



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

April 7, 2008

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

Forest Park National Bank and Trust Company  
Charter Number: 14566

7348 West Madison Street  
Forest Park, IL 60130

Office of the Comptroller of the Currency

Chicago-South Field Office  
2001 Butterfield Road Suite 400  
Downers Grove, IL 60515

**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.**

The major factors that support the institution's rating include:

- The bank's loan-to-deposit ratio is good and meets standards.
- The majority of the bank's lending in dollars is within its assessment area.
- Borrower distribution of home mortgage loans and loans to businesses is good and meets the standards.
- There are no complaints related to the bank's Community Reinvestment Act performance.

## **SCOPE OF THE EVALUATION**

This Performance Evaluation is based on 2000 U.S. Census demographic information. Conclusions regarding the borrower and geographic distribution are based on reported HMDA data and collected small business data from January 2006 through December 31, 2007. Data integrity was performed on the bank's reported home loan and collected business loan data to determine if the data was reliable. Our review found that the data is reliable. Community development activities were also considered as requested by bank management.

## **DESCRIPTION OF INSTITUTION**

The Forest Park National Bank and Trust Company (FPNB) is a \$168 million, intrastate financial institution headquartered in Forest Park, Illinois. Forest Park is a near western suburb of the City of Chicago, Illinois. FPNB is a wholly owned subsidiary of First Forest Park Corporation (FFPC), a one-bank holding company also located in Forest Park, Illinois. As of December 31, 2007, FFPC had consolidated assets of \$168 million.

As of December 31, 2007, FPNB had approximately \$123 million in outstanding net loans and total deposits of approximately \$148 million, for a net loan-to-deposit ratio of 83 percent. FPNB had approximately \$13 million in Tier One capital. The majority of FPNB's loans were residential real estate and business loans. Consumer and other loans (agricultural) were not evaluated because they do not represent primary product types for the bank. The gross loan portfolio consisted of the following:

<b>Loan Category</b>	<b>\$(000s)</b>	<b>Percent</b>
Residential Real Estate	52,881	43
Commercial Real Estate Loans	36,894	30
Commercial Loans	12,298	10
Consumer Loans	4,920	4
Other Loans	6,150	5
Construction and Land Development	9,838	8
<b>Total</b>	<b>122,981</b>	<b>100</b>

Table data from 12/31/2007 Uniform Bank Performance Report

FPNB has two full-service facilities and operates two automated teller machines, all in Forest Park. FPNB was rated Satisfactory at its last CRA evaluation dated May 6, 2002. There are no financial conditions, legal constraints or other factors that would hinder the bank's ability to meet the credit needs of its community.

## **DESCRIPTION OF ASSESSMENT AREA**

FPNB has one assessment area (AA) that comprises a small portion of the Chicago metropolitan area (MA) in northeastern Illinois. The AA consists primarily of middle- and upper-income geographies. The bank's AA has three moderate-income and no low-income geographies. The bank's AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income geographies.

The total population of the AA is 104,383 based on 2000 census data. The AA contains 16.26 percent low-, 15.80 percent moderate-, 20.40 percent middle- and 47.53 percent upper-income families based on the 2000 census.

The current AA, based on 2000 census data, consists of 22 geographies. Three (13.64 percent) are moderate-income, nine (40.91 percent) are middle-income and ten (45.45 percent) are upper-income. The median family income in the bank's AA, based on 2000 census data, is \$60,166. The 2007 HUD-adjusted median family income for the Chicago MA is \$67,800. Sixty-two percent of the housing in the AA is 1-4 family units with 56 percent owner-occupied. The median home value, based on 2000 census data, is approximately \$191,000.

Major employers in the area include Ferrara Pan Candies and Loyola Medical Center. Many residents in the AA commute into the City of Chicago for employment. The local economy is considered stable with the 2008 unadjusted seasonal unemployment rate for the Metropolitan Statistical Area, Chicago/Naperville/Joliet, at 5.5 percent. This is near the level of the 2008 State of Illinois unemployment rate of 5.7 percent and the 2008 national unemployment rate average of 5.1 percent.

We conducted one community contact interview during our evaluation, a local community development organization. The contact indicated credit needs of the community included affordable housing and home equity loans or lines of credit for rehabilitation of older homes. There is also a need for small business loans for façade

programs as well as for business expansion. The contact felt that banks were doing a good job of meeting the credit needs in the area.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Loan-to-Deposit Ratio

FPNB's net loan-to-deposit ratio (LTD) is reasonable and meets standards. The bank's LTD ratio, as of December 31, 2007, is 83 percent. The bank's average quarterly net LTD ratio from March 31, 2005, to March 31, 2008, was 82.92 percent. Based upon this bank's resources, the lending opportunities in the AA, and the level of local competition for loans, the bank's LTD is reasonable.

### Lending in Assessment Area

FPNB's record of lending within its AA is reasonable and meets standards. Less than a majority of the total number of loans (49.59 percent), but a majority of the total dollars in lending (52.00 percent), are in the AA. Less than a majority of the bank's home loans (47.72 percent) are in the assessment area, but a majority of the bank's business loans (52.55 percent) are in the AA. The population within the bank's AA is aging. As of the 2000 Census, twenty-five percent of the population is over 65 years of age or not working. This segment of the population usually has less need for home mortgage loan products. Another factor that makes it difficult to make home mortgage loans in the bank's AA is the poverty level, which is at seven percent according to the 2000 census data. Competition for small business loans is strong. The top five small business lenders in the bank's AA are large regional and credit card banks offering small, unsecured loans to businesses. The following table details the bank's lending within the AA by number of loan originations and dollar volume during this evaluation period.

<b>Lending in Assessment Area 2006-2007</b>										
Loan Type	Number of Loans					Dollars of Loans (000 omitted)				
	Inside		Outside		Total #	Inside		Outside		Total \$
	#	%	#	%		\$	%	\$	%	
Home Purchase*	44	40.74	64	59.26	108	12,086	44.08	15,331	55.92	27,417
Home Refinance*	68	51.13	65	48.87	133	16,196	53.68	13,976	46.32	30,172
Home Improvement*	14	60.87	9	39.13	23	2,191	85.02	386	14.98	2,577
<b>Total HMDA*</b>	<b>126</b>	<b>47.72</b>	<b>138</b>	<b>52.28</b>	<b>264</b>	<b>30,473</b>	<b>50.64</b>	<b>29,693</b>	<b>49.35</b>	<b>60,166</b>
<b>Small Business*</b>	<b>103</b>	<b>52.55</b>	<b>93</b>	<b>47.45</b>	<b>196</b>	<b>16,689</b>	<b>53.62</b>	<b>14,437</b>	<b>46.38</b>	<b>31,126</b>
<b>Total of all Loans</b>	<b>229</b>	<b>49.59</b>	<b>231</b>	<b>50.41</b>	<b>460</b>	<b>47,162</b>	<b>52.00</b>	<b>44,130</b>	<b>48.00</b>	<b>91,292</b>

\* Represents loans originated between January 1, 2006, and December 31, 2007, as reported under the Home Mortgage Disclosure Act and small business loan data collected by the bank.

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

The bank’s record of extending credit to individuals of different income levels and businesses of different sizes is reasonable and meets the standards for satisfactory performance. The poverty level is seven percent within the bank’s AA and affects the ability for low-income individuals and families to attain home ownership. We placed more emphasis on borrower distribution, as the bank has only three moderate-income geographies in the AA.

*Home Purchase Loans*

The borrower distribution of home purchase loans is good. Home purchase loans to low-income borrowers (14.71 percent) are near the percentage of low-income families (16.26 percent) that reside in the AA. Home purchase loans made to moderate-income borrowers (14.71 percent) is also near the percentage of moderate-income families (15.80 percent) that reside in the AA.

*Home Improvement Loans*

The borrower distribution of home improvement loans is good. Home improvement loans made to low-income borrowers (11.11 percent) are somewhat below the percentage of low-income families (16.26 percent) within the AA. Home improvement loans made to moderate-income borrowers (22.22 percent) greatly exceeds the percentage of moderate-income families (15.80 percent) within the AA.

*Home Refinance Loans*

The borrower distribution of home refinance loans is good. The borrower distribution of home refinance loans made to low-income borrowers (7.14 percent) is below the percentage of low-income families (16.26 percent) that reside in the AA. Borrower distribution of home refinance loans made to moderate-income borrowers (28.57 percent) greatly exceeds the percentage of moderate-income families (15.80) that reside in the AA.

2006 – 2007 Borrower Distribution of Residential Real Estate Loans in FPNB’s AA								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	16.26		15.80		20.40		47.53	
Loan Type(s)	% of Number*	% of Amount*						
Home Purchase	14.71	4.05%	14.71	5.17%	17.65	7.89%	52.94	37.80
Home Improvement	11.11	2.42%	22.22	1.00%	33.33	6.16%	33.33	63.67%
Home Refinance	7.14	3.40%	28.57	12.95%	14.29	1.40%	50.00	55.46

\* Represents loans originated between January 1, 2006, and December 31, 2007, as reported under the Home Mortgage Disclosure Act.

*Business Loans*

FPNB’s borrower distribution of small business loans is excellent. Loans to businesses with revenues of \$1 million or less represented 87.38 percent of all loans to businesses in the AA, which exceeds the 74.45 percent of area businesses that reported revenues of less than \$1 million.

2006 – 2007 Borrower Distribution of Loans to Businesses in FPNB's AA		
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000
% of AA Businesses*	74.45%	25.55%
% of Bank Loans in AA by #**	87.38%	12.62%

Source: \* 2000 Census Data, \*\*100 percent of the business loan portfolio (collected by FPNB).

### Geographic Distribution of Loans

FPNB's geographic distribution of all loans is poor and does not meet the standard for satisfactory performance. Competition for loans to businesses is very strong. There are 198 lenders originating loans in the county where FPNB's three moderate geographies are located. The top 25 are large credit card banks and large regional banks.

Geographic distribution of home mortgage loans is adequate and meets the standard for satisfactory performance. There are no low-income geographies in the bank's AA.

- Geographic distribution of home purchase loans in moderate-income geographies (6.98 percent) is below the percentage of owner occupied housing (10.46 percent) in those geographies.
- Geographic distribution of home improvement loans in moderate-income geographies (8.33 percent) is near the percentage of owner occupied housing (10.46 percent) in those geographies.
- Geographic distribution of home refinance loans in moderate-income geographies (8.96 percent) is near the percentage of owner occupied housing in those geographies (10.46 percent).

2006 – 2007 Geographic Distribution of Residential Real Estate loans in FNBB's AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of Owner Occupied Housing	0.00%		10.46%		36.22%		53.32	
LOANS	% of Number	% of Amount						
Home Purchase	0.00%	0.00%	6.98%	4.73%	41.67%	47.69%	34.88%	47.58%
Home Improvement	0.00%	0.00%	8.33%	2.42%	75.00%	44.59%	16.67%	52.99%
Home Refinance	0.00%	0.00%	8.96%	6.06%	65.67%	57.84%	25.37%	36.10%

Source: Data reported under 2006 and 2007 HMDA; 2000 U.S. Census data.

The geographic distribution of small business loans is poor. There are no low-income geographies in the bank's AA. The bank does not have any loans to small businesses in the three moderate-income geographies within the bank's AA. A majority of the small

businesses in the three moderate-income geographies are very small, home based, service businesses that employ from 1-4 employees.

2006 – 2007 Geographic Distribution of Loans to Businesses in FPNB’s AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses*	0.00%		10.16%		35.66%		54.18%	
LOANS	% of Number	% of Amount						
Small Business Loans**	0.00%	0.00%	0.00	0.00	67.96%	67.11%	32.04	32.89%

Source: \* Dunn and Bradstreet data ;\*\* 100 percent of the business loan portfolio (as collected by FPNB for the 2006-2007 evaluation periods)..

FPNB has engaged in other small business lending related activities to support the needs within the AA. In December of 2005, as Executive Vice President of FPNB, Art Jones facilitated the establishment of a consortium of banks, serving the Village of Maywood, Illinois, which would stimulate and support economic development along Maywood’s business and industrial corridors.

The Maywood Community Development Corporation (MCDC) was formed and FPNB President Jerome Vainisi serves the MCDC as Vice President. Each bank in the consortium contributed \$2,500 to underwrite the costs of services pending receipt of grant money or municipal sources. MCDC secured A \$50 thousand grant from the Illinois Department of Commerce and Economic Opportunity to support, assist and advance the objectives of the Village of Maywood and the MCDC.

**Responses to Complaints**

FPNB has not received any written complaints about its performance in helping to meet the credit needs within its AA during this evaluation period.

**Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.