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Comptroller of the Currency  
Administrator of National Banks

**SMALL BANK**

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## **PUBLIC DISCLOSURE**

**May 4, 1998**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**American National Bank of Cheyenne  
Charter Number 11380**

**1912 Capitol Avenue  
Cheyenne, Wyoming 82003**

**Comptroller of the Currency  
50 Fremont Street, Suite 3900  
San Francisco, California 94105**

**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 American National Bank of Cheyenne prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of May 4, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.1.*

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

American National Bank of Cheyenne’s (ANB’s) lending performance reflects satisfactory responsiveness to community credit needs. The loan-to-deposit ratio is reasonable compared to similarly situated institutions in the assessment area. The majority of loans and related lending activities originate in the bank’s assessment area. In addition, the distribution of loans reflects reasonable penetration to individuals of different income levels and businesses of different sizes.

### **DESCRIPTION OF INSTITUTION:**

ANB is a \$137 million community bank located in Cheyenne, Wyoming. The main office is located in downtown Cheyenne. The bank has two branch offices, one on Warren Air Force Base, and the other in the northern section of the city. The air force base branch is in a moderate-income area and the other branch is in a middle-income area. Also, ANB has four deposit-taking automated teller machines (ATMs) located at the three offices and one at 6001 Yellowstone Road. In addition, the bank has three cash dispenser ATMs located throughout its assessment area. Sturm Banks of Wyoming, Incorporated owns ANB and three other community banks in Wyoming with consolidated total assets of \$240 million.

The bank’s primary business focus is commercial, consumer real estate, and installment loans. As of December 31, 1997, commercial loans represented 39% of total loans, and consumer real estate loans represented 35%. The remainder of the portfolio was comprised of loans to individuals, 14%, and construction loans, 6%. Loans represent 57% of the bank’s total assets. There are no financial or legal impediments that affect the bank’s ability to meet the credit needs of the assessment area.

The last CRA Examination was performed on December 2, 1994. The bank received an Outstanding rating.

**DESCRIPTION OF ASSESSMENT AREA:**

The bank’s assessment area consists of the city of Cheyenne, the surrounding census tracts, and Warren Air Force Base. Cheyenne is located in Laramie County and is the state capital. According to 1990 census data, the population of Cheyenne is 50,008. The assessment area meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

The assessment area consists of 17 census tracts. As shown in the following table, none of the census tracts are designated low income. The 1990 U.S. Census statewide non-MSA median-family income for Wyoming was \$32,587.

<b>ASSESSMENT AREA PROFILE: Cheyenne, WY (1990 Census Data)</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>\$</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>
Median Income (\$)		32,587				
Census Tracts	17		0%	35%	41%	24%
Unemployment Rate - 12/31/97	3.94%					
Owner Occupied Housing (#)	17,620		0%	26%	49%	25%
Median Housing Value (\$)		70,656 ('90) 99,140 ('97)				

Economic and business activity was weak during 1997. The growth rate was close to zero. The economy has had a significant loss of jobs in banking, telecommunications, and trucking. However, these jobs have been replaced with smaller, diverse businesses. Overall, the economy is stable with a low unemployment rate of 3.94%, versus a national unemployment rate of 4.95%.

Government employment dominates the local economy. This sector alone generated 30% of employment, services account for 23%, and trade accounts for 19%. In addition, tourism plays a supporting role in the local economy.

<b>Families in the Assessment Area by Income Level</b>		
<b>Income Classification and Percent of Median-family Income</b>	<b>Number</b>	<b>Percent</b>
Low Income (0 - 50%)	3,567	18
Moderate Income (50 - 80%)	3,643	19
Middle Income (80 - 120%)	4,590	24
Upper Income (> 120%)	7,539	39
Total	19,339	100

ANB is one of twenty financial institutions in the assessment area. This includes 6 community banks, 3 large regional banks, and 11 credit unions. There are strong competitive pressures in the assessment area for the same business.

***Community Credit Needs***

Our review included identification of community credit and service needs throughout the assessment area. We reviewed information which trade associations and business leaders have provided to other federal regulators within the bank’s market area during the past year. From these sources, we determined your community’s credit needs include: loans for home lots, small business loans, and seasonal operating loans to mid-sized businesses.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

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

ANB’s loan-to-deposit ratio is reasonable given its operating environment. From March 31, 1996, through December 31, 1997, the bank’s quarterly loan-to-deposit ratio averaged 58%. The ratio is comparable to one other community bank and below the other banks within the assessment area. The average loan-to-deposit ratio for eight quarters ending December 31, 1997, for similarly situated banks in the assessment area is 70%. In addition, the loan-to-deposit ratio for all community banks in Wyoming averaged 60% over the same period. The bank compares favorably with the credit unions which have a 61% average loan-to-deposit ratio for 1997.

### *Lending in Assessment Area*

A majority of the bank's loans are within its assessment area. We reviewed and verified the bank's records showing the geographic distribution of 1997 loans. Of the 1,179 loans made, 888 or 75% were within the assessment area. The bank's mortgage department purchases loans for resale in the secondary market. Most of these loans are outside the assessment area. Excluding the purchased loans, the percentage of loans in the assessment area total 99%.

<b>Volume of Loan Originations in 1997</b>			
<b>Product</b>	<b>Total Originations</b>	<b>Within Assessment Area</b>	
	<b>Number of Loans</b>	<b>Number of Loans</b>	<b>Percent</b>
Real Estate Loans	492	256	52
Consumer Loans	562	524	93
Commercial Loans	125	108	86
Total	1,179	888	75

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

ANB's lending patterns show a good distribution of loans among businesses and individuals of different income levels. Loan originations are well distributed among the four income levels and show a strong emphasis among low- and moderate-income borrowers. The following tables demonstrate the income breakdown of the bank's mortgage loan originations and consumer originations for the six months ending December 1997. The mortgage loans originated show a reasonable distribution to low- and moderate-income borrowers.

<b>Mortgage Loan Distribution to Borrowers of Different Income Levels</b>			
<b>Income Designation of the Borrower</b>	<b>Number of Mortgage Loans</b>	<b>Percent of Mortgage Loans</b>	<b>Percent of Families in the Assessment Area</b>
Low	19	8	18
Moderate	47	21	19
Middle	67	29	24
Upper	96	42	39
Total	229	100	100

As shown in the following table, 50% of the bank’s consumer loans were made to low- and moderate-income families. This compares favorably to assessment area demographics. The 1997 Department of Housing and Urban Development (HUD) updated median-family income for non-MSA areas of Wyoming is \$43,800.

<b>Consumer Loan Distribution to Borrowers of Different Income Levels</b>			
<b>Income Designation of the Borrower</b>	<b>Number of Consumer Loans</b>	<b>Percent of Consumer Loans</b>	<b>Percent of Families in the Assessment Area</b>
Low	77	27	18
Moderate	64	23	19
Middle	68	25	24
Upper	68	25	39
Total	277	100	100

Nearly all of the bank’s commercial loans are to small businesses. Of a sample of 38 commercial loans in 1997, 36 were to businesses with gross revenues under \$1 million. This represents 95% of the commercial loans. The bank’s lending to small businesses also compares favorably to assessment area demographics. According to current business demographics data by Dunn & Bradstreet, 2,011 of the 2,703 non-farm businesses in the assessment area (74%) have gross annual revenues less than \$1 million.

***Geographic Distribution of Loans***

The bank’s lending patterns show a good distribution among moderate-income geographies. We reviewed the distribution of all 1997 loan originations and found that 36% of the loans were made to customers in moderate-income census tracts. Further, this distribution favorably compares to area demographics. Approximately 33% of the area population resides in moderate-income census tracts. And 35% of the census tracts comprising the assessment area are moderate-income census tracts. The following table summarizes the geographic distribution.

Geographic Distribution of 1997 Loan Originations				
Income Characteristic of Census Tracts	Percent of Census Tracts	Percent of AA Population Residing	Number of 1997 Loan Originations	Percent of 1997 Loan Originations
Low	0	NA	NA	NA
Moderate	35	33	321	36
Middle	41	45	390	44
Upper	24	22	177	20
Total	100	100	888	100

***Community Development Lending***

The bank participates in community development lending through the Cheyenne LEADS Economic Development Committee, the Comea Homeless Shelter, the Habitat for Humanity, and the Wyoming Community Development Authority (WCDA). These groups provide flexible financing for housing. Examples of the bank’s participation include:

- A loan to the Comea Shelter. The Comea Shelter is part of the Federal Home Loan Bank of Seattle’s Community Investment Program.
- A participation in a loan to Habitat for Humanity to fund construction of a single-family dwelling.
- Loans made through the Cheyenne Homeowners Opportunity Program (CHOP). The purpose of CHOP loans is to assist low- and moderate-income families with closing costs for home purchases.
- A significant portion of WCDA loans in the area. In addition, the bank warehoused correspondent bank WCDA loans for sale into the secondary market. These loans assist low- and moderate-income home buyers with home purchases through low interest rates and down payment assistance.

***Response to Complaints***

There have been no complaints regarding the bank’s CRA activities since the last CRA Performance Evaluation.

***Record of Compliance with Antidiscrimination Laws***

Our fair lending examination did not find any evidence of discrimination or practices intended to discourage applicants from applying for credit.