

PUBLIC DISCLOSURE

September 20, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

M&I NORTHERN BANK

RSSD Number: 40042

3155 N. 124th Street
Brookfield, Wisconsin 53005

FEDERAL RESERVE BANK
OF CHICAGO

230 South LaSalle
Chicago, Illinois 60604

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

GENERAL INFORMATION

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **M&I Northern Bank, Brookfield, Wisconsin**, prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **September 20, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION'S RATING: This institution is rated Outstanding.

The bank provides a strong level of support for community development within its assessment area through its lending, services and investment activity. The bank's loan-to-deposit ratio exceeds that of its national peer group, and is consistent with that of its local competitors in Waukesha and Milwaukee Counties. Moreover, the bank's level of lending within its assessment area, its loan penetration in low- and moderate-income census tracts and its origination of Home Mortgage Disclosure Act (HMDA)-reportable loans to low- and moderate-income borrowers reflects a strong performance. Management has taken an active role in meeting community credit needs within its assessment area as demonstrated in its strong level of lending to small businesses within Milwaukee and Waukesha Counties.

The bank's retail delivery systems are limited particularly within in Milwaukee County. However, its affiliate relationships provide its customers in Milwaukee County indirect access to a number of additional banking services. The bank also provides a strong level of community development services as its officers, directors and staff have taken leadership roles in several organizations dedicated to community development. Moreover, the bank has increased its level of donations and other qualifying investments since the previous examination.

The following table details the performance level of **M&I Northern Bank, Brookfield, Wisconsin**, with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	M&I NORTHERN BANK		
	PERFORMANCE TESTS		
	Lending Test	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

DESCRIPTION OF M&I NORTHERN BANK’S ASSESSMENT AREA

M&I Northern Bank is located in Brookfield, Wisconsin, in Waukesha County, approximately 10 miles northwest of Milwaukee. The bank’s assessment area, which encompasses portions of Milwaukee and Waukesha Counties, consists of 222 census tracts in the Milwaukee-Waukesha MSA (5080). One of the 222 census tracts (0145.00) is not included in the analysis of the bank’s lending, services and investment activities. This tract contains no families, households, median family or median household income, based upon 1990 census data.

Approximately 739,471 people reside in the assessment area based upon 1990 census data. The assessment area’s percentage of low- and moderate-income families is higher than both state and MSA levels. Specifically, 41% of the area’s families are designated low- or moderate-income families, in comparison to approximately 37% of the families in both the MSA and the State of Wisconsin. The assessment area’s median family income of \$37,179 is also slightly below the MSA median family income of \$39,005. The following table summarizes additional assessment area demographic information based upon 1990 census data:

M&I NORTHERN BANK					
Assessment Area Census Tracts – Income, Housing and Population Characteristics					
Census Tract	Total Number of Census Tracts	Population	Number of Families	Median Family Income	Owner-Occupied Housing Units
Low	64	148,899	31,453	\$12,482	11,732
Moderate	42	121,259	29,079	\$26,323	20,240
Middle	72	277,974	72,643	\$39,456	66,063
Upper	43	191,339	52,401	\$56,816	54,266
Assessment Area	221	739,471	185,576	\$37,179	152,301

Approximately 48% of the census tracts in the assessment area are considered low- or moderate-income. These low- and moderate-income census tracts contain 33% of the assessment area population and 21% of the owner-occupied housing units. These census tracts also contain approximately 57% of all of the assessment area’s low- and moderate-income families.

The following table details housing characteristics for the assessment area, the MSA and the state based upon 1990 census data:

M&I NORTHERN BANK			
Housing Characteristics – Type and Age of Housing			
Housing Characteristics	Percentage of Housing by Type		
	Assessment Area	MSA 5080	State of Wisconsin
Single-family	48.2%	52.9%	65.3%
2 - 4 family	28.2%	25.6%	16.0%
Multi-family	21.9%	19.5%	12.6%
Rental Units	43.1%	38.8%	29.5%
Owner-occupancy	51.8%	56.9%	59.1%
Built Pre-1950	41.2%	37.8%	36.8%
Median Housing Value	\$75,240	\$76,108	\$62,141

A review of assessment area housing characteristics indicates that the levels of rental, multi-family and 2-4 family units are significantly higher than state levels and generally consistent with MSA levels. The assessment area’s median housing value of \$75,240 is well above the state’s and comparable to the MSA median housing value.

There is a wide divergence of housing prices within the assessment area. As an example, information obtained from the Wisconsin Realtors Association indicated median sales prices for homes in Waukesha and Milwaukee Counties of \$166,100 and \$99,900, respectively, for the second quarter of 1999. Waukesha County is viewed as an area of especially strong economic growth and rising housing prices; new single-family homes reportedly sell in the \$160,000 price range. Oconomowoc Lake Village (located in the western section of Waukesha County) has estimated sales prices of over \$480,000. Community representatives contacted during the past six months indicated that a single-family home in the City of Milwaukee generally costs between \$50,000 and \$75,000.

Information obtained from the Wisconsin Department of Workforce Development indicates that there are more than 20 companies in Milwaukee and Waukesha Counties with 1,000 employees or more. A sample of these employers is highlighted below:

MAJOR EMPLOYERS IN MILWAUKEE AND WAUKESHA COUNTIES			
Employer	City	Number of Employees	Product/Service
Aurora Health Care	Milwaukee	9,000+ regionally 18,000 statewide	Regional not-for- profit healthcare
Ameritech	Milwaukee	4,000	Phone & cellular services
Briggs & Stratton Corporation	Wauwatosa	7,300	Air cooled gas engines
GE Medical Systems	Waukesha	2,150	Diagnostic imaging systems
Miller Brewing Company	Milwaukee	2,680	Beer and malt liquor

The following table details seasonally unadjusted unemployment rates for the assessment area's counties, in comparison to state and national levels:

COMPARATIVE UNEMPLOYMENT RATES		
Waukesha and Milwaukee Counties		
	JUNE, 1999	JUNE, 1998
Milwaukee County	4.1%	4.3%
Waukesha County	2.2%	2.6%
State of Wisconsin	3.1%	3.5%
National	4.5%	4.7%

The unemployment rate for Waukesha County is significantly below the state and national unemployment rates as noted above. Furthermore, the decrease in June unemployment rates for Milwaukee and Waukesha Counties over a one-year period has been comparable to that of the State of Wisconsin. The decline can be attributed to a strong economy in the MSA. Community representatives indicated that certain sections of Waukesha County are experiencing labor shortages.

DESCRIPTION OF INSTITUTION

M&I Northern Bank, with total assets of \$545,632,000 as of June 30, 1999, is an affiliate of Marshall & Ilsley Corporation, a Milwaukee-based, multi-bank holding company. The Brookfield based bank is a full-service bank that provides its services through its main office and two full-service branches. Although the bank has a limited physical presence in Milwaukee County, its relationship with Marshall & Ilsley Corporation affiliates allows bank customers in those areas access to certain deposit and lending services. In addition, the bank operates deposit-taking offices in local retirement facilities and five proprietary ATM machines within the two-county region.

Management identified the following institutions as the bank's primary competitors: Firststar Bank Milwaukee NA; Associated Bank Milwaukee; Bank One, Wisconsin; Waukesha State Bank; and, Great Midwest Bank SSB. The bank also derives competition from several Milwaukee area credit unions and savings institutions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The evaluation of the bank's CRA performance under the lending test included analyses of the bank's quarterly Consolidated Report of Condition and Uniform Bank Performance Report (UBPR); 1997, 1998 and year-to-date 1999 Home Mortgage Disclosure Act (HMDA) reportable lending; and 1997 and 1998 CRA-reportable lending. The evaluation included an assessment of the bank's overall loan volume, lending in the assessment area, geographic distribution, distribution of lending by borrower characteristics, community development lending and the use

of innovative and flexible lending practices.

Lending Volume

A review of the bank's June 30, 1999 UBPR indicates a net loan-to-deposit ratio of 100.66%. The bank's loan portfolio is primarily composed of revolving and closed-end loans on 1-4 family real estate (12.00%) and commercial real estate and commercial/industrial loans (together 71.44%). The following table details six-quarter average loan-to-deposit ratios for the bank, selected local competitors, and its national peer group of insured commercial lending institutions:

M&I NORTHERN BANK		
Comparative Loan-to-Deposit Ratios – Local Competitors and National Peer Group		
Institution	Asset Size (000)	Six-Quarter Average Loan-to-Deposit Ratio through 6/30/99
M&I Northern Bank	\$545,632	92.40%
Great Midwest Bank SSB	\$391,135	99.36%
Associated Bank Milwaukee	\$2,598,059	87.64%
Bank One Wisconsin	\$9,254,053	121.76%
Firststar Bank Milwaukee NA	\$9,109,639	105.34%
National Peer Group	\$500,000 - \$1,000,000	73.95%

Although the bank's loan-to-deposit ratio is significantly higher than its national peer group; the bank's ratio is comparable to those of its local competitors', a reflection of overall higher lending levels in the region.

Lending in Assessment Area

The bank's analysis reports of 1997 and 1998 HMDA- and CRA-reportable lending were reviewed in order to analyze the bank's loan originations within its assessment area. The following table details the bank's lending in its assessment area as a percentage of total lending by product type:

M&I NORTHERN BANK				
1997 and 1998 Lending in the Assessment Area				
PRODUCT	1997		1998	
	NUMBER	% of TOTAL LENDING	NUMBER	% of TOTAL LENDING
Real Estate-Purchase	36	65%	52	68%
Real Estate-Refinance	17	57%	73	68%
Home Improvement	15	71%	8	50%
Small Business**	804	76%	842	72%
Small Farm**	5	100%	2	50%
TOTALS	877	75%	977	72%

**Defined as loans with original amounts of \$1,000,000 or less for businesses and \$500,000 or less for farms

The bank's lending within its assessment area has been strong within the two-year period as noted in the above table. Furthermore, although overall 1998 lending percentages declined somewhat on average from 1997, the total number of loans increased on a year to year basis.

Geographic Distribution

The bank's analysis reports of 1997 and 1998 HMDA- and CRA-reportable lending were reviewed to assess lending penetration in low- and moderate-income census tracts. The following tables detail the geographic distribution of 1997 and 1998 real estate and small business lending in low-, moderate-, middle- and upper-income tracts:

M&I NORTHERN BANK							
1997 Geographic Distribution of Lending by Product Type in Low-, Moderate-, Middle- and Upper-income Census Tracts							
Product	Low- and Moderate-income		Middle- Income		Upper- Income		Total Loans (By Type)**
	#	%	#	%	#	%	
Real Estate	17	25.0%	18	26.5%	33	48.5%	68
Small Business/Farm	96	11.9%	306	37.9%	406	50.2%	808
Totals	113	12.9%	324	37.0%	439	50.1%	876

**The total for small business/farm lending excludes one farm loan originated in census tract 0145.00 - a tract that is not included in this analysis.

The bank's 1997 HMDA- and CRA-reportable lending indicates that its lending percentages are consistent with or exceed those of the aggregate of all reporting lenders. The bank's HMDA-reportable lending exceeds that of the aggregate within its assessment area with 19.60% of lending within low- and moderate-income census tracts. The bank's 1997 CRA-reportable lending is consistent with lending levels with 17.5% of lending within low- and moderate-income tracts.

M&I NORTHERN BANK							
1998 Geographic Distribution of Lending by Product Type in Low-, Moderate-, Middle- and Upper-income Census Tracts							
Product	Low- and Moderate-Income		Middle- Income		Upper- Income		Total Loans (By Type)
	#	%	#	%	#	%	
Real Estate	27	20.3%	43	32.3%	63	47.4%	133
Small Business/Farm	98	11.6%	337	39.9%	409	48.5%	844
Totals	125	12.8%	380	38.9%	472	48.3%	977

The bank's geographic distribution of 1998 HMDA- and CRA-reportable lending in its assessment area is consistent with the aggregate of all reporting lenders. In 1998, the real estate lending ratio declined to 20.3%; however, the bank's lending percentage again exceeded the aggregate lending percentage of 16.47% on a substantial increase in overall lending volume.

Small business lending also showed a similar trend. The percentage of CRA-reportable lending in

low- and moderate-income census tracts decreased in 1998 to 11.6%; however, the aggregate of all reporting lenders also decreased to 16.47%.

Borrower Characteristics

The bank's 1997 and 1998 HMDA-reportable lending was reviewed to assess its lending to low- and moderate-income individuals. The following table details 1997 and 1998 real estate mortgage lending based upon the borrower's income level:

M&I NORTHERN BANK*						
1997 and 1998 One-to-Four Family Real Estate Lending Based Upon Borrower Income Level						
Year	Low- and Moderate-Income		Middle Income		Upper Income	
	#	%	#	%	#	%
1997	20	29.4%	14	20.6%	34	50.0%
1998**	43	32.8%	27	20.6%	61	46.6%

* Includes only M&I Northern Bank lending

** Two loans were missing borrower income information

Approximately 41% of the assessment area's families are considered low- or moderate-income families, based upon 1990 census data. A total of 29.4% of 1997 and 32.8% of 1998 HMDA-reportable lending was to low- and moderate-income borrowers. The aggregate of all HMDA-reporting lenders in comparison, originated 27.5% and 25.2%, respectively, of its total 1997 and 1998 real estate lending to low and moderate-income borrowers. The bank and M&I Mortgage Corp. lending has remained at a generally strong level through June 30, 1999, as the ratio of loans to low- and moderate-income borrowers to total loans was 22.05%.

The loan origination reports were also used to assess small business and small farm lending based upon the original loan amount and the annual revenues of the businesses.

M&I Northern Bank was the sixth largest provider of small business loans in all census tracts in Milwaukee County in 1997, based upon the aggregate of all CRA-reporting lenders. This is noteworthy since the bank has only one full-service branch office in the county. The bank moved up to the fifth place among the aggregate of all reporting lenders in 1998.

The bank is also the second largest provider of small business loans in all tracts of Waukesha County in 1997, based upon aggregate lending data. The bank moved up to the number one provider of small business loans in all tracts of Waukesha County in 1998. The bank's rankings among the top small business lenders in both Waukesha and Milwaukee Counties is exemplary in consideration of the significant competition including its own affiliated banks and limited office locations.

Data from the bank's commercial and farm loan reports for 1997 and 1998 were reviewed to summarize the bank's performance below based upon original loan amount:

M&I NORTHERN BANK						
1997 Small Business/Farm Lending by Loan Amount						
Loan Type	\$100,000 or less	%	Between \$100,001 and \$250,000	%	Greater than \$250,000	%
Small Business	472	58.7%	169	21.0%	163	20.3%
Small Farm	2	40.0%	3	60.0%	0	N/A
Totals	474	58.6%	172	21.3%	163	20.1%

M&I NORTHERN BANK						
1998 Small Business/Farm Lending by Loan Amount						
Loan Type	\$100,000 or less	%	Between \$100,001 and \$250,000	%	Greater than \$250,000	%
Small Business	474	56.3%	196	23.3%	172	20.4%
Small Farm	0	N/A	1	50.0%	1	50.0%
Totals	474	56.3%	197	23.3%	173	20.5%

The bank originated 58.7% of all of its reported small business originations in amounts of \$100,000 or less in 1997, while the aggregate of all reporting lenders within the bank's assessment area originated approximately 78% of small business loans in amounts of \$100,000 or less.

Moreover, while the aggregate of all reporting lenders originated 47.7% of all of its 1997 small business loans to businesses with gross annual revenues of \$1,000,000 or less in the bank's assessment area, the bank originated a comparable 45.8%. In 1998, the bank's lending to businesses with gross annual revenues of \$1 million or less remained stable at 44.2%.

M&I Northern Bank was the sixth largest provider of small business loans to those businesses with gross annual revenues of \$1 million or less in all census tracts in Milwaukee County in 1997, based upon the aggregate of all CRA-reporting lenders. The bank was in seventh place among the aggregate of all reporting lenders in 1998.

The bank is also the fourth largest provider of small business loans to those businesses with gross annual revenues of \$1 million or less in all tracts of Waukesha County in 1997, based upon aggregate lending data, with two full-service offices. The bank remained the fourth largest provider of small business loans in all tracts of Waukesha County in 1998.

The bank's overall lending reflects a strong level of penetration among low- and moderate-income borrowers based upon the assessment area demographics and aggregate lending data. Lending to small businesses in amounts of \$100,000 is generally strong in comparison to aggregate small business lending levels and to firms with revenues of \$1 million or less is also strong.

Community Development Lending

The bank's loan portfolio reflects efforts to participate in community development lending

targeted to provide housing for low- and moderate-income individuals. In March 1998, the bank made a \$25,000 commitment to the Community Housing Initiative, a housing loan consortium in Waukesha County which targets individuals earning less than eighty percent of the county median family income. As of September 1999, the bank's portion of the loan pool totaled \$10,500, representing 14 loans.

Innovative or Flexible Lending Practices

The bank's loan portfolio also reveals ongoing efforts to participate in flexible and innovative loan programs. The bank offers the following programs: M&I Neighborhood Home Loan Program, WHEDA Home Improvement Loan Program (HIP), WHEDA HOME Program and Wisconsin Business Development Finance Corporation (WBDFC). The M&I Neighborhood Loan Program offers flexible underwriting and lower down payments for qualifying low- or moderate-income borrowers. The bank has originated 11 loans totaling \$629,000 under the program since the previous examination. The bank has been an active participant in the WHEDA loan programs as well, originating 27 WHEDA HOME loans for \$1,735,000 and 8 WHEDA HIP loans for \$81,315 since December, 1997. The WBDFC is a special loan program using the SBA 504 program for up to a 40% SBA participation to provide long-term financing for fixed assets. The bank has originated 3 loans totaling \$994,000 through this program since the previous examination.

The bank is deemed to provide a strong level of support to community development, and particularly to the credit needs of low- and moderate-income individuals, based upon its significant participation in these programs.

CONCLUSION

The bank's overall lending performance is considered strong. The bank's loan to deposit ratio is considerably above its national peer group's and extremely competitive with those of its local competitors. The bank's lending percentage within its assessment area and in low- and moderate-income census tracts is strong, based upon its local competition including its affiliates and the limited number of branches in Milwaukee County. The bank's lending to low- and moderate-income individuals and to small businesses reflects solid performance. The bank has initiatives qualifying as community development and offers loan programs with flexible underwriting criteria to meet the needs of low- and moderate-income individuals.

INVESTMENT TEST

The bank's investments including grants and donations that foster community development or provide assistance to community development organizations, were reviewed. The bank's investments were also reviewed for the level of innovation and complexity, the responsiveness to community development needs and the degree to which these investments are not routinely provided by private investors. Interviews were also conducted with community representatives in assessing the opportunities available for qualified community development investments including grants and donations.

Qualified Investment Activity

M&I Northern Bank purchased a \$100,000 one-year certificate of deposit since the previous examination, in a minority-owned financial institution located in a low-income census tract within the City of Milwaukee; the certificate was renewed in 1999. This investment enhances the institution’s ability to make credit available within the City of Milwaukee.

Degree to Which Investments are not Provided by Private Investors

The bank’s CRA files revealed the following qualified community development donations and grants:

Organization	Investment (\$)	Description
Community Advocates	3,500	Non-profit social service agency - provides housing and health-care services for low- and moderate-income individuals/families
East Side Housing Association Center	2,000	Affordable housing for low- and moderate-income individuals
Sherman Park Community Association	3,500	Non-profit neighborhood revitalization organization
Neighborhood Housing Services of Milwaukee	2,500	Affordable housing organization

Although the bank has had more limited qualified investment activity, particularly donations and grants, it did have a focus on meeting the affordable housing needs of low- and moderate-income individuals and families.

Responsiveness to Available Opportunities

A review of the bank’s investment activities reflects responsiveness to community development needs. The bank’s assessment area offers a significant number of opportunities for community development investment grants/donations. A review of the bank’s activities since the previous examination, reveals that the bank has continued to take advantage of these opportunities.

CONCLUSION

The bank’s performance under the investment test is considered strong. The bank has taken advantage of opportunities to engage in community development investments. The bank has also provided grants/donations to not-for-profit organizations primarily to provide housing for low- and moderate-income individuals.

SERVICE TEST

The bank’s systems for delivering retail banking and community development services were reviewed for range, accessibility, innovativeness and responsiveness to low- and moderate-income individuals/census tracts. Alternative systems utilized for delivering those services were also reviewed to determine their effectiveness. The bank’s branch distribution, record of opening and

closing offices and community development services activity were also assessed.

Retail Banking Services

M&I Northern Bank, with three full-service branches, two deposit-taking facilities and five ATMs in Waukesha and Milwaukee Counties, provides a full range of loan and deposit products. The bank’s relationships with its affiliates such as M&I Marshall & Ilsley Bank assist the bank’s efforts to penetrate in those areas of Milwaukee County where the bank does not have a physical branch.

Distribution of Branches among Census tracts

M&I NORTHERN BANK BRANCH LOCATIONS AND HOURS OF OPERATION			
Branch Name/Address	Census Tract	Lobby Hours	Drive-up Hours
Gateway 3470 Gateway Road Brookfield, WI 53045	2008.02	Monday-Thursday 8:30am-5pm Friday 8:30am-6:00pm Saturday 9:00am-12:00pm	Monday-Thursday 8:00am-5:30pm Friday 8:00am-6:00pm Saturday 9:00am-12:00pm
Brookfield Main Office 3155 N. 124 th Street Brookfield, WI 53005	2009.01	Monday-Thursday 8:30-5:00pm Friday 8:30am-6:00pm Saturday 9:00am-12:00pm	Monday-Thursday 7:30-6:00pm Friday 7:30-7:00pm Saturday 9:00am-12:00pm
Fond du Lac* 3536 W. Fond du Lac Avenue Milwaukee, WI 53216	0048.00	Monday-Thursday 8:30-5:00pm Friday 8:30am-6:00pm	Monday-Thursday 8:30am-5:30pm Friday 8:30-7:00pm Saturday 9:00am-12:00pm
Harwood 8200 Harwood Avenue Wauwatosa, WI 53213	0912.00	Tuesday-Thursday 9:00am-1pm	No Drive-up Hours
Milwaukee Chai Point 1400 N. Prospect Avenue Milwaukee, WI 53202	0109.00	Tuesday-Thursday 9:00am-1pm	No Drive-up Hours
* Branch is located in a moderate-income census tract.			

Branch offices offer flexible hours of service; however, the bank’s full-service offices are accessible to limited portions of the assessment area. Affiliated bank offices in the bank’s assessment area provide customers access to additional banking services.

Record of Opening and Closing Offices

The bank relocated its Capitol Drive office in Brookfield within Brookfield since the previous examination. Neither the new or old locations was in a low- or moderate-income census tract. The bank’s public file revealed no negative comments relative to the impact of the branch relocation.

Alternative Systems for Delivering Retail Banking Services

The bank’s ATMs provide deposit services at the following locations:

M&I NORTHERN BANK ATM Locations		
ATM Locations	Addresses	Geography Type
Brookfield	3740 Gateway Road, 53005	Upper
Milwaukee	3536 W. Fond du Lac Ave. 53216	Moderate
Milwaukee	3536 W. Fond du Lac Ave. 53216	Moderate
Brookfield	3155 N. 124 th St. 53005	Upper
Milwaukee	7101 W. Good Hope Road	Middle

Bank customers can also use the ATMs at any other M&I affiliate bank within the State of Wisconsin at no charge.

Community Development Services

Officers and staff of the bank have taken leadership roles in community development organizations that provide housing and/or social services to low- and moderate-income individuals. The following chart highlights some of the significant community development service activities of bank officers:

M&I NORTHERN BANK Community Development Services		
Service	Organization	Type of Service
Board Member-Finance Committee	Community Advocates- A non-profit social services agency	Budget and financial statement preparation,
Board Member	Fleckenstein Family Foundation- organization promotes alcohol/drug rehabilitation and education for inner-city residents	Program Proposal Reviews
Committee Member	WHEDA-Wisconsin Housing and Economic Development Association	Development of Lindsay Homes Project- housing for low- and moderate-income families
In-School Bank Coordinator	Townsend School Milwaukee Public Schools	Coordinate in-school bank, train tellers, basic banking education
Presenter/Guest Speaker	East Side Housing Association Center- Non-profit housing and neighborhood revitalization services	First-time Homebuyers Seminars
Board Member	Wauwatosa Economic Development Committee	Provide low-cost small business loans to marginal businesses
Volunteer	Sherman Park Community Association	Operated homebuyer information booth for neighborhood festival/fair

Range and Accessibility of Services Provided to Census Tracts

Although the bank has only three full-service offices providing service to a large assessment area, its affiliate relationship assists the bank in delivering services within the assessment area. Included among the bank’s products and services are the following products, which would appeal to low-

and moderate-income individuals and to small businesses:

- *Basic Checking* is a no minimum balance account that allows up to ten free debits each month with a low \$3.00 per month maintenance fee.
- *Young Adult Checking and Savings* accounts have no minimum balance requirements, low monthly maintenance fees, and a no annual fee credit card to qualifying students, 18 years of age or older.
- *Small Business Checking*, which is available to businesses, non-profit groups, and governmental units, offers reasonable fees if monthly account activity is low and a minimum daily balance of \$1,000 is maintained.
- *10-Year Turbo Mortgage Refinance* is a loan product that allows homeowners to quickly refinance existing mortgages up to \$100,000 at minimal cost and at competitive interest rates. The customer receives a credit decision within one hour, closing can occur in as little as 72 hours after approval, and costs are minimized through reduced appraisal and title insurance requirements.

The bank also has trained certain commercial lenders as small business specialists with specialties in SBA and WHEDA lending.

CONCLUSION

Although the bank's number of branches limits its ability to service portions of the assessment area, the bank's affiliate relationships provide alternative service delivery systems through branches located in Milwaukee and Waukesha Counties. The bank's officers and staff have also taken leadership roles in community development organizations and provide a high level of community development services. The bank's record of opening and closing offices has not had a negative impact on low- or moderate-income census tracts.

OVERALL CONCLUSION

The bank's overall CRA performance is considered strong. The bank has a strong loan-to-deposit ratio, and a reasonable percentage of loans originated within its assessment area and within low- and moderate-income census tracts. A review of 1997 and 1998 real estate lending revealed that the bank's originations in low- and moderate-income census tracts exceeded the aggregate levels in the assessment area. The bank is also one of the leading small business lenders in Waukesha County and also one of the leading lenders in Milwaukee County, despite having only one full-service branch office. The bank engages in community development lending, and provides investments and community development services that have a primary focus on housing needs of low- and moderate-income individuals. The bank has affiliate relationships which provide

alternative means to deliver its services despite its limited number of full service branches.

GENERAL

The bank is in compliance with the substantive portions of antidiscrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts. A significant portion of consumer loan underwriting has been centralized, which has been reviewed in a recent separate examination of centralized loan underwriting functions. The bank has developed standards, policies and practices in compliance with the regulations and has applied them in a consistent manner. Interviews with community representatives revealed no evidence of prohibited discriminatory lending activity.