PUBLIC DISCLOSURE

April 21, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community First Bank Chicago
RSSD# 3348057

7555 North Western Avenue
Chicago, Illinois 60645

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this 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. 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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INSTITUTION'S COMMUNITY REINVESTMENT ACT (CRA) RATING: This institution's performance is rated **satisfactory**.

Community First Bank Chicago's performance under the small bank CRA criteria is satisfactory given its asset size and the community it serves. The bank's loan-to-deposit ratio (LTD) for the last eight quarters is more than reasonable. While the bank originated a majority of its loans outside of the assessment area, the percentage of loans originated within the assessment area increased significantly from 16.67 in 2006 to 28.13 in 2007. Overall, the level of lending to low- and moderate-income borrowers, as well as to small businesses is reasonable. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Neither the bank nor this Reserve Bank received any CRA-related complaints related to this institution since the previous examination.

As a de novo institution, this is Community First Bank Chicago's first evaluation under the CRA.

SCOPE OF EXAMINATION

The bank's CRA Performance was evaluated in the context of information about the institution and assessment area, such as asset size, financial condition, competition, and economic and demographic characteristics. A sample of HMDA-reportable loan originations from January 1, 2007 to December 31, 2007, and construction, commercial real estate, commercial loans, and home equity line of credit originations from January 1, 2006 to December 31, 2007, were reviewed to determine performance within the designated assessment area, as these products comprise the majority of the bank's loan portfolio. Lending levels and trends were reviewed from the quarterly Uniform Bank Performance Report (UBPR) and the Call Report. Internal documents maintained by the bank relating to its lending performance and activities within its assessment area were also reviewed. Three community contacts were conducted during this examination focusing on community development organizations. Community First Bank Chicago was evaluated using *Small Bank, Full-Scope Examination Procedures* based on the following performance standards:

- ***Loan-to-Deposit Ratio***– Compared the LTD ratios for the bank, its national peer group and local competitors for the eight-quarters ending December 31, 2007.

- ***Lending in the Assessment Area*** – Determined the percentage of loans originated in the assessment area.

- ***Lending to Borrowers of Different Incomes and to Businesses of Different Sizes*** –Analyzed a sample of consumer, residential real estate, commercial and farm loans to assess the loan distribution among borrowers of different income levels and to businesses and farms with different revenue levels.

DESCRIPTION OF INSTITUTION

Community First Bank Chicago is a de novo institution with total assets of $60.8 million as of March 31, 2008. The bank has one full-service office in the Rogers Park community on the north side of the City of Chicago with a drive-through facility and a 24-hour automated teller machine (ATM). Although this is the bank's only ATM, the bank participates in the STAR network providing its customers with access to 32,000 additional ATMs without incurring a fee.

The bank offers a full range of deposit and loan products to help meet the banking needs in the assessment area. Deposit products include several types of consumer and business demand deposit, savings, certificates of deposit, and money market accounts. Loan products include residential real estate, commercial, commercial real estate, consumer, and home equity lines of credit.

According to the Uniform Bank Performance Report (UPBR), as of December 31, 2007, the majority of the bank's outstanding loans are construction and development (58.23%). In addition, a significant portion of the bank's portfolio consists of non-farm, non-residential real estate loans (12.86%). Exhibit 1 depicts the distribution of the bank's loan portfolio.

Exhibit 1

Loan Portfolio Mix (as of December 31, 2007)

Loan Category*	Amount Outstanding ($000)	% of Total Loans
Construction & Development	27,788	58.23
1-4 Family	1,781	3.73
Home Equity	4,638	9.72
Other Real Estate Loans		
Farmland	0	0.00
Multifamily	2,269	4.76
Non-Farm, Non-Residential	6,135	12.86
Total Real Estate	**42,611**	**89.30**
Agricultural Loans	0	0.00
Commercial & Industrial Loans	4,441	9.31
Loans to Individuals	64	0.13
Credit Cards	0	0.00
Municipal	0	0.00
All other loans	603	1.26
Total Loans	**47,719**	**100.00%**

* Excludes Financial Institution Loans, Acceptances of Other Banks, Foreign Office Loans and Leases, Lease Financing Receivables.

The bank's peer group includes all commercial banks with assets less than $750 million established in 2005. The bank's local competitors for loans and deposits include:

- First Commercial Bank, Chicago, Illinois
- Devon Bank, Chicago, Illinois
- Fifth Third Bank, Cincinnati, Ohio
- Charter One Bank, Cleveland, Ohio

According to data compiled by the Federal Deposit Insurance Corporation (FDIC), as of June 30, 2007, the bank's deposit market share in the Chicago-Naperville-Joliet MSA #16974 is 0.01 percent. There are 305 FDIC-insured institutions located in the MSA, and the top three institutions (JPMorgan Chase Bank, NA; LaSalle Bank, NA; and Harris, NA) held 38.41 percent of the MSA's deposits.

DESCRIPTION OF ASSESSMENT AREA

Community First Bank Chicago's assessment area, shown in Appendix A, consists of a contiguous portion of the MSA. The assessment area is located within Cook County and includes 5 low-, 34 moderate-, 34 middle-, and 26 upper-income census tracts. The bank has not changed its delineated assessment area since it opened in November 2005. Assessment area demographics are provided in Exhibit 2. The bank relocated from its temporary "store front" location to its newly constructed main office in December 2006. Both the temporary and permanent locations were located in a moderate-income census tract.

Exhibit 2

Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	5	5.1	5,903	4.9	1,977	33.5	32,211	26.8
Moderate-income	34	34.3	52,980	44.0	8,097	15.3	23,136	19.2
Middle-income	34	34.3	35,732	29.7	2,533	7.1	24,326	20.2
Upper-income	26	26.3	25,722	21.4	643	2.5	40,664	33.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**99**	**100.0**	**120,337**	**100.0**	**13,250**	**11.0**	**120,337**	**100.0**

	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	13,162	1,233	1.4	9.4	10,893	82.8	1,036	7.9
Moderate-income	104,494	28,796	31.6	27.6	70,239	67.2	5,459	5.2
Middle-income	62,711	30,965	33.9	49.4	29,258	46.7	2,488	4.0
Upper-income	44,750	30,224	33.1	67.5	13,346	29.8	1,180	2.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**225,117**	**91,218**	**100.0**	**40.5**	**123,736**	**55.0**	**10,163**	**4.5**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	703	4.2	628	4.2	39	2.9	36	7.3
Moderate-income	4,948	29.3	4,466	29.7	280	20.6	202	40.8
Middle-income	5,403	32.0	4,835	32.2	418	30.8	150	30.3
Upper-income	5,827	34.5	5,098	33.9	622	45.8	107	21.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**16,881**	**100.0**	**15,027**	**100.0**	**1,359**	**100.0**	**495**	**100.0**
	Percentage of Total Businesses:			**89.0**		**8.1**		**2.9**

Note: Information regarding businesses is based on 2005 Dun & Bradstreet information; all other information is based on 2000 U.S. Census Bureau

Population Changes

The total population of Community First Bank Chicago's assessment area, according to 2000 U.S. Census Bureau data is 544,113. Besides the City of Chicago, which partially lies within the assessment area, the communities with large populations include Evanston (74,239) and Skokie (69,731). The population in the area has decreased over the past several years. According to U.S. Census Bureau estimates, the population in the 9th Congressional District of Illinois decreased 7.35 percent from 622,030 in 2002 to 579,451 in 2005. The 9th Congressional District of Illinois includes a majority of the bank's assessment area, as well as several surrounding municipalities. The population change, in concert with gentrification throughout the area, has resulted in increased housing costs, and decreased lending opportunities.

Income Characteristics

Exhibit 3 compares the income levels for the assessment area to the MSA and the State of Illinois based on 2000 U.S. Census Bureau data. The median family income for the assessment area is $51,975, compared to $60,166 and $55,545, for the MSA and the State, respectively. The U.S. Department of Housing and Urban Development's adjusted 2007 median family incomes for the MSA and State of Illinois (non metropolitan areas) are $69,800 and $50,600, respectively.

Exhibit 3

Distribution of Families by Income Level

Location	Median Family Income ($)		Percent of Families*				
	2000*	2007 Estimate **	Low*	Moderate*	Middle*	Upper*	Below Poverty Level*
Assessment Area	51,975	N/A	26.77	19.23	20.21	33.79	11.01
MSA	60,166	69,700	20.83	17.59	22.08	39.50	8.25
State of Illinois (non metropolitan areas)	55,545	50,600	19.90	18.13	22.84	39.13	7.82

* Based on 2000 U.S. Census Bureau data.
** Estimates obtain from HUD.

Low-income is defined as less than 50 percent of median family income; moderate-income as 50 to less than 80 percent of median family income; middle-income as 80 to less than 120 percent of median family income; and upper-income as 120 percent or more of median family income.

Housing Characteristics and Affordability

According to 2000 Census Bureau data, 544,113 individuals reside in Community First Bank Chicago's assessment area. Of the 225,117 housing units in the assessment area, 40.52 percent were owner occupied, 54.97 percent were rental units, and 4.51 percent were vacant units. Rental properties in the low- and moderate-income census tracts represent 82.76 and 67.22 percent of the housing units, respectively. The high percentage of rental units in both low- and moderate-income census tracts, and in the assessment area overall, limits the demand for residential real estate lending throughout the assessment area. The median age of the housing stock for the assessment area was 52 years, compared to 39 and 38 years for the MSA and State of Illinois, respectively. In addition, 51.18 percent of the housing stock was built prior to 1950, compared to 31.73 and 31.83 percent for the MSA and State of Illinois, respectively. One factor contributing to the rise in housing cost over the last several years is the condominium conversion boom, in which affordable rental housing has been renovated for less affordable condominiums. According to a community representative, the aging housing stock requires developers to invest additional funds to renovate the older housing. As a result, developers build less affordable condominiums in order to recoup the cost of rehabilitation.

The median housing value in the assessment area was $200,038. The median housing values for the MSA and the State of Illinois were $159,773, and $127,800, respectively.

Affordability ratios, developed by dividing the median family income by the median household value for a given area or groups of geographies, are helpful in comparing costs for different areas. An area with a high ratio generally has more affordable housing than an area with a low ratio.

The affordability ratios for the assessment area, MSA and State of Illinois are 0.26, 0.38, and 0.44, respectively, indicating that housing in the assessment area is significantly less affordable when compared to the MSA and State of Illinois.

Labor and Employment

According to the Illinois Department of Employment Security, when compared to the residents of the MSA and State of Illinois, residents within the assessment area are less likely to be employed. The unemployment rate for Cook County, in which the entire assessment area resides, was 5.50 percent in April 2008, and the unemployment rates for the MSA and State of Illinois were 5.30 and 5.40 percent, respectively.

The largest employers in the assessment area are schools, hospitals, banks, local government, and grocery stores. Exhibit 4 lists the major employers within Cook County, Illinois.

Exhibit 4

Major Employers in the Assessment Area

Company	Location	Employees *	Description
U.S. Granite Sales	Des Plaines	800,000	Masonry
Sears Holding Corp.	Hoffman Estates	315,000	Retail
The Boeing Co.	Chicago	159,300	Aeronautics
BlueCross and BlueShield Assoc.	Chicago	150,000	Hospital & Medical Service Plans
IGA, Inc.	Chicago	92,000	Grocery Stores & Supermarkets
Kraft Food	Chicago	90,000	Food & Beverage

* Total represents number of employees corporate wide
Source: Hoovers.com

Community representatives, contacted during the examination to determine the credit needs of the assessment area, indicated that local financial institutions are actively involved in the community and are adequately meeting the credit needs of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Performance standards for small banks consist of the following, as applicable: the bank's LTD ratio, the percentage of loans located in the bank's assessment area, the record of lending to borrowers of different income levels and businesses of different sizes, the geographic distribution of loans, and the record of taking action in response to written complaints. To determine CRA performance, the preceding standards are *analyzed and evaluated within the assessment area context, which includes, but is not limited to, comparative analyses of the assessment area and the state demographic data on median income, nature of housing stock, housing costs, and other relevant data pertaining to the bank's assessment area.*

Loan-to-Deposit Ratio

The average loan-to-deposit (LTD) ratio, calculated from data contained in the Consolidated Reports of Condition, was evaluated giving consideration to the bank's capacity to lend, competitor and peer loan-to-deposit ratios, as well as demographic factors, economic conditions, and lending opportunities present in the assessment area.

Based on the bank's LTD ratios, relative to its peer group and a sample of competitors, the bank meets the standards for satisfactory performance under this criterion. The LTD ratios were calculated from data contained in the Consolidated Reports of Condition. As of December 31, 2007, Community First Bank Chicago's LTD ratio was 99.60%, with an eight quarter average of 90.72%. Both ratios exceed LTD ratios of the peer group and many of the bank's competitors. The LTD ratios are considered more than reasonable given the bank's capacity to lend, competitor and peer LTD ratios, demographic factors, economic conditions, and lending opportunities present in the assessment area. Exhibit 5, on the following page, shows the comparison from the quarters ending March 31, 2006 to December 31, 2007.

Exhibit 5

LTD Ratios

Bank Name, City, 12/07 Assets $(Millions)	3/06 (%)	6/06 (%)	9/06 (%)	12/06 (%)	3/07 (%)	6/07 (%)	9/07 (%)	12/07 (%)	Avg.
Community First Bank – Chicago, Chicago, $57.0	**104.26**	**100.01**	**83.87**	**78.95**	**78.32**	**87.61**	**93.14**	**99.60**	**90.72**
Peer Group	82.38	88.44	88.93	89.42	87.92	89.36	90.53	93.73	88.84
First Bank & Trust, Evanston, $441.6	94.07	95.65	95.61	89.90	89.97	85.02	89.58	90.40	91.28
First Commercial Bank, Chicago, $323.0	95.95	95.28	95.29	92.39	91.53	91.62	99.25	102.10	95.43
Devon Bank, Chicago, $290.0	84.25	85.64	86.27	85.20	85.45	88.96	89.71	90.81	87.04
Brickyard Bank, Lincolnwood, $167.5	62.28	59.61	56.91	45.56	47.96	44.84	50.53	57.40	53.14
Peoples' Bank, Arlington Heights, $96.4	72.44	72.27	63.68	74.76	71.88	66.23	68.38	82.54	71.52

Lending in the Assessment Area

The bank's HMDA-reportable loan originations from January 1, 2007 to December 31, 2007, and construction, commercial real estate, commercial loans, and home equity line of credit originations from January 1, 2006 to December 31, 2007, were reviewed to assess the extent of lending within the assessment area. Information from the performance context, such as economic conditions present within the assessment *area, loan demand, bank size, financial condition, and business strategies, was considered when evaluating the bank's performance.*

Exhibit 6, on the next page, depicts the bank's lending within its designated assessment area for 2006 and 2007. Overall, the bank's lending within its assessment area meets the standard for satisfactory performance under this criterion. While a majority of the bank's loans were originated outside of the bank's assessment area, several factors contributed to this pattern of loan distribution. The bank initially opened with its main office temporary housed in a store front location. While the bank has since moved to its new permanent main office, it has only been in the new location for a short period of time. This severely limited the bank's presence in the community. In addition, as a de novo institution, a large percentage of the bank's deposits and loans originated from prior relationships, and subsequently, a majority of the loans were originated to borrowers outside of the assessment area. Finally, the limited opportunities in the local housing market greatly reduced the bank's opportunities for originating residential real estate loans. However, it should be noted that in the two years since the bank's opening, the total percentage of loans originated within the assessment area increased significantly from 16.67% in 2006 to 27.87% in 2007.

Exhibit 6 Distribution of Loans in/out of Assessment Area by Year						
	2006			2007		
Loan Type	# in Sample	# in AA	% in AA	# in Sample	# in AA	% in AA
HMDA-Reportable	N/A*	N/A*	N/A*	11	2	18.18
Construction	1	1	100.00	0	0	0.00
Commercial and Industrial	5	1	20.00	9	4	44.44
Commercial Real Estate	2	0	0.00	6	3	50.00
Home Equity Lines of Credit	16	2	12.50	6	1	16.67
Totals	24	4	16.67	32	9	28.13
* C1BANK was not required to file a HMDA LAR for 2006.						

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Given the demographics of the bank's assessment area, the loan distribution across borrowers of different income levels and businesses of different sizes meets the standards for satisfactory performance under this criterion. The sluggish economy throughout the assessment area has limited the bank's lending opportunities. In addition, the bank has made a considerable effort to fund loans, which is confirmed by the 99.60 percent loan-to-deposit ratio, as of December 31, 2007.

The distribution of the bank's loans reflects reasonable penetration among borrowers of different income and revenue levels, as supported by a review of the bank's HMDA-reportable loans originated from January 1, 2007 to December 31, 2007, and commercial and consumer loans originated from January 1, 2006 to December 31, 2007.

HMDA-Reportable Loans

Exhibit 7, on the following page, shows the distribution of the bank's HMDA-reportable loans originated from January 1, 2007 to December 31, 2007, by income level. As shown, the bank did not originate any loans to low- and moderate-income borrowers during this period. Given the performance context provided below, the bank's HMDA-reportable lending to borrowers of different income levels is reasonable.

The limited percentage of owner occupied housing units (40.52%), the aging housing stock, and the sluggish real estate market limited the bank's residential real estate lending. In addition, the gentrification of the area and subsequent increase in housing value limits the bank's opportunities to provide lending opportunities to low- and moderate-income individuals. While low- and moderate-income families represent 46.00 percent of the population in the assessment area, 11.01 percent of the population is below the poverty level, which further limits lending opportunities. Families below the poverty level would not typically qualify for conventional lending programs.

Exhibit 7 **Loan Distribution of HMDA-Reportable Loans by Income Level** **January 1, 2007 – December 31, 2007**					
Income Level	**Median Family Income and Annual Income Ranges****	**Number of Families Based on Family Income 2000***		**Residential Real Estate Loans**	
	$51,975	#	%	#	%
Low	$0 - $25,988	32,211	26.77	0	0.00
Moderate	$25,989 - $41,580	23,136	19.23	0	0.00
Middle	$41,581 - $62,370	24,326	20.21	0	0.00
Upper	$62,371 +	40,664	33.79	1	50.00
Unknown		0	0.00	1	50.00
Totals		120,337	100.00	2	100.00

* Based on 2000 U.S. Census Data.
** Based on 2007 Department of Housing and Urban Development estimate.

Commercial Loans

The distribution of commercial loans reflects a reasonable penetration among small businesses. The distribution, based on loans originated from January 1, 2006 to December 31, 2007, is shown in Exhibit 8.

Exhibit 8 **Distribution of Small Business Loans by Business Revenue and/or Loan Size*** **January 1, 2006 – December 31, 2007**				
By Revenue	#	%	$	%
Total $1 Million or Less	9	100.00	2,852,500	100.00
Over $1 Million	0	0.00	0	0.00
Total	**9**	**100.00**	**2,852,500**	**100.00**
By Loan Size	#	%	$	%
$100,000 or less	4	44.44	245,000	8.59
$100,001-$250,000	1	11.12	150,000	5.26
$250,001-$1 Million	4	44.44	2,457,500	86.15
Total	**9**	**100.00**	**2,852,500**	**100.00**

By Loan Size and Revenue $1 Million or less	#	%	$	%
$100,000 or less	4	44.44	245,000	8.59
$100,001-$250,000	1	11.12	150,000	5.26
$250,001-$1 Million	4	44.44	2,457,500	86.15
Total	**9**	**100.00**	**2,852,500**	**100.00**

* Includes construction, commercial & industrial, and commercial real estate loans.

Commercial loans with an origination amount of $1 million or less are considered to be small business loans. Small businesses (i.e., those with annual revenues of $1 million or less) typically seek loans in smaller amounts than large businesses. Accordingly, a higher volume of loans in smaller loan sizes is considered indicative of stronger performance in meeting the credit needs of small businesses. The bank originated nine small business loans during the sample period. Of these loans, all were originated to businesses with revenues of $1 million or less, which is considered more than reasonable. Of the bank's nine loans originated to businesses with revenues of $1 million or less, four (44.44 percent) were originated in amounts less than $100,000, which indicates the bank's number of very small loans to small businesses of different sizes is reasonable.

Due to the factors limiting the bank's lending, the number of small business loans originated within the assessment area is also limited. As a de novo bank, a large percentage of the bank's loans come from relationships with borrowers that were established during the loan officers' previous employment, many of which are located outside of the assessment area. In addition, a community representative stated that small business development in the bank's immediate local community has slowed in the recent past, which is indicated by the decreased demand for small business lending in the assessment area.

According to community contacts, area financial institutions are meeting the needs of business owners in the area.

Home Equity Lines of Credit

Exhibit 9 on the next page shows the distribution, by income level, of the bank's home equity lines of credit originated from January 1, 2006 to December 31, 2007. As shown, the bank originated a total of three home equity lines of credit within the assessment area; of which, one was to a moderate-income borrower. Given the performance context provided below, the distribution of the bank's home equity lines of credit to borrowers of different income levels is reasonable.

As mentioned previously, the limited percentage of owner occupied housing units (40.52%), the aging housing stock, and the sluggish real estate market limited the bank's residential real estate lending. In addition, the gentrification of the area and subsequent increase in housing value limits the bank's opportunities to provide lending opportunities to low- and moderate-income individuals. While low- and moderate-income families represent 46.00 percent of the population in the assessment area, 11.00 percent of the population is below the poverty level, which further limits lending opportunities. Families below the poverty level would not typically qualify for conventional lending programs.

Exhibit 9

Loan Distribution of Home Equity Lines of Credit by Income Level
January 1, 2006 – December 31, 2007

Income Level	Median Family Income and Annual Income Ranges**	Number of Families Based on Family Income 2000*		Home Equity Lines of Credit	
	$51,975	#	%	#	%
Low	$0 - $25,988	32,211	26.77	0	0.00
Moderate	$25,989 - $41,580	23,136	19.23	1	33.33
Middle	$41,581 - $62,370	24,326	20.21	0	0.00
Upper	$62,371 +	40,664	33.79	2	66.67
Totals		120,337	100.00	3	100.00

* Based on 2000 U.S. Census Data.
** Based on 2007 Department of Housing and Urban Development estimate.

Geographic Distribution of Loans

The distribution of lending among geographies of different income levels within the assessment area, particularly those areas defined as low- and moderate-income, was reviewed. The bank's HMDA-reportable loan originations from January 1, 2007 to December 31, 2007, and commercial loan and home equity line of credit originations from January 1, 2006 to December 31, 2007, were reviewed. Demographic characteristics of census tracts, such as housing types and income level, were considered in the evaluation.

Exhibit 10, on the following page, shows the distribution, by census tract income, of the bank's HMDA-reportable loans, home equity lines of credit, and small business loans. The bank's geographic distribution of loans reflects reasonable penetration throughout the assessment area. The bank's assessment area includes 5 low-, 34 moderate-, 34 middle-, and 26 upper-income census tracts. Low- and moderate income census tracts represent 39.39 percent of the geographies in the bank's assessment area.

HMDA-Reportable Loans and Home Equity Lines of Credit

HMDA-reportable loans and home equity lines of credit originated by the bank in low- and moderate-income census tracts account for 50.00 and 66.67 percent of each loan type, respectively. Within the assessment area, low- and moderate-income geographies represent 52.23 percent of the population within the assessment area, with families located within low- and moderate-income geographies representing 48.93 percent of the population. The poverty level for families within the low- and moderate-income census tracts within the assessment area is 33.49 and 15.28 percent, respectively. In addition, for HMDA-reportable loans, the aggregated data of all lenders in the assessment area indicates that lenders originated 47.33 percent of their HMDA-reportable loans to borrowers in low- or moderate-income census tracts within the assessment area. The bank's lending to borrowers located in low- and moderate-income geographies is comparable to the distribution of census tract income levels within the assessment area, the distribution of borrowers within the census tracts, and the percentage of loans originated within low- and moderate income census tracts by other lenders within the assessment area.

Small Business Loans

Small business loans originated by the bank in low- and moderate-income census tracts account for 44.44 percent of loans, and low- and moderate-income census tracts represent 39.39 percent of the geographies in the bank's assessment area. Within the assessment area, 33.48 percent of businesses are located within low- and moderate-income census tracts. The bank's lending to businesses located in low- and moderate-income geographies exceeds the distribution of census tract income levels within the assessment area and the distribution of small businesses within the census tracts.

Due to the de novo status of the bank and other factors restricting the bank's lending, the number of HMDA-reportable loans, small business loans, and home equity lines of credit originated within the assessment area are limited. The demand for HMDA-reportable loans and home equity lines of credit is directly impacted by the percentage of owner-occupied units in the assessment area. This percentage is significantly lower than both the MSA and the State of Illinois, and the median housing value is significantly higher than both the MSA and the State of Illinois. These factors reduced the accessibility of housing units available in the assessment area. Also contributing to the bank's limited lending is the slowing of the housing market and the bank's short time in its permanent location. A community representative stated that the growth of small business development in the bank's immediate local community has slowed in the recent past, which is indicated by the decreased demand for small business lending in the assessment area.

Exhibit 10

Loan Distribution By Tract Income
January 1, 2006 – December 31, 2007

HMDA-Reportable								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Bank's Lending**			
	#	%	#	%	#	%	$	%
Low	5	5.05	5,903	4.91	0	0.00	0	0.00
Moderate	34	34.34	52,980	44.03	1	50.00	1,900,000	92.68
Middle	34	34.34	35,732	29.69	1	50.00	150,000	7.32
Upper	26	26.27	25,722	21.37	0	0.00	0	0.00
Totals	**99**	**100.00**	**120,337**	**100.00**	**2**	**100.00**	**2,050,000**	**100.00**

Small Business								
Income Categories	**Tract Distribution**		**Businesses by Tract Income**		**Bank's Lending**			
	#	%	#	%	#	%	$	%
Low	5	5.05	703	4.17	1	11.11	60,000	2.10
Moderate	34	34.34	4,948	29.31	3	33.33	1,030,000	36.11
Middle	34	34.34	5,403	32.00	3	33.33	445,000	15.60
Upper	26	26.27	5,827	34.52	2	22.22	1,317,500	46.19
Totals	**99**	**100.00**	**16,881**	**100.00**	**9**	**100.00**	**2,852,500**	**100.00**

Home Equity Lines of Credit								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Bank's Lending**			
	#	%	#	%	#	%	$	%
Low	5	5.05	5,903	4.91	0	0.00	0	0.00
Moderate	34	34.34	52,980	44.03	2	66.67	325,000	39.39
Middle	34	34.34	35,732	29.69	1	33.33	500,000	60.61
Upper	26	26.27	25,722	21.37	0	0.00	0	0.00
Totals	**99**	**100.00**	**120,337**	**100.00**	**3**	**100.00**	**825,000**	**100.00**

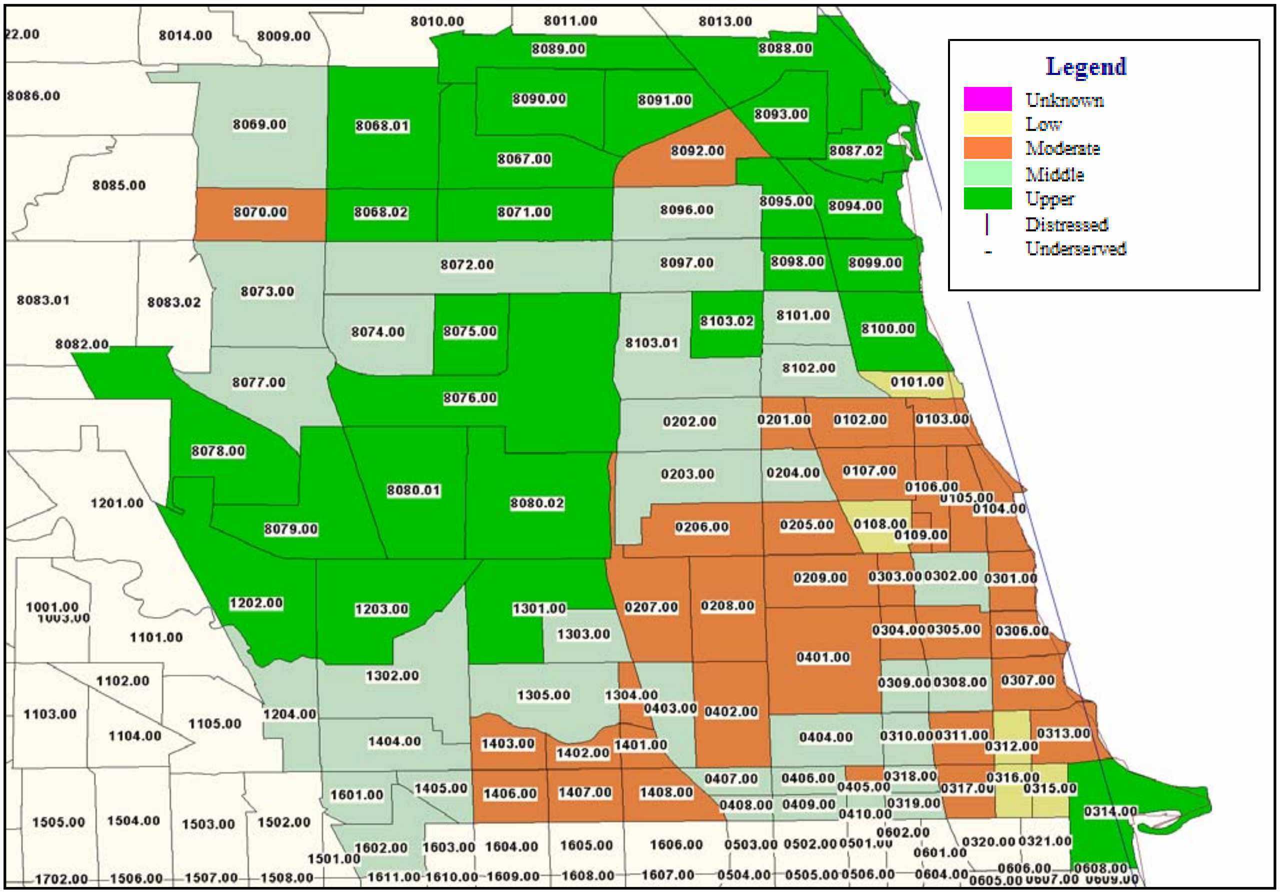
Complaints

This is the bank's first performance evaluation under the CRA; neither the bank nor this Reserve Bank has received any CRA-related complaints since the bank opened in November 2005.

Fair Lending

Community First Bank Chicago is in compliance with the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts. A sample of the banks' lending activity was reviewed to determine whether loan policies and lending standards were in compliance with the fair lending laws and regulations, and that these are being consistently applied to all applicants. No evidence of prohibited discriminatory or other illegal credit practices was detected.

APPENDIX A – ASSESSMENT AREA



APPENDIX B – GLOSSARY

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family.

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are either secured by non-farm or non-residential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by non-farm residential real estate as "small business loans" if the loans are reported on the TFR as non-mortgage, commercial loans.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of geography.