

PUBLIC DISCLOSURE

The Bank of Laramie
10-56-0315
16355

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

3908 Grand Avenue
Laramie, Wyoming 82070

Federal Reserve Bank of Kansas City

925 Grand Avenue
Kansas City Missouri

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of The Bank of Laramie, Laramie, Wyoming, prepared by Federal Reserve Bank of Kansas City, the institution's supervisory agency, as of November 18, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION'S CRA RATING: *This institution is rated **Outstanding***

The bank's performance with the CRA is Outstanding. The bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. Additionally, a substantial majority of loans were found to be in the bank's assessment area, and the distribution of loans reflects excellent dispersion to individuals of different income levels and businesses of different sizes, and a satisfactory dispersion among geographies.

The following table indicates the performance level of Bank of Laramie with respect to each of the five core performance criteria and the two optional criteria.

SMALL INSTITUTION ASSESSMENT	BANK OF LARAMIE PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different sizes	X		
Geographic Distribution of Loans		X	
Response to Complaints	The bank has not received any complaints about its CRA performance.		
Qualified Investments	X		
Qualified Services	Unrated - the bank does not currently have services that are "qualified services."		

The bank's performance under CRA was last evaluated at the August 14, 1995 examination, at which time it was also considered Outstanding.

DESCRIPTION OF INSTITUTION

The Bank of Laramie has one full-service facility in the city of Laramie, Wyoming. The bank is located at 3908 Grand Avenue. The Bank of Laramie also has automated teller machines (ATMs) at the above address.

The bank reported total assets of \$28,997,000 in its June 30, 1996 Report of Condition and Income (Call Report). The table on the following page reflects the distribution of the bank's loan portfolio as of that date.

DISTRIBUTION OF LOANS IN THE LOAN PORTFOLIO		
Type of Loan	\$ Amount (In Thousands)	Percentage of Total Loans
Commercial and agricultural loans	2,879	17
Loans secured by real estate:		
Construction and land development	1,386	8
Revolving, open-end loans secured by 1- to 4-family residential properties	285	2
All other loans secured by 1- to 4-family residential properties	4,552	26
Secured by multifamily (5 or more) residential properties	581	31
Secured by nonresidential properties	5,260	3
Consumer instalment loans	1,978	11
Consumer open-end loans	77	1
Other	143	1
Total	17,141	100

DESCRIPTION OF THE BANK'S ASSESSMENT AREA

The bank's assessment area does not arbitrarily exclude any low- and moderate-income areas. The bank's assessment area, which is the geographic area the bank has designated as its service area, includes all of Albany County, Wyoming. This area includes the city of Laramie and the towns of Centennial, Bossler, and Rock River.

According to the 1990 census, the populations of Albany County and the city of Laramie were 30,787 and 29,310, respectively. Approximately 10,000 of these population totals are students at the University of Wyoming. The 1995 median family income for nonmetropolitan Wyoming was \$37,700.

There are a total of 14 block numbering areas (BNAs) in the assessment area. The following table shows the distribution of those tracts among the four income categories.

INCOME CLASSIFICATION OF BNAs IN THE BANK'S ASSESSMENT AREA				
	Low ¹	Moderate ²	Middle ³	Upper ⁴
Number of Tracts	2	4	7	1
Percentage of Total Tracts	14	29	50	7

- 1 Less than 50 percent of the Wyoming nonmetropolitan area median family income.
- 2 At least 50 percent and less than 80 percent of the Wyoming nonmetropolitan area median family income.
- 3 At least 80 percent and less than 120 percent of the Wyoming nonmetropolitan area median family income.
- 4 120 percent or more of the Wyoming nonmetropolitan median family income.

The local economy is strong. Community contacts indicated the affordable housing is the biggest need in the city of Laramie. The housing problem is due in part to the large number of college students who attend the University of Wyoming in Laramie.

Major employers in Laramie are the University of Wyoming and companies who represent the retail trade and service industries.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's performance under the CRA is Outstanding. The bank's performance under each of the five small institution assessment criteria is summarized on the following pages.

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio, which contrasts the level of loans to deposits, is more than reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's average loan-to-deposit ratio for the last four quarters, based on Call Report information, is 64 percent. This ratio is comparable to that of one other bank located in the bank's assessment area (66 percent) and similar to peer group banks nationwide of 62 percent.

Lending in Assessment Area

A substantial majority of loans reviewed are in the bank's assessment area. This is based on the loan sample reviewed during the examination using sampling software procedures. Three loan types were sampled including consumer loans, real estate-secured loans, and small business loans. Overall, 96 percent of the number and 96 percent of the dollar amount of the loans sampled were made in the bank's assessment area.

The following table shows the percentage of loans in the assessment area for each loan

type sampled.

DISTRIBUTION OF LOANS IN AND OUT OF THE ASSESSMENT AREA								
	Inside the Assessment Area				Outside the Assessment Area			
	Number of Loans	%	\$ Amount of Loans	%	Number of Loans	%	\$ Amount of Loans	%
Consumer loans	47	96	488,002	89	2	4	61,116	11
Real estate-secured loans	38	100	1,786,808	100	0	0	0	0
Small business loans	38	93	2,609,284	96	3	8	115,792	4

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loan originations across the bank’s assessment area by income level of borrowers was outstanding. This analysis was also completed using the same sample mentioned above. Comparisons were made of borrowers’ income levels to the average median income for the bank’s assessment area. This review showed that 66 percent of the total number of consumer loans and 29 percent of other real estate-secured loans, for a total of 49 percent of all consumer loans sampled, were to low- and moderate-income borrowers (borrowers whose average family income is 0 to 80 percent of the 1990 state of Wyoming median family income for nonmetropolitan areas). This compares favorably with the number of low- and moderate-income families located in the bank’s assessment area, which equaled 40 percent. Further, the real estate-secured loan sample is exceptionally favorable when compared to the demographics of the assessment area. Community contacts indicated that the low- and moderate-income individuals in the bank’s assessment area are typically not homeowners, as only 23 percent of the homes are owner-occupied. Also, the University of Wyoming is located in the two low-income BNAs and includes a large number of student housing units, which represent only .8 percent of the housing that is owner occupied.

The table on the following page shows the distribution of consumer loans sampled in the bank’s assessment area by income level of borrower. It illustrates the bank's efforts to lend to low- and moderate-income families located in its assessment area.

DISTRIBUTION OF CONSUMER LOANS SAMPLED IN THE ASSESSMENT AREA BY INCOME LEVEL OF BORROWER								
	Consumer				Real Estate-Secured			
	Number	%*	Dollar	%*	Number	%*	Dollar	%*
Low-income ¹	10	21	76,256	16	3	8	52,632	3
Moderate-income ²	21	45	189,485	39	8	21	281,704	16
Middle-income ³	8	17	67,262	14	6	16	240,883	13
Upper-income ⁴	8	17	154,197	32	21	56	1,211,689	68

- 1 Less than 50 percent of the 1990 state of Wyoming nonmetropolitan area median family income.
- 2 At least 50 percent and less than 80 percent of the 1990 state of Wyoming nonmetropolitan area median family income.
- 3 At least 80 percent and less than 120 percent of the 1990 state of Wyoming nonmetropolitan area median family income.
- 4 120 percent or more of the 1990 state of Wyoming nonmetropolitan area median family income.

* May not total 100 percent due to rounding.

The sample of small business loans (loans with original amounts of \$1 million or less) showed that the bank is making loans to businesses of different sizes. The sample showed that 96 percent of the number and 99 percent of the dollar volume of small business loans sampled were to businesses with gross annual revenues less than \$1 million. A review of the number of loans by category is noteworthy. Specifically, 89 percent of the number and 93 percent of the dollar volume of loans in the assessment area were to businesses with gross annual revenues of less than \$250,000.

DISTRIBUTION OF BUSINESS LOANS SAMPLED WITHIN THE ASSESSMENT AREA				
Revenue Category ¹	Number of Loans	%	Dollar of Loans	%
Less than \$100,000	28	76	1,533,270	59
Greater than or equal to \$100,000 but less than \$250,000	5	13	890,628	34
Greater than or equal to \$250,000 but less than \$500,000	1	3	50,000	2
Greater than or equal to \$500,000 but less than \$1,000,000	2	5	100,060	4
Greater than or equal to \$1,000,000	1	3	35,326	1

¹ Based on gross annual revenue figures.

Geographic Distribution of Loans

The bank's overall geographic distribution of loans reflects satisfactory dispersion throughout the assessment area given the demographics of the area. The majority of consumer and small business loan samples are concentrated in middle- and upper-income BNAs.

DISTRIBUTION OF LOANS ACROSS THE ASSESSMENT AREA BY INCOME LEVEL OF BNAs								
	Low-Income¹		Moderate-Income²		Middle-Income³		Upper-Income⁴	
	#	\$	#	\$	#	\$	#	\$
Consumer	1	2,250	7	45,047	31	356,303	8	84,402
<i>Percent of Total</i>	2	1	15	9	66	73	17	17
Real Estate-Secured	0	0	2	88,888	28	240,843	8	353,765
<i>Percent of Total</i>	0	0	5	5	74	75	21	20
Small Business	11	85,050	4	382,198	31	2,138,036	1	4,000
<i>Percent of Total</i>	3	3	11	15	84	82	1	2
Number of BNA tracts in Assessment Area	2		4		7		1	
<i>Percentage of Tracts*</i>	14		29		50		7	
Number of Families by BNA Tract	345		1,690		3,590		1,345	
<i>Percentage of Families*</i>	5		24		52		19	

¹ BNA tracts having less than 50 percent of the Wyoming nonmetropolitan area median family income.

² BNA tracts having at least 50 percent and less than 80 percent of the Wyoming nonmetropolitan area median family income.

³ BNA tracts having at least 80 percent and less than 120 percent of the Wyoming nonmetropolitan area median family income.

⁴ BNA tracts having 120 percent or more of the Wyoming nonmetropolitan median family income.

* May not total 100 percent due to rounding.

As reflected in the table above, these results are in line with the area demographics, which indicate that 57 percent of the assessment area is located in the middle- and upper-income BNAs. Additionally, the two low-income BNAs overlay the University of Wyoming campus. The population in this area is comprised mainly of students, who are more transient and typically need only student loans. Although the percentage of consumer and real estate-secured loans in these BNAs was lower than the demographics, this does not take into consideration the fact that the University of

Wyoming is located in the two low-income BNAs, which include mostly students, as mentioned previously.

Response to Complaints

The bank has received no complaints about its performance in meeting assessment area credit needs. Therefore, no assessment of the bank's performance in responding to complaints was made.

Qualified Investments

The bank's investment record enhances credit availability in the assessment area. The bank currently has a home loan down payment program for low- and moderate-income borrowers. This program provides a grant of up to \$5,000 for the down payment on a single-family residence (including manufactured and mobile homes). The maximum income requirements are well within the low- and moderate-incomes for nonmetropolitan Wyoming. It is not a requirement that the financing be obtained at The Bank of Laramie. As of the date of the examination, the bank had provided one \$5,000 grant and formally committed to another grant of \$5,000 under this program.

Compliance with Antidiscrimination Laws and Regulations

The examination identified no violations of antidiscrimination laws and regulations.