | SBA loans are supported by the borrower’s collateral and guaranteed by the SBA. The bank currently has four such loans outstanding to three local small businesses. |
| \$247,457 | Farm Service Agency | These loans are guaranteed by the U.S. Department of Agriculture’s Farm Service Agency and were made to farmers who are temporarily unable to obtain unassisted financing from conventional lenders. The bank currently has six such loans outstanding. |
| Estimated \$1,500,000 | Petroleum Environment Cleanup Funding Act | This is a State of Wisconsin sponsored program where loans are made to finance environmental clean-up of contaminated sites until the costs are reimbursed to the borrower by the State. The bank currently has five such loans outstanding. |

The bank has its "Business Manager Loan Program," which assists small businesses by providing advances against receivables. Under this program, the bank also accepts and processes payments on the receivables; the borrower, however, must replace any receivables aged more than 90 days with current receivables. The bank currently has four small business customers using this program.

Community Development Loans

There are very few opportunities within the bank's assessment area for the bank to originate or participate in community development loans, as defined under CRA regulations, according to information obtained through discussions with bank management and interviews with community representatives. A need was identified for more affordable housing in Waushara County, but there are no significant efforts being made within the community to address this issue, which limits the bank's ability to make community development loans for this purpose. One such opportunity was identified, however, in March 1999 when the bank made a short-term loan for \$55,000 to Waushara County Habitat for Humanity, Inc. for the purpose of renovating a residential property for eventual sale to a low- or moderate-income family. Habitat for Humanity is a widely recognized and respected international organization that helps low- and moderate-income individuals and families obtain affordable housing. This is the only community development loan identified by the bank since the previous examination.

CONCLUSION

The bank's lending performance is considered strong. The bank's loan-to-deposit ratio consistently exceeds that of its peer group and its competitors in the assessment area. The diversification of the bank's loan portfolio at March 31, 1999 demonstrates that the bank is serving all significant segments of its market. A significant majority of the bank's loans are originated in the assessment area, and lending to businesses of different revenue sizes and to borrowers of different income levels is strong. While there are few community development loan opportunities within the assessment area, one community development loan was made. The bank has also made government-assisted loans to help small businesses and small farms obtain credit.

INVESTMENT TEST

The bank's investment portfolio and donations were reviewed to evaluate the bank's community development investment activities. Discussions with bank management and community representatives and a review of the assessment area's demographic information revealed that few opportunities for community development investments are evident. A review of telephone directories for the assessment area uncovered no listings for human services or social services agencies such as homeless shelters or food pantries. While community representatives indicated that there was a need for affordable housing, there are no significant efforts within the assessment area to meet this need. Nevertheless, the bank did make a cash contribution of \$250 to Waushara

County Habitat for Humanity, Inc. for general operations. In addition, the loan to this organization discussed above was made at a below-market interest rate; the interest savings to them during the term of the loan was over \$100. A review of the bank’s donations also indicated that \$3,000 was given to the Wautoma Wisconsin Main Street Program, which is a project to improve lighting in the city’s central business district.

CONCLUSION

The bank’s investment performance is considered adequate due to the lack of community development investment opportunities within the assessment area limits the bank’s ability to make these types of investments. Bank management continues to monitor its local community for such investment opportunities.

SERVICE TEST

The bank’s retail banking delivery system and community development services were reviewed. The services provided by the bank were evaluated for range and accessibility, and alternate delivery systems for delivering these services were also reviewed. In addition, the distribution of the bank’s branches, record of opening and closing branch offices and community development service activity were reviewed.

Retail Banking Services

F&M Bank-Waushara County is a full-service bank operating four offices within Waushara County through which it provides a variety of lending products and deposit services to its customers. Included in these deposit products is its “Free-n-Easy” checking account, which has no fees and no minimum balance requirements that make it appealing to and affordable by low- and moderate-income consumers. The bank also operates six ATMs in the assessment area.

Distribution of Branches

The following chart details the bank’s branch and drive-up facility locations, including hours of service:

| F&M BANK-WAUSHARA COUNTY’S OFFICES AND HOURS OF OPERATION | | |
|--|--|---|
| OFFICE / BNA NUMBER | HOURS OF SERVICE | DAYS OF SERVICE |
| Wautoma / 9605 123 East Main Street | 8:30am – 4:30pm 8:30am – 5:30pm 8:30am – 11:30am | Monday through Thursday Friday Saturday |
| Drive-up | 8:00am – 5:00pm 8:00am – 6:00pm 8:30am – 11:30am | Monday through Thursday Friday Saturday |

| | | |
|---|------------------------------------|-----------------------------------|
| Redgranite / 9607 250 Bannerman Avenue | 9:00am – 4:00pm 9:00am – 6:00pm | Monday through Thursday Friday |
| Drive-up | 8:30am – 4:30pm 9:00am – 6:00pm | Monday through Thursday Friday |
| Wild Rose / 9603 460 Main Street | 9:00am – 4:00pm 9:00am – 6:00pm | Monday through Thursday Friday |
| Plainfield / 9603 123 W. North Street | 9:00am – 4:00pm 9:00am – 6:00pm | Monday through Thursday Friday |
| Drive-up | 8:30am – 4:30pm 8:30am – 6:00pm | Monday through Thursday Friday |

The bank provides adequate hours of service, including weekend hours at the Wautoma office, to meet the needs of its community.

Record of Opening and Closing Offices

The bank closed its office located at Highways 21 and 73 in Wautoma since the previous examination. Management indicated that the branch was closed due to economic reasons and since the bank’s main office located within one mile of this branch, adequately serves the needs of its customers. There was no detrimental effect on the community as a result of this closing.

Alternative Systems for Delivering Retail Banking Services

The bank operates two full-service ATMs and four cash-dispensing ATMs in the assessment area in an effort to make banking services accessible to all portions of the assessment area. Three of these ATMs have been placed into service since the previous examination. The two full-service ATMs are on-site at the Wautoma and Wild Rose offices, with 24-hour access. Two cash-dispensing ATMs are located in Redgranite – one at the Citgo service station and another at the Kwik Trip convenience store; access to both machines is limited to the hours that the store is open. One cash-dispensing ATM with 24-hour access is located at the Plainfield Amoco service station, and one cash-dispensing ATM with limited access is located at the Copps Food Center in Wautoma.

Customers of the bank have wide access to their accounts through a network of 84 affiliated offices in the F&M Bancorporation family. This program, known as “Bank Anywhere”, allows any F&M Bank customer to visit any other F&M Bank location in Wisconsin, Iowa and Minnesota to make deposits and withdrawals, transfer funds between accounts, and make payments on an F&M bank loan. Information about F&M Bank products and services is also available on the Internet, but this website is currently informational in nature and not interactive with the customer.

Community Development Services

The number of opportunities for the bank and its employees to participate in community development services is limited by the demographic characteristics of the assessment area. The population of the entire county is fairly small, with most of it distributed in small communities, with no major concentration of people in one city. President Dave Koth serves on the board of directors for the Wautoma Chamber of Commerce, which promotes economic development and health in the city by promoting existing businesses and helping to attract new businesses. Employee Brenda Hanke represents the bank on the board of directors of the local chapter of the United Way, which collects contributions from local residents and businesses and distributes these funds to needy individuals in the county through community and human services organizations.

CONCLUSION

The bank's performance under the service test is considered strong. The bank's system of delivering services, including alternate delivery systems, makes its products and services accessible to all portions of the assessment area. The bank offers a wide variety of credit and deposit products, including secondary mortgage market products, to residents, businesses and farms in the assessment area. Business hours are reasonable, and the closing of one office since the previous examination has not adversely affected the accessibility of banking products and services to residents of the assessment area. The low level of community development services is the result of few such opportunities being available in the assessment area.

GENERAL

Management has developed adequate policies and procedures, and training programs supporting nondiscrimination in lending activities. The institution is in compliance with the substantive provisions of anti-discrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts. Interviews with community representatives revealed no evidence of discriminatory lending activity.