



## **PUBLIC DISCLOSURE**

**July 13, 1998**

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

**MidAmerica National Bank  
Charter Number 13838  
100 W. Elm  
Canton, IL 61520**

**Office of the Comptroller of the Currency  
440 South LaSalle Street, Suite 2700  
Chicago, Illinois 60605**

**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 **MidAmerica National Bank (MNB)** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **July 13, 1998**. This evaluation is based on information from the last CRA examination dated June 20, 1995 to the current examination dated July 13, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

A majority of MNB's loan originations are located within the bank's assessment area. The bank's record of lending to borrowers of different income levels, including low- and moderate-income individuals, is reasonable. MNB's record of lending to small farms and small businesses within its assessment area is good.

## **DESCRIPTION OF INSTITUTION**

MNB is a \$240 million bank in Canton, Illinois, located thirty-five miles southwest of Peoria. On June 30, 1997, Union National Bank of Macomb was merged into National Bank of Canton. Subsequently, the emerging bank's name was changed to MidAmerica National Bank. The main office is located in downtown Canton, a middle-income area.

MNB also serves customers with two branches in Canton, three in Macomb, and one each in Cuba and Lewistown. Two of the Macomb branches are located in low-income areas. The bank has twelve Automated Teller Machines (ATM's) with two located in low-income and two located in moderate-income areas.

MNB is wholly-owned by National Canton Bancshares, Inc., a one bank holding company. The bank offers traditional banking services and lending products. The loan portfolio mix is as follows: residential real estate 36%, commercial 30%, agricultural 13%, and instalment 21%.

There are no financial conditions, legal constraints, or other factors that hinder the bank's ability to help meet the credit needs of its assessment area (AA). An "Outstanding" rating was received during the June 20, 1995, CRA examination.

## **DESCRIPTION OF ASSESSMENT AREAS:**

The bank's assessment areas consist of portions of Fulton and McDonough Counties.

### **Fulton County Assessment Area**

This AA is comprised of the eight block numbering areas (BNAs) in Fulton County, Illinois. Seven of the BNAs in the AA are designated as middle-income while the remaining one is moderate-income. There are no low- or upper-income BNAs in the AA. The location of the BNAs by income level is as follows:

- Moderate-income: 9535
- Middle-income: 9529, 9532, 9533, 9534, 9536, 9537, 9538

According to 1990 census data, the total population of the bank's AA is 26,249. The 1997 non-Metropolitan Statistical Area (MSA) statewide median family income for Illinois is \$39,500. Potential borrowers earning less than 50% of the non-MSA statewide median family income are designated as low-income, while those earning 50% - 80%, 80% - 120%, and more than 120% are designated as moderate-, middle-, and upper-income, respectively. Within the AA, 23% of the families are low-income, 21% are moderate-income, 22% are middle-income, and 34% are upper-income.

There are 11,247 housing units in the AA, of which 64% are owner-occupied, 27% are rental-occupied, and 8% are vacant. The median age of homes in the AA is 46 years, while the median housing price is \$33,408.

Economic conditions in the AA are moderate and stable. Principal employers are Graham Hospital, Financial Institutions, School District, State Prison Correctional Facility, and the retail stores in the community. A significant portion of the local population commutes to Peoria for employment. The community of Canton and the surrounding area went through significant economic changes during the 1980's due to the closing of the International Harvester plant and reductions at Caterpillar in Peoria. Today's market enjoys support from a more varied economic base. The unemployment rate for the AA is 4%. The large number of banks, thrift institutions, CEFCU credit union, and Farm Credit Services provide a high level of competition in the financial services market.

A community contact was made with a local Realtor in Canton during the examination. The contact indicated local financial institutions are responsive to community credit needs and there are no significant unmet credit needs in the community.

### **McDonough County Assessment Area**

McDonough County AA consists of eleven BNAs, two are low-income, one moderate-income, five middle-income, and three upper-income. The location of the BNAs by income level is as follows:

- Low-income 105,108
- Moderate-income 106
- Middle-income: 101,102,109,110,111
- Upper-income: 103, 104, 107

According to the 1990 census, the population of the bank's AA totaled 35,244. Within the McDonough County AA, 20% of the families are low-income, 19% are moderate-income, 26% are middle-income, and 35% are upper-income.

Western Illinois University is located in BNA 105, a low-income BNA, in the city of Macomb. This BNA consists of university buildings, dormitories, and student rental housing. BNA 108, the other low-income area, consists mainly of the business district in downtown Macomb. Owner-occupied housing is only 9.57% in this BNA. There are 13,257 housing units in this AA, of which (7,621) 57% are owner-occupied, (4,634) 34% are rental-occupied, and (1,002) 7% are vacant units. The median housing price is \$40,048 while the median age of homes is 41 years in the AA.

Economic conditions in the AA are stable. The economy of McDonough County is based on manufacturing, agriculture, and professional services. Macomb has some industry that provides

employment outside of the farm economy. Western Illinois University has a tremendous impact to the local economy by providing employment of nearly 1,700 people and a student population in excess of 13,000. Macomb has been able to maintain its position as a retail shopping center. Additionally, NTN- Bower corporate headquarters and Zeta Corporation have helped to support a stable economy. The unemployment rate for the AA is low at 3%. The market for financial services is very competitive as there are numerous banks and thrift institutions in the area.

We did not meet with any community contacts in McDonough County because several contacts by other regulatory agencies have been made during the past year. The contacts indicated local financial institutions are responsive to community credit needs.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

### LOAN-TO-DEPOSIT RATIO

The bank's loan-to-deposit ratio was not rated this examination due to the distortions caused by the recent merger. Additionally, we could not obtain information from similarly situated banks as competition consists of regional bank branches and credit unions.

### LENDING IN ASSESSMENT AREA

The bank's record of lending within the AA is reasonable and meets the standards for satisfactory performance. The following table details the bank's lending within and outside of the AA by dollar volume and number of loan originations between January 1, 1996 and June 30, 1998 (evaluation period).

LOAN TYPE	DOLLAR VOLUME		NUMBER OF LOANS	
	WITHIN AA	OUTSIDE AA	WITHIN AA	OUTSIDE AA
Residential Real Estate	\$33,921,709	\$2,924,915	878	77
	92%	8%	92%	8%
Business	\$2,957,743	\$2,080,120	84	8
	59%	41%	91%	9%
Agricultural	\$1,874,878	\$1,357,009	38	21
	58%	42%	64%	36%
Consumer Instalment	\$15,851,336	\$5,319,262	1808	512
	75%	25%	78%	22%
TOTAL SAMPLE	\$54,605,666	\$11,681,306	2808	618
	82%	18%	82%	18%

Source: Bank Records (1/1/96 to 6/30/98)

**LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES**

The distribution of residential real estate lending reflects adequate penetration among individuals of different income levels including low- and moderate-income individuals. Based on a sample of 37% of the residential real estate loans originated within the AAs during the evaluation period, 33% were originated to low- and moderate-income borrowers in Fulton County AA and 25% in McDonough County AA.

MNB accommodates low- and moderate-income individuals by granting small dollar personal and real estate loans. Thirty-seven percent of the real estate loans originated for less than \$25,000, 36% originated for \$25,000 to \$49,999, 23% originated for \$50,000 to \$99,999, and 4% originated for \$100,000 or more in the Fulton County AA. Thirty-three percent of the real estate loans originated for less than \$25,000, 36% originated for \$25,000 to \$49,999, 27% originated for \$50,000 to \$99,999, and 4% originated for \$100,000 or more in the McDonough County AA.

The following tables summarize the bank’s distribution of loan originations among borrowers of different income levels:

**RESIDENTIAL REAL ESTATE LENDING  
WITHIN FULTON COUNTY  
TO BORROWERS OF DIFFERENT INCOME LEVELS**

<b>INCOME LEVEL OF BORROWER</b>	<b>\$ VOLUME ORIGINATED</b>	<b>% ORIGINATED</b>	<b># ORIGINATED</b>	<b>% ORIGINATED</b>
<b>Low-income</b>	\$239,120	5%	10	10%
<b>Moderate-income</b>	\$883,777	19%	23	23%
<b>Middle-income</b>	\$1,336,356	29%	29	29%
<b>Upper-income</b>	\$2,166,547	47%	38	38%
<b>TOTAL SAMPLE</b>	\$4,625,800	100%	100	100%

Source: Bank Records (1/1/96 to 6/30/98)

**RESIDENTIAL REAL ESTATE LENDING  
WITHIN MCDONOUGH COUNTY  
TO BORROWERS OF DIFFERENT INCOME LEVELS**

<b>INCOME LEVEL OF BORROWER</b>	<b>\$ VOLUME ORIGINATED</b>	<b>% ORIGINATED</b>	<b># ORIGINATED</b>	<b>% ORIGINATED</b>
<b>Low-income</b>	\$500,200	5%	23	10%
<b>Moderate-income</b>	\$899,049	9%	32	15%
<b>Middle-income</b>	\$2,086,945	21%	53	24%
<b>Upper-income</b>	\$6,427,584	65%	114	51%
<b>TOTAL SAMPLE</b>	\$9,913,778	100%	222	100%

Source: Bank Records (1/1/96 to 6/30/98)

Using loan size as a proxy for business and farm revenues, the bank's record of lending to small businesses and farms is good. As detailed in the following tables, a substantial portion of the loans originated during the evaluation period to small businesses and farms originated for less than \$50,000.

**DISTRIBUTION OF SMALL BUSINESS AND AG LOAN SAMPLE  
BY LOAN SIZE  
WITHIN FULTON COUNTY**

<b>LOAN SIZE (\$)</b>	<b>BUSINESS LOANS</b>		<b>FARM LOANS</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>&lt;\$50,000</b>	60	79%	25	78%
<b>\$50,000 - \$99,999</b>	6	8%	2	6%
<b>\$100,000 - \$249,999</b>	8	10%	5	16%
<b>\$250,000 - \$999,999</b>	2	3%	0	0%
<b>&gt;\$1,000,000</b>	0	0%	0	0%
<b>TOTAL SAMPLE</b>	76	100%	32	100%

Source: Bank Records.

**DISTRIBUTION OF SMALL BUSINESS AND AG LOAN SAMPLE  
BY LOAN SIZE  
WITHIN MCDONOUGH COUNTY**

LOAN SIZE (\$)	BUSINESS LOANS		FARM LOANS	
	#	%	#	%
<\$50,000	4	50%	1	17%
\$50,000 - \$99,999	3	38%	4	67%
\$100,000 - \$249,999	1	12%	0	0%
\$250,000 - \$999,999	0	0%	1	16%
>\$1,000,000	0	0%	0	0%
<b>TOTAL SAMPLE</b>	8	100%	6	100%

Source: Bank Records.

**GEOGRAPHIC DISTRIBUTION OF LOANS**

The bank's geographic distribution of residential real estate loans is reasonable based upon the demographics of the assessment area. All agricultural areas throughout the AA are located in middle-income BNAs. The following two tables reflect the geographic distribution of residential real estate originations between January 1, 1996 and June 30, 1998. Our analysis is based on a sample of 95% of the number of residential real estate loans originated in the evaluation period.

**GEOGRAPHIC DISTRIBUTION OF LOANS  
WITHIN FULTON COUNTY**

RESIDENTIAL REAL ESTATE LOAN ORIGINATIONS BY INCOME LEVEL OF BNAs WITHIN AA				
INCOME LEVEL OF BNA	\$ OF ORIGINATIONS	% OF ORIGINATIONS	# OF ORIGINATIONS	% OF ORIGINATIONS
<b>Low-income</b>	There are no low-income BNAs in the assessment area.			
<b>Moderate-income</b>	\$2,627,252	12%	80	14%
<b>Middle-income</b>	\$18,831,012	88%	486	86%
<b>Upper-income</b>	There are no upper-income BNAs in the assessment area.			
<b>TOTAL SAMPLE</b>	\$21,458,264	100%	566	100%

**GEOGRAPHIC DISTRIBUTION OF LOANS  
WITHIN MCDONOUGH COUNTY**

<b>RESIDENTIAL REAL ESTATE LOAN ORIGINATIONS BY INCOME LEVEL OF BNAs WITHIN AA</b>				
<b>INCOME LEVEL OF BNA</b>	<b>\$ OF ORIGINATIONS</b>	<b>% OF ORIGINATIONS</b>	<b># OF ORIGINATIONS</b>	<b>% OF ORIGINATIONS</b>
<b>Low-income</b>	\$499,511	5%	18	7%
<b>Moderate-income</b>	\$1,200,801	12%	30	11%
<b>Middle-income</b>	\$3,452,305	33%	97	37%
<b>Upper-income</b>	\$5,146,972	50%	119	45%
<b>TOTAL SAMPLE</b>	\$10,299,589	100%	264	100%

**RESPONSE TO COMPLAINTS**

The bank has not received any complaints since the prior examination relative to its performance under the CRA.

**COMPLIANCE WITH ANTIDISCRIMINATION LAWS**

We did not identify violations of any substantive provisions of the antidiscrimination laws and regulations during our examination.