

PUBLIC DISCLOSURE

January 25, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First American Bank
RSSD 850036

261 S. Western Ave.
Carpentersville, IL 60110

Federal Reserve Bank of Chicago

230 S. LaSalle Street
Chicago, IL 60604

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 RATING

INSTITUTION’S OVERALL COMMUNITY REINVESTMENT ACT (CRA) RATING: First American Bank is rated **Substantial Noncompliance**.

First American Bank’s (bank) rating is “substantial noncompliance”. The bank was initially rated “needs to improve” based on less than satisfactory performance under each of the three CRA performance tests – lending, investments and services. However, due to the significant fair lending compliance issues detected under the consumer compliance examination, the bank’s overall CRA rating was lowered to “substantial noncompliance”. The compliance examination revealed substantive violations of the Fair Housing Act and the Equal Credit Opportunity Act, and other fair lending concerns. See the “Conclusions With Respect to Performance Tests” and “Fair Lending Issues” sections for a more detailed discussion of fair lending compliance findings.

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

* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

The CRA Examination commenced on January 25, 2001 and concluded on February 19, 2002. The previous CRA examination of First American Bank Carpentersville is dated January 25, 1999, and the bank was rated “satisfactory”.

Summary of Major Factors Supporting Rating

Lending Test

- While the type of lending products and levels reflect an adequate responsiveness to the needs of the assessment area, the dispersion of the bank's real estate, consumer, and small business loans throughout the assessment area is very poor; portions of the assessment area with large concentrations of low- and moderate-income census tracts have very few loans.
- While the bank originated a very high proportion of its real estate, consumer, and small business lending within the assessment area, the penetration of these loans in low- and moderate-income census tracts is very poor.
- The number of home mortgage and other consumer loans to low-and moderate-income borrowers is poor, and very few of these borrowers live in low- and moderate-income census tracts.
- The number of small business loans as measured by loan size is poor, and the number of small business loans as measured by business size is very poor. In addition, the dispersion of small business loans throughout the assessment area is very poor.
- The bank's record of community development lending is very poor, especially given the high level of community development lending opportunities available in the assessment area.
- The bank does not use any innovative or flexible lending practices or products to target low- and moderate-income borrowers.

Investment Test

- The dollar amount of the bank's community development investments is poor, given the high level of community development investment opportunities available in the assessment area. As a result, the bank's leadership in making community development investments is also considered poor.
- The responsiveness of the bank's community development investments to credit and community development needs is very poor; aside from one moderate-sized investment in a loan pool, the remainder of its investments are small dollar amount, general purpose grants, and in-kind donations that only minimally target financial needs or economic development of low-and moderate-income individuals or census tracts.
- The bank's limited community development investments were made to organizations located in its assessment area, and investments benefit the assessment area.

Service Test

- The distribution of branches throughout the assessment area is very poor, as they do not provide an effective distribution network for serving low- and moderate-income communities in its assessment area. Only one branch is located in a moderate-income

census tract, in downtown Kankakee, Illinois; there are no branches located in low-income census tracts.

- The bank opened three branches since the previous examination, none in low-and moderate-income census tracts; the bank has not closed any branches since the previous examination.
- The availability of alternative service delivery systems in low- and moderate-income census tracts and to low- and moderate-income individuals is very poor. Only one of the bank's 78 full-service automated teller machines (ATMs) (located in the aforementioned downtown Kankakee branch office) is in a moderate-income census tract; none are located in low-income census tracts. Twenty-two and 5/10ths percent of its 167 limited service cash dispensing machines (CDMs) are in low- and moderate-income census tracts. The bank's Internet site does not have any features that target low- and moderate-income individuals or census tracts, and the website is English-language only. The bank's credit department provides a loan-by-phone service; however, voice mail options are in English-language only. Other language assistance can be requested, but this must be done through a live operator and the request must be made in English, thus severely restricting bi-lingual access to this alternative delivery system.
- Branch business hours and services are uniform throughout the assessment area.
- The range of services offered throughout the bank's branch network meets the needs of the community; however, the very poor penetration of low- and moderate-income portions of the assessment area by bank branches and full-service ATMs severely limits the extent to which low- and moderate-income individuals' financial service needs are met by the bank.
- The bank's record of community development services is very poor; of the five service activities presented by the bank, only one (Bank at School) partially targets low- and moderate-income individuals or census tracts. Benefits provided to low- and moderate-income individuals by the other services are minimal and incidental to the activity, despite the large number of community development service needs and opportunities in the assessment area.
- The bank's record of innovation and responsiveness to community development service needs is very poor.

Fair Lending Issues

- The bank's initial "needs to improve" CRA rating, based on bank performance under the three CRA performance tests, has been lowered to "substantial noncompliance" based on substantive violations of the Equal Credit Opportunity Act and the Fair Housing Act. These violations were detected during the compliance examination that was conducted concurrently with this CRA performance evaluation.

INSTITUTION

DESCRIPTION OF THE ASSESSMENT AREA

The bank is a subsidiary of First American Bank Corporation in Elk Grove Village, Illinois, a bank holding company. On September 13, 1999, First American Bank (FAB) Corporation consolidated the three charters of FAB Kankakee, FAB Carpentersville, and FAB Joliet, into to one charter, called First American Bank Carpentersville, Illinois. Note that the three banks that existed previously under three separate charters were each examined individually, as separate entities. Upon the consolidation of the charters, the assessment areas for the three charters (see PE Map 1, Appendix 8) were combined as well, resulting in two assessment areas for the new combined bank (see PE Map 2). Review of the two new assessment areas revealed substantive concerns regarding the unreasonable exclusion of low- and moderate-income census tracts. After a series of discussions during the examination between examiners and the bank, the bank revised its assessment areas into one larger and combined assessment area (see PE Map 3), comprised of the entire Chicago and Kankakee Metropolitan Statistical Areas ("MSAs" #1600 and #3740, respectively). Comparison of PE Map 3 to PE Map 2 shows the extent to which low- and moderate-income census tracts had been excluded. The bank's CRA record was evaluated using the revised assessment area of the Chicago and Kankakee MSAs.

The Chicago MSA is comprised of the following counties: Cook, Lake, McHenry, Kane, DuPage and Will. The Kankakee MSA is comprised of Kankakee County. The revision added 1,367 census tracts to the 435 census tracts that comprised the original two assessment areas; the new assessment area totals 1,802 census tracts.

The Chicago MSA totals 1,776 census tracts; census tract income distribution is as follows:

- 308 (17%) low-income census tracts
- 374 (21%) moderate-income census tracts
- 685 (39%) middle-income census tracts
- 409 (23%) upper-income census tracts

The Kankakee MSA is contiguous to the Chicago MSA, and is located approximately 60 miles southwest of downtown Chicago. It totals 26 census tracts; census tract income distribution is as follows:

- 2 (8%) low-income census tracts
- 4 (15%) moderate-income census tracts
- 18 (69%) middle-income census tracts
- 2 (8%) upper-income census tracts

The revised assessment area totals 1,802 census tracts; census tract income distribution is as follows:

- 310 (17%) low-income census tracts
- 378 (21%) moderate-income census tracts
- 703 (39%) middle-income census tracts
- 411 (23%) upper-income census tracts

DESCRIPTION OF THE INSTITUTION

According to the Uniform Bank Performance Report ("UBPR"), the bank had reported \$1.63 billion in assets as of December 31, 2000. Table 1 below shows the loan portfolio mix as of December 31, 2000.

Table 1

LOAN PORTFOLIO MIX AS OF UNIFORM BANK PERFORMANCE REPORT 12/31/2000			
LOAN CATEGORY	LOAN TYPE	DOLLAR AMOUNT	PERCENTAGE OF PORTFOLIO
Real Estate	Construction & Development	\$90,388	7.87
	1-4 Family Real Estate	302,634	26.35
	Home Equity	185,830	16.18
	Farmland	2,642	0.23
	Multifamily	11,485	1.00
	Non-farm non-residential	257,842	22.45
Commercial and Industrial		250,492	21.81
Consumer	Loans to Individuals	19,755	1.72
	Credit Cards	1,493	0.13
Municipal		17,343	1.51
All other		5,168	0.45
Lease financing receivables		3,446	0.30
Agricultural		0	0.0
Totals		\$1,148,517	100.0

As stated above, the bank's portfolio is predominately in 1-4 family real estate loans (26.35%), followed closely by non-farm non-residential (i.e., commercial) real estate loans (22.45%) and commercial/industrial loans (21.81%). Its business approach involves aggressive marketing of consumer home mortgage and home equity loan products to middle- and upper-income individuals, primarily those located in middle- and upper-income portions of the assessment area. The bank also targets those portions of the assessment area – currently in and around Chicago's downtown area – showing evidence of high levels of upscale housing redevelopment. The bank offers an adequate variety of consumer and commercial loans, with heavy concentration in real estate lending (74.08%). Of its real estate loan portfolio, 57.4% is in consumer real estate lending, split 38% in home equity loans and 62% in 1-4 family mortgages. The bulk of the bank's consumer

lending is centered in these two real estate products; the bank's other consumer lending ("loans to individuals" and "credit cards") totals only 1.85% of its loan portfolio.

Telephone, Internet, and mail-transaction banking services are also available. The bank has 30 branches, 78 full-service automated teller machines (ATMs), and 167 cash dispensing machines (CDMs).

For the purposes of peer group comparisons using data from the UBPR, the bank's peer group includes all insured commercial banks having between \$1 billion and \$3 billion in assets. The trend data in Table 2 below shows that subsequent to the 6/99 UBPR, the bank's loan-to-deposit (LTD) ratio dropped to notably below its peer group.

Table 2

8-QUARTER BANK VS. PEER GROUP LOAN-TO-DEPOSIT RATIOS*					
DATE	LOANS	DEPOSITS	RATIO	ASSETS	PEER RATIO
3/31/99	\$790,239	\$919,852	85.91	\$1,141,978	80.61
6/30/99	820,669	952,167	86.19	1,375,788	82.25
9/30/99	988,904	1,293,068	76.48	1,739,120	83.98
12/31/99	1,022,224	1,341,974	76.17	1,465,978	84.38
3/31/00	1,055,753	1,362,738	77.47	2,062,623	82.74
6/30/00	1,107,673	1,413,660	78.35	2,126,797	84.60
9/30/00	1,123,990	1,484,488	75.72	2,214,170	84.92
12/31/00	1,134,507	1,476,394	76.84	1,625,098	83.89

*LTD ratios for 3/31/99 and 6/30/99 are based on bank data prior to the merger of the Joliet and Kankakee affiliates into the bank.

The bank's eight-quarter average LTD ratio for the period ending December 31, 2000, is 79.14. This ratio is only slightly lower than the peer group's 83.42 average LTD ratio for the same period. Table 3 below shows loan-to-deposit ratios for bank competitors in the Chicago MSA market.

Table 3

SAMPLE OF COMPETITOR LOAN-TO-DEPOSIT RATIOS AS OF 12/31/2000		
BANK	ASSETS AS OF 12/31/00 (\$000,000)	EIGHT QUARTER AVERAGE LOAN TO DEPOSIT RATIO
Cole Taylor Bank, Chicago, IL	\$2,263	90.02
Corus Bank, NA, Chicago, IL	2,449	80.93
First American Bank, Carpentersville, IL	1,625	79.14
Harris Trust & Savings Bank, Chicago, IL	21,472	87.44
The Northern Trust Company, Chicago, IL	29,709	69.82
Pullman Bank & Trust Co., Chicago, IL	1,069	98.25

A detailed quarterly analysis of LTD ratios for the aforementioned competitors can be found in Appendix 4, Table 74.

There are no apparent factors relating to the bank's financial condition, size, products offered, prior performance, legal impediments, or local economic conditions that would prevent the bank from meeting the community's credit needs.

SCOPE OF EXAMINATION

The bank's CRA record for 1999-2000 was evaluated using full-scope large bank examination procedures based on the following performance criteria:

- Lending Activity – The proportion of Home Mortgage Disclosure Act (HMDA), CRA small business, and optional loan data in five loan categories (optional small business loans, home equity loans/lines, consumer automobile loans, other secured consumer loans and other unsecured consumer loans) in the bank's assessment area.
- Geographic Distribution – The dispersion of the bank's lending in the assessment area and the number and amount of loans in low-, moderate-, middle-, and upper-income census tracts in the assessment area.
- Borrower Characteristics – The distribution of five categories of consumer loans (HMDA reportable loans, consumer automobile loans, home equity loans/lines, other secured consumer loans, other unsecured consumer loans) to individuals in low-, moderate-, middle- and upper-income categories; and distribution of CRA small business and optional small business loans both by loan amount and to businesses with gross annual revenues of \$1 million or less.
- Community Development Lending – The volume and complexity of community development loans.
- Innovative or Flexible Lending Practices – Use of innovative or flexible lending products or practices that address the credit needs of low- and moderate-income individuals and census tracts.
- Investments – Participation in community development investments, with special consideration of innovative or complex aspects to these investments.
- Services – A review of the availability and effectiveness of financial service delivery systems, changes in branch locations, reasonableness of business hours and services in meeting the assessment area needs, and the extent and innovativeness of community development services.

In addition to the above criteria, information obtained through discussions with representatives of CRA-related interest groups in the bank's assessment area was considered in the overall evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

The bank is rated **"needs to improve"** in the lending test. While the overall amount of the bank's overall lending is good, and the proportion of its loans within the assessment area is excellent, its lending in low- and moderate-income census tracts is very poor. In addition, its HMDA and optional consumer lending to low- and moderate-income borrowers is poor, as is its small-amount CRA small business lending, with only a small proportion of these small-amount loans being made to small businesses with revenues at or under \$1 million. The proportion of the bank's optional small business lending to small businesses is good; however, we note that these loans are secured by the business owner's personal residence, and thus are generally considered to be a hybrid of personal and small business credit. The bank's level of community development lending is very poor, especially considering the large number and variety of community development lending opportunities available in the assessment area.

Number and Amount of Loans in the Assessment Area

The proportion of the bank's HMDA and CRA small business loans within the assessment area is considered excellent, ranging between 96-100% for the 1999-2000 examination period, depending on year and product line.

Geographic Distribution of Loans

The distribution of loans within the assessment area is considered very poor, as very large sections of Chicago's low- and moderate-income West Side and South Side neighborhoods received few if any loans, as did other smaller-scale low- and moderate-income suburban communities such as North Chicago, Waukegan, Summit, Harvey, Dolton, Markham, Robbins, and others. The bank's lending in low- and moderate-income census tracts was compared to total loans made by all other lenders who made loans in those same census tracts (aggregate lenders). The bank compares poorly with 1999 and 2000 aggregate HMDA lending, with only 6.8% of the bank's loans in low- and moderate-income census tracts compared to 17.2% of aggregate loans going to low- and moderate-income census tracts. Similarly, the bank compares poorly to 1999 and 2000 aggregate CRA small business lending, with only 8.5% of the bank's small business loans going to low- and moderate-income census tracts, compared to 13.7% of aggregate loans. In addition, while 81.9% of aggregate lenders' CRA small business loans went to small businesses in low- and moderate-income census tracts, only 58.3% of the bank's CRA small business loans went to these businesses. The bank's performance under this standard is considered "very poor".

Distribution Based on Borrower and Business Characteristics

The proportion of the bank's home mortgage loans to low- and moderate-income borrowers is poor. In 1999-2000, 17.1% of the bank's HMDA loans went to low- and moderate-income borrowers, compared to 37.3% of assessment area families having low- and moderate-income status. HMDA data for 1999-2000 shows that 36.2% of aggregate loans went to low- and moderate-income borrowers, compared to 17.1% of bank loans. CRA small business loan data for 1999-2000 shows that 59.5% of the bank's loans were at amounts equal to or under \$100,000, compared to 87.1% of aggregate small business lending. By small business size, 19.8% of the bank's loans went to businesses at or under \$1 million in annual gross revenues, while 42.9% of aggregate loans went to these businesses. With optionally reported consumer loans (combined 1999 and 2000 data for home equity loans/lines, consumer automobile, other secured consumer and other unsecured consumer loans), the proportion of the bank's low- and moderate-income lending improved somewhat, with 20.1% of these loans going to low- and moderate-income borrowers. With optionally reported small business loans, 40.9% of the loans were at or under \$100,000, and 51.1% (compared to only 19.8% of CRA small business loans) went to small businesses at or under \$1 million in revenues – as previously noted, these loans are secured by the business owner's personal residence. The bank's performance under this standard is considered "poor".

Community Development Loans

The bank made two community development loans, totaling \$800,000. Both loans were made for the purchase of small mixed-use buildings in low- and moderate-income census tracts, so that the individuals could locate their small businesses in the commercial portions of the buildings and rent the apartments located above the stores. Both loans were underwritten using conventional techniques; no complex or innovative underwriting was used, nor were these loans generated as part of a targeted low- and moderate-income neighborhood revitalization strategy. The bank's performance is considered "very poor" under this standard, considering the bank's community development lending capacity, its expertise in consumer and commercial real estate lending, and the large number and variety of community development lending opportunities available in the assessment area.

Innovative or Flexible Lending Practices

The bank does not use any innovative or flexible underwriting practices to target low- and moderate-income census tracts or individuals. The bank's performance is considered "very poor" under this standard.

Investment Test

Dollar Amount of Qualified Investments

The bank's five cash investments total \$523,150 (a sixth investment was comprised of used computer equipment donated to a nonprofit children's service organization). The largest investment is \$500,000 to the Community Investment Corporation (CIC) multifamily loan pool; the remaining \$23,150 is comprised of \$20,000 to a disabled children's residential treatment facility, \$2,000 to another facility serving mentally disabled children from Chicago low- and moderate-income neighborhoods, and \$1000 and \$150 donations to two different nonprofits serving low- and moderate-income Chicago neighborhoods. The bank's performance is considered "poor" under this standard, given the bank's capacity for investments and the large number and variety of investments available in the assessment area.

Innovativeness and Complexity of Qualified Investments

One of the investments is considered partially innovative – a portion of the CIC loan pool investment was placed by CIC into its "Flex Fund" pool that addresses appraisal gap and other underwriting problems that constrain the availability of standard credit products to owners of affordable multifamily rental properties in Chicago low- and moderate-income census tracts. However, the bank was unaware of the Flex Fund portion of their investment, and did not request or direct innovative use of any portion of their investment. Therefore, this investment does not demonstrate the bank's willingness to develop or use innovative or complex investment techniques to benefit low- and moderate-income census tracts or individuals; the bank's performance under this standard is considered "very poor".

The investment in CIC and the two donations to the low- and moderate-income nonprofits are most directly responsive to credit and community development needs; the remaining donations, while made to qualified charities that perform valuable services to needy children, less directly address the needs targeted in this performance standard. The bank's performance under this standard is considered "poor", given the available assessment area investment opportunities. In addition, with the exception of the CIC investment, the remaining donations are of the type generally regarded as "charitable donations" routinely made by the general business community and by individuals, especially in the small dollar amounts made by the bank. The bank's performance under these two standards is considered "very poor".

All of the investments were made to organizations located within the assessment area.

Service Test

Only one of the bank's 30 branches is located in a moderate-income census tract (in downtown Kankakee); none are in a low-income census tract. Of the three branches opened since the previous examination, none were opened in low- and moderate-income census tracts; no branches were closed. Only one full-service ATM is located in a moderate-income census tract (in the downtown Kankakee branch office); none are in a low-income census tract. However, 22.5% of the bank's CDMs are located in low- and moderate-income census tracts. The bank's CDMs have full-service capability, but are adjusted so that services are limited to cash dispensing (\$2 per transaction), balance inquiry, and funds transfer between bank accounts. Other alternative service delivery systems are the bank's internet site and its telephone loan system; neither of these systems is in any way targeted to low- and moderate-income individuals or census tracts, and these systems are English-language only (bilingual assistance must be requested in English).

The bank's community development services consisted of five activities:

- 1) a 30-minute presentation to an ESL ("English as a Second Language") class;
- 2) a fee-based contract to serve as electronic portal to the State of Illinois' EBT ("electronic benefit transfer") processor for electronic delivery of public assistance benefits (the bank engages in no other service activities, such as financial literacy training, opening basic banking accounts, etc., to support Illinois' welfare-to-work programs);
- 3) distribution of student loan application forms from bank branches (the bank earns a \$6 per applicant fee for providing this service);
- 4) making 401(k) presentations to commercial clients' employees in order to generate corporate banking business; and
- 5) Sponsorship of Illinois State Treasurer "Bank at School" programs at 11 schools (two schools in predominately low- and moderate-income census tracts).

"Bank at School" partially targets low- and moderate-income individuals and census tracts; the low- and moderate-income benefit provided by the other activities is minimal. None of these services are considered innovative. Considering the large number and variety of community development service opportunities available in the assessment area, the bank's performance under this standard is considered "very poor".

Summary

Based on the performance standards for lending, investments and services, the bank's rating would be "needs to improve". This rating is based on very poor levels of lending in low- and moderate-income census tracts, on poor levels of lending to low- and moderate-income borrowers and small businesses, and generally very poor performance in

community development lending, investments, and services. While the proportion of the bank's lending in the assessment area is excellent, this one aspect of the bank's performance is insufficient to mitigate the poor to very poor performance of the bank in the many other CRA standards as discussed above.

However, the final rating is "substantial noncompliance" due to fair lending issues.

FAIR LENDING ISSUES

The bank's initial "needs to improve" CRA rating, based on bank performance under the three CRA performance tests, has been lowered to "substantial noncompliance" based on the substantive violations of the Fair Housing Act and the Equal Credit Opportunity Act that were noted in the compliance examination that was conducted concurrently with this CRA performance evaluation.

METROPOLITAN STATISTICAL AREAS

Description of Institution's Operations in the Chicago, Illinois MSA #1600 and Kankakee, Illinois MSA #3740:

Note that all discussion of the bank's assessment area for the duration of this public evaluation is for the revised assessment area, unless otherwise noted.

The bank's main office is located in Carpentersville, Illinois; in addition, it operates 29 branches within the Chicago MSA #1600 and one branch within the Kankakee MSA #3740 MSA, for a total of 30 branches. The bank's assessment area (see previous discussions) is comprised of the following entire counties: Cook, DuPage, Kane, Lake, McHenry, Will, and Kankakee.

According to the Federal Deposit Insurance Company (FDIC), FAB has \$1.3 billion or .72% of the market share of deposits in the Chicago MSA and ranked 20th out of 305 financial institutions. In the Kankakee MSA, FAB is ranked 5th out of 16 financial institutions with deposits of \$108 million or 8.3%. FAB deposits make up .59% of the State of Illinois' total deposits. Table 4 below shows the bank's share of total banking offices and deposits by county as of June 30, 2000.

Table 4

Bank Share of Total Offices and Deposits by Assessment Area Counties				
COUNTY	NUMBER OF OFFICES	PERCENT OF TOTAL COUNTY OFFICES	TOTAL DEPOSITS (000s)	PERCENT OF TOTAL COUNTY DEPOSITS
Cook	11	1%	\$568,939	0.4%
DuPage	5	2%	151,954	1%
Kane	5	4%	257,189	5%
Kankakee	2	5%	107,905	8%
Lake	5	3%	176,210	2%
Will	3	2%	151,463	3%
Totals	31	2%	\$1,413,660	1%

As shown in the above table, the majority of the deposits are taken in Cook County followed by Kane and Lake Counties.

The bank's competitors are regarded as: Cole Taylor Bank, Corus Bank NA, Harris Trust & Savings Bank, The Northern Trust Company, and Pullman Bank & Trust Company, all located within the Chicago MSA.

Description of the Assessment Area

Population

Table 5 below shows the population of the assessment area by income category, according to 1999 estimates by the Northeastern Illinois Planning Commission (NIPC).

Table 5

ESTIMATED ASSESSMENT AREA POPULATION BY CENSUS TRACT INCOME LEVEL, NIPC, 1999			
GEOGRAPHIC INCOME LEVEL	POPULATION	NUMBER OF CENSUS TRACTS	PERCENT OF CENSUS TRACTS
Low	731,255	310	17.2
Moderate	1,466,239	378	21.0
Middle	3,224,092	703	39.0
Upper	2,085,527	411	22.8
Totals	7,507,113	1,802	100.0

Table 6 below shows that the population of each county in the revised assessment area is estimated to have increased between the 1990 and (estimated) 2000 U.S. Census.

Table 6

ESTIMATED ASSESSMENT AREA POPULATION CHANGES BY COUNTY, 1990-2000			
COUNTY	POPULATION		
	1990	2000	% CHANGE
Cook	5,105,067	5,376,741	5.3
DuPage	781,666	904,161	15.7
Kane	317,471	404,119	27.3
Lake	516,418	644,356	24.8
McHenry	183,241	260,077	41.9
Will	357,313	502,266	40.6
Kankakee	96,255	103,833	7.9

According to the U.S. Census Bureau, the 2000 population for the Chicago MSA is 5,487,001 and the City of Chicago is 2,896,016. The 2000 population for the Kankakee MSA (which has the same boundaries as Kankakee County) is 103,833 and the City of Kankakee is 27,491. According to the Northeastern Illinois Planning Commission, the City of Chicago grew by 112,290.

Income Summary

According to U.S Census Bureau data (from 1990), the median family income for the Chicago MSA #1600 was \$42,758; and for the Kankakee MSA #3740, \$33,561. The HUD (federal Department of Housing and Urban Development) Year 2000 adjusted median family income for the Chicago MSA is \$67,900, and \$52,900 for the Kankakee MSA.

Distribution of Families by Income Level

Table 7 below shows the income distribution of families in the revised assessment area, the Chicago MSA, and State of Illinois (including the Chicago and Kankakee MSAs). *Low-income is defined as less than 50% of median family income; moderate-income is 50% to less than 80% of median family income; middle-income is 80% to less than 120% of median family income; and upper-income is 120% or more of median family income.*

Table 7 below also shows that the proportional distribution of families by income is very similar for both the assessment area as a whole and for the two MSAs of which it is comprised. The table also shows that the income distribution of families is also very similar between the assessment area and the State of Illinois.

Table 7

DISTRIBUTION OF FAMILIES BY INCOME FOR THE ASSESSMENT AREA, CHICAGO MSA, KANKAKEE MSA, AND STATE OF ILLINOIS, 1990				
LOCATION	LOW-INCOME FAMILIES	MODERATE-INCOME FAMILIES	MIDDLE-INCOME FAMILIES	UPPER-INCOME FAMILIES
Assessment Area	19.9	17.4	24.0	38.8
Chicago MSA #1600	19.8	17.4	24.0	38.8
Kankakee MSA #3740	20.4	17.1	23.8	38.7
State of Illinois	19.9	17.8	24.1	38.1

Housing Characteristics

While a majority (57.2%) of assessment area housing units are owner-occupied units, a substantial proportion (36.5%) of units are rental housing – most in the City of Chicago. Table 8 below shows number of housing units in the assessment area by category.

Table 8

DISTRIBUTION OF HOUSING UNITS IN THE ASSESSMENT AREA, CHICAGO MSA, KANKAKEE MSA, AND STATE OF ILLINOIS BY OCCUPANCY STATUS, 1990							
LOCATION	TOTAL HOUSING UNITS	OWNER-OCCUPIED UNITS		RENTAL UNITS		VACANT UNITS	
	#	#	%	#	%	#	%
Assessment Area	2,888,755	1,652,118	57.2	1,054,045	36.5	182,592	6.3
Chicago MSA #1600	2,851,754	1,628,992	57.1	1,042,548	36.6	180,214	6.3
Kankakee MSA #3740	37,001	23,126	62.5	11,497	31.1	2,378	6.4
State of Illinois	4,506,275	2,699,121	59.9	1,503,119	33.4	304,035	6.7

Table 9 below shows housing value, gross rent and housing stock age data. The Chicago MSA values and rents heavily influence assessment area values and rents since Chicago MSA housing units are 99% of total assessment area units.

Table 9

HOUSING VALUE, RENT AND AGE DISTRIBUTION IN THE ASSESSMENT AREA, CHICAGO MSA, KANKAKEE MSA, AND STATE OF ILLINOIS, 1990			
LOCATION	MEDIAN HOUSING VALUE (\$)	MEDIAN GROSS RENT (\$)	MEDIAN AGE OF HOUSING STOCK (YEARS)
Assessment Area	107,954	491	48
Chicago MSA #1600	108,960	492	47
Kankakee MSA #3740	54,347	376	47
State of Illinois	80,114	445	47

Affordability

Affordability ratios, developed by dividing the median household income by the median housing value for a given area or for groups of census tracts, are helpful in comparing costs for different areas. An area with a higher ratio generally has more affordable housing than an area with a lower ratio. The affordability ratio for the bank’s assessment area is .34. This ratio is similar to that of the Chicago MSA (with an affordability ratio of .33) and lower than that of the Kankakee MSA (with an affordability ratio of .52). Thus, the assessment area has less affordable housing than the State of Illinois (with an affordability ratio of .40).

Labor and Employment

Table 10 below shows a sample of the largest employers in the bank’s assessment area.

Table 10

LARGEST EMPLOYERS IN THE BANK’S ASSESSMENT AREA *			
EMPLOYER	PRODUCT/SERVICE	LOCATION	EMPLOYMENT
U.S. Government	Government	Chicago	78,000
Chicago Public Schools	Education	Chicago	44,798
City of Chicago	Government	Chicago	41,911
Jewel-Osco	Food Distribution/Pharmaceutical	Chicago	38,954
Cook County	Government	Chicago	27,081
U.S. Postal Service	Postal Services	Chicago	24,800
Motorola, Incorporated	Electronics	Chicago	24,000
Advocate Health Care	Health Care	Chicago	22,198
United Airlines	Air Travel	Chicago	22,100
State of Illinois	Government	Chicago	20,465
SBC/Ameritech	Telecommunications	Chicago	20,000
Dominick’s Finer Foods	Food Distribution	Chicago	18,000
Bank One Corporation	Financial	Chicago	16,750

LARGEST EMPLOYERS IN THE BANK'S ASSESSMENT AREA *			
EMPLOYER	PRODUCT/SERVICE	LOCATION	EMPLOYMENT
Abbott Laboratories	Pharmaceutical	Chicago	16,300
Archdiocese of Chicago	Religious Institution	Chicago	15,245
Walgreen Co.	Retail	Chicago	13,940
University of Chicago	Education	Chicago	12,965
American Airlines, O'Hare	Air Travel	Chicago	2,6170
Northwestern University	Education	Evanston	11,729
Lucent Technologies	Research/Development	Naperville	8,000

*Sources: Illinois Department of Commerce & Community Affairs and Crain's Chicago Business, 2000.

Table 11 below shows the unemployment rates for the assessment area.

Table 11

ASSESSMENT AREA UNEMPLOYMENT RATES BY COUNTY, MSA AND STATE OF ILLINOIS		
MSA/COUNTY/STATE	JANUARY 2001	JANUARY 2000
Chicago MSA 1600	5.0	4.5
Cook	5.2	4.8
DuPage	3.1	2.9
Kane	5.7	5.1
Lake	5.2	4.5
McHenry	4.7	4.4
Will	5.6	4.8
Kankakee MSA	6.7	6.2
City of Kankakee	10.8	10.1
Kankakee County	6.7	6.2
State of Illinois	5.4	4.8

*Source: Illinois Department of Employment Security

Unemployment has remained relatively stable across the Chicago MSA, while unemployment, though higher, also remains relatively stable in the Kankakee MSA. Community representatives in Kankakee County did not note any significant reasons or problems relating to the higher level of unemployment.

Conclusions with Respect to Performance Tests in Chicago, Illinois MSA #1600 and Kankakee, Illinois MSA #3740

Lending Test

The bank is rated “needs to improve” in the lending test. Lending test performance was assessed using seven categories of loan data: HMDA, CRA small business, optional small business, home equity loans and lines of credit, consumer automobile, consumer secured, and consumer unsecured. The bank’s lending patterns were analyzed in the following ways: for each of the seven loan categories, for combined consumer (five loan categories)

lending, combined small business (two loan categories) lending, for the years 1999 and 2000 separately and combined in order to identify any lending trends, and in comparison to 1999 and 2000 aggregate HMDA and CRA small business data.

The consumer loan analysis shows that the bank’s lending to low- and moderate-income census tracts and borrowers is very poor. Regarding small business loans, the bank compares poorly to 1999 and 2000 aggregate CRA small business lenders. Aggregate lenders’ proportion of small-size loans and loans going to small businesses at or under \$1 million in revenues is much greater than for the bank. In addition, a greater proportion of aggregate small size and small business loans go to low- and moderate-income census tracts compared to the bank. The bank’s optional consumer and optional small business lending performance in low- and moderate-income census tracts, and to low- and moderate-income borrowers as well as to small businesses, mirrors its low level of HMDA and CRA small business lending. Finally, the bank’s record of community development lending is very poor, despite the abundance and variety of community development lending opportunities in the assessment area.

Discussion of the bank’s performance is as follows:

Number and Amount of Loans in the Assessment Area

The bank made a total of 12,763 consumer loans (HMDA and optionally reported consumer loans) in the assessment area during 1999-2000, for a total dollar value of \$533,098,000.

As shown in Table 12 below, HMDA-related and optional consumer loans (HMDA reportable loans, consumer automobile loans, home equity loans/lines, other secured consumer loans, other unsecured consumer loans) consistently range between 94% - 98% of its loans made within the assessment area.

Table 12

BANK TOTAL VS. ASSESSMENT AREA LOAN VOLUME FOR HMDA AND OPTIONALLY REPORTED CONSUMER LOANS SEPARATELY, 1999-2000 COMBINED						
LOAN CATEGORY	TOTAL LOANS		LENDING WITHIN THE ASSESSMENT AREA			
	#	\$000's	#	%	\$000's	%
1999-2000 HMDA Loans	4,757	226,254	4,655	97.9	214,163	94.7
1999-2000 Optional Consumer	8,248	326,135	8,108	98.3	318,935	97.8
Total	13,005	552,389	12,763	98.1	533,098	96.3

The bank has consistently made a substantial majority of its consumer loans within its assessment area. Also, see Tables 31-34, Appendix 1, for a more detailed annual breakdown of consumer loans within and outside of the assessment area.

The bank made a total of 1,418 small business loans (combined CRA small business and optionally reported small business loans) in the assessment area during 1999-2000, for a total dollar value of \$236,906,000. Similar to consumer loans (see Table 12 above), the substantial majority of the bank's small business loans have been made in the assessment area, ranging from 96-100% distribution within the assessment area. Table 13 below shows that the bank's performance with respect to small business lending within the assessment area is excellent. Also, see Tables 35 and 36, Appendix 1, for a more detailed annual breakdown of small business loans within and outside of the assessment area.

Table 13

BANK TOTAL VS. ASSESSMENT AREA LOAN VOLUME FOR CRA & FOR OPTIONAL SMALL BUSINESS LOANS SEPARATELY, 1999-2000 COMBINED						
LOAN CATEGORY	TOTAL SAMPLE		LENDING WITHIN THE ASSESSMENT AREA			
	#	\$000's	#	%	\$000's	%
1999-2000 CRA Small Business	1,367	228,568	1,330	97.3	220,855	96.6
1999-2000 Other Small Business	88	16,051	88	100.0	16,051	100.0
Totals	1,455	244,619	1,418	97.5	236,906	96.8

Based on the significant proportion of the bank's consumer and small business lending in the assessment area, the bank's performance is considered "excellent" under this performance standard.

Geographic Distribution of Loans

Dispersion of all categories of loans is significantly skewed towards the north and northwest Chicago neighborhoods and suburbs, and the northwest, far west and southwest suburbs. Loan dispersion maps show significant lending gaps for Chicago's west and south side neighborhoods, and also for the southern suburbs. The gaps significantly coincide with the presence of low- and moderate-income census tracts in the gap areas. Loan dispersion maps (PE Maps 8-15, Appendix 8) show consistent lack of lending activity, under any loan category, in these gap areas. In addition, PE Maps 16 and 17 identify census tracts that did not receive even one loan in either year (1999 or 2000) from any of the seven lending categories reported by the bank for CRA consideration; the maps show that these "no loan" census tracts are predominately low- and moderate-income census tracts.

Number and amount of loans by census tract classification (low, moderate, middle and upper). Table 14 on the following page shows the number and proportion of the bank's total assessment area lending (in all seven loan categories – HMDA, CRA Small Business, optional small business, home equity loans/lines, consumer auto, other secured consumer, and other unsecured consumer) distributed by census tract income; data are for numbers of loans as well as aggregate loan amounts expressed in dollars. Table 14 shows extreme differences between the bank's lending in low- and moderate-income census tracts compared to middle-upper income census tracts; only 6.4% of its loans (8.4% of its loan amount) is made in low- and moderate-income census tracts, while these census tracts

comprise 38.2% of all census tracts in the assessment area. Tables 37-50, Appendix 1, provide more detailed annual breakdowns and other analyses of consumer loans in low- and moderate-income census tracts, with similar analyses of small business loans contained in Tables 53-57. Finally, similar to the “geographic dispersion” performance standard discussed above, see PE Maps 8-15 (except PE Maps 9 and 11), Appendix 8, for geographic dispersion analyses showing extremely low lending activity for all consumer products in low- and moderate-income census tracts, and PE Maps 9 and 11 for similar analyses with similar results for small business loans.

Table 14

BANK TOTAL LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000 COMBINED						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	192	1.3	12,966	1.7
Moderate	378	21.0	732	5.1	43,852	5.7
Middle	703	39.0	6,310	44.5	305,309	39.7
Upper	411	22.8	6,947	49.0	407,877	53.0
Total	1,802	100.0	14,181	100.0	770,004	100.0

The bank’s proportion of loans in low- and moderate-income census tracts was also compared to the proportion of low- and moderate-income census tract loans by aggregate lenders. Comparable aggregate data are available for 1999-2000 HMDA and 1999-2000 CRA small business loans. As shown in Table 15 below, aggregate lenders made 16.3% of their combined HMDA and CRA small business loans in low- and moderate-income census tracts in the assessment area, compared to only 7.2% of the bank’s loans in these census tracts.

Table 15

BANK VS. AGGREGATE HMDA AND CRA SMALL BUSINESS LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000 COMBINED						
CENSUS TRACT INCOME CLASSIFICATION	DEMOGRAPHICS		FIRST AMERICAN BANK		AGGREGATE WITHIN ASSESSMENT AREA	
	# OF CENSUS TRACTS	% OF TOTAL CENSUS TRACTS	# OF ORIGINATIONS	% OF TOTAL ORIGINATIONS	# OF ORIGINATIONS	% OF TOTAL ORIGINATIONS
Low	310	17.2	87	1.5	32,884	3.9
Moderate	378	21.0	342	5.7	103,414	12.4
Middle	703	39.0	2889	48.3	373,416	44.7
Upper	411	22.8	2667	44.6	324,818	38.9
Totals	1,802	100.0	5985	100.0	834,532	100.0

Because the bank’s main business focus (see discussion of the bank’s loan portfolio in the “Description of the Institution” section of this report) is in consumer mortgage products, the bank’s HMDA loan distribution was compared to that of aggregate lenders. Table 16 below shows that, compared to the aggregate performance of other HMDA reporters in the assessment area, the bank’s low- and moderate-income census tract penetration at 6.8% of loans fell far short of aggregate performance for 1999-2000, at 17.2% of loans. Tables 51 and 52, Appendix 1, which provide annual breakdowns of bank HMDA lending compared to aggregate lending, demonstrate the lack of any significant trends that could mitigate examination findings.

Table 16

BANK VS. AGGREGATE HMDA LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000 COMBINED						
CENSUS TRACT INCOME CLASSIFICATION	DEMOGRAPHICS		FIRST AMERICAN BANK		AGGREGATE WITHIN ASSESSMENT AREA	
	# OF CENSUS TRACTS	% OF TOTAL CENSUS TRACTS	# OF LOANS	% OF TOTAL LOANS	# OF LOANS	% OF TOTAL LOANS
Low	310	17.2	68	1.5	26,003	4.2
Moderate	378	21.0	247	5.3	80,877	13.0
Middle	703	39.0	2222	47.7	282,315	45.0
Upper	411	22.8	2118	45.5	232,815	37.4
Totals	1,802	100.0	4,655	100	622,010	100.0

Finally, the bank’s CRA small business lending in low- and moderate-income census tracts was compared to aggregate lenders’ CRA small business lending in these census tracts. As shown in Table 17 below, the bank’s total CRA small business lending in low- and moderate-income census tracts at 8.5% compares poorly to the proportion of aggregate lenders’ loans in low- and moderate-income census tracts at 13.8%.

Table 17

BANK VS. AGGREGATE CRA SMALL BUSINESS LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000 COMBINED						
CENSUS TRACT INCOME CLASSIFICATION	DEMOGRAPHICS		FIRST AMERICAN BANK		AGGREGATE WITHIN ASSESSMENT AREA	
	# OF CENSUS TRACTS	% OF TOTAL CENSUS TRACTS	# OF LOANS	% OF TOTAL LOANS	# OF LOANS	% OF TOTAL LOANS
Low	310	17.2	19	1.4	6,881	3.2
Moderate	378	21.0	95	7.1	22,537	10.6
Middle	703	39.0	667	50.2	91,101	42.9
Upper	411	22.8	549	41.3	92,003	43.3
Totals	1,802	100.0	1,330	100	212,522	100.0

Tables 58 and 59, Appendix 1, which provide annual breakdowns of bank CRA small business lending compared to aggregate lending, demonstrate the lack of any significant trends in lending patterns that could mitigate examination findings. The bank’s performance is considered “very poor” under this standard.

Overall assessment of bank’s performance under this performance standard. The bank’s loans are not reasonably dispersed throughout its assessment area, with significant portions of the City of Chicago, as well as the south suburbs, receiving few, if any, loans. The proportion of the bank’s CRA and optional loans made in low- and moderate-income census tracts is very poor, in comparison to the proportion of census tracts that are low- and moderate-income. Additional support for this finding is provided by Tables 37 and 53, Appendix 1. Table 37 shows that while 38.2% of census tracts are low- and moderate-income, they received only 6.3% of the bank’s total consumer (HMDA and optional) loans. Similarly, Table 53 (Appendix 1) shows that only 8.5% of small business loans went to low- and moderate-income census tracts, although Table 75 (Appendix 5) shows that 19% of assessment area small businesses are located in these census tracts. Finally, the bank’s mortgage lending in low- and moderate-income census tracts is very poor compared to aggregate lender performance, despite the bank’s business focus and extensive expertise in mortgage lending. The bank’s small business lending in low- and moderate-income census tracts also compares poorly to aggregate lending in these census tracts. Based on the bank’s low level of lending in low- and moderate-income census tracts, bank performance under this performance standard is considered “very poor”.

Distribution Based on Borrower Characteristics

Number and amount of home mortgage loans to low-, moderate-, middle- and upper-income individuals. Table 18 below shows that the bank’s loans to low- and moderate-income borrowers are low. Only 17.1% of the bank’s loans went to low- and moderate-income borrowers, although 37.3% of assessment area families are low- or moderate-income. More detailed breakdowns of lending to different borrower income groups by HMDA loan category are provided in Tables 61-65, Appendix 2.

Table 18

BANK HMDA LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000 COMBINED						
BORROWER INCOME LEVEL	FAMILY DEMOGRAPHICS		FIRST AMERICAN BANK LOANS			
	# OF FAMILIES	%	#	%	\$000’s	%
Low	375,134	19.9	147	3.2	4,052	2.0
Moderate	328,522	17.4	633	13.9	21,079	10.2
Middle	453,260	24.0	1,394	30.5	49,054	23.7
Upper	732,311	38.8	2,392	52.4	132,557	64.1
Total	1,889,227	100.0	4,566	100.0	206,742	100.0

Table 19 on the following page compares the bank’s lending to low- and moderate-income borrowers to aggregate lending to low- and moderate-income borrowers; 17.1% of the

bank’s HMDA loans go to low- and moderate-income borrowers, compared to 36.2% of aggregate loans (note that 37.3% of assessment area families are low- or moderate-income).

Table 19

BANK VS. AGGREGATE HMDA LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000 COMBINED						
BORROWER INCOME LEVEL	FAMILY DEMOGRAPHICS		FIRST AMERICAN BANK		AGGREGATE WITHIN ASSESSMENT AREA	
	# OF FAMILIES	% OF FAMILIES	# OF LOANS	% OF TOTAL LOANS	# OF LOANS	% OF TOTAL LOANS
Low	375,134	19.9	147	3.2	58,170	9.9
Moderate	328,522	17.4	633	13.9	154,206	26.3
Middle	453,260	24.0	394	30.5	168,137	28.6
Upper	732,311	38.8	2,392	52.4	206,357	35.2
Totals	1,889,227	100.0	4,566	100.0	586,870	100.0

Tables 18 on the previous page and Table 19 above show low levels of lending to low- and moderate-income borrowers compared to the proportion of low- and moderate-income families in the assessment area, and also compared to the level of aggregate lending to these borrowers. Based on these data, the bank’s performance is considered “poor” under this performance standard.

Number and amount of small business and small farm loans by loan amount at origination and to small businesses and small farms with gross annual revenues of \$1 million or less. Table 75, Appendix 5 shows that 85% of the assessment area’s businesses are “small businesses”, and that 19% of them are located in low- and moderate-income census tracts.

Table 20 below shows that 59.5% of the bank’s CRA small business loans are small dollar amount (at or under \$100,000) loans.

Table 20

BANK CRA SMALL BUSINESS LOAN DISTRIBUTION BY LOAN SIZE BY YEAR 1999-2000							
Year	<= \$100,000		\$100,000 TO <= \$250,000		\$250,000 TO <= \$1,000,000		TOTAL #
	#	%	#	%	#	%	
1999	405	59.1	130	19.0	150	21.9	685
2000	387	60.0	106	16.4	152	23.6	645
Total	792	59.5	236	17.7	302	22.7	1,330
Year	\$000’s	%	\$000’s	%	\$000’s	%	\$000’s
1999	14,780	12.8	23,038	19.9	77,866	67.3	115,684
2000	14,057	13.4	18,823	17.9	72,291	68.7	105,171
Total	28,837	13.1	41,861	19.0	150,157	68.0	220,855

However, Table 21 below shows that only 19.8% of the bank’s CRA small business loans actually go to small businesses with annual revenues under \$1 million.

Table 21

BANK CRA SMALL BUSINESS LOAN DISTRIBUTION BY BUSINESS SIZE BY YEAR 1999-2000						
YEAR	#			\$000's		
	LOANS TO BUSINESSES WITH REVENUE < = \$1,000,000	%	TOTAL	LOANS TO BUSINESSES WITH REVENUE < = \$1,000,000	%	TOTAL
1999	112	17.4	645	12,669	12.0	105,171
2000	151	22.0	685	16,063	13.9	115,684
Total	263	19.8	1,330	28,732	13.0	220,855

Table 22 below shows that while 87.1% of aggregate CRA small business loans are at or under \$100,000, only 59.5% of the bank’s loans are in this size range.

Table 22

BANK VS. AGGREGATE CRA SMALL BUSINESS LOAN DISTRIBUTION BY LOAN SIZE, 1999-2000 COMBINED							
	< = \$100,000		\$100,000 TO < = \$250,000		\$250,000 TO < = \$1,000,000		TOTAL
	#	%	#	%	#	%	#
First American Bank Lending	792	59.5	236	17.7	302	22.7	1,330
Aggregate	191,163	87.1	13,619	6.2	14,673	6.7	219,455
	\$000's	%	\$000's	%	\$000's	%	\$000's
First American Bank Lending	28,837	13.1	41,861	19.0	150,157	68.0	220,855
Aggregate	2,837,115	21.8	2,407,426	18.5	7,788,797	59.8	13,033,338

Table 23 below shows that while 19.8% of bank loans are made to small businesses at or under \$1 million in revenues, 42.9% of aggregate loans go to these businesses.

Table 23

BANK VS. AGGREGATE CRA SMALL BUSINESS LOAN DISTRIBUTION BY BUSINESS SIZE, 1999-2000 COMBINED						
	#			\$000's		
	LOANS TO BUSINESSES WITH REVENUE < = \$1,000,000	%	TOTAL	LOANS TO BUSINESSES WITH REVENUE < = \$1,000,000	%	TOTAL
First American Bank Lending	263	19.8	1,330	28,732	13.0	220,855
Aggregate	93,542	42.9	218,125	4,525,093	35.3	12,812,483

Based on the low proportions of the bank’s HMDA and small business loans to low- and moderate-income borrowers and small-size businesses, and as compared to aggregate lenders in the assessment area, the bank’s performance under this standard is considered “very poor”.

(Optional) number and amount of consumer loans to low-, moderate-, middle- and upper-income individuals. In this section both optionally reported consumer as well as small business loans will be discussed. During the examination, the bank opted to provide five categories of optional small business and consumer data as part of its record of CRA performance. Table 24 below shows that 20.1% of its consumer loans (home equity loans/lines, consumer automobile, secured consumer, and unsecured consumer) are made to low- and moderate-income borrowers; in contrast, 37.3% of assessment area families at low/moderate income. Tables 66-71, Appendix 2, provide more detailed breakdowns of optional consumer lending by year and category; no trends were revealed that would mitigate examination findings of low levels of lending to low- and moderate-income borrowers.

Table 24

BANK OPTIONAL CONSUMER LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000 COMBINED						
BORROWER INCOME LEVEL	FAMILY DEMOGRAPHICS		FIRST AMERICAN BANK LENDING			
	# OF FAMILIES	%	#	%	\$000's	%
Low	375,134	19.9	489	6.1	7,543	2.4
Moderate	328,522	17.4	1,124	14.0	25,000	7.9
Middle	453,260	24.0	2,179	27.1	62,147	19.6
Upper	732,311	38.8	4,254	52.9	223,026	70.2
Total	1,889,227	100.0	8,046	100.0	317,716	100.0

Tables 25 and 26 on the following page show that 40.9% of its optionally reported small business loans (small business loans secured by the business owner’s personal residence and thus not eligible for inclusion in CRA Small Business data reporting) are small-amount (i.e., at or under \$100,000), and that slightly over half (51.1%) are made to small-size businesses (at or under \$1 million in annual gross revenues) targeted by CRA. The bank’s optional small business loan performance is superior to its performance with CRA small business loan products; however, the bank’s CRA small business lending is roughly six times greater than its optionally reported small business loans, resulting in poor overall small business lending performance. Tables 72 and 73, Appendix 3, show combined analyses of CRA small business loans and optionally reported small business loans, and show that the overall level of lending in small amounts and to businesses under \$1 million in revenues is very low.

Table 25

Bank Optional Small Business Loan Distribution by Loan Size by Year 1999-2000							
Year	< = \$100,000		\$100,000 TO < = \$250,000		\$250,000 TO < = \$1,000,000		TOTAL
	#	%	#	%	#	%	#
1999	23	45.1	17	33.3	11	21.6	51
2000	13	35.1	9	24.3	15	40.5	37
Total	36	40.9	26	29.5	26	29.5	88
Year	\$000's	%	\$000's	%	\$000's	%	\$000's
1999	1,071	13.5	2,966	37.3	3,918	49.3	7,955
2000	635	7.8	1,798	22.2	5,663	69.9	8,096
Total	1,706	10.6	4,764	29.7	9,581	59.7	16,051

Table 26

BANK OPTIONAL SMALL BUSINESS LOAN DISTRIBUTION BY BUSINESS SIZE BY YEAR 1999-2000						
YEAR	#			\$000's		
	LOANS TO BUSINESSES WITH REVENUE < = \$1,000,000	%	TOTAL	LOANS TO BUSINESSES WITH REVENUE < = \$1,000,000	%	TOTAL
1999	28	54.9	51	3,518	44.2	7,955
2000	17	45.9	37	2,513	31.0	8,096
Total	45	51.1	88	6,031	37.6	16,051

Overall assessment of bank's performance under this performance standard. While the bank's lending record under optionally reported consumer loan categories is better than its HMDA and CRA small business lending, its level of lending in these optionally reported loan categories to low- and moderate-income borrowers and small businesses is still very low. Table 60 (Appendix 2), Table 73 (Appendix 3) and Table 75 (Appendix 5) demonstrate the low level of lending to low- and moderate-income individuals and to very small businesses. For consumers, Table 60 shows that while 37.3% of families are low- and moderate-income, these borrowers received only 19.0% of the bank's total consumer (HMDA and optional) loans. For small businesses, Table 73 shows that only 21.7% of the bank's total small business loans (CRA and optional) went to these businesses, although Table 75 (Appendix 5) shows that 85% of assessment area businesses are small businesses with revenues under \$1 million. The bank's performance is considered "poor" under this performance standard.

Community Development Loans

Number and amount. The "number and amount" of the bank's community development lending is very low. It has made the following two loans, totaling \$800,000, that meet "community development" criteria:

- 1) A \$200,000 loan for purchase of a small retail building located in a moderate-income census tract, in which the individuals plan to open a much-needed retail business that will serve the needs of a low- and moderate-income Chicago neighborhood; and
- 2) A \$600,000 loan for purchase of a mixed-use (residential rental apartments and storefront retail space) building located in a moderate-income census tract, in which the individuals plan to open a much-needed retail business that will serve the needs of a low- and moderate-income Chicago neighborhood.

When considering the bank's community development lending record, it is important to remain mindful of the performance context in which the bank operates. The bank's assessment area offers an extremely large and easily accessible variety of community development lending opportunities, as well as credible and experienced local government and nonprofit partners. The bank has no formal program for identifying, or for participating in, community development lending opportunities. The bank does not partner with any government or nonprofit lending program (with the exception of its CIC investment – see Investment Test). The bank does not participate in any of the community development lending consortia in which many banks are active. The bank has not made any loans in any way related to the Kankakee Neighborhood Housing Services, despite its having held a seat on this NHS' Board of Directors for over ten years. Bank management does not exhibit an adequate understanding of community development lending eligibility criteria as articulated in Regulation BB or related regulatory materials. The bank does not have any in-house program for identifying or making community development loans as part of its standard retail, business or commercial lending product offerings. The bank's performance under this item is considered "very poor".

Complexity and innovativeness. Neither of the two community development loans made by the bank utilized any "complex or innovative" lending techniques or programs. These loans were made using the bank's standard commercial real estate underwriting criteria. The bank's performance under this item is considered "very poor".

The bank's performance under the community development lending performance standard is considered "very poor". In addition, the bank does not use any innovative or flexible lending practices to serve low- and moderate-income census tracts or individuals.

Investment Test

The bank's record of performance under the Investment Test is rated "**needs to improve**". Aside from one moderate investment in a well-known multifamily loan pool, its investment activity is minimal. Its grants and donations in support of community reinvestment activities are also negligible; the grants are few in number, and do little to support in any meaningful way the community reinvestment needs of low- and moderate-income

communities. It is especially noteworthy that despite the bank’s representation for over 10 years on the board of directors of the Kankakee NHS, no grants, donations, or financial support of any kind were made to this Neighborhood Housing Services. Given the extremely wide variety of investment, grant, donation, and other opportunities available throughout the bank’s assessment area, and the volume of easily obtainable information regarding these opportunities, this low level of performance warrants a rating of “needs to improve”.

Dollar Amount of Qualified Investments

The bank made six qualified investments, totaling \$523,150 as shown in Table 27 below:

Table 27

Bank Community Development Investments		
Organization	Amount	Description
Community Investment Corporation (CIC)	\$500,000	CIC is a Chicago nonprofit mortgage company that specializes in making multifamily loans for purchase, refinance and rehabilitation of Chicago area rental properties in order to maintain decent affordable rental housing in Chicago and selected suburban neighborhoods.
The Allendale Association	\$20,000 (\$10,000 per year, 2 years)	The Allendale Association is a nonprofit residential and treatment facility for children with severe emotional, behavioral or other mental health disabilities.
West Side Mentally Retarded Children’s Aid	\$2,000 (\$1,000 per year, 2 years)	West Side Mentally Retarded Children’s Aid is a nonprofit that provides services to retarded children living in Chicago’s low- and moderate-income westside neighborhoods.
Bickerdike Redevelopment Corporation	\$1,000	Bickerdike Redevelopment Corporation is a nonprofit developer of affordable housing in the low- and moderate-income West Town/Humboldt Park neighborhoods on Chicago’s near northwest side.
PRIDE	\$150	PRIDE is a nonprofit community-based organization that targets affordable housing, anti-crime efforts, and other community reinvestment-related activities in Chicago’s low- and moderate-income Austin neighborhood.
Infant Welfare Society of Chicago	N/A	The bank donated used computer equipment (six desktop computers, absent monitors, and one laptop computer) to the Infant Welfare Society of Chicago, a nonprofit that provides health services for disadvantaged mother and children (no dollar value is assigned to this in-kind donation).

At the time of the bank’s CIC investment, there were 53 other investors in CIC loan pools (44 banks, 9 other Chicago-area companies). The amount of the bank’s investment ranked last (53rd out of 53 investors) at .3% of the total investment pool; in contrast, the bank

ranks 20th out of 305 institutions with respect to deposit share (.7%) in the Chicago MSA. Based on the modest size of the bank's community development investments compared both to its market share and to the numerous investment and grant opportunities in the assessment area, the bank's record under this performance standard is considered "poor".

Innovativeness and Complexity of Qualified Investments

It is noted that a portion of the bank's \$500,000 CIC investment was allocated by CIC to its innovative Flex Fund loan pool, which makes high loan-to-value loans in cases where "appraisal gap" issues would normally preclude loans to properties with adequate cash flow. This portion of the investment is deemed "innovative"; however, as the bank was neither aware of this fund, nor did it in any way direct CIC to use some of the investment to support innovative or flexible loans, little weight is accorded to the bank's performance rating with respect to innovation or flexibility.

Given the bank's lack of awareness of innovative CIC programs and the lack of innovation or complexity with respect to its other qualified investments, the bank's performance is considered "very poor" under this standard.

Responsiveness of Qualified Investments to Credit and Community Development Needs

The CIC, Bickerdike, and PRIDE investments demonstrate responsiveness to credit and community development needs; however, the bank's investments in the later two organizations are extremely minimal in terms of dollar amount invested. In addition, as discussed above, the CIC investment is modest and was made without consideration of the various innovative products (such as the Flex Fund that addresses the critical multifamily underwriting problem of "appraisal gap") constantly under development by CIC and key participating lenders. Collectively, the Allendale, West Side Mentally Retarded Children's Aid, Bickerdike, PRIDE, and Infant Welfare Society investments, were small donations, with no apparent evaluation of how they were used or if the bank should consider establishing a more substantive relationship with the groups.

The bank's performance under this standard is considered "very poor".

Degree to which Qualified Investments Are Not Routinely Provided by Private Investors

Private investors typically do not invest in loan pools targeted at rehabilitation of older multifamily properties for affordable housing creation and preservation; however, a number of nonbank companies also invest in CIC loan pools based on the organization's strong track record and reputation in the Chicago area. However, the remaining five investments are comprised of four grants and one in-kind donation of used computer equipment; these types of charitable donations are typically found in the charitable giving programs of individuals and businesses.

The bank's performance under this standard is considered "adequate" based on its CIC investment.

Qualified Investments Must Benefit the Assessment Area(s) or a Broader Statewide or Regional Area That Includes the Assessment Area(s)

All of the bank's qualified investments were made to organizations that benefit the assessment area.

Service Test

The bank's service test rating is "needs to improve". While the bank offers the standard array of retail banking deposit and loan products, its provision of banking services to low- and moderate-income census tracts is poor and needs improvement. Only one branch and one ATM are located in a moderate-income census tract (downtown Kankakee); there are no branches or ATMs in low-income census tracts. While 22.5% of CDMs are located in low- and moderate-income census tracts, these machines do not provide the full range of automated services. Lending data previously discussed in this report show that these service delivery mechanisms have not proven to be effective in serving the financial service needs of low- and moderate-income communities in the assessment area. Neither the bank's website nor its telephone-accessible Credit Department provides any features that target low- and moderate-income individuals or census tracts. The website lacks any language capability other than English, and the telephone-accessible Credit Department offers bilingual information and transaction assistance only upon request from a live operator, and the request must be made in English. The bank performs no outreach to low- and moderate-income census tracts or individuals regarding its low cost checking account product. It provides no financially-oriented technical assistance in support of community development activities to either local government or local not-for-profit organizations. The bank sponsors the State of Illinois' LINK card administrator to enable LINK access by public assistance beneficiaries to various ATM networks. This was done on a contract fee basis, and the bank does not support or participate in any other way regarding the provision of financial education or financial services to LINK card users or the public aid beneficiary population as a whole. The bank provides no financial educational services or materials targeted to low- and moderate-income census tracts or individuals. The bank neither provides nor supports financial educational activities targeted to small businesses.

Delivery of Banking Services – Retail and Small Business Products/Services

The bank offers the standard variety of retail and small business banking products and services; however, the bank lacks service-delivery mechanisms to proactively offer these products to individuals or small businesses in low- and moderate-income census tracts.

Retail deposit products include a wide variety of checking (standard and NOW), savings, money market, club savings, and Certificate of Deposit products. Debit cards and investment management services are also available. Consumer loan products include single-payment, installment (including automobile), Personal Reserve Account/Overdraft Protection lines of credit, mortgages (full term/fixed rate, balloon/fixed-rate, and adjustable rate), fixed rate second mortgages, fixed-rate home equity loans, variable-rate home equity lines of credit, and construction loans. Credit cards are available through a third party issuer; the bank does not issue its own credit cards. The bank also offered a mortgage referral service (the Alternative Credit Department program) to selected denied applicants and delinquent customers; however, as shown in PE Map 10, few of these referrals were made for individuals in low- and moderate-income census tracts. Since this service did not target low- and moderate-income individuals or census tracts, it did not qualify for consideration under the service test. Wealth management services are also available, including retirement planning, investment management, retail investment, estate planning, estate administration, securities processing, and employment benefit plans.

The bank offers the standard array of commercial deposit and loan products, including commercial term, line of credit and real estate loans, cash management, international banking, and small business banking products.

The bank offers a low-cost checking product, called "Free Checking". Information on the income level of the account holders was not available.

In addition, the bank offers an employer direct-deposit product called "Payday Express". The bank's primary purpose in developing and marketing this product – through workplace presentations to induce employees to open direct deposit accounts – is to obtain corporate deposit and financial services business. The benefit to low- and moderate-income employees is minimal and only incidental to this product. Of the 1,714 Payday Express Accounts opened during the 1999-2000 examination period, 99% (1,702) of the accounts were located in the assessment area; of these accounts, 16% (279) had account addresses located in low- and moderate-income census tracts. The bank provides bilingual flyers for corporate customers to use to market availability of this program.

Distribution of Branches Among Each Geography Classification

Table 28 on the following page shows that only one of 28 branches is located in a low- and moderate-income census tract (in downtown Kankakee); note that the bank operates a total of 30 branches. Two (2) branches were excluded from the census tract income distribution analysis because, according to the 1990 U.S. Census, the census tracts in which these branches are located (in the heart of Chicago's downtown "Loop" area) had very low residential populations and accordingly showed "0" income levels. However, preliminary Year 2000 census data indicates a middle- to upper-income status for these census tracts, consistent with strong anecdotal evidence of upscale residential

development (condominium conversions and construction) throughout the economically revitalizing Loop area. Thus, these “transition” census tracts were excluded from the census tract distribution analysis in Table 28 below. PE Map 5, Appendix 8, shows the distribution of branches compared to the location of low- and moderate-income census tracts.

Table 28

BANK FULL-SERVICE BRANCH DISTRIBUTION BY CENSUS TRACT INCOME				
INCOME LEVEL	CENSUS TRACTS		BRANCHES	
	#	%	#	%
Low	310	17.2	0	0.0
Moderate	378	21.0	1	3.6
Middle	703	39.0	13	46.4
Upper	411	22.8	14	50.0
Total	1802	100.0	28*	100.0

Record of Opening and Closing Branches, Particularly Those Located in Low- and Moderate-Income Census Tracts or Primarily Serving Low- and Moderate-Income Individuals

Since the previous examination, the bank opened three (3) branches and moved one branch (Skokie), none in low- and moderate-income census tracts. The branches that were opened since the previous examination are the Aurora, Chicago Lincoln Park- Armitage, and St. Charles branches. The bank did not close any branches.

Availability and Effectiveness of Alternative Systems for Delivering Retail Banking Services in Low- and Moderate-Income Census Tracts and to Low- and Moderate-Income Individuals

The bank’s alternative service delivery systems are as follows:

ATMs. The bank operates 78 full-service ATMs. Eight ATMs are located in “zero income” census tracts, and thus were excluded from the analysis. One (1.4%) is located in a moderate-income census tract, as shown in Table 29 below. PE Map 6, Appendix 8, shows the location of full-service ATMs compared to the location of low- and moderate-income census tracts.

Table 29

BANK FULL-SERVICE ATM DISTRIBUTION BY CENSUS TRACT INCOME				
INCOME LEVEL	CENSUS TRACTS		ATMs	
	#	%	#	%
Low	310	17.2	0	0.0
Moderate	378	21.0	1	1.4
Middle	703	39.0	27	38.6
Upper	411	22.8	42	60.0

Total	1802	100.0	70	100.0
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CDMs. The bank operates 167 CDMs; these machines are limited to dispensing cash, with a fee structure of \$2 per transaction. Seven CDMs are located in “zero income” census tracts, and thus were excluded from the analysis. While the bank has located a significantly larger proportion of its CDMs (36, or 22.5%) in low- and moderate-income census tracts compared to its branches (1, or 3.6%) or ATMs (1, or 1.4%), it is noted that the CDMs provide very limited service. The locations of the bank’s CDMs are shown in Table 30 below. PE Map 7, Appendix 8, shows the location of CDMs compared to the location of low- and moderate-income census tracts.

Table 30

BANK CDM DISTRIBUTION BY CENSUS TRACT INCOME				
INCOME LEVEL	CENSUS TRACTS		CDMs	
	#	%	#	%
Low	310	17.2	8	5.0
Moderate	378	21.0	28	17.5
Middle	703	39.0	55	34.4
Upper	411	22.8	69	43.1
Total	1802	100.0	160	100.0

Telephone Banking. The bank’s telephone banking system, called “Bank by Phone”, offers the standard array of telephone banking products and services, between the hours of 7 am – midnight, seven days a week. Capabilities include checking on the status of and activity in deposit, savings and money market accounts, checking balances for loan, deposit or investment products, and moving funds between this bank’s accounts. Bilingual services or other special services such as TDD (telecommunications device for the deaf) for hearing disabled persons are not available through the Bank by Phone system; upon inquiry in English to a live staff member, callers are told in English to call the Customer Service Department, and ask if bilingual assistance is available. However, there is no assurance that bilingual staff are available. In addition, since all these inquiries must be made in English, individuals with bilingual needs cannot be effectively served.

Loan applications can be generated 24 hours a day/seven days a week. During hours when the bank’s Customer Service Department is not open (hours are from 8 am – 5 pm, Monday through Friday, customers are transferred to a contract service provider that will take all pertinent customer information and forward the completed application to a lender by 8 am the following business day. The lender then calls the applicant and completes the transaction.

Internet banking. The bank operates an Internet banking system. It offers the standard array of internet-based banking products and services, including online banking (viewing loan, deposit and investment account information and transferring funds between accounts), online loan applications, various financial calculators, branch/ATM/CDM information, and other similar information. The bank does not offer electronic bill payment

or account aggregation services. The website is English-language only.

Mortgage Broker Offices. The bank maintains business relationships with between approximately 165 and 200 mortgage brokers throughout the Chicago area. PE Map 4, Appendix 8, shows the location of mortgage broker offices compared to the location of low- and moderate-income census tracts. The map shows that very few mortgage broker offices are located in or near low- and moderate-income census tracts. The bank was not able to provide any information regarding the effectiveness of these brokers in identifying mortgage-lending opportunities in low- and moderate-income census tracts. The bank does not use these brokers as part of any program to identify lending opportunities in either low- and moderate-income census tracts or with low-and moderate-income individuals.

While the bank operates the standard array (ATM, CDM, telephone, Internet, use of a mortgage broker network) of alternative banking delivery systems, none is targeted to low- and moderate-income census tracts or low-and moderate-income individuals, with the exception of its CDM network.

Community Development Services - Extent of Community Development Services Provided

The bank's community development service performance is "very poor". Of the five activities presented by the bank as community development services, none as a whole targets low- and moderate-income individuals or census tracts, although there is some incidental low- and moderate-income benefit (see discussion under each item). The volume of its services is negligible, and none involves substantive provision of financially-oriented services. The bank's community development service record is comprised of the following:

- In 2000, bank staff gave a 30-minute presentation at a local ESL (English as a Second Language) class of 12 Hispanic adults regarding the benefits of using a bank checking account over check cashing outlets.
- In 1999, the bank entered a fee-based contract agreement to sponsor the State of Illinois' electronic benefit transfer service vendor so that Illinois LINK card users (LINK is Illinois' ATM-based delivery system for public assistance and food stamp benefits) can use the major ATM networks to obtain their benefits. By agreeing to sponsor a non-bank vendor into the ATM networks, the bank fills a critical role in the State of Illinois' program to continue electronic delivery of financial benefits to public assistance and food stamp recipients; however, it is noted that this arrangement is standard in any state that offers electronic delivery of benefits, and that any bank sponsor would typically accrue little if any cost or risk under such an arrangement.

- Under the Illinois Student Assistance Commission program, the bank provides student loan application forms and referral to the Illinois Student Assistance Commission student loan processing office for a standard \$6 fee paid by the student. The bank limits its advertising of this service to bank branch lobbies and to its existing customer base. The bank does not use advertising or any other mechanism by which to inform low- and moderate-income students or their families regarding this service; this is a special concern since none of the bank's branches except for one in downtown Kankakee is located in a low- and moderate-income census tracts. The bank was unable to provide information regarding the number of low- and moderate-income students who used this service.
- The bank conducted 267 information sessions at 89 businesses during the examination period to recruit employees into their employer-sponsored 401(k) plans. Bilingual presentations were included in the schedule. Program materials do not appear to be targeted to low- and moderate-income workers; no other materials were provided to demonstrate low- and moderate-income targeting. The bank did not provide any data regarding low- and moderate-income use of the product. This marketing effort did not target low- and moderate-income individuals or census tracts; rather, the primary purpose of the program appears to have been to generate commercial account business for the bank, with low- and moderate-income benefit incidental to this commercial business effort.
- The bank participates in Illinois State Treasurer's "Bank at School" program, whereby a bank representative works with school staff to establish a school banking program. Students are trained as "tellers", students (with parental permission) establish savings accounts, make deposits, and learn about banking, savings, and other financial literacy subjects through age-appropriate lesson plans. The bank established "Bank at School" programs with 11 schools; 2 are located in predominately moderate-income neighborhoods, and 10% (112) of the total number (1,124) of accounts were opened by children with low- and moderate-income census tract addresses. The bank did not perform any outreach to the families of these children regarding the availability of banking services.

Community Development Services – Innovativeness and Responsiveness of Community Development Services

None of the limited community development services provided by the bank are considered innovative or responsive to community development service needs.

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Fair Lending Issues

Substantive violations of the Fair Housing Act and the Equal Credit Opportunity Act were detected during the consumer compliance examination conducted simultaneously with the CRA evaluation. These violations caused the bank's "needs to improve" CRA rating to be adjusted downward to "substantial noncompliance". The impact of these violations upon the bank's assessment area was widespread. Bank management is in the process of addressing these violations, and is reviewing bank policies, procedures, training programs, and internal oversight efforts in order to prevent future discriminatory practices.

APPENDIX 1 – Additional Charts Showing Geographic Distribution of Loans in the Assessment Area by Loan Category

Table 31

BANK TOTAL VS. ASSESSMENT AREA HMDA LOANS BY YEAR 1999-2000						
LOAN CATEGORY	TOTAL SAMPLE		LENDING WITHIN THE ASSESSMENT AREA			
	#	\$000's	#	%	\$000's	%
1999 HMDA Loans	2,291	114,687	2,237	97.6	109,189	95.2
2000 HMDA Loans	2,466	111,567	2,418	98.1	104,974	94.1
Total	4,757	226,254	4,655	97.9	214,163	94.7

Table 32

BANK TOTAL VS. ASSESSMENT AREA OPTIONAL CONSUMER LOANS BY LOAN CATEGORY, 1999						
LOAN CATEGORY	TOTAL SAMPLE		LENDING WITHIN THE ASSESSMENT AREA			
	#	\$000's	#	%	\$000's	%
Motor Vehicle	785	11,327	761	96.9	10,991	97.0
Other Secured Consumer	206	6,352	190	92.2	5,699	89.7
Other Unsecured Consumer	56	482	56	100.0	482	100.0
Home Equity	3,144	137,559	3114	99.0	136,516	99.2
Total	4,191	155,720	4,121	98.3	153,688	98.7

Table 33

BANK TOTAL VS. ASSESSMENT AREA OPTIONAL CONSUMER LOANS BY LOAN CATEGORY, 2000						
LOAN CATEGORY	TOTAL SAMPLE		LENDING WITHIN THE ASSESSMENT AREA			
	#	\$000's	#	%	\$000's	%
Motor Vehicle	479	6,821	465	97.1	6,623	97.1
Other Secured Consumer	231	8,073	216	93.5	5,485	67.9
Other Unsecured Consumer	55	392	55	100.0	392	100.0
Home Equity	3,292	155,129	3,251	98.8	152,747	98.5
Total	4,057	170,415	3,987	98.3	165,247	97.0

Table 34

BANK TOTAL VS. ASSESSMENT AREA OPTIONAL CONSUMER LOANS BY LOAN CATEGORY, 1999-2000 COMBINED						
LOAN CATEGORY	TOTAL SAMPLE		LENDING WITHIN THE ASSESSMENT AREA			
	#	\$000's	#	%	\$000's	%
Motor Vehicle	1,264	18,148	1,226	97.0	17,614	97.1
Other Secured Consumer	437	14,425	406	92.9	11,184	77.5
Other Unsecured Consumer	111	874	111	100.0	874	100.0
Home Equity	6,436	292,688	6,365	98.9	289,263	98.8
Total	8,248	326,135	8,108	98.3	318,935	97.8

Table 35

BANK TOTAL VS. ASSESSMENT AREA CRA SMALL BUSINESS LOANS BY YEAR 1999-2000						
LOAN CATEGORY	TOTAL SAMPLE		LENDING WITHIN THE ASSESSMENT AREA			
	#	\$000's	#	%	\$000's	%
1999 CRA Small Business Loans	701	118,918	685	97.7	115,684	97.3
2000 CRA Small Business Loans	666	109,650	645	96.8	105,171	95.9
Total	1,367	228,568	1,330	97.3	220,855	96.6

Table 36

BANK TOTAL VS. ASSESSMENT AREA OPTIONAL SMALL BUSINESS LOANS BY YEAR 1999-2000						
LOAN CATEGORY	TOTAL SAMPLE		LENDING WITHIN THE ASSESSMENT AREA			
	#	\$000's	#	%	\$000's	%
1999 Other Small Business Loans	51	7,955	51	100.0	7,955	100.0
2000 Other Small Business Loans	37	8,096	37	100.0	8,096	100.0
Total	88	16,051	88	100.0	16,051	100.0

Table 37

BANK HMDA & OPTIONAL CONSUMER LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000 COMBINED						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	172	1.3	7,718	1.4
Moderate	378	21.0	632	5.0	26,046	4.9
Middle	703	39.0	5,611	44.0	187,995	35.3
Upper	411	22.8	6,348	49.7	311,339	58.4
Total	1,802	100.0	12,763	100.0	533,098	100.0

Table 38

BANK HMDA LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000 COMBINED						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	68	1.5	3,696	1.7
Moderate	378	21.0	247	5.3	12,097	5.6
Middle	703	39.0	2,222	47.7	86,699	40.5
Upper	411	22.8	2,118	45.5	111,671	52.1
Total	1,802	100.0	4,655	100.0	214,163	100.0

Table 39

BANK HMDA LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	28	1.3	1,971	1.8
Moderate	378	21.0	119	5.3	6,282	5.8
Middle	703	39.0	1,115	49.8	43,686	40.0
Upper	411	22.8	975	43.6	57,250	52.4
Total	1,802	100.0	2,237	100.0	109,189	100.0

Table 40

BANK HMDA LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 2000						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	40	1.6	1,725	1.6
Moderate	378	21.0	128	5.2	5,815	5.5
Middle	703	39.0	1,107	45.9	43,013	41.0
Upper	411	22.8	1,143	47.3	54,421	51.8
Total	1,802	100.0	2,418	100.0	104,974	100.0

Table 41

BANK (HMDA) HOME PURCHASE LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000								
CENSUS TRACT INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	8	2.7	1,038	3.2	14	3.7	745	2.4
Moderate	22	7.4	2,470	7.6	29	7.6	2,051	6.7
Middle	106	35.6	10,925	33.8	141	36.8	10,668	34.9
Upper	162	54.4	17,891	55.3	199	52.0	17,124	56.0
Total	298	100.0	32,324	100.0	383	100.0	30,588	100.0

Table 42

BANK (HMDA) HOME IMPROVEMENT LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000								
CENSUS TRACT INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	9	1.1	458	2.4	18	1.7	541	2.1
Moderate	40	5.0	940	4.9	57	5.4	1,482	5.6
Middle	421	52.4	9,560	50.3	486	46.4	11,652	44.2
Upper	334	41.5	8,042	42.3	487	46.5	12,680	48.1
Total	804	100.0	19,000	100.0	1,048	100.0	26,355	100.0

Table 43

BANK (HMDA) HOME REFINANCES LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000								
CENSUS TRACT INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	11	1.0	475	0.9	6	0.6	271	0.6
Moderate	53	4.9	2,527	4.7	38	4.0	1,979	4.3
Middle	573	52.5	21,681	40.4	468	49.1	19,680	43.1
Upper	455	41.7	29,040	54.1	441	46.3	23,716	52.0
Total	1,092	100.0	53,723	100.0	953	100.0	45,646	100.0

Table 44

BANK OPTIONAL CONSUMER LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000 COMBINED						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	104	1.3	4,022	1.3
Moderate	378	21.0	385	4.7	13,949	4.4
Middle	703	39.0	3,389	41.8	101,296	31.8
Upper	411	22.8	4,230	52.2	199,668	62.6
Total	1,802	100.0	8,108	100.0	318,935	100.0

Table 45

BANK OPTIONAL CONSUMER LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	46	1.1	1,701	1.1
Moderate	378	21.0	189	4.6	5,853	3.8
Middle	703	39.0	1,785	43.3	51,016	33.2
Upper	411	22.8	2,101	51.0	95,118	61.9
Total	1,802	100.0	4,121	100.0	153,688	100.0

Table 46

BANK OPTIONAL CONSUMER LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 2000						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	58	1.5	2,321	1.4
Moderate	378	21.0	196	4.9	8,096	4.9
Middle	703	39.0	1,604	40.2	50,280	30.4
Upper	411	22.8	2,129	53.4	104,550	63.3
Total	1,802	100.0	3,987	100.0	165,247	100.0

Table 47

BANK OPTIONAL MOTOR VEHICLE LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000								
CENSUS TRACT INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	4	0.5	31	0.3	1	0.2	12	0.2
Moderate	37	4.9	442	4.0	13	2.8	184	2.8
Middle	402	52.8	5,443	49.5	248	53.3	3,252	49.1
Upper	318	41.8	5,075	46.2	203	43.7	3,175	47.9
Total	761	100.0	10,991	100.0	465	100.0	6,623	100.0

Table 48

BANK OPTIONAL "OTHER SECURED" LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000								
CENSUS TRACT INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	5	2.6	122	2.1	4	1.9	152	2.8
Moderate	12	6.3	142	2.5	17	7.9	369	6.7
Middle	95	50.0	1,578	27.7	114	52.8	2,009	36.6
Upper	78	41.1	3,857	67.7	81	37.5	2,955	53.9
Total	190	100.0	5,699	100.0	216	100.0	5,485	100.0

Table 49

BANK OPTIONAL "OTHER UNSECURED" LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000								
CENSUS TRACT INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	1	1.8	4	0.8	0	0.0	0	0.0
Moderate	3	5.4	13	2.7	8	14.5	86	21.9
Middle	37	66.1	248	51.5	26	47.3	190	48.5
Upper	15	26.8	217	45.0	21	38.2	116	29.6
Total	56	100.0	482	100.0	55	100.0	392	100.0

Table 50

BANK OPTIONAL HOME EQUITY LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000								
CENSUS TRACT INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	36	1.2	1,544	1.1	53	1.6	2157	1.4
Moderate	137	4.4	5,256	3.9	158	4.9	7,457	4.9
Middle	1,251	40.2	43,747	32.0	1,216	37.4	44,829	29.3
Upper	1,690	54.3	85,969	63.0	1,824	56.1	98,304	64.4
Total	3,114	100.0	136,516	100.0	3,251	100.0	152,747	100.0

Table 51

BANK VS. AGGREGATE HMDA LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999						
CENSUS TRACT INCOME LEVEL	DEMOGRAPHICS		FIRST AMERICAN BANK		AGGREGATE WITHIN ASSESSMENT AREA	
	# OF CENSUS TRACTS	% OF TOTAL CENSUS TRACTS	# OF ORIGINATIONS	% OF NUMBER	# OF ORIGINATIONS	% OF TOTAL ORIGINATIONS
Low	310	17.2	28	1.3	14,089	4.0
Moderate	378	21.0	119	5.3	44,849	12.8
Middle	703	39.0	1,115	49.8	158,070	45.2
Upper	411	22.8	975	43.6	132,692	37.9
Total	1,802	100.0	2,237	100.0	349,700	100.0

Table 52

BANK VS. AGGREGATE HMDA LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 2000						
CENSUS TRACT INCOME LEVEL	DEMOGRAPHICS		FIRST AMERICAN BANK		AGGREGATE WITHIN ASSESSMENT AREA	
	# OF CENSUS TRACTS	% OF TOTAL CENSUS TRACTS	# OF ORIGINATIONS	% OF NUMBER	# OF ORIGINATIONS	% OF TOTAL ORIGINATIONS
Low	310	17.2	40	1.6	11,914	4.4
Moderate	378	21.0	128	5.2	36,028	13.2
Middle	703	39.0	1,107	45.9	124,245	45.6
Upper	411	22.8	1,143	47.3	100,123	36.8
Total	1,802	100.0	2,418	100.0	272,310	100.0

Table 53

BANK CRA & OPTIONAL SMALL BUSINESS LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000 COMBINED						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	20	1.4	5,248	2.2
Moderate	378	21.0	100	7.1	17,806	7.5
Middle	703	39.0	699	49.3	117,314	49.5
Upper	411	22.8	599	42.2	96,538	40.7
Total	1,802	100.0	1,418	100.0	236,906	100.0

Table 54

BANK CRA SMALL BUSINESS LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000 COMBINED						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	19	1.4	5,185	2.3
Moderate	378	21.0	95	7.1	17,170	7.8
Middle	703	39.0	667	50.2	110,754	50.1
Upper	411	22.8	549	41.3	87,746	39.7
Total	1,802	100.0	1,330	100.0	220,855	100.0

Table 55

BANK CRA SMALL BUSINESS LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999-2000								
CENSUS TRACT INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	4	0.6	737	0.6	15	2.3	4,448	4.2
Moderate	54	7.9	11,946	10.3	41	6.4	5,224	5.0
Middle	350	51.1	63,658	55.0	317	49.1	47,096	44.8
Upper	277	40.4	39,343	34.0	272	42.2	48,403	46.0
Total	685	100.0	115,684	100.0	645	100.0	105,171	100.0

Table 56

BANK OPTIONAL SMALL BUSINESS LOANS BY CENSUS TRACT INCOME, 1999-2000 COMBINED						
CENSUS TRACT INCOME LEVEL	CENSUS TRACTS		FIRST AMERICAN BANK LENDING			
	#	%	#	%	\$000's	%
Low	310	17.2	1	1.1	63	0.4
Moderate	378	21.0	5	5.7	636	4.0
Middle	703	39.0	32	36.4	6,560	40.9
Upper	411	22.8	50	56.8	8,792	54.8
Total	1,802	100.0	88	100.0	16,051	100.0

Table 57

BANK OPTIONAL SMALL BUSINESS LOANS BY CENSUS TRACT INCOME, 1999-2000								
CENSUS TRACT INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	1	2.0	63	0.8	0	0.0	0	0.0
Moderate	4	7.8	412	5.2	1	2.7	224	2.8
Middle	20	39.2	3,167	39.8	12	32.4	3,393	41.9
Upper	26	51.0	4,313	54.2	24	64.9	4,479	55.3
Total	51	100.0	7,955	100.0	37	100.0	8,096	100.0

Table 58

BANK VS. AGGREGATE CRA SMALL BUSINESS LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 1999						
CENSUS TRACT INCOME LEVEL	DEMOGRAPHICS		ORIGINATIONS		AGGREGATE WITHIN ASSESSMENT AREA	
	# OF CENSUS TRACTS	% OF TOTAL CENSUS TRACTS	#	%	# OF ORIGINATIONS	% OF TOTAL ORIGINATIONS
Low	310	17.2	4	.6	2,506	3.2
Moderate	378	21.0	54	7.9	8,307	10.6
Middle	703	39.0	350	51.1	33,741	43.0
Upper	411	22.8	277	40.4	33,973	43.3
Total	1,802	100.0	685	100.0	78,527	100.0

Table 59

BANK VS. AGGREGATE CRA SMALL BUSINESS LOAN DISTRIBUTION BY CENSUS TRACT INCOME, 2000						
CENSUS TRACT INCOME LEVEL	DEMOGRAPHICS		ORIGINATIONS		AGGREGATE WITHIN ASSESSMENT AREA	
	# OF CENSUS TRACTS	% OF TOTAL CENSUS TRACTS	#	%	# OF ORIGINATIONS	% OF TOTAL ORIGINATIONS
Low	310	17.2	15	2.3	4,375	3.3
Moderate	378	21.0	41	6.4	14,230	10.6
Middle	703	39.0	317	49.1	57,360	42.8
Upper	411	22.8	272	42.2	58,030	43.3
Total	1,802	100.0	645	100.0	133,995	100.0

and Loan Category

Table 60

BANK HMDA & OPTIONAL CONSUMER LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000 COMBINED						
BORROWER INCOME LEVEL	FAMILY DEMOGRAPHICS		FIRST AMERICAN BANK LENDING			
	# OF FAMILIES	%	#	%	\$000's	%
Low	375,134	19.9	636	5.0	11,595	2.2
Moderate	328,522	17.4	1,757	14.0	46,079	8.8
Middle	453,260	24.0	3,573	28.0	111,201	21.2
Upper	732,311	38.8	6,646	53.0	355,583	67.8
Total	1,889,227	100.0	12,612	100.0	524,458	100.0

In 1999, there were 38 loans totaling \$1,408,000 for which no income was available. In 2000, there were 38 loans totaling \$1,129,000 dollars for which no income was available.

Table 61

BANK HMDA LOAN DISTRIBUTION BY BORROWER INCOME, 1999						
BORROWER INCOME LEVEL	FAMILY DEMOGRAPHICS		FIRST AMERICAN BANK LENDING			
	# OF FAMILIES	%	#	%	\$000's	%
Low	375,134	19.9	76	3.5	2,185	2.1
Moderate	328,522	17.4	303	13.8	9,808	9.4
Middle	453,260	24.0	653	29.8	23,450	22.5
Upper	732,311	38.8	1,158	52.9	68,976	66.1
Total	1,889,227	100.0	2,190	100.0	104,419	100.0

In 1999, there were 5 loans totaling \$734,000 for which no income was available.

Table 62

BANK HMDA LOAN DISTRIBUTION BY BORROWER INCOME, 2000						
BORROWER INCOME LEVEL	FAMILY DEMOGRAPHICS		FIRST AMERICAN BANK LENDING			
	# OF FAMILIES	%	#	%	\$000's	%
Low	375,134	19.9	71	3.0	1,867	1.8
Moderate	328,522	17.4	330	13.9	11,271	11.0
Middle	453,260	24.0	741	31.2	25,604	25.0
Upper	732,311	38.8	1,234	51.9	63,581	62.1
Total	1,889,227	100.0	2,376	100.0	102,323	100.0

In 2000, there were 9 loans totaling \$584,000 dollars for which no income was reported.

Table 63

BANK (HMDA) HOME PURCHASE LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000								
BORROWER INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	5	1.7	580	1.8	10	2.6	708	2.3
Moderate	32	10.7	2,298	7.1	44	11.5	2,856	9.4
Middle	62	20.8	5,695	17.6	90	23.6	6,224	20.4
Upper	199	66.8	23,751	73.5	238	62.3	20,740	67.9
Total	298	100.0	32,324	100.0	382	100.0	30,528	100.0

In 2000, there was one loan totaling \$60,000 dollars for which no income was reported.

Table 64

BANK (HMDA) HOME IMPROVEMENT LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000								
BORROWER INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	23	2.9	406	2.1	36	3.4	558	2.1
Moderate	105	13.1	1,924	10.1	145	13.8	3,045	11.6
Middle	262	32.6	5,428	28.6	352	33.6	7,858	29.8
Upper	414	51.5	11,242	59.2	515	49.1	14,894	56.5
Total	804	100.0	19,000	100.0	1,048	100.0	26,355	100.0

Table 65

BANK (HMDA) HOME REFINANCE LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000								
BORROWER INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	48	4.4	1,199	2.3	25	2.6	601	1.3
Moderate	166	15.3	5,586	10.5	141	14.9	5,370	11.8
Middle	329	30.2	12,327	23.2	299	31.6	11,522	25.4
Upper	545	50.1	33,983	64.0	481	50.8	27,947	61.5
Total	1,088	100.0	53,095	100.0	946	100.0	45,440	100.0

In 1999, there were 4 loans totaling \$628,000 for which no income was available. In 2000, there were 7 loans totaling \$386,000 dollars for which no income was reported.

Table 66

BANK OPTIONAL CONSUMER LOAN DISTRIBUTION BY BORROWER INCOME, 1999						
BORROWER INCOME LEVEL	FAMILY DEMOGRAPHICS		FIRST AMERICAN BANK LENDING			
	# OF FAMILIES	%	#	%	\$000's	%
Low	375,134	19.9	278	6.8	4,812	3.1
Moderate	328,522	17.4	636	15.6	14,091	9.2
Middle	453,260	24.0	1,149	28.1	32,237	21.1
Upper	732,311	38.8	2,025	49.5	101,874	66.6
Total	1,889,227	100.0	4,088	100.0	153,014	100.0

In 1999, there were 33 loans totaling \$674,000 for which no income was available.

Table 67

BANK OPTIONAL CONSUMER LOAN DISTRIBUTION BY BORROWER INCOME, 2000						
BORROWER INCOME LEVEL	FAMILY DEMOGRAPHICS		FIRST AMERICAN BANK LENDING			
	# OF FAMILIES	%	#	%	\$000's	%
Low	375,134	19.9	211	5.3	2,731	1.7
Moderate	328,522	17.4	488	12.3	10,909	6.6
Middle	453,260	24.0	1,030	26.0	29,910	18.2
Upper	732,311	38.8	2,229	56.3	121,152	73.6
Total	1,889,227	100.0	3,958	100.0	164,702	100.0

In 2000, there were 29 loans totaling \$545,000 dollars for which no income was available.

Table 68

BANK MOTOR VEHICLE LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000								
BORROWER INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	109	14.5	1,064	9.8	62	13.6	623	9.6
Moderate	166	22.1	1,948	18.0	83	18.2	902	13.9
Middle	204	27.2	2,754	25.5	131	28.7	1,823	28.0
Upper	271	36.1	5,044	46.7	181	39.6	3,160	48.6
Total	750	100.0	10,810	100.0	457	100.0	6,508	100.0

In 1999, there were 11 loans totaling \$181,000 for which no income was available. In 2000, there were 8 loans totaling \$115,000 dollars for which no income was reported.

Table 69

BANK "OTHER SECURED" CONSUMER LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000								
BORROWER INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	61	33.5	600	11.0	70	34.3	728	13.7
Moderate	41	22.5	824	15.0	44	21.6	843	15.9
Middle	35	19.2	812	14.8	40	19.6	1,063	20.1
Upper	45	24.7	3,241	59.2	50	24.5	2,664	50.3
Total	182	100.0	5,477	100.0	204	100.0	5,298	100.0

In 1999, there were 8 loans totaling \$222,000 for which no income was available. In 2000, there were 8 loans totaling \$115,000 dollars for which no income was reported.

Table 70

BANK "OTHER UNSECURED" CONSUMER LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000								
BORROWER INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	9	16.7	26	5.5	11	20.4	42	10.7
Moderate	15	27.8	72	15.1	12	22.2	75	19.2
Middle	14	25.9	58	12.2	17	31.5	125	32.0
Upper	16	29.6	321	67.3	14	25.9	149	38.1
Total	54	100.0	477	100.0	54	100.0	391	100.0

In 1999, there were 2 loans totaling \$5,000 for which no income was available. In 2000, there was 1 loan totaling \$1,000 dollars for which no income was reported.

Table 71

BANK HOME EQUITY LOAN DISTRIBUTION BY BORROWER INCOME, 1999-2000								
BORROWER INCOME LEVEL	1999				2000			
	#	%	\$000's	%	#	%	\$000's	%
Low	99	3.2	3,122	2.3	68	2.1	1,338	0.9
Moderate	414	13.3	11,247	8.3	349	10.8	9,089	6.0
Middle	896	28.9	28,613	21.0	842	26.0	26,899	17.6
Upper	1,693	54.6	93,268	68.5	1,984	61.2	115,179	75.5
Total	3,102	100.0	136,250	100.0	3,243	100.0	152,505	100.0

In 1999, there were 12 loans totaling \$266,000 for which no income was available. In 2000, there were 8 loans totaling \$242,000 dollars for which no income was reported.

Appendix 3 – Additional Tables Showing Small Business Loan Distribution by Loan Amount and Business Size

Table 72

BANK CRA & OTHER SMALL BUSINESS LOAN DISTRIBUTION BY LOAN SIZE, 1999-2000							
Year	<= \$100,000		\$100,000 TO < = \$250,000		\$250,000 TO < = \$1,000,000		TOTAL
	#	%	#	%	#	%	#
1999	428	58.2	147	20.0	161	21.9	736
2000	400	58.7	115	16.9	167	24.5	682
Total	828	58.4	262	18.5	328	23.1	1,418
Year	\$000's	%	\$000's	%	\$000's	%	\$000's
1999	15,851	12.8	26,004	21.0	81,784	66.1	123,639
2000	14,692	13.0	20,621	18.2	77,954	68.8	113,267
Total	30,543	12.9	46,625	19.7	159,738	67.4	236,906

Table 73

BANK CRA & OTHER SMALL BUSINESS LOAN DISTRIBUTION BY BUSINESS SIZE, 1999-2000						
YEAR	#			\$000's		
	LOANS TO BUSINESSES WITH REVENUE < = \$1,000,000	%	TOTAL	LOANS TO BUSINESSES WITH REVENUE < = \$1,000,000	%	TOTAL
1999	140	20.1	696	16,187	14.3	113,126
2000	168	23.3	722	18,576	15.0	123,780
Total	308	21.7	1,418	34,763	14.7	236,906

APPENDIX 4

Table 74

COMPETITOR BANKS' LOAN-TO-DEPOSIT RATIOS (%)								
BANK	3/31/99	6/30/99	9/30/99	12/31/99	3/31/00	6/30/00	9/30/00	12/3100
Cole Taylor Bank, Chicago, IL	89.12	92.56	90.67	88.90	89.66	87.16	91.37	90.68
Corus Bank NA, Chicago, IL	75.20	73.35	79.91	85.85	81.45	88.16	92.08	71.42
First American Bank*, Carpenters- ville, IL	85.91	86.19	76.48	76.17	77.47	78.35	75.72	76.84
Harris Trust & Savings Bank, Chicago, IL	85.97	82.60	87.83	88.63	88.93	93.16	85.61	86.76
The Northern Trust Co., Chicago, IL	76.71	72.82	68.88	62.75	66.80	67.16	73.39	70.05
Pullman Bank & Trust, Chicago, IL	97.49	97.33	92.79	100.33	94.56	96.72	103.63	103.13

*LTD ratios for 3/31/99 and 6/30/99 are based on bank data prior to the merger of the Joliet and Kankakee affiliates into the bank.

APPENDIX 5

DUN & BRADSTREET SMALL BUSINESS DATA

Table 75

Assessment Area Small Business Distribution by Census Tract Income		
	#	% of # of total businesses
Total number of businesses	214,179	100%
Total number of small businesses	181,685	85%
Small businesses by census tract	#	% of small businesses
In low-income census tracts	10,692	6%
In moderate-income census tracts	22,794	13%
In middle-income census tracts	77,201	42%
In upper-income census tracts	70,998	39%
Total	181,685	100%

Source: Dun & Bradstreet, June 1999

APPENDIX 6

SCOPE OF EXAMINATION

TIME PERIOD REVIEWED

January 1, 1999 through December 31, 2000.

FINANCIAL INSTITUTION

First American Bank, Carpentersville, Illinois

LOAN PRODUCTS REVIEWED

HMDA, CRA Small Business, Optional Consumer Data (home equity loans/lines, consumer automobile, other secured consumer, other unsecured consumer), Optional Small Business Data

ASSESSMENT AREA

MSA #1600 CHICAGO and MSA #3740 KANKAKEE Full Procedures

APPENDIX 7

GLOSSARY

Aggregate lending: *The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.*

Block numbering area (“BNA”): *Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.*

Census tract: *Small subdivisions 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. They 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.*

Community development: *Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals, activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income census tracts,*

Consumer loan: *A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.*

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. Families are classified by type as either a married couple family or other family, which is further classified into “male householder” (a family with a male household and no wife present) or “female householder” (a family with a female householder and no husband present).*

Full review: *Performance under the lending, investment, and service tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution,*

borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography: *A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.*

Home Mortgage Disclosure Act ("HMDA"): *The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).*

Home mortgage loans: *Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.*

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.*

Limited review: *Performance under the lending, investment, and service tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).*

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 lenders in the MSA/assessment area.*

Metropolitan area: *Any primary metropolitan statistical area ("PMSA"), metropolitan statistical area ("MSA"), or consolidated metropolitan area ("CMSA"), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.*

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.*

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.*

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

Optional loans: Includes any unreported category of loans for which the institution collects and maintains data for consideration during a CRA examination. Also includes consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Small loans to business: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small loans to farms: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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 a geography.

APPENDIX 8**ASSESSMENT AREA, SERVICE DELIVERY CHANNELS, AND LOAN DISPERSION PUBLIC EVALUATION (PE) MAPS**

IMPORTANT NOTICE: The maps contained in Appendix 8 are part of the official Public Evaluation report. However, unlike the body of the report and Appendices 1-7, they cannot be reproduced through electronic means. These maps are available upon request from the Federal Reserve Bank of Chicago; requests must be made either in writing or by means of e-mail, and must be directed as follows to ensure timely processing and delivery:

James Lux
Supervision and Regulation Department – 15th Floor
Federal Reserve Bank of Chicago
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Chicago, Illinois 60604

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PE Map 1	Previous Examination's Assessment Area Income Status of Census Tracts
PE Map 2	Original Assessment Area Income Status of Census Tracts
PE Map 3	Revised Assessment Area Income Status of Census Tracts
PE Map 4	Distribution of Mortgage Broker Offices (as of 12/31/00) By Census Tract Income
PE Map 5	Distribution of Branch Locations (as of 12/31/00) By Census Tract Income
PE Map 6	Distribution of Full Service ATMs (as of 12/31/00) By Census Tract Income
PE Map 7	Distribution of Cash Dispensing (Only) ATMs (as of 12/31/00) By Census Tract Income

- PE Map 8 Distribution of HMDA Loans, 1999-2000
By Census Tract Income

- PE Map 9 Distribution of Combined Small Business and Small Farm Loans, 1999-2000
By Census Tract Income

- PE Map 10 Distribution of Alternative Credit Department Loans, 1999-2000
By Census Tract Income

- PE Map 11 Distribution of Optionally Reported Small Business Loans, 1999-2000
By Census Tract Income

- PE Map 12 Distribution of Optionally Reported Home Equity Credit Lines and Loans,
1999-2000
By Census Tract Income

- PE Map 13 Distribution of Optionally Reported Consumer Auto Loans, 1999-2000
By Census Tract Income

- PE Map 14 Distribution of Optionally Reported Other Secured Consumer Loans,
1999-2000
By Census Tract Income

- PE Map 15 Distribution of Optionally Reported Other Unsecured Consumer Loans,
1999-2000
By Census Tract Income

- PE Map 16 Distribution of Census Tracts with No Loan Activity, 1999-2000
By Census Tract Income

- PE Map 17 Census Tracts in Central and South Chicago with No Loan Activity,
1999-2000
By Census Tract Income