



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

PUBLIC DISCLOSURE

July 6, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First American Bank, N.A. of Woodward
Charter Number 16807**

**2220 Oklahoma Ave.
Woodward, Oklahoma 73802-0829**

**Office of the Comptroller of the Currency
Oklahoma City Field Office
301 NW 63rd Street, Suite 490
Oklahoma City, Oklahoma 73116**

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 **First American Bank, N.A. of Woodward, Oklahoma**, as prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of **July 6, 1999**. 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: First American Bank, N.A. (FAB) is rated “**Satisfactory Record of Meeting Community Credit Needs.**” Consistent with available resources and capabilities, the bank is meeting the credit needs of the assessment area, including those of low and moderate income individuals, in a reasonable manner. This is demonstrated by the following:

- C FAB’s willingness to provide a wide variety of loan and deposit products as evidenced by a reasonable loan to deposit ratio.
- C A substantial majority of the loans extended are within the assessment area.
- C FAB has demonstrated a willingness to extend loans to individuals and businesses of different income levels.
- C A meaningful geographical analysis could not be performed as FAB’s assessment area, Woodward County, does not have any low or moderate income census tracts.

DESCRIPTION OF INSTITUTION

First American Bank, N.A. of Woodward (FAB), is located in Woodward, Oklahoma. FAB is a subsidiary of Consolidated Equity Corporation, a \$128 million multi-bank holding company. The main bank and drive-through facility are located at 2220 Oklahoma Ave. An automated teller machine (ATM) is also available at this location. FAB is a full service bank with a focus on serving commercial and consumer customers in the Woodward County area. The bank meets these needs by providing various loan and deposit products, as well as, other financial services.

As of March 31, 1999, FAB's total assets equaled \$38,020,000, of which \$23,557,000 or 61.96 percent, were composed of various types of loans to individuals and businesses. The \$23,557,000 in loans and leases outstanding consisted of \$3,782,000 in commercial and agricultural real estate loans, (16.05 percent), \$3,531,000 in 1-4 family real estate loans, (14.99 percent), \$4,071,000 in commercial loans, (17.28 percent), \$8,565,000 in agricultural loans, (36.36 percent), and \$3,608,000 in consumer loans, (15.32 percent).

In addition to the loans held by FAB, the mortgage department originates long term mortgage loans through secondary market investors. The mortgage department closed sixty-five loans for \$2,793,272 in 1997, and closed eighty-two loans for \$3,996,581 in 1998. Through June 30, 1999, forty loans were closed for \$2,522,877. FAB's mortgage department offers loan products which benefit lower income individuals who are first time home buyers. FAB is a participating lender for bond money through the Oklahoma Housing Finance Authority. Features of bond issues include low down payments, low fixed interest rates, and income limits. The bank also participates in the USDA Rural Housing Service guaranteed loans which benefits lower to middle income individuals. These loans have income limits, require no down payments, no PMI insurance, and are guaranteed by the USDA.

There are no known legal, financial, or other factors impeding management's ability to help meet the credit needs of the assessment area. The last review of performance under the Community Reinvestment Act was completed September 23, 1996, and was also rated "**Satisfactory.**"

DESCRIPTION OF THE ASSESSMENT AREA

The assessment area adopted by the bank's board of directors includes all census tracts in Woodward County. This assessment area meets the requirements of the regulation and does not arbitrarily exclude any low-or moderate-income geographies. The assessment area is described in more detail below.

Woodward County contains five census tracts. Three of the census tracts are middle income and two are upper income. United States Census Bureau information as of 1990, reflected a total population of 18,976 in Woodward County. The area contained 8,512 housing units with 5,137 or 60.35 percent

owner occupied. Additionally, there were 5,231 families and 7,091 households in the area. Seventy-seven percent of the households derive their income from wages or salaries. The largest employment sectors are agriculture and energy related industries. The unemployed labor for the area was reported at 2.07 percent of the population.

Per the 1990 census, the households and families are divided among the income categories as follows:

Description	% Low Income (<50% of Median)*	% Moderate Income (50-80% of Median)*	% Middle Income (80-120% of Median)*	% Upper Income (>120% of Median)*
% of Households (total 7,091)	17.40%	13.22%	18.98%	50.40%
% of Families (total 5,231)	14.11%	14.87%	23.59%	47.43%

The Department of Housing and Urban Development’s updated median family income for 1998 in Woodward County was \$31,100.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Overall, the bank is “**Satisfactory in Meeting the Community Credit Needs**” of the entire assessment area, consistent with available resources and capabilities.

Loan to Deposit Ratio

The loan to deposit ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs. The average semiannual loan to deposit ratio from September 30, 1996, through March 31, 1999, was 73.57 percent. The ratio as of March 31, 1999, was 66.36 percent. The low ratio for the period was 65.72 percent at September 30, 1998. The high ratio for the period was 79.53 percent at September 30, 1997.

FAB’s ratio compares very well to the average loan to deposit ratio for the nineteen banks operating in Woodward County and contiguous counties. The average ratio for this group of banks was 50.46 percent at March 31, 1999. The low ratio in this group was 48.23 percent and the high ratio was 52.12 percent.

Lending in Assessment Area

A substantial majority of credit extended is within the assessment area. Analysis of a sample of twenty-one residential loans made in the last twelve months, forty-five consumer loans extended in 1999, and twenty-two business loans extended during 1998 and year-to-date 1999, noted the following results:

Loan Sample	% of Loans Inside Area	% of Loans Outside Area	% of Loan Dollars Inside Area	% of Loan Dollars Outside Area
Residential Real Estate (21 loans for \$573,034)	95.24%	4.76%	98.91%	1.09%
Consumer (45 loans for \$212,064)	86.67%	13.33%	88.55%	11.45%
Business & Agricultural (22 loans for \$2,063,270)	86.36%	13.64%	70.91%	29.09%
Combined Totals (88 loans for \$2,848,368)	88.64%	11.36%	77.86%	22.14%

Lending to Borrowers of Different Incomes

The distribution of borrowers reflects reasonable penetration among individuals and businesses of different income levels within the assessment area. The following table uses income data collected from a random sample of thirty-nine consumer loans and twenty residential loans. The number of loans to each income group compares reasonably well to the distribution of households and families by income level illustrated on page three of this evaluation.

Description	% to Low Income Borrowers	% to Moderate Income Borrowers	% to Middle Income Borrowers	% to Upper Income Borrowers
# of Consumer Loans (39)	20.51%	25.64%	35.90%	17.95%
\$ of Consumer Loans (\$187,793)	17.88%	17.51%	35.48%	29.13%
# Residential Loans (20)	5.00%	25.00%	35.00%	35.00%
\$ of Residential Loans (\$566,802)	2.48%	22.72%	34.46%	40.34%
Combined # of Loans (59)	15.25%	25.42%	35.59%	23.74%
Combined \$ of Loans (\$754,595)	6.31%	21.42%	34.72%	37.55%

Overall, the combined number of loans to individuals of different incomes represents reasonable penetration relative to the volume of families and households in each income group as depicted on page three of this evaluation. The bank's penetration to low and moderate income borrowers for consumer loans compares very well to Woodward County demographics. The penetration of moderate income borrowers for residential loans also compares favorably.

The following table illustrates the distribution of the nineteen business and agriculture loans sampled based on annual gross revenues reported by the companies.

Description	% with less than \$500,000 in revenues	% with \$500,000 to \$1,000,000 in revenues	% with greater than \$1,000,000 in revenues
Number of Loans (19)	63.16%	15.79%	21.05%
Dollars of Loans (\$1,463,110)	43.77%	7.96%	48.27%

The sample of business loans reflects that 78.95 percent of the loans were made to small businesses, or businesses that report annual gross revenues of less than \$1,000,000. Also, 51.73 percent of the dollars loaned went to those same small businesses.

Geographic Distribution of Loans

A meaningful geographic analysis could not be performed since the bank's assessment area, Woodward County, does not contain any low or moderate income census tracts.

Responses to Complaints

No complaints concerning the Community Reinvestment Act have been received since the last examination.

Fair Lending Matters

No violations of the substantive provisions of antidiscrimination laws and regulations were identified. Additionally, no evidence of discrimination or disparate treatment was found. The lending practices of FAB are reflective of antidiscrimination policies.