

PUBLIC DISCLOSURE

January 25, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FIRST AMERICAN BANK

RSSD Number: 814533

1812 West Jefferson Street
Joliet, Illinois 60434

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 CRA performance of **First American Bank, Joliet, Illinois** prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **January 25, 1999**. 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 **Satisfactory**.

Review of lending, service and investment activities indicates that the bank satisfactorily serves its assessment area. The bank promotes economic development in a manner consistent with its size, financial capacity and current economic conditions. The bank meets community credit needs primarily through the origination of residential real estate and commercial loans. Although the bank's loan-to-deposit ratio is below its peer and local competitors, the level of lending within the assessment area is adequate. Although the bank has a generally low level of community development lending and investment activity, the bank's assessment area offers limited opportunities for community development investments and lending, due to various financial institution competition. The bank provides a variety of products and services to all portions of the assessment area. No CRA-related complaints have been received by the bank since the previous examination. In addition, the examination revealed no patterns or practices intended to discriminate or to discourage applications from any member of a protected class.

The table on the following page indicates the performance level of **First American Bank, Joliet, Illinois** with respect to the lending, investment and service tests. Based on the component test ratings for large banks, the assigned composite rating is satisfactory.

PERFORMANCE LEVELS	First American Bank, Joliet, Illinois		
	PERFORMANCE TESTS		
	Lending Test	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X		
Needs to Improve		X	
Substantial Noncompliance			

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

DESCRIPTION OF BANK’S ASSESSMENT AREA

The bank is located in the City of Joliet, Illinois. Joliet is located approximately 35 miles southwest of downtown Chicago. The bank’s assessment area has increased since the previous examination. Four whole census tracts (all considered middle-income) were added to the previous assessment area. The assessment area is defined as 28 census tracts, #8804.04 through #8832.07, in the Chicago Metropolitan Statistical Area (MSA), all located in Will County. The assessment area contains, wholly or in part, the cities of Joliet, New Lenox, Channahon, Romeoville, Bolingbrook, Manhattan, Preston Heights, Wilmington and Braidwood. In addition, the villages of Plainfield, Shorewood and Rockdale are included. The 1990 United States Census data revealed the population of the bank’s assessment area as 120,311. The assessment area’s total population includes 5,038 or 4.2% of individuals who are in correctional institution nursing homes.

According to the U. S. Census data, the assessment area includes, three or 10.7% low-income, four or 14.3% moderate-income, 15 or 53.6% middle-income and six or 21.4% upper-income census tracts. Within these census tracts, there are a total of 30,344 households that are families. Of these families, 5,573 or 18.4% are low-income, 5,703 or 18.8% are moderate-income, 8,978 or 29.6% are middle-income and 10,090 or 33.3% are upper-income. The 1997 and 1998 annually updated median family income for this area was \$55,800 and \$59,500, respectively.

According to the Illinois Department of Labor, Will County and the State of Illinois had an estimated unemployment rate of 5.0% as of December 1996, compared to 4.1% for December 1998. Community contacts within the assessment area indicated that the City of Joliet has historically experienced high unemployment and declining property values due to the closing of an area steel mill a few years ago. This trend, as a result of manufacturers relocating to the area and the opening of the river boat casinos, has reversed the Joliet area's economy and allowed for a boost in employment opportunities. Major employers in the area (including their line of business and total number of employees) include: Caterpillar Inc. (manufacturing earth moving equipment, 2,762); Provena St. Joseph Medical Center (hospital, 2,400); Will County Government (county government, 1,686); Empress Casino Joliet Corp. (riverboat gambling, 1,600); Harrah’s Joliet Casino Cruises (riverboat gambling, 1,404) and Silver Cross Hospital (general hospital, 1,200). Additionally, the three state correctional facilities throughout the Joliet

area provide approximately 1,755 jobs for area residents. Local businesses within the assessment area are primarily service oriented.

According to the 1990 U.S. census data, the median housing value in the assessment area is \$74,310, compared to the State of Illinois median housing value of \$80,114. There are 43,656 housing units within the bank's assessment area, of which 28,810 or 66.0% are owner-occupied, 11,957 or 27.4% are rental and 2,889 or 6.6% are vacant. One-to-four family unit homes account for the majority (36,352 or 83.3%) of the assessment area's housing. The median age of homes in the bank's assessment area is 48 years, with 14,473 or 33.2% built prior to 1950. Community contacts stated that there appears to be a shortage of affordable housing within the assessment area, as there is currently a lack of affordable housing development. The assessment area has an affordability ratio of 48.3% (median household income to median household value), compared to a ratio of 33.3% for the Chicago MSA. This ratio reveals the housing in the bank's assessment area is considered more affordable, on average, than that of the entire Chicago MSA.

DESCRIPTION OF INSTITUTION

First American Bank, Joliet, IL, with total assets of \$116.4 million as of September 30, 1998, is a subsidiary of First American Bank Corporation, a multi-bank holding company located in Elk Grove Village, Illinois. The bank operates a main office located at 1818 West Jefferson Street Joliet and two full service branch offices located at 3205 Mall Loop Drive in Joliet and 1290 West Boughton Road in Bolingbrook. Deposit services and loan applications are available at all locations. The bank has automated teller machines (ATM) located at each facility.

The bank's primary business focus is retail banking, with real estate-related loans being the predominant product. The September 30, 1998 Consolidated Report of Condition, reveals approximately 94% or \$52 million of the bank's loan portfolio is comprised of loans secured by real estate. Approximately 76% of the real estate loans are secured by one-to-four family residences, which include conventional loans with or without private mortgage insurance coverage, construction loans and home equity loans. Commercial real estate and industrial loans represent 21% of the bank's total loan volume. While consumer products comprise 2% including automobile, overdraft protection and other secured and unsecured personal loans.

The bank's local competitors include the home offices of the Bank of Joliet and First National Bank of Joliet. Additional competition is provided by other large and small bank branches and credit unions located in neighboring communities. Primary competition include the branch offices of First Midwest Bank, NA and the Bank of Shorewood.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

The institution is in compliance with the substantive provisions of antidiscrimination laws and regulations, including the Fair Housing Act and the Equal Credit Opportunity Act.

LENDING TEST

The bank’s lending activity since the previous examination was reviewed. The bank’s lending activity concerning the geographic distribution of loans and the distribution of lending to borrowers of different income levels and businesses of different sizes was evaluated. Additionally, community development lending activity and the use of innovative and flexible lending practices were also evaluated to ascertain whether the bank was meeting the credit needs of its assessment area.

Lending Volume

A review of the September 30, 1998, Consolidated Report of Condition (call report) revealed that the bank’s loan portfolio is dominated by residential real estate (open and closed-end) and commercial and industrial loans, representing about 76% and 21%, respectively. Loan growth increased every quarter during the six-quarter review of the bank’s call reports dated, June 30, 1997 through September 30, 1998. During this period, the bank’s average loan growth was 11%. According to management, loan growth was the result of the bank’s aggressive home equity product advertising during the review period. Open-end real estate loans are a major part of the bank's lending activity.

An analysis of the bank’s call reports since the previous examination, revealed an average loan-to-deposit (LTD) ratio of 49.16%, compared to a ratio of 48.10% at the previous examination. The following chart illustrates the bank’s quarterly loan-to-deposit ratios since the previous examination.

09/30/98	06/30/98	03/31/98	12/31/97	09/30/97	06/30/97
51.53%	51.85%	49.28%	49.70%	47.48%	45.10%

Although the bank’s LTD ratio has increased slightly since the previous examination, it does not compare favorably to its national peer group or local competitors. As of September 30, 1999, the average LTD ratio for the bank’s national peer group, or all insured commercial banks having similar assets and banking offices, totaled 68.64%. The following table shows LTD ratios for the bank’s peer group and a sample of local competitors. Management stated those financial institutions that are within the bank's assessment area that provided the majority of their competition included those branch offices of two large and two small institutions, relative to their asset sizes. The following chart reveals comparative ratios for peer group and local competition:

Institution	Total Assets 09/30/98 (\$000's)	LTD Ratio 09/30/98	LTD Ratio 09/30/97	(*Average LTD Ratio Six Quarters Ended 09/30/98
First American Bank	\$ 116,412	51.53%	47.48%	49.16%

National Peer Group		71.01%	67.59%	68.64%
Bank of Shorewood	\$ 40,399	62.66%	70.45%	64.45%
Bank of Joliet	\$ 42,826	67.79%	65.34%	66.12%
First National Bank of Joliet	\$ 901,886	62.21%	60.32%	61.19%
First Midwest Bank, NA	\$ 3,786,336	73.87%	84.28%	81.02%

(* Information taken from financial records for the six quarters and averaged.)

The bank's LTD ratio has experienced an increasing trend since the previous examination. Although the preceding chart indicates that the bank's average LTD ratio is below that of the peer group and competitors, it should be noted that the banks peer group includes all insured commercial banks located in a metropolitan area, having assets between one hundred and three hundred million dollars and three or more banking offices. Management stated that the bank receives loan requests for products that they do not offer and refer these applications to other sources. By making these referrals, the bank provides other lenders with the opportunity to assist them in meeting the needs of their customers. During the 1998 calendar year, the bank referred 37 or \$4.3 million of mortgage loan applications to the secondary market. In addition, the bank, along with its affiliate's, referred 177 or \$742,973 in student loans to an outside source. These referrals assisted the bank in meeting the credit needs of the local community by offering residents the opportunity to obtain credit that is not offered by the bank. Additionally, management refers mortgage applications that are denied due to normal credit standards to another department within the bank (Alternative Credit Department) in an attempt to originate the request under other terms/conditions or through other sources.

The bank's lending activity, concerning 1-4 family real estate and home equity, compares favorably to that of its peer group. According to the September 30, 1998 Uniform Bank Performance Report (UBPR), the bank's loan portfolio compared to its peer group revealed that the bank has a significant amount or approximately 78% of its loan mix as single-family residential real estate. Approximately 30%, or a significantly less amount, of the peer group loan mix is devoted to single family residential real estate. In addition, the bank devotes approximately 33% of its loan mix to home equity loans, while the peer group devotes approximately 3%.

Lending In the Assessment Area

The bank's lending activity (residential real estate and commercial loans) was evaluated to determine the bank's lending within the assessment area. The bank's Home Mortgage Disclosure Act (HMDA) data was reviewed to ascertain the bank's level of lending within its assessment area since the previous examination. Since the bank was not required to report its small business lending activity for the 1997 calendar year, due to regulatory requirements. The bank's level of lending to small businesses, and businesses with gross annual revenues less than one million dollars, was reviewed only for the 1998 calendar year.

During 1997 and 1998, the bank originated 355 (\$17.8 million) and 281 (\$12.4 million) HMDA reportable loans, respectively. Of these, 186 (52.39%) and 149 (53.02%) were originated within the bank's assessment area

During 1998, the bank originated 19 small business loans. Of these small business loans, 15 or 79% were originated within the assessment area. These loans totaled \$2.7 million or 81% of \$3.3 million of the small business loan dollars granted.

When the 1997 and 1998 residential mortgage and 1998 small business lending activity is combined, a total of 655 loans were originated since the previous examination. A total of 350 or 53.44% of its volume was originated within the assessment area. Although, the bank originated the majority of the number of loans within the assessment area, less than the majority of the loan dollars were granted within the assessment area. A total of \$33.5 million in HMDA and small business loans were granted since the previous examination. Of this total, \$16 million or 47.76% of those dollars were originated within the assessment area.

The reason that the majority of loan dollars were originated outside the bank's assessment area is primarily due to the small number of business loans and large dollar volume held within the sample reviewed. Management stated they were aware that less than the majority of their loan dollars were granted within the assessment area primarily due to the requested amount for residential mortgages. For the 1997 calendar year, the average mortgage loan was approximately \$45,328, based upon the number of originations and the total dollars granted within the assessment area.

The bank's performance regarding its major lending activity is adequate. The bank's majority of its lending activity since the previous examination was found to be inside of its assessment area. A review of the bank's 1997 and 1998 residential mortgage and 1998 small business lending activity revealed approximately 53% of the loans were originated within the assessment area. Although the majority of these loans were granted within the assessment area, the majority of the loan dollars were granted outside of the assessment area. Although the bank's loan-to-deposit ratio is unfavorable when compared to their peer group and local competitors, it was found that the bank offers consumers the opportunity to obtain mortgage and student loans by referring them to other sources.

Geographic Distribution

The bank's lending activity of HMDA-related and small business loans was reviewed in order to assess the geographic distribution among different geographies within the assessment area. The distribution of the 1997 and 1998 HMDA-related and the 1998 small business loans originated within the assessment area were reviewed.

The 1997 HMDA data revealed 186 or \$8.4 million of loans were originated within the bank's assessment area. Of these loans, 6 or \$292,000 were originated within low, 6 or \$139,000 were originated within moderate, 110 or \$4.6 million were originated within middle and 64 or \$3.4

million were originated within upper income census tracts. The 1998 HMDA data revealed 149 or \$4.9 million of loans were originated within the assessment area. Of these loans, 6 or \$185,000 were originated within low income, 3 or \$62,000 were originated within moderate income, 94 or \$3.1 million were originated within middle income and 46 or \$1.5 million were originated within upper income census tracts.

Small business loans for 1998 revealed the bank originated 15 or \$2.7 million of small business loans within the assessment area. Of these loans, 2 or \$108,000 were originated within low, 10 or \$2.2 million were originated within middle and 3 or \$392,000 were originated within upper income census tracts. None were originated in moderate-income census tracts.

When the 1997 and 1998 residential mortgage and 1998 small business lending activity is combined, a total of 350 or about \$16 million in loans were originated within the assessment area. Of the mortgage and business loans originated within the assessment area, 14 or 4.00% were in low-income, 9 or 2.57 % were in moderate-income, 214 or 61.14% were in middle-income and 113 or 32.29% were in upper-income census tracts. Additionally, the dollar volumes were \$585,000 or 4%, \$201,000 or 1%, about \$9.9million or 62% and \$5.4million or 33%, respectively. This information compares somewhat unfavorably to the geographic characteristics of the bank's assessment area. The bank has 28 census tracts, with three or 11% low-income, four or 14% moderate-income, 15 or 54% middle-income and six or 21% considered upper income. Although the majority of the number and dollar amounts of loans were originated within the census tracts that dominantly comprise the bank's assessment area, those seven low and moderate-income census tracts were not penetrated proportionately. Of these low and moderate-income census tracts, the ability to originate home mortgage loans was found to be minimal due to the composition of home ownership within the assessment area. Of the total 43,656 housing units within the assessment area, only 7,204 or 16.5% are located within low and moderate-income census tracts. In addition, of the total 28,810 owner-occupied units within the assessment area, only 2,877 or 10% are located within low and moderate-income census tracts. Of the 7,204 housing units within low and moderate-income census tracts, only 2,877 or 39.9% are owner-occupied or available for mortgage lending opportunities.

The 1998 HMDA data and small business loans were used to verify the dispersion of the bank's lending activity within the assessment area. The following chart illustrates the sample of loans, by number:

Income Classification of Census Tract	Number of Real estate Loans	Percent of Real estate Loans (%)	Number of Commercial Loans	Percent of Commercial Loans (%)	Percent of Grand Total Loans (%)
Low-Income	0	0%	2	18%	6%
Moderate-Income	0	0%	0	0%	0%

Middle-Income	18	72%	7	64%	69%
Upper-Income	7	28%	2	18%	25%
Total	25	100%	11	100%	100%

The above sample supports the fact that the majority of the bank's small business and residential mortgage loans are originated within the middle and upper-income census tracts within the assessment area. Management stated they were aware that the majority of their loan dollars were granted within middle and upper-income census tracts within the assessment area and have initiated outreach and call programs to assist in increasing lending volume throughout the various census tracts within the assessment area.

The bank's geographic distribution of HMDA and small business loans among different geographies within the assessment area is adequate. The majority of the bank's lending activity occurred within the middle and upper-income census tracts within its assessment area. Although these areas primarily comprise the bank's lending territory, the penetration among low and moderate-income census tracts was considered low. Although, low and moderate-income census tracts comprise one fourth of the bank's assessment area, only 15% of the total housing units within the assessment area are located within these census tracts. In addition, of the total owner-occupied units within the assessment area, only 2,877 or about 10% were within the low and moderate-income census tracts. This supports management's response to the low level of mortgage lending within these areas.

Borrower Characteristics

The bank's lending activity of HMDA-related and small business loans was evaluated to assess the lending to borrowers of different income levels and businesses of different sizes within the assessment area. The 1997 and 1998 HMDA-related loans and the 1998 small business loans were reviewed to ascertain the lending activity among those borrowers within the assessment area.

The 1997 HMDA data revealed 185 or \$8.4 million of loans were made within the bank's assessment area. (It was noted that one loan report excluded income information.) Of the 185 loans, 7 or \$186,000 were granted to low-income, 33 or \$1.2 million were granted to moderate-income, 79 or \$3.2 million were granted to middle-income and 66 or \$3.8 million were granted within upper income census tracts. (It should be noted that one loan for \$71,000 was included in the HMDA data, but the borrower's income information was unknown.) The 1998 HMDA data revealed 149 or \$4.9 million of loans were granted within the assessment area. Of these loans, 5 or \$170,000 were granted to low-income, 27 or \$903,00 were granted to moderate-income, 73 or \$2.3 million were granted to middle-income and 44 or \$1.6 million were granted to upper-income borrowers.

The bank's small business loans for 1998 revealed the bank originated 15 or \$2.7 million of small business loans within the assessment area. Of these loans, 6 or 40% were originated to small

businesses or businesses with total revenues less than one million dollars. Of these 6 loans, five were granted in amounts less than \$100,000, with the remaining loan made in an amount less than \$250,000. These loans totaled \$537,000 or 23% of the total dollars devoted to small business loans within the assessment area.

Although the bank began reporting its CRA business loan data to the Federal Reserve Bank in 1999, the above information was verified with the June 30, 1998 call report. As of the report date, 20 loans secured by nonresidential properties were outstanding, totaling \$2.9 million. Additionally, 30 commercial and industrial (non-real estate related) loans were outstanding, totaling \$1.2 million. The original amounts of all of these loans were less than one million dollars. The total real estate loans outstanding, secured by nonfarm nonresidential properties, was \$7.4 million. Of this total 39.19% were small loans originated to small businesses. All of the total commercial and industrial loans outstanding were originated to small businesses, according to the call report.

This call report information compares adequately and supports the volume of small business lending activity within the assessment area. This supports the fact that a large number of small business loans were originated within the assessment area and were made to small businesses. Although it was found that of the small business loans originated during 1998, only 40% were granted to businesses with total revenues less than one million dollars, the majority of the loans originated were in small dollar amounts.

When the 1997 and 1998 residential mortgage lending activity are combined, a total of 334 or \$13.3 million in loans were originated within the assessment area. Of these mortgage loans originated within the assessment area, 12 or 3.59% were to low-income, 60 or 17.96% were to moderate-income, 152 or 45.51% to middle-income and 110 or 32.93% to upper-income individuals. Additionally, the dollar volumes were \$356,000 million or 2.68%, \$2.1 million or 15.81%, \$5.5 million or 41.35% and \$5.4 million or 40.60%, respectively. This information compares favorably to the borrower characteristics of the assessment area. According to the 1990 U. S. Census data, 18.8% moderate-income, 29.6% middle-income and 33.3% upper-income families. Although the majority of the assessment area consists of middle and upper-income individuals and the majority of the mortgage loans were granted to those types of borrowers, activity among low-income individuals was weak. The bank's assessment area consists of 18.4% low-income individuals, while lending to these individuals was approximately 4%. According to the United States Census data, low-income families earn, on average, \$29,749 or less based upon the adjusted median family income as of 1998.

The bank's penetration of HMDA and Small business loan activity among individuals of different income levels and businesses of different sizes need improvement. The majority of the lending activity occurred with borrowers that are considered the majority of the assessment area. Bank management indicated that, since the previous examination, the bank has not performed any lending activity that would be considered qualified community development loans.

Innovative or Flexible Lending Practices

The bank participates in an Affordable Mortgage Program, which is designed to provide mortgage financing to low and moderate-income homebuyers. This program offers a wide variety of first mortgage products. These products include fixed and adjustable rate loans with rates and fees which are competitive in the market place. All fixed rate products are sold to Federal Home Loan Mortgage Company (FHLMC). The adjustable rate products are priced lower than the fixed rate products with more flexible underwriting guidelines. These feature 40/40 debt to income ratios or allow for a higher housing expense and total debt to income ratio. This program has been more attractive for low and moderate-income applicants to apply for. All of these mortgages are held within the bank's portfolio.

Additionally, the bank offers a zero point prime rate based on home equity line of credit for low and moderate-income applicants. This product is the In addition to the 40/40 debt to income ratios mentioned above, the adjustable rate program features alternative documentation for verification of assets and income, credit information, and demonstrated ability to pay to make it easier for applicants to qualify than more rigid FHLMC criteria.

Since the previous examination, the bank originated 44 or \$6.5 million under the Affordable Mortgage Program. Of the total originations, 34 or 77% were within the assessment area. Of this total, 19% were originated to borrowers considered low or moderate-income. Additionally, of the loans originated within the assessment area, loan amounts varied between \$17,000 and \$200,000, with the majority being less than \$115,000.

CONCLUSION

The bank's performance regarding its lending activity is adequate. The bank's majority of its lending activity since the previous examination was inside its assessment area. Although the majority of the bank's lending activity occurred in middle and upper-income census tracts within its assessment area, low and moderate-income areas need improvement. The bank has a reasonable penetration of HMDA and small business loan activity among individuals of different income levels and businesses of different sizes. Although, the majority of the lending activity occurred with borrowers that are considered the majority of the assessment area, lending activity to low-income individuals and small businesses is weak. Since the previous examination, the bank has not made any community development loans, and made limited use of innovative and/or flexible lending practices to serve the assessment areas credit needs. Based on the findings, the lending rate is rated low satisfactory.

INVESTMENT TEST

The bank's investment portfolio and activities that foster community development were reviewed. In addition, grants and donations given were reviewed for innovativeness,

responsiveness to credit and community development needs and the degree to which private investors do not routinely provide these investments.

Management stated, since the previous examination, the bank has not performed any investment activity that would be considered qualified investments. Additionally, the grants or donations noted since the previous examination did not qualify for community development.

CONCLUSION

The bank’s performance demonstrates a less than adequate level of qualified community development investments and grants, and it exhibits poor responsiveness to credit and community development needs. The bank rarely uses qualified investments to support community development initiatives; therefore, its performance does not meet the standards for a satisfactory rating.

SERVICE TEST

The bank’s systems for delivering retail banking and community development services were reviewed for range and accessibility, innovativeness and responsiveness the alternative nature of the systems used for delivering services were reviewed. In addition, the distribution of the bank’s branches, record of opening and closing branch offices and community development service activities were reviewed.

Retail Banking Services

The bank is a full-service bank with a main office and two branch offices. Drive-up facilities are also located at each office. In addition, there are four ATM (Automated Teller Machines) at their two offices to further accommodate accountholders. The bank offers a full array of loans to consumers, businesses and organizations in accordance with nondiscriminatory lending standards. Additionally, the bank has designed a variety of deposit products, to meet the different needs of the residents and commercial customers in the assessment area.

Distribution of Branches Among Geographies

The following table illustrates the bank’s hours of operation at the two locations and drive-up facilities:

FIRST AMERICAN BANK LOCATIONS	COUNTY/ CENSUS TRACT	HOURS OF OPERATION		
Main Office *Opened 8/97 1818 W. Jefferson Street Joliet – 60435	Will/ 8828.00	Lobby: Drive-Up:	8:00am – 5:00pm 8:00am – 6:00pm 8:00am – 1:00pm	Monday – Thursday Friday Saturday

FIRST AMERICAN BANK LOCATIONS	COUNTY/ CENSUS TRACT	HOURS OF OPERATION		
			8:00am – 5:00pm 8:00am – 6:00pm 8:00am – 1:00pm	Monday – Thursday Friday Saturday
Bolingbrook Branch *Opened 2/99 1290 W. Boughton Road Bolingbrook– 60440	Will/ 8801.04	Lobby: Drive-Up:	8:00am – 6:00pm 8:00am – 1:00pm 8:00am – 6:00pm 8:00am – 1:00pm	Monday – Friday Saturday Monday – Friday Saturday
Louis Joliet Mall *Opened 6/98 3205 Mall Loop Drive Joliet – 60431	Will/ 8804.06	Lobby: Drive-Up:	9:00am – 6:00pm 9:00am – 1:00pm 8:00am – 6:00pm 8:00am – 1:00pm	Monday – Friday Saturday Monday – Friday Saturday

*Automated teller machines (ATM) Available

Alternative Systems for Delivering Retail Banking Services

Through the First American Bank ATM network, the bank provides a wide variety of alternative delivery channels for retail banking services which increases access for low-to and moderate income individuals. Currently the network operates 180 ATMs at Chicagoland and statewide locations. Also, bank customers with a First American Bankcard are able to utilize the Cash Station ATM network located throughout the Midwest area to conduct basic transactions. Seventeen hours a day, banking is available through “Bank-By-Phone”, a telephone banking service, and 24 hours daily through “FirstAmBank”, a computer banking service utilizing the Internet.

The bank’s alternative initiatives are primarily focused on loan referrals to other investment entities. The bank has formed an alternative credit department (ACD) to provide a funding source for mortgage loan applicants who do not meet its credit standards. These applicants are referred to brokers. The bank assists the consumers by providing advice and counsel regarding the ACP program. During the 1998 calendar year, the bank referred 37 or \$4.3 million of mortgage loan applications to the secondary market. In addition, the bank, along with its affiliate’s, referred 177 or \$742,973 in student loans to an outside source. These referrals assisted the bank in meeting the credit needs of the local community by offering residents the opportunity to obtain credit that is not offered by the bank. Since the previous examination, the bank referred a total of 23 loans totaling \$825,924 to the ACP program.

Record of Opening and Closing Offices

The bank has opened a new main office and two branch offices and closed two facilities since the previous examination. Neither the main office nor the branches are located in low- or moderate-income census tracts. Although one location is currently outside of the bank's

assessment area, management stated during the annual review of its assessment area, the branch will be included. The other locations are located within the bank's assessment area and are readily accessible to all individuals, including low and moderate-income residents and small businesses. All bank locations offer Saturday hours as a convenience for bank customers.

Range and Accessibility of Services Provided to Geographies

The bank's offices offer services to meet the needs of the assessment area, including the low- and moderate-income individuals. In addition to regular banking services, the bank offers Free Checking, a no-cost account featuring no minimum balance, no monthly maintenance fee and no cost per check fee; and Classic Checking Account, an account for customers age 45 and over with no cost check writing and a free First American ATM card.

Community Development Services

The bank has been active in providing community development services to Will County organizations. The bank's initiatives are focused on three different areas of concern: affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals, and activities that promote economic development. An example of one of those initiatives that continues is affordable housing.

The bank generally provides community development services to various organizations with a stated or implied purpose of community development. Involvement in these organizations is provided by both bank officers and employees; utilizing the financial expertise of those involved.

The bank and its affiliates also participate in programs to promote home-ownership. The bank and its affiliates offer a pre-homeownership counseling/education program. Interested consumers are encouraged to talk to retail or mortgage representatives prior to the purchase of a home to learn of the underwriting guidelines for each of the loan products, including the flexible underwriting guidelines that accommodate low to moderate-income home buyers. Interested consumers are encouraged to submit a pre-qualification application at no charge. This allows the consumer to learn whether his/her request would qualify for the size and type of mortgage loan desired, prior to signing a purchase contract.

CONCLUSION

The bank's service delivery systems are accessible to all portions of the assessment areas. Its offices are accessible and delivery systems address the needs of low- and moderate-income people and/or geographies. The bank provides a reasonable level of community development services. Overall the bank's performance is considered to be highly satisfactory; this is attributed to the ACD referral program and credit counseling activities.

OVERALL CONCLUSION

The bank's performance is generally strong. The overall concentration of lending within the two assessment areas is less than adequate; however, the distribution of loans to low- and moderate-income individuals is strong and the distribution to low- and moderate-income geographies is reasonable. The bank's level of qualified investments and grants are less than satisfactory; however, services are accessible to all segments of the assessment areas and business hours are reasonable.