



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

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## **PUBLIC DISCLOSURE**

**October 4, 2004**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The First National Bank of Fleming  
Charter Number 11571**

**201 N. Logan  
Fleming, CO 80728**

**Comptroller of the Currency  
Northern Colorado  
1099 18th Street Suite 2650  
Denver, CO 80202**

**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.**

## **INSTITUTION'S CRA RATING**

### **This institution is rated Satisfactory**

A satisfactory rating is appropriate given the bank's demonstrated ability to meet the credit needs of the community including loans to low- and moderate-income individuals and small farms. Specifically:

- The bank's loan-to-deposit ratio is good given area competition and credit needs of the community.
- The majority of loans by number and dollar volume are originated within the bank's assessment area.
- The bank's pattern of lending to low- and moderate-income individuals and small farms reasonably reflects area demographics.

FNB Fleming is committed to serving the credit needs of the community in which it operates and demonstrates satisfactory lending performance.

## **DESCRIPTION OF INSTITUTION**

First National Bank of Fleming (FNB) is a \$12 million institution in eastern Colorado. The bank is wholly owned by Fleming Community Agency, Inc., a one-bank holding company headquartered in Fleming, Colorado. FNB accounts for substantially all the assets of Fleming Community Agency, Inc.

The bank operates one facility in Fleming, Colorado. This is a full-service bank with a drive-up facility and a deposit-taking ATM. Area competition is low, with only one other community bank (total assets of \$25 million) located within the AA.

FNB offers a variety of credit products. The primary loan products by dollar volume are loans secured by 1-4 family residences at 34 percent of total loans and agriculture production loans at 23 percent of total loans. Our rating of the bank's CRA performance is based on an analysis of these two products. Other loans offered by the bank include agriculture farmland (18%), commercial real estate (4%), commercial and industrial (6%) and other consumer (13%). Net loans represent 70 percent of the bank's total assets. There are no legal or financial impediments to the bank's ability to meet the credit needs of the assessment areas.

We made one community contact with this examination. We spoke with administrators of the Town of Fleming, Colorado. These individuals indicated that the primary credit needs of the community include small farms and businesses.

FNB received a "Satisfactory" rating at the last CRA examination dated September 7, 1999.

Refer to the bank's CRA Public File for more information.

## **DESCRIPTION OF LOGAN AND PHILLIPS COUNTIES**

Management has designated all of Logan County and the western half of Phillips County as its assessment area (AA). These are contiguous counties located in central-eastern Colorado. Based on 1990 census data, this AA is comprised of eight census tracts, all of which are designated as middle-income. The Department of Housing and Urban Development (HUD) 2002 updated non-MSA median-family income for this AA is \$46,000. Based on 1990 US Census data, there are 5,339 families residing within the AA of which 20 percent are deemed low-income and 19 percent are deemed moderate-income. Income designations are determined based on annual income as a percentage of the non-MSA median-family income.

Current economic conditions show stable farm real estate and agriculture prices. Gradual population growth is based on the appeal of rural living or employment opportunity from the nearby state prison. Wages and salaries are not generous, therefore dual wage earner families are common. While agriculture is the source of the largest revenue, the school system provides the most jobs. The community is more homogenous than areas of higher population. As a result pockets of low- or moderate-income families are indistinct.

The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Refer to the bank's CRA Public File for more information.

## **CONCLUSIONS ABOUT PERFORMANCE CRITERIA**

### **Loan-to-Deposit Ratio**

The bank's loan-to-deposit ratio is good given area competition and credit needs of the community.

The bank's average quarterly loan-to-deposit ratio since the previous CRA exam is 70 percent. There is only one similarly situated bank within the assessment area (AA). Its loan-to-deposit for the same time period is 74 percent. Similarly situated banks are those banks of similar business lines operating within the same geography.

### **Lending in the Assessment Area**

The majority of loans by number and dollar volume are originated within the bank's AA.

We sampled 20 residential real estate secured loans and 20 agricultural production loans. Of the 40 loans sampled, 92 percent by dollar volume and 93 percent by number were originated within the AA.

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

The bank's pattern of lending to low- and moderate-income individuals and small farms reasonably reflects area demographics.

The distribution of residential real estate secured loans to borrowers of different income levels is reasonable. Of the 20 residential real estate secured loans sampled, 20 percent by number were originated to low-income families and 40 percent were originated to moderate-income families. This compares favorably with area demographics that indicate low- and moderate-income families comprise 20 percent and 19 percent, respectively, of families within the AA.

The distribution of agricultural production loans originated throughout the AA indicates good performance in lending to farms of different sizes. Of the 20 loans sampled, 95 percent by number and 81 percent by dollar volume were originated to small farms. Further, all of the loans to small farms were to very small farms with gross annual revenues under \$250,000. This compares favorably to area demographics in which 94 percent of the farms for which revenue information was available are small farms.

### **Geographic Distribution of Loans**

A geographic distribution analysis was not performed. The bank's AA is comprised solely of middle-income geographies. An analysis would not be meaningful.

### **Response to Complaints**

The bank has not received any CRA related complaints since the previous examination.

## **Fair Lending and Other Illegal Credit Practices Review**

We found no evidence of illegal discrimination or other illegal credit practices.