



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

February 23, 1998

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

The First National Bank of Coulterville
Charter # 12000
P.O. Box 395
Coulterville, Illinois 62237

Comptroller of the Currency
Fairview Heights Field Office
13 Executive Drive, Suite 7
Fairview Heights, Illinois 62208

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 **The First National Bank of Coulterville, Coulterville, Illinois**, prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of February 23, 1998. This evaluation is based on information since the last CRA examination dated **December 6, 1993**. 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**.

- The level of lending to borrowers of different income levels is reasonable based on our review of residential mortgage lending activities.
- The bank's loan-to-deposit ratio is comparable to similarly situated area banks.
- A majority of loans are extended in the bank's assessment area.

DESCRIPTION OF INSTITUTION

The First National Bank of Coulterville is a \$13 million bank which is wholly owned by Southwest Bancshares, Inc., a one-bank holding company. The bank is located in downtown Coulterville and does not operate any proprietary ATMs. The bank's primary business focus is in 1-4 family residential real estate loans and consumer loans. As of December 31, 1997, loans secured by 1-4 family residential real estate loans comprised 36% of the bank's portfolio and consumer loans comprised 30%.

No financial or legal constraints impede the bank's ability to meet community credit needs. The bank has adequate resources to provide for the credit needs of its assessment area. The type and amount of CRA activities are consistent with the bank's size, financial capacity, and local economic conditions. The bank's prior CRA rating, dated December 6, 1993, was "Satisfactory Record of Meeting Community Credit Needs."

DESCRIPTION OF ASSESSMENT AREA

The First National Bank of Coulterville has designated portions of Randolph, Perry, and Washington Counties as its assessment area. This assessment area contains five Block Numbering Areas (BNAs). All are middle-income geographies. This assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income areas.

The population of FNB Coulterville's assessment area was 18,306 as of the 1990 census. The median family income at that time was \$29,800. The 1998 Illinois non-metropolitan median family income is \$39,500. Census information on family incomes aggregated for all BNAs in the assessment area shows that 20% of the families were in low-, 19% were in moderate-, 23% were in middle-, and 38% were in upper-income levels.

For the analysis contained in this report, low income is defined as income that is less than 50% of the 1998 non-metropolitan median family income. Moderate income is defined as income that is at least 50% but less than 80% of the 1998 non-metropolitan median family income. Middle income is at least 80% but less than 120% of the 1998 non-metropolitan median family income. Upper income is income that is 120% or more of the 1998 non-metropolitan median family income.

The median housing value is \$39,010 and the median year built is 1963. Owner-occupied units represent 71% of the housing stock, with 79% of the housing stock being 1-4 family units.

Economic activity in the immediate area is low but stable. Major employers in the area are the local school district, Sparta Light/Metals, and the coal mines. Approximately 12% of the households in the assessment area rely on farming. Construction of a new nursing home in

Coulterville is currently underway. The nursing home is expected to create approximately 50 jobs for local residents. The December 1997 unemployment rates in Randolph, Perry, and Washington Counties were 6.8%, 10.5%, and 4.2%, respectively. Overall, this compares unfavorably to the state unemployment rate of 4.6% and the national rate of 4.4% for the same period.

Strong competition in the area of residential real estate and consumer loans, the bank's main focus, is provided by financial institutions in nearby Sparta, Pinckneyville, and Oakdale.

To further our understanding of the community's credit needs, we performed a community contact during this examination. The contact indicated the credit needs of the assessment area are primarily residential real estate loans and consumer loans. He also indicated that the local financial institutions are serving the needs of low- and moderate-income families.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes:

The bank demonstrates satisfactory performance. Our review of all residential real estate loans originated in 1997 revealed the distribution of loans to borrowers of different income levels reasonably approximated the income characteristics of the assessment area.

A summary of these findings is presented in the following table.

Income Levels	# of Loans	% By # of Loans	Loan \$ (000's)	% By \$ of Loans	BNA Family Breakdown by Income
<i>Low Income</i>	7	21%	95	11%	20%
<i>Moderate Income</i>	13	38%	396	45%	19%
<i>Middle Income</i>	6	18%	144	17%	23%
<i>Upper Income</i>	8	24%	236	27%	38%

The bank extends loans to small businesses and small farms. The following tables were produced using bank reports for all small business and small farm loans extended in 1997.

Size of Loans to Small Businesses

	Under \$100M		\$100M-\$250M		\$250M-\$500M		Over \$500M	
#	57	100%	0	0%	0	0%	0	0%
\$ (000's)	1,256	100%	0	0%	0	0%	0	0%

Size of Loans to Small Farms

	Under \$100M		\$100M-\$250M		\$250M-\$500M		Over \$500M	
#	17	100%	0	0%	0	0%	0	0%
\$ (000's)	464	100%	0	0%	0	0%	0	0%

Geographic Distribution of Loans:

Because all the BNAs in the bank's assessment area are middle income, no meaningful analysis could be performed based on loans in geographies of different income levels.

Loan-to-Deposit Ratio:

The bank's loan-to-deposit ratio is satisfactory. The loan-to-deposit ratio is 62% as of December 31, 1997. The bank's average loan-to-deposit ratio for the seventeen quarters since the previous CRA evaluation is 53%. Four similarly situated area banks have loan-to-deposit ratios ranging from 39% to 67% as of December 31, 1997, and average ratios for the period ranging from 40% to 60%.

Lending in the Assessment Area:

Lending in the assessment area is satisfactory. Our review of all loans originated in 1997 showed that 72% of the number of loans and 69% of the dollar amount of loans were in the bank's assessment area.

Response to Complaints:

No complaints were received since the prior CRA evaluation.

Compliance with Antidiscrimination Laws:

In conjunction with the CRA evaluation, we performed a Fair Lending examination which included a review of the bank's compliance with the Equal Credit Opportunity Act and the Fair Housing Act. No substantive violations of these antidiscrimination laws and regulations were identified.