

# **PUBLIC DISCLOSURE**

**April 6, 2009**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The Buffalo Ridge Bank  
Certificate Number: 08219**

**101 Main Street North  
Beardsley, Minnesota 56211**

**Federal Deposit Insurance Corporation**

**2345 Grand Boulevard, Suite 1200  
Kansas City, Missouri 64108**

**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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## 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 Buffalo Ridge Bank** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **April 6, 2009**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

## INSTITUTION RATING

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory.**

An institution in this category has a satisfactory record of helping to meet the credit needs of the assessment area, in a manner consistent with its resources and capabilities. Support for this rating is summarized below.

- The bank's average net loan-to-deposit ratio demonstrates a reasonable willingness to lend given the bank's financial condition, size, and comparisons to similarly situated lenders.
- Examiners determined that the bank extended a substantial majority of the sampled small farm, small business, and residential real estate loans within its assessment areas. This performance demonstrates a more than reasonable dedication to lending inside the assessment areas.
- The review of the sampled loans that were located within the bank's assessment areas revealed that the institution is originating loans to farm and business operators of varying revenue sizes and to residential real estate borrowers of different income levels, including low- and moderate-income borrowers.
- The review of the geographic distribution of small farm, small business, and residential real estate loans indicated that the bank has a more than reasonable dispersion throughout its assessment areas.
- The institution has not received any written CRA-related complaints since the last evaluation; therefore, this performance criterion was not evaluated.

## SCOPE OF EXAMINATION

In reviewing the bank's CRA performance, examiners utilized small bank procedures. The scope of the CRA evaluation was determined through a review of the bank's Report of Condition, discussions with management, and outstanding FDIC and interagency policy guidance. The time period covered in the review is from the previous evaluation date of July 12, 2004, through April 6, 2009. The bank's largest loan product by dollar volume, as of the December 31, 2008, Report of Condition, is agricultural-related loans. Commercial and residential real estate loans comprise smaller portions of the loan portfolio. Therefore, agricultural lending was given the most weight in this evaluation.

Farmland and loans to finance agricultural production were combined and reviewed as one category because these types of loans are originated to similar borrowers. As of December 31, 2008, these types of loans represented 71 percent of the bank's loan portfolio. Commercial and industrial loans and nonfarm nonresidential properties were similarly combined and represented 14 percent of the bank's loan portfolio. Residential real estate loans represented 9 percent of the loan portfolio. Consumer loans are not a significant part of the portfolio and were not reviewed per outstanding FDIC and interagency policy guidance.

In order to evaluate the bank's record of lending, samples of small farm, small business, and residential real estate loans were selected for analysis.<sup>1</sup> The loans in the universe were originated in the 12-month time period ending March 16, 2009. A sample of 35 small farm loans, totaling approximately \$2,137,629, was selected from a universe of 173 small farm loans, totaling approximately \$12,225,145. Additionally, a sample of 22 small business loans, totaling approximately \$1,026,050, was selected from a universe of 45 small business loans, totaling approximately \$1,683,794. Finally, the entire universe of 13 residential real estate loans, totaling approximately \$651,154, were selected for review. The bank does not have any affiliates that were considered as part of this performance evaluation.

Examiners interviewed members of the bank's assessment areas to gather perceptions on credit needs and the performance of local banks in meeting those needs. In addition, the community members provided general economic and demographic information, as well as any other information that has affected the economic environment in the two areas. Bank management was also interviewed to help evaluate current economic conditions and assess the manner in which the bank is responding to credit needs of the assessment areas. Based on information obtained from bank management and the community contacts, agricultural credit was determined as the primary credit need within the two assessment areas. Comments received from the community contacts indicated that the lending emphasis of the local banks is generally consistent with the credit needs of the areas being served.

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<sup>1</sup> A small farm loan is a loan of \$500,000 or less that is included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. A small business loan is a loan of \$1 million or less that is included in "loans to small businesses" as defined in the instructions to the Consolidated Report of Condition and Income.

## DESCRIPTION OF INSTITUTION

The Buffalo Ridge Bank (TBRB) is owned by Beardsley Bancshares, Inc., a one-bank holding company located in Beardsley, Minnesota. The institution has its main office in Beardsley, Minnesota, a full-service branch in Ruthton, Minnesota, and a limited-service facility located in Holland, Minnesota. As of the December 31, 2008, Report of Condition, TBRB had total assets of \$36,427,000, net loans of \$26,453,000, and total deposits of \$31,346,000. Since September 30, 2004, the bank's total assets, net loans, and total deposits have increased by 23 percent, 32 percent, and 21 percent, respectively.

The loan and deposit products offered by TBRB appear to be well suited to the banking needs of the local area. As previously noted, the bank is primarily an agricultural lender. In addition to conventional lending, the bank participates in the Minnesota Rural Finance Agency (RFA) loan program. The program is generally designed to assist smaller farm operators that may not qualify for loans through conventional financing methods. Presently, there are eight RFA loans outstanding at the bank with current principal balances of approximately \$876,000, net of participations sold. The original gross balances of these RFA loans totaled approximately \$2,381,000.

TBRB operates in a fairly competitive banking environment. Overall, there are 27 banks with offices located within the bank's defined assessment areas. TBRB ranks 15<sup>th</sup> with approximately 2 percent of the market share.<sup>2</sup> Other than the legal lending limit, there doesn't appear to be any financial or legal impediments that would restrict the bank's ability to lend in its assessment areas. TBRB received a Satisfactory CRA rating at the previous evaluation dated July 12, 2004. As detailed in Table 1 on the following page, TBRB's primary lending focus by dollar volume is agriculture-related credit.

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<sup>2</sup> Market shares determined from the Deposit Market Share Report as of June 30, 2008. This report can be accessed on the FDIC Web site at <http://www2.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

<i>Table 1 – Loan Distribution as of December 31, 2008</i>		
<b>Loan Type</b>	<b>Dollar Amount</b>	<b>Percent of Total Loans</b>
Construction and Land Development	\$0	0%
Secured by Farmland	\$7,035	26%
Revolving, Open-end Loans secured by 1-4 Family Residential	\$0	0%
Secured by First Liens	\$2,385	9%
Secured by Junior Liens	\$118	<1%
Secured by Multi-Family Residential Properties	\$0	0%
Non-farm, Nonresidential Properties	\$748	3%
Loans to Depository Institutions and Acceptances of Other Banks	\$0	0%
Loans to Finance Agricultural Production	\$12,049	45%
Commercial and Industrial Loans	\$2,883	11%
Credit Cards	\$0	0%
Other Revolving Credit Plans	\$0	0%
Other Consumer (includes single pay, installment, and student loans)	\$1,502	6%
Obligations of States and Political Subdivisions in the U.S.	\$9	<1%
All Other Loans (exclude consumer loans)	\$31	<1%
Lease Financing Receivables	\$0	0%
<b>Total Loans</b>	<b>\$26,760</b>	<b>100%</b>

*Source: Report of Condition (dollars in 000s)*

## **DESCRIPTION OF THE BUFFALO RIDGE BANK'S ASSESSMENT AREA**

*The Community Reinvestment Act of 1977, as amended, requires banks to identify one or more assessment areas within which its regulatory agency will evaluate the bank's performance. The area(s) defined by the bank must include its main office, branches, and other deposit taking remote service facilities, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans. The assessment area always consists of one or more whole geographies identified as Census Tracts (CTs).*

The bank has designated two assessment areas in Minnesota. The first assessment area (Beardsley AA) includes the bank's main banking office and consists of CT 9502 in Big Stone County and CT 9602 in Traverse County. The second assessment area (Ruthton AA) consists of CT 9502 in Lincoln County, CT 9601 in Pipestone County, CT 9606 in Lyon County, and CT 9801 in Murray County. All six CTs are located in non-metropolitan areas.

Three of the six CTs in the bank's two defined assessment areas (CT 9602 in Traverse County, CT 9502 in Big Stone County, and CT 9601 in Pipestone County) are considered moderate-income areas, while the remaining three CTs (CT 9502 in Lincoln County, CT 9606 in Lyon County, and CT 9801 in Murray County) are classified as middle-income census tracts.<sup>3</sup> Additionally, CT 9502 in Lincoln County is considered underserved, while CT 9801 in Murray County has been designated as both underserved and distressed.<sup>4</sup>

The two assessment areas are not contiguous; however, both of the assessment areas are rural in nature, sparsely populated, and heavily dependent on agriculture. The bank's performance in the two assessment areas was individually reviewed and the results indicated that there were no significant differences between the two assessment areas. Therefore, unless otherwise noted, data for both assessment areas is presented together for the remainder of this evaluation.

The 2000 U.S. Census lists the assessment areas' total population as 13,518 individuals living in 5,376 households. According to the 2000 U.S. Census, the median housing value for homes within the assessment area is \$55,326, with 66 percent of homes being owner-occupied, 14 percent being renter-occupied, and 20 percent being vacant. Management stated that there is ample affordable housing available in all of the communities within the two assessment areas.

Due to the predominately rural nature of the two areas, agricultural production has played a significant role in the relatively strong economy in recent years. Bank management stated that the most common crops grown in both areas are soybeans, wheat, and corn. Many local farmers had a successful year in 2008 and prospects for the 2009 growing season may be slightly reduced given the recent reduction in commodity prices. Bank management further stated that limited livestock operations remain within the two areas, specifically near Beardsley, Minnesota. The few dairy operations remaining are in the Ruthton area and have suffered recently from significant price reductions. Both bank management and the community contacts agreed that the overall population of the areas has remained stable, but that it is common for individuals to commute to nearby towns for employment. Management indicated that the major employers in the Beardsley AA are Woodland Cabinetry in Sisseton, South Dakota; Superior, Inc., in Morris, Minnesota; local elevators, and area schools. The larger employers in the Ruthton AA include

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<sup>3</sup> A CT's income level is determined by comparing the 2000 median family income (MFI) for each individual CT with the non-metropolitan portion of Minnesota, which is \$45,925. The breakdown is as follows: Low Income: <50 percent of the MFI; Moderate Income:  $\geq$ 50 percent and <80 percent of the MFI; Middle Income:  $\geq$ 80 percent and <120 percent of the MFI; and Upper Income:  $\geq$ 120 percent of the MFI.

<sup>4</sup> "Distressed non-metropolitan middle-income" geographies are those located in counties that meet one or more triggers that generally reflect the "distress criteria" used by the Community Development Financial Institutions (CDFI) Fund, but which will utilize annual information where possible. The distress triggers are: (1) an unemployment rate of at least 1.5 times the national average; (2) a poverty rate of 20 percent or more; (3) a population loss of 10 percent or more between the previous and most recent decennial census, or a net migration loss of 5 percent or more over the five-year period preceding the most recent census.

"Underserved non-metropolitan middle-income geographies" must meet criteria for population size, density, and dispersion that indicate that an area's population is sufficiently small, thin, and distant from a population center such that the geography is likely to have difficulty in financing the fixed cost of essential community needs.

Schwan's Food Service, Inc., of Marshall, Minnesota; the wind energy industry; and local school districts.

Unemployment information from the Bureau of Labor Statistics for the fourth quarter of 2008 lists the unemployment rates for Big Stone County at 5.6 percent, Lincoln County at 5.0 percent, Lyon County at 4.6 percent, Murray County at 5.1 percent, Pipestone County at 4.5 percent, and Traverse County at 5.3 percent. Comparably, the State of Minnesota as a whole had unemployment of 6 percent during the same timeframe.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

*Five criteria are utilized in evaluating a small bank's effectiveness in meeting the financing needs of consumers, agricultural borrowers, and commercial entities within the assessment area. Four of the criteria relate to lending performance, and one addresses responsiveness to CRA-related complaints. The findings for each criterion are evaluated and result in an overall rating for Community Reinvestment Act performance. Furthermore, a bank's compliance with anti-discrimination laws and regulations is considered when evaluating a bank's performance. Comments supporting the conclusions for each criterion are detailed on the following pages.*

### **I. LOAN-TO-DEPOSIT RATIO**

TBRB's loan-to-deposit ratio demonstrates a reasonable willingness to lend given the institution's financial condition and size; assessment area credit needs; and comparisons to similarly-situated lenders.<sup>5</sup> According to Report of Condition data, the institution's average net loan-to-deposit ratio from September 30, 2004, to December 31, 2008, is 77 percent. The quarterly net loan-to-deposit ratio has fluctuated between 72 percent and 84 percent, with the fluctuations generally attributed to seasonal demand for agricultural-related loans.

The total assets and average net loan-to-deposit ratios from September 30, 2004, to December 31, 2008, for the subject bank and the similarly-situated institutions are shown in Table 2 on the following page.

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<sup>5</sup> Similarly situated lenders were chosen based on similarities in the market served, loan portfolio composition, product offering, asset size, and/or number of offices.

**Table 2 – Total Assets and Average Net Loan-to-Deposit Ratios for the Subject Bank and Similarly Situated Institutions**

<b>Bank City, State</b>	<b>Total Assets (12/31/08)</b>	<b>Average Net Loan-to-Deposit Ratio (9/30/04 – 12/31/08)</b>
<i>The Buffalo Ridge Bank Beardsley, Minnesota</i>	\$36,427	77%
State Bank of Danvers Danvers, Minnesota	\$36,227	73%
Lincoln State Bank Hankinson, North Dakota	\$42,680	68%
The Roberts County National Bank Sisseton, South Dakota	\$46,729	33%
Peoples State Bank Summit, South Dakota	\$46,873	77%

*Source: Reports of Condition (dollars in 000s)  
Institutions listed alphabetically by main office location*

## II. LENDING WITHIN THE ASSESSMENT AREA

TBRB is helping to meet the credit needs of its assessment areas by originating a substantial majority of the analyzed loans to customers within its assessment areas. This evidences the bank’s dedication to lending within its defined assessment areas.

To determine the bank’s record of lending within the assessment areas, examiners reviewed samples of the small farm, small business, and residential real estate loans described earlier in the Scope section of this evaluation. As shown in Table 3, 86 percent by number and 80 percent by dollar volume of the reviewed loans were originated to borrowers located within the bank’s assessment areas. While the percent of small business loans within the assessment areas by dollar volume is somewhat low, only two of the small business loans sampled were outside of the assessment areas. However, these two loans accounted for 41 percent of the total dollar volume sampled and, therefore, this percentage is somewhat skewed and does not raise concerns. Overall, the bank’s performance of lending in its assessment area is deemed more than reasonable.

**Table 3 – Lending Within the Assessment Area (AA)**

<b>Loan Type</b>	<b>Number Reviewed</b>	<b>Number in AA</b>	<b>Percent by Number in AA</b>	<b>Dollar Volume Reviewed</b>	<b>Dollar Volume in AA</b>	<b>Percent by dollar in AA</b>
Small Farm	35	28	80%	\$2,138	\$1,843	86%
Small Business	22	20	91%	\$1,026	\$607	59%
Residential Real Estate	13	12	92%	\$651	\$619	95%
Total	70	60	86%	\$3,815	\$3,069	80%

*Source: FDIC sample from loan trial balance (dollars in 000s)*

### III. LENDING TO SMALL FARM AND SMALL BUSINESS OPERATIONS OF DIFFERENT SIZES AND BORROWERS OF DIFFERENT INCOME LEVELS

Loans in the aforementioned analysis that were originated to borrowers located within the bank’s assessment areas were further analyzed to determine TBRB’s record of lending to farms and businesses of various sizes. Annual gross revenues were obtained from loan files or from discussions with bank management. Likewise, loans to residential real estate borrowers located within the assessment areas were analyzed to determine the bank’s performance in making loans to borrowers of varying income levels, including low- and moderate-income borrowers.

Based on the analysis of the data reviewed, the institution is originating loans to farms and businesses of varying revenue sizes and residential real estate borrowers of varying income levels. Lending performance data evidences that a reasonable number of loans has been extended to small farm and small business operators and to low- and moderate-income residential real estate borrowers.

#### Small Farm Loans

The analysis of small farm loans, detailed in Table 4, reveals that TBRB is making a reasonable effort to lend to farms of different revenue levels located within its assessment areas. From the analysis of the 28 small farm loans that were located within the assessment areas, 21 percent, by number, were extended to farm operations having gross annual revenues below \$100,000. In comparison, 2008 D&B data from reporting farms indicates that approximately 56 percent of the farms within the assessment areas, by number, had gross annual revenues below \$100,000. While the bank’s performance is less than demographic data, it is important to note that some of the farms with revenues of \$100,000 or less could be hobby-type farms that may not require or even qualify for financing. Many farms in this category could likely be relying on off-farm income to support the farming operation. Also, some of the small farms or start-up farms that would fall into this category could possibly be seeking direct loans from Farm Service Agency. Finally, with the number of financial institutions located within or in close proximity to the bank’s assessment areas, competition is also a factor. Given this information, no concerns with the institution’s performance were noted.

<i>Table 4 – Lending Distribution Based on Revenue Size of Farming Operation</i>					
Gross Annual Revenue	Percent of Farms in Assessment Area*	Bank’s Small Farm Lending			
		Number	Percent	Dollars	Percent
\$0 < \$100	56%	6	21%	\$139	8%
\$100 < \$250	34%	8	29%	\$198	10%
\$250 < \$500	8%	9	32%	\$508	28%
\$500 and up	2%	5	18%	\$998	54%
Total	100%	28	100%	\$1,843	100%

*Source: 2008 D&B data and FDIC sample from loan trial balance (dollars in 000s)*

*\*Includes only those farms that reported revenues (100% of the total farms did report)*

## Small Business Loans

The analysis of small business loans, detailed in Table 5, reveals that TBRB is making a reasonable effort to lend to businesses of different revenue levels located within its assessment areas. From the analysis of the 20 small business loans located within the bank's defined assessment areas, 40 percent, by number, were extended to business operations having gross annual revenues below \$100,000. In comparison, 2008 D&B data from reporting businesses indicated that approximately 58 percent of the businesses within the assessment area, by number, had gross annual revenues below \$100,000. While TBRB's performance is lower than comparable demographic data, the analysis revealed that a reasonable attempt is being made to lend to businesses with lower revenues. In addition, these findings do not cause significant concern, as many businesses with gross annual revenues below \$100,000 may not qualify for or require bank financing. Overall, the bank's performance is deemed reasonable.

Gross Annual Revenue	Percent of Businesses in Assessment Area*	Bank's Small Business Lending			
		Number	Percent	Dollars	Percent
\$0 < \$100	58%	8	40%	\$151	25%
\$100 < \$250	24%	5	25%	\$81	13%
\$250 < \$500	9%	5	25%	\$163	27%
\$500 and up	9%	2	10%	\$212	35%
Total	100%	20	100%	\$607	100%

Source: 2008 D&B data and FDIC sample from loan trial balance (dollars in 000s)

\*Includes only those businesses that reported revenues (49% of the total businesses did not report)

## Residential Real Estate Loans

The analysis of residential real estate loans, detailed in Table 6, indicates that TBRB has originated a reasonable amount of loans to borrowers of different income levels within its assessment areas, including low- and moderate-income borrowers.<sup>6</sup> From the analysis of the 12 residential real estate loans that were located within the assessment area in 2008, approximately 17 percent, by number, were extended to low-income borrowers, which is comparable to the percentage of low-income families in the bank's assessment areas as identified in the U.S. Census. An analysis of the bank's performance in lending to moderate-income borrowers concludes that it exceeds that of the 2000 U.S. Census data for this income category. As indicated in Table 6 on the following page, the bank originated 50 percent of their residential real estate loans, by number, to moderate-income borrowers, while the 2000 U.S. Census data indicates that 24 percent of families within the assessment area were defined as moderate-income families. Overall, the bank's performance in lending to borrowers of different income levels within its assessment areas is deemed more than reasonable.

<sup>6</sup> The income level of a borrower is based on gross income as a percent of the HUD adjusted MFI for the non-metropolitan portion of the state for the year in which the loan was originated. Minnesota's non-metropolitan MFI was \$56,700 for 2008. Low income: < 50 percent of the MFI; moderate: ≥ 50 percent and < 80 percent of the MFI; middle income: ≥ 80 percent and < 120 percent of the MFI; upper income: ≥ 120 percent of the MFI.

<b>Table 6 – Lending Distribution Based on Borrower’s Income</b>					
<b>Gross Annual Income</b>	<b>Percent of Families in Assessment Area</b>	<b>Bank’s Residential Lending</b>			
		<b>Number</b>	<b>Percent</b>	<b>Dollars</b>	<b>Percent</b>
Low	22%	2	17%	\$26	4%
Moderate	24%	6	50%	\$236	38%
Middle	28%	3	25%	\$261	42%
Upper	26%	1	8%	\$96	16%
Total	100%	12	100%	\$619	100%

Source: 2000 U.S. Census and FDIC sample from loan trial balance (dollars in 000s)

#### IV. GEOGRAPHIC DISTRIBUTION OF LOANS

The small farm, small business, and residential real estate loans that were originated to borrowers within the assessment areas were further analyzed to evaluate the institution’s lending activity throughout the two assessment areas. Based on the analysis of data reviewed, TBRB’s geographic distribution of loans is more than reasonable based on the location of the bank’s offices and comparison to demographic information.

##### Small Farm Loans

As shown in Table 7, 82 percent by number and 92 percent by dollar volume of small farm loans originated within the assessment areas were originated in moderate-income CTs. The bank’s performance appears more than reasonable when compared to 2008 D&B data, which indicates that 38 percent of the farms within the assessment areas are located in moderate-income CTs. This reflects the bank’s willingness to lend to farm operations throughout its assessment areas.

<b>Table 7 – Distribution of Small Farm Loans by CT Income Level</b>					
<b>CT Income Level</b>	<b>Percent of Farms</b>	<b>Bank’s Small Farm Lending</b>			
		<b>Number</b>	<b>Percent</b>	<b>Dollars</b>	<b>Percent</b>
Low	0%	0	0%	\$0	0%
Moderate	38%	23	82%	\$1,703	92%
Middle	62%	5	18%	\$140	8%
Upper	0%	0	0%	\$0	0%
Total	100%	28	100%	\$1,843	100%

Source: 2008 D&B data and FDIC sample from loan trial balance (dollars in 000s)

##### Small Business Loans

As shown in Table 8 on the following page, 80 percent by number and 82 percent by dollar volume of small business loans originated within the bank’s assessment areas were originated to business operators located in moderate-income CTs. The bank’s performance is deemed more than reasonable considering that, according to D&B data, only 39 percent of the business operations within the two assessment areas are located in the moderate-income CTs.

<i>Table 8 – Distribution of Small Business Loans by CT Income Level</i>					
CT Income Level	Percent of Businesses	Bank's Small Business Lending			
		Number	Percent	Dollars	Percent
Low	0%	0	0%	\$0	0%
Moderate	39%	16	80%	\$497	82%
Middle	61%	4	20%	\$110	18%
Upper	0%	0	0%	\$0	0%
Total	100%	20	100%	\$607	100%

Source: 2008 D&B data and FDIC sample from loan trial balance (dollars in 000s)

### Residential Real Estate Loans

As shown in Table 9, 92 percent by number and 91 percent by dollar volume of residential real estate loans originated within the assessment areas were originated to borrowers residing in moderate-income CTs. The bank's performance is more than reasonable when compared to 2000 U.S. Census data, which indicates that 40 percent of owner-occupied housing units within the assessment areas are located in moderate-income CTs.

<i>Table 9 – Distribution of Residential Real Estate Loans by CT Income Level</i>					
CT Income Level	Percent of Owner-Occupied Housing Units	Bank's Residential Lending			
		Number	Percent	Dollars	Percent
Low	0%	0	0%	\$0	0%
Moderate	40%	11	92%	\$561	91%
Middle	60%	1	8%	\$58	9%
Upper	0%	0	0%	\$0	0%
Total	100%	12	100%	\$619	100%

Source: 2000 U.S. Census and FDIC sample from loan trial balance (dollars in 000s)

## **V. RESPONSE TO CRA-RELATED COMPLAINTS**

The institution has not received any CRA-related complaints since the previous evaluation.

## **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

There was no evidence of discriminatory or other illegal credit practices identified at the examination that would be inconsistent with helping to meet community credit needs.