

# **PUBLIC DISCLOSURE**

February 3, 2011

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**First Place Bank  
185 East Market Street  
Warren, OH 44481  
Docket #: 14752**

**Office of Thrift Supervision  
Central Region  
1 South Wacker Drive, Suite 2000  
Chicago, IL 60606**

**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.



## Office of Thrift Supervision

Department of the Treasury

Central Region

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May 25, 2011

Board of Directors  
First Place Bank  
185 East Market Street  
Warren, OH 44481

Enclosed is your institution's written Community Reinvestment Act (CRA) Performance Evaluation. The Office of Thrift Supervision (OTS) prepared the evaluation as of February 3, 2011. Pursuant to the provisions of the CRA and OTS regulations (12 C.F.R. 563e), your institution must make this evaluation and your institution's CRA rating available to the public.

In accordance with 12 C.F.R. 563e, your institution must make this written CRA Performance Evaluation available to the public within 30 business days of receiving it. You must place the evaluation in your CRA public file at your home office and at each branch within this time frame. You may not alter or abridge the evaluation in any manner. At your discretion, you may retain previous written CRA Performance Evaluation(s) with the most recent evaluation in your CRA public file.

Your institution may prepare a response to the evaluation. You may place the response in each CRA public file along with the evaluation. In the event your institution elects to prepare such a response, please forward a copy of it to this office.

All appropriate personnel, particularly customer contact personnel, need to be aware of the responsibilities that the institution has to make this evaluation available to the public. Consequently, we suggest that your institution review internal procedures for handling CRA inquiries, including those pertaining to the evaluation and other contents of the CRA public file.

We strongly encourage the Board of Directors, senior management, and other appropriate personnel to review this document and to take an active interest and role in the CRA activities of your institution. Please acknowledge receipt of this evaluation by signing the attached Board signature page and retaining a copy of the acknowledgment.

Sincerely,

Georgia Chisolm  
Assistant Director, Compliance

**Signatures of Directors**

We, the undersigned directors, have personally reviewed the contents of this Community Reinvestment Act Performance Evaluation.

<b>Signature</b>	<b>Date</b>
_____ Dr. A Gary Bitonte	_____
_____ Donald Cagigas	_____
_____ Marie Izzo Cartwright	_____
_____ Frank J. Dixon	_____
_____ Robert P. Grace	_____
_____ Thomas M. Humphries	_____
_____ Earl T. Kissill	_____
_____ Steven R. Lewis	_____
_____ E. Jeffrey Rossi	_____
_____ Samuel A. Roth	_____
_____ William A. Russell	_____
_____ Robert L. Wagmiller	_____

Note: This form should remain attached to the report of examination and remain in the institution's file for review during subsequent examinations. The signature of committee members will suffice only if the committee includes outside directors and the full board passed a resolution delegating the review to such committee.

**Table of Contents**

**GENERAL INFORMATION ..... 1**

**INSTITUTION ..... 2**

    OVERALL RATING ..... 2

    LENDING, INVESTMENT, SERVICE TEST TABLE ..... 3

    DESCRIPTION OF INSTITUTION ..... 4

    SCOPE OF EXAMINATION ..... 6

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS ..... 7

    FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW ..... 13

**STATE ..... 14**

    SUMMARY ..... 14

        CRA RATING FOR OHIO ..... 14

    SCOPE OF EXAMINATION ..... 14

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN OHIO ..... 14

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OHIO ..... 15

    STATE METROPOLITAN AREA & STATE REVIEWED (USING EXAMINATION PROCEDURES) ..... 17

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN WARREN/YOUNGSTOWN ASSESSMENT AREA ..... 17

    STATE METROPOLITAN AREA CONCLUSIONS ..... 19

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WARREN/YOUNGSTOWN ASSESSMENT AREA ..... 19

    STATE METROPOLITAN AREA & STATE REVIEWED (USING EXAMINATION PROCEDURES) ..... 25

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN CUYAHOGA/LORAIN COUNTIES ASSESSMENT AREA ..... 25

    STATE METROPOLITAN AREA CONCLUSIONS ..... 27

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CUYAHOGA/LORAIN COUNTIES ASSESSMENT AREA ..... 27

    STATE METROPOLITAN AREA & STATE REVIEWED (USING EXAMINATION PROCEDURES) ..... 33

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN DELAWARE/FRANKLIN COUNTIES ASSESSMENT AREA ..... 33

    STATE METROPOLITAN AREA CONCLUSIONS ..... 35

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DELAWARE/FRANKLIN COUNTIES AA ..... 35

    STATE METROPOLITAN AREA & STATE REVIEWED (USING EXAMINATION PROCEDURES) ..... 39

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN PORTAGE COUNTY OHIO ..... 39

    STATE METROPOLITAN AREA CONCLUSIONS ..... 40

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PORTAGE COUNTY ..... 40

    STATE NONMETROPOLITAN AREA & STATE REVIEWED (WITHOUT EXAMINATION PROCEDURES) ..... 44

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN DEFIANCE/PAULDING COUNTIES, OHIO ASSESSMENT AREA ..... 44

    STATE NONMETROPOLITAN AREA CONCLUSIONS ..... 45

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DEFIANCE/PAULDING COUNTIES ASSESSMENT AREA ..... 45

**STATE ..... 46**

    SUMMARY ..... 46

        CRA RATING FOR MICHIGAN ..... 46

    SCOPE OF EXAMINATION ..... 46

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN MICHIGAN ..... 46

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MICHIGAN ..... 47

    STATE METROPOLITAN AREA & STATE REVIEWED (USING EXAMINATION PROCEDURES) ..... 48

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN MACOMB/OAKLAND COUNTIES AA ..... 48

    STATE METROPOLITAN AREA CONCLUSIONS ..... 50

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MACOMB/OAKLAND COUNTIES ASSESSMENT AREA ..... 50

    STATE METROPOLITAN AREA & STATE REVIEWED (USING EXAMINATION PROCEDURES) ..... 56

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN GENESEE COUNTY ASSESSMENT AREAS ..... 56

    STATE METROPOLITAN AREA CONCLUSIONS ..... 58

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GENESEE COUNTY ASSESSMENT AREA ..... 58

    STATE METROPOLITAN AREA & STATE REVIEWED (USING EXAMINATION PROCEDURES) ..... 65

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN WAYNE COUNTY ASSESSMENT AREA ..... 65

    STATE METROPOLITAN AREA CONCLUSIONS ..... 67

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WAYNE COUNTY ASSESSMENT AREA ..... 67

**Table of Contents (continued)**

**APPENDIX ..... 73**

    A. SCOPE OF EXAMINATION ..... 73

    B. SUMMARY OF STATE AND MULTISTATE METROPOLITAN AREA RATINGS..... 74

**CRA RATING DEFINITIONS ..... 75**

## **General Information**

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions 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 CRA performance of First Place Bank (First Place or the bank). The Office of Thrift Supervision (OTS) prepared the evaluation as of February 3, 2011. OTS evaluates performance in assessment area(s) delineated by the institution rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all, of the institution's branches. OTS rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 563e.

***Institution***

**Overall Rating**

**INSTITUTION'S CRA RATING: Satisfactory**

First Place has a satisfactory record of serving the community credit needs of its entire community. We assigned ratings of "Satisfactory" to First Place's operations in both states in which it operates. Although First Place did not originate/purchase a majority of HMDA reportable loans within its assessment areas (AAs), its lending volume within the AAs was generally very good. The bank's distribution of HMDA reportable loans in low- and moderate-income (LMI) geographies and to LMI borrowers was better in Ohio than Michigan. First Place's level of community development lending was very good and the bank participates in a number of flexible and innovative loan programs. First Place generally had a very good level of qualified investments. Retail and community development services were generally very good. There were no complaints registered relative to the bank's CRA performance during our review period. No violations of the substantive provisions of laws and regulations addressing discrimination and other illegal credit practices were identified at the most recent examination evaluating the bank's compliance with consumer laws and regulations.

**Institution**

**Lending, Investment, Service Test Table**

The following table indicates the performance level of First Place with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	First Place Bank 2/3/2011		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* Notes: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

First Place’s overall lending volume within its AA’s was very good and its lending ratings in Ohio were generally superior to its Michigan ratings. Small business lending was reasonable and the bank participates in a good number of flexible lending programs. First Place originated a reasonable amount of community development loans and the level of qualified investments was very good. First Federal’s level of retail and community services was very good.

**Institution (continued)**

**Description of Institution**

First Place is a federally chartered stock institution and is a wholly owned subsidiary of First Place Financial Corp., a unitary, non-diversified holding company headquartered in Warren, Ohio. As of our examination date, the bank operates 43 branch offices (including its main office in Warren Ohio) in Ohio (32) and Michigan (11). The services offered are substantially similar at each of the locations and hours of operation are tailored to serve the needs of the local community. In addition, First Place has 22 loan production offices (eleven in Ohio, seven in Michigan, three in Indiana, and one in Maryland). Since the previous examination, First Place merged with Ohio Central Savings, adding two Ohio branch offices in April, 2008. In addition, the bank opened one office in Lorain, Ohio, relocated three offices, and closed two offices during the review period. First Place has 42 proprietary ATMs throughout its assessment areas (AAs).

First Place has established eight AAs, encompassing 2,334 geographies that include the counties in which First Place has retail offices. Some AAs consist of single counties, while other assessment areas consist of a group of contiguous counties. The following two tables show those AAs and the Metropolitan Statistical Areas (MSAs) or Metropolitan Divisions (MDs) in which the assessment area is contained.

Table 1 - Ohio Assessment Areas			
Assessment Area Name	Counties Within First Place's Assessment Areas	MSA/MD Code	MSA/MD Name
Warren/Youngstown	Mahoning, Trumbull	49660	Youngstown-Warren-Boardman, OH-PA MSA
Cuyahoga/Lorain Counties	Cuyahoga, Lorain	17460	Cleveland-Elyria-Mentor, OH MSA
Portage	Portage	10420	Akron, OH MSA
Delaware/Franklin Counties	Delaware, Franklin	18140	Columbus, OH MSA
Defiance/Paulding Counties	Defiance, Paulding	NA	Non-MSA Area

Table 2 - Michigan Assessment Areas			
Assessment Area Name	Counties Within First Place's Assessment Areas	MSA/MD Code	MSA/MD Name
Macomb/Oakland Counties	Macomb, Oakland	47644	Warren-Troy-Farmington Hills, MI MD
Genesee County	Genesee	22420	Flint, MI MSA
Wayne County	Wayne	19804	Detroit-Livonia-Dearborn, MI MD

Table 3 summarizes the distribution of deposits by assessment area as of June 30, 2010.

**Institution (continued)**

<b>Assessment Area (Number of Branch Offices)</b>	<b>Dollar Amount (000's)</b>	<b>Percent</b>
Warren/Youngstown (19)	1,443,382	57.8%
Cuyahoga/Lorain Counties (10)	316,963	12.7%
Portage (2)	78,238	3.1%
Delaware/Franklin Counties (1)	22,743	0.9%
Defiance/Paulding Counties (1) <sup>a</sup>	27,458	1.1%
Genesee County (5)	203,066	8.2%
Macomb/Oakland Counties (4)	317,704	12.7%
Wayne County (2)	86,174	3.5%
<b>Total (44)</b>	<b>\$2,495,728</b>	<b>100.0%</b>

The bank offers a variety of loan products, including loans for the purchase, refinance, improvement, and construction of one-to-four and multi-family dwellings, as well as home equity loans. Other loan products include consumer installment, small business, commercial real estate, commercial non-mortgage, and FHA/VA loans. First Place also offers a full range of insured deposit products consisting of savings accounts, certificate of deposits, money market accounts, checking accounts, and individual retirement accounts. Other retail banking services include online banking, bill pay, telephone banking, debit cards, and direct deposit.

First Place's principal lines of business are residential and commercial mortgage lending. The vast majority of residential mortgage loans are sold to the secondary market.

As of December 31, 2010, the bank had approximately \$3.2 billion in total assets and a total loan portfolio of \$2.6 billion. The dollar amounts of First Place's total assets and loan portfolio are about the same as they were at the previous CRA evaluation. Table 4 indicates the dollar amount, percentage to total loans, and percentage to total assets of each loan category.

<b>Loan Category</b>	<b>Amount (\$000's)</b>	<b>Percent of Total Loans</b>	<b>Percent of Total Assets</b>
Residential Mortgage	1,602,735	60.8%	50.7%
Nonresidential Mortgage	902,157	34.3%	28.5%
Commercial Non-mortgage	114,462	4.3%	3.6%
Consumer	15,724	0.6%	0.5%
<b>Total</b>	<b>2,635,078</b>	<b>100.0%</b>	<b>83.3%</b>

<sup>a</sup> This office closed July 2010

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### ***Institution (continued)***

According to the December 31, 2010 OTS' Uniform Thrift Performance Report (UTPR), First Place has a fairly typical balance sheet structure compared to other thrifts in its asset range<sup>b</sup>. However, First Place has a much larger portfolio (as a percentage of assets) of nonresidential mortgage loans.

There were no identifiable constraints on CRA performance posed by the First Place's financial condition and size. However, we would note that many of the bank's assessment areas depend on the auto industry and its suppliers. Due to the recent economic downturn, these areas experience historically high level of job losses and housing foreclosures.

### **Scope of Examination**

The review period for this evaluation is July 1, 2007 through December 31, 2010. We used the interagency examination procedures for large, retail savings associations. We used the full scope examination procedures in our review for assessment areas except the Defiance/Paulding Counties assessment area where we conducted limited scope procedures.

We used 2000 U.S. Census data to obtain demographic information. We placed more emphasis on First Place's performance in the Warren/Youngstown assessment area (AA) since over 57 percent of the bank's deposits are derived from branch offices in this assessment area and 44 percent of the bank's offices are located in this AA.

With regard to the lending test, the examiners reviewed the bank's Home Mortgage Disclosure Act (HMDA) reportable loans originated/purchased during the review period and small business loans originated during the period January 1, 2007 through June 30, 2010. The examiners also reviewed First Place's community development lending activity for the entire review period. The bank elected not to include consumer lending activity in this CRA evaluation. Aggregate HMDA information from financial institutions with savings insured by the Federal Deposit Insurance Corporation (FDIC) within each assessment area for 2009 (the most recent year available) provided aggregate reporter information. Aggregate small business lending data was obtained from 2009 information taken from all financial institutions that are required to report these loans.

Median family income for the various MSAs, MDs and the nonmetropolitan portions of the states determined census tract and borrower income categories. According to CRA definitions, income is considered low if it is less than 50 percent of the median family income, moderate if is 50 percent to

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<sup>b</sup> Similarly sized thrifts in this context are all financial institutions regulated by the OTS with total assets between \$1 billion and \$5 billion.

### ***Institution (continued)***

less than 80 percent, middle if it is 80 percent to less than 120 percent, and upper if it is 120 percent or more.

For the investment test, new qualifying investments, primarily CRA-related mortgage backed securities (MBSs), obtained during the review period were considered. We also included grants and donations meeting the community development definition. First Place's grants and donations were made through its First Place Bank Community Foundation.

For the service test, management provided information regarding retail and community development services.

We utilized a recent interview with a local municipal housing officer in the Cleveland, OH area to assist in this area.

Limited sampling was conducted to verify the accuracy of provided data. First Place received a CRA rating of "Satisfactory" at its prior CRA evaluation dated September 25, 2007.

### **Conclusions With Respect To Performance Tests**

#### **LENDING TEST**

##### ***Overall Lending Activity in Assessment Areas***

First Place's overall volume of lending is reasonable. The bank's level of residential loan originations is above average. First Place ranks in the top three percentile as a HMDA loan originator/purchaser among federally insured deposit institutions in the combined assessment area. However, a majority of residential loans were originated/purchased outside of its assessment areas. The bank has a reasonable record of small business lending, with over 75 percent of its small business loans secured by properties in its assessment areas.

We conclude that First Place's level of lending activity in its assessment areas is adequate.

##### **HMDA Lending**

First Place offers a variety of residential mortgage loans throughout its assessment areas. Table 5 illustrates the total number and dollar amount of HMDA-reportable loans (home purchase, refinance and home improvement loans) originated or purchased in and outside the assessment area during the 36-month review period ended June 30, 2010. For comparison purposes, the table reflects lending activity by each appropriate year during the review period.

**Institution (continued)**

<b>Table 5 - Concentration of Residential Loans *</b>					
<b>7/1/2007 – 06/30/2010</b>					
<b>(Dollars in thousands)</b>					
<b>Period By Year</b>	<b>In Assessment Areas</b>		<b>Outside Assessment Areas</b>		<b>Total HMDA Loans</b>
<b>By Number:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>
7/1/2007-12/31 2007	1,684	41.4%	2,386	58.6%	4,070
2008	2,980	39.6%	4,540	60.4%	7,520
2009	5,116	39.3%	7,889	60.7%	13,005
1/1/2010-6/30 2010	1,742	34.5%	3,307	65.5%	5,049
Total	11,522	38.9%	18,122	61.1%	29,644
<b>By \$ Amount:</b>	<b>\$ Amt</b>	<b>%</b>	<b>\$ Amt</b>	<b>%</b>	<b>\$ Amt</b>
7/1-12/31 2007	\$241,017	38.0%	\$394,092	62.0%	\$635,109
2008	465,523	37.4%	778,075	62.6%	1,243,598
2009	872,814	36.3%	1,529,773	63.7%	2,402,587
1/1-6/30 2010	272,221	29.9%	638,910	70.1%	911,131
Total	\$1,851,575	35.7%	\$3,340,850	64.3%	\$5,192,425

\* Percentages based on total loans originated during applicable period.

Table 5 shows that First Place originated or purchased less than 40 percent (both in number of loans and dollar amount of loans) of its HMDA reportable loans in its assessment areas. We also reviewed 2009 (the most recent year available) HMDA market share reports for the combined assessment area. First Place ranked 13<sup>th</sup> (out of 423 financial institutions), with a 2.6 percent market share, in HMDA reportable loan originations and purchases among FDIC insured financial institutions in the combined assessment area. This ranking places the bank in the top three percentile in loan originators within the combined assessment area. According to the UTPR, First Federal is consistently in the top ten percentile in mortgage loan originations (as a percentage of total assets) among other thrifts in its asset range.

Table 6 shows First Place’s distribution of HMDA reportable loans within its eight assessment areas by volume and dollar amount.

**Institution (continued)**

<b>Table 6 – Distribution of HMDA Reportable Loans within Assessment Areas (Dollars in Thousands)</b>		
<b>Assessment Area</b>	<b>First Place 7/1/2007-6/30/2010</b>	
	<b>#</b>	<b>% by #</b>
Warren/Youngstown	3,312	28.7
Cuyahoga/Lorain Counties	3,100	26.9
Portage County	492	4.3
Delaware/Franklin Counties	1,931	16.8
Defiance/Paulding	31	0.3
Macomb/Oakland Counties	1,193	10.3
Genesee County	899	7.8
Wayne County	564	4.9
<b>Total</b>	<b>11,522</b>	<b>100.0</b>
	<b>\$</b>	<b>% by \$</b>
Warren/Youngstown	\$388,296	21.0
Cuyahoga/Lorain Counties	479,538	25.9
Portage County	81,771	4.4
Delaware/Franklin Counties	398,714	21.5
Defiance/Paulding	2,897	0.2
Macomb/Oakland County	272,357	14.7
Genesee County	123,358	6.7
Wayne County	104,644	5.6
<b>Total</b>	<b>\$1,851,575</b>	<b>100.0</b>

Table 6 shows that the Warren/Youngstown and the Macomb/Oakland assessment areas are the leading residential loan producers in Ohio and Michigan respectively.

Although First Place’s overall level of residential lending is very good and it ranks in the upper three percentile in loan originators in the combined assessment area, we conclude that the bank’s overall level of lending in its assessment areas is marginal since it originated less than 50 percent of its residential loans in its assessment areas.

**Small Business Lending**

During the review period First Place originated 1,533 small business loans totaling \$412.9 million. Table 7 illustrates the total number and dollar amount of small business loans originated within and outside the assessment area during the period. For comparison purposes, the table reflects lending activity by each appropriate year during the review period.

***Institution (continued)***

<b>Table 7 - Concentration of Small Business Loans *</b>					
<b>1/1/2007 – 06/30/2010</b>					
<b>(Dollars in thousands)</b>					
<b>Period By Year</b>	<b>In Assessment Area</b>		<b>Outside Assessment Area</b>		<b>Total Sm Bus Loans</b>
<b>By Number:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>
2007	307	72.1%	119	27.9%	426
2008	527	81.1%	123	18.9%	650
2009	255	74.6%	87	25.4%	342
1/1/2010-6/30 2010	72	62.6%	43	37.4%	115
Total	1,161	75.7%	372	24.3%	1,533
<b>By \$ Amount:</b>	<b>\$ Amt</b>	<b>%</b>	<b>\$ Amt</b>	<b>%</b>	<b>\$ Amt</b>
2007	\$68,828	60.5%	\$44,918	39.5%	\$113,746
2008	112,320	67.5%	54,142	32.5%	166,462
2009	65,887	66.8%	32,790	33.2%	98,677
1/1-6/30 2010	17,605	51.7%	16,434	48.3%	34,039
Total	\$264,640	64.1%	\$148,284	35.9%	\$412,924

\* Percentages based on total loans originated during applicable period.

Table 7 shows that First Place originated over 64 percent of its small business loans within its assessment area. The bank is not considered a small business lending leader in its assessment areas. During 2009, First Place was ranked 31<sup>st</sup> (out of 149 lenders) in small business loan originations in the collective assessment areas with a 0.2 percent market share.

Since the bank originated a majority of small business loans in its assessment areas, we conclude that First Place’s record of small business lending within its assessment areas is reasonable.

**Distribution of Loans**

First Place’s response to providing financing within low- and moderate-income geographies was good in the Portage County AA, adequate in the Warren/Youngstown AA, and poor in the Cuyahoga/Lorain Counties AA, Delaware/Franklin Counties AA, Macomb/Oakland Counties AA, Genesee County AA, and Wayne County AA. Its lending record to low- and moderate-income borrowers was good in the Warren/Youngstown AA, the Cuyahoga/Lorain County AA, Portage County AA, and Genesee County AA, adequate in the Delaware/Franklin Counties AA, and poor in the Macomb/Oakland Counties AA and the Wayne County AA.

**Community Development Lending**

During the review period First Place originated 38 community development loans totaling \$38.1 million. Of these, 26 loans totaling \$26.7 million were secured by properties within the bank’s

***Institution (continued)***

assessment areas. The majority of these loans were secured by multi-family residential properties located in low- or moderate-income neighborhoods. We conclude that this level of community development loans is very good.

***Innovative and Flexible Lending Practices***

First Place has an excellent record of utilizing innovative and flexible lending practices in meeting community credit needs to all segments of its local communities. The bank participated in a number of loan programs throughout its assessment areas with the Federal Housing Administration (FHA), Department of Veterans Affairs (VA), Freddie Mac, Fannie Mae, and the United States Department of Agriculture (USDA) that include flexible underwriting standards such as little or no down payments, relaxed mortgage insurance requirements, and extended terms. The following table shows the number of loans and dollar amounts granted under each loan program within the bank’s assessment areas during the review period.

<b>Table 8 - Assessment Area-Wide Loan Programs</b>		
<b>Name of Program</b>	<b>Number of Loans</b>	<b>Dollar Amt of Loans (000's)</b>
FHA/VA	1,973	\$264,321
Fannie Mae Homepath Mortgage Loan Program	50	\$4,874
Fannie Mae Home Affordable Refinance Loan Program	442	\$82,524
USDA Guaranteed Loan Program	11	\$3,682
Freddie Mac Relief Refinance Mortgage Loan Program	68	\$13,730
Fannie Mae Homestyle Renovation Mortgage Loan Program	59	\$9,766
Fannie Mae My Community Mortgage Loan Program	3	\$277
Fannie Mae Flexible Mortgage Loan Programs	58	\$9,306
USDA Rural Development Loan Program	41	\$2,678
<b>Totals</b>	<b>2,705</b>	<b>\$391,158</b>

In addition to the above-mentioned flexible lending programs, First Place also participates in other local and statewide lending programs. First Place created one of these programs, the Special Portfolio CRA Loan Program. This program is a fixed rate portfolio product designed to assist first time home buyers in purchasing a home in low- or moderate-income geographies with up to 95 percent loan to value, discounted interest rate, and reduced closing costs. During the review period the bank originated 36 loans totaling \$2.6 million under this loan program. In July 2008, the bank increased sales commissions 100 basis points for loans originated to LMI borrowers purchasing a

***Institution (continued)***

home in a LMI geography. In order to preserve homeownership during the recent economic downturn, First Place has made over 387 loan modifications (\$62.3 million) to current mortgage customers. The bank also participated in several mini small business loan funds that provide financing for non-traditional borrowers.

The following table shows the bank’s other flexible lending programs.

<b>Table 9 – Other Innovative and Flexible Lending Programs</b>		
<b>Program</b>	<b>Description</b>	<b>Available Within:</b>
Lender Paid Mortgage Insurance Program (LPMI)	Allows for a one-time single mortgage insurance premium that is paid by the lender. The interest rate is increased to cover the cost of the PMI premium. The program is designed to reduce monthly mortgage loan payments to allow borrowers to meet debt-to-income requirements that may not be met if the borrower paid monthly PMI premiums.	All assessment areas
Ohio Housing Finance Agency Program (OHFA)	Provides low fixed interest rates to low to moderate-income first time home buyers.	State of Ohio
Michigan State Housing Development Authority Program (MSHDA)	Provides low fixed interest rates to low to moderate income first time home buyers.	State of Michigan
Federal Home Loan Bank (FHLB) of Cincinnati Welcome Home Program	Provides a maximum grant of \$5,000 to assist low to moderate income home buyers for the acquisition of their primary residence. The funds can be used for down payment assistance or closing cost assistance.	State of Ohio
Buy Into Youngstown	Program designed to increase homeownership and offers down payment assistance for employees of a non profit organization.	Youngstown, Ohio
FHLB American Dream Homeownership Challenge	Provides down payment assistance to minority low and moderate income borrowers.	State of Ohio
Cleveland Action to Support Housing	This program involves a partnership between the City of Cleveland and other local financial institutions. The program features home improvement and construction loans, with rates that are generally one-percent below the market rate of standard programs.	City of Cleveland
Warren Invites New Neighbors	Provides down payment assistance for low and moderate income borrows	City of Warren

***Institution (continued)***

**INVESTMENT TEST**

During our review period, First Place had qualified new investments totaling \$10.8 million. This includes \$9.6 million invested in mortgage backed securities (MBSs) backed by loans to low or moderate-income borrowers or by loans secured by properties in low- or moderate-income geographies. The bank also made \$1,185,866 in qualified grants/donations, through the First Place Community Foundation, within its assessment areas. This level of investment is considered very good.

**SERVICE TEST**

First Place offers a standard variety of retail services that are described in the Service Test Section of the Warren/Youngstown assessment area. All offices have convenient banking hours and several offices have Saturday banking hours and some are open on Sunday. The branch hours of operation are tailored to the needs of each community. The office changes since the prior evaluation involved the closure of three offices (two in the bank's Michigan assessment areas and one in the Ohio assessment area); the opening of two offices in the Ohio assessment area; and the relocation of two offices (one in Ohio and one in Michigan). Overall First Place provided an adequate level of community development services in Ohio and Michigan.

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

No violations of the substantive provisions of the laws and regulations prohibiting discrimination or other illegal credit practices were identified through the evaluation of compliance with consumer laws and regulations during the most recent comprehensive examination.

**State**

**Summary**

**CRA Rating for Ohio**

**CRA RATING<sup>c</sup>:**

**The Lending Test is rated:**

**The Investment Test is rated:**

**The Service Test is rated:**

**Satisfactory**

**High Satisfactory**

**High Satisfactory**

**High Satisfactory**

First Place's home lending demonstrated an excellent lending market share with respect to loan volume and its record of lending to LMI borrowers was good. Its lending in LMI geographies was considered adequate. The bank's overall record of small business lending is reasonable.

The bank's level of qualified investments was more significant within the bank's Cuyahoga/Lorain and Delaware/Franklin assessment areas. Community development services were more significant within the Warren/Youngstown assessment area, where the bank has its strongest presence.

**Scope of Examination**

The evaluation of First Place's CRA performance in Ohio covers the 42 month period ending June 30, 2010.

Our review of lending focused on home loans reportable under HMDA and small business loans originated or purchased during the period July 1, 2007 through June 30, 2010. First Place makes few consumer loans, therefore, these loan types were not considered in this evaluation.

We performed full scope examination procedures in all assessment areas except the Defiance/Paulding AA.

**Description of Institution's Operations in Ohio**

First Place's five assessment areas in Ohio consist of Trumbull and Mahoning counties in the Youngstown-Warren-Boardman, OH-PA (Warren/Youngstown assessment area), MSA, two counties in the Cleveland-Elyria-Mentor, OH MSA (Cuyahoga/Lorain Counties assessment area), one county in the Akron, OH MSA (Portage County assessment area), two counties in the Columbus, OH MSA

<sup>c</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

(Delaware/Franklin Counties assessment area), and parts of two counties in non-MSA areas (Defiance/Paulding Counties assessment area). Tables 1 and 3 provide additional information pertaining to these assessment areas. In addition, further information pertaining to these assessment areas are provided in the following sections of this evaluation.

**Conclusions with Respect to Performance Tests in Ohio**

First Place made a substantial majority of its assessment area HMDA reportable loans (77 percent) in Ohio. Its home lending volume in its Ohio assessment areas reflect a very good responsiveness to community credit needs. Approximately 48 percent of assessment area small business loans were in Ohio.

The following table shows our conclusions regarding the bank’s HMDA lending in the three primary lending performance categories. As previously noted, we did not perform full-scope procedures in all of the bank’s Ohio assessment areas. Therefore, as shown in the table, we did not evaluate the performance related to the lending distribution in this assessment area.

<b>Table 10- Ohio Assessment Area Lending Performance Conclusions</b>			
<b>Assessment Area</b>	<b>Performance Category</b>		
	<b>Loan Volume</b>	<b>Geographic Distribution of Loans</b>	<b>Distribution of Loans Based on Borrower Income</b>
Warren/Youngstown	Excellent	Adequate	Good
Cuyahoga/Lorain Counties	Excellent	Poor	Good
Delaware/Franklin Counties	Excellent	Poor	Adequate
Portage County	Good	Good	Good
Defiance/Paulding Counties	Adequate	NA	NA

As shown in the previous table, the bank had an excellent loan volume in the Warren/Youngstown, Cuyahoga/Lorain Counties, and Delaware/Franklin Counties assessment areas and reasonable volume in the Portage County assessment area. The table also shows that geographic distribution in the assessment areas was mixed; and the bank had good distribution based on borrower income in the in the Warren/Youngstown assessment area. During the review period First Place originated nine community development loans totaling \$17.6 million within its Ohio assessment areas. The majority of these loans were secured by multi-family residences in low- or moderate-income neighborhoods. This level of community development lending is very good. First Place’s volume and distribution of small business loans is reasonable with the vast majority of these loans concentrated in the Warren/Youngstown and Cuyahoga/Lorain Counties assessment areas.

During the review period First Place’s new investments in its Ohio AAs totaled \$4.9 million consisting of \$3.8 million in CRA eligible investments and \$1,164,111 in charitable contributions. First Place’s level of qualified investments ranged from excellent in the Delaware/Franklin Counties assessment area to adequate in the Warren/Youngstown assessment area. Overall, the level of

investments is very good. The bank provided a reasonable level of retail services and community development services in Ohio, with a heavier concentration in the Warren/Youngstown assessment area.

**State Metropolitan Area & State Reviewed**

*(for metropolitan areas with some or all assessment areas reviewed using full-scope review)*

**Description of Institution’s Operations in Warren/Youngstown Assessment Area**

First Place has defined its Warren/Youngstown assessment areas as Trumbull and Mahoning Counties. These Counties are part of the Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area (MSA). First Place operates 19 branch office locations within the Warren/Youngstown AA. Table 11 list the location of each office and the type of geography in which the offices are located.

<b>Table 11 Office Location by Tract Type</b>	
<b>Office Location</b>	<b>Tract Type</b>
Market St./Warren	Low-Income
Elm Road/Warren	Moderate-Income
Mahoning Ave NW/Warren	Upper-Income
S Canfield Niles Rd/Youngstown	Upper-Income
Market St./Youngstown	Moderate-Income
Meridian Road/Youngstown	Middle-Income
Belmont Ave/Youngstown	Middle-Income
Market St./Boardman	Middle-Income
Boardman-Poland Rd./Boardman	Upper-Income
4390 Mahoning Ave/Austintown	Middle-Income
Poland	Upper-Income
South Broad St./Canfield	Upper-Income
Boardman-Canfield Rd./Canfield	Upper-Income
New Middletown	Middle-Income
Struthers	Middle-Income
Howland	Upper-Income
Cortland	Upper-Income
Brookfield	Middle-Income
Niles	Middle-Income

The major employment sectors in the Warren/Youngstown AA are manufacturing, retail trade, and educational, health care and social services. The major employers are Youngstown State University and General Motors Corp. Due to the recent economic downturn, this assessment area’s unemployment rate is higher than the national average. The December 2010 unemployment rates for Trumbull and Mahoning Counties were 10.8 and 10.3 percent respectively.

First Place has a significant presence in the Warren/Youngstown AA. As of June 30, 2010, there were 14 FDIC insured financial institutions with a total of 149 offices in the Warren/Youngstown AA. These financial institutions have deposits totaling \$7.1 billion. First Place ranked number two in deposits with \$1.4 billion in deposits and a 20.3 percent market share. Table 12 illustrates the Warren/Youngstown assessment area’s demographic data, compiled by the U.S. Department of Commerce, based on 2000 census data.

<b>Table 12 - Demographic Data (Based on 2000 U.S. Census Data)</b>	
<b>Demographic Data</b>	<b>2000 Census</b>
Population	482,671
Total Families	131,205
1-4 Family Units	177,267
Multi-family Units	22,299
% Owner-Occupied Units	68.1%
% Rental-Occupied Units	24.6%
% Vacant Housing Units	7.4%
Weighted Average Median Housing	\$81,195

Table 13 indicates the number of geographies in each income level and compares it to the distribution of families living in those geographies and to 1-4 family dwellings located within those geographies.

<b>Table 13 - Distribution of Geographies, Families and Housing Units In the Assessment Area (Based on 2000 U.S. Census Data)</b>						
<b>Geog Inc Level</b>	<b>Geographies</b>		<b>Total Area Families</b>		<b>1-4 Family Dwellings</b>	
<b>2000 Census:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	14	10.4%	4,937	3.8%	7,988	4.5%
Moderate	30	22.4%	18,403	14.0%	30,079	17.0%
Middle	69	51.5%	77,909	59.4%	101,211	57.1%
Upper	20	14.9%	29,956	22.8%	37,989	21.4%
N/A	1	0.8%	0.	0.0%	0	0.0%
Total	134	100.0%	131,205	100.0%	177,267	100.0%

According to 2000 U.S. Census Data, 11.6 percent of the families report income below the poverty level.

The Department of Housing and Urban Development (HUD) annually adjusts the 2000 census data to update the income levels. The adjusted figures are used in the Lending to Borrowers of Different Incomes sections of this Performance Evaluation. The HUD estimated the median family income for the Youngstown-Warren-Boardman, OH-PA MSA was \$51,400 for 2007, \$52,000 for 2008, \$54,300 for 2009, and \$53,500 for 2010.

Table 14 shows the distribution of assessment area families, based on the 2000 census, in each income category of this assessment area.

<b>Family Income Category (As a % of MSA Median)</b>	<b>Number</b>	<b>Percent</b>
Low	24,396	18.6%
Moderate	24,065	18.3%
Middle	29,168	22.2%
Upper	53,576	40.9%
Totals	131,205	100.0%

Conclusions with Respect to Performance Tests in  
 Warren/Youngstown Assessment Area

**LENDING TEST**

**Lending in Warren/Youngstown Assessment Area**

First Place’s level of lending in its Warren/Youngstown AA is excellent. The bank is one of the top HMDA lenders in this AA. During the review period, First Place originated 3,312 HMDA reportable loans totaling \$388.3 million in this AA. This loan total accounted for 11.2 percent of the bank’s total HMDA reportable loans originated/purchased during the review period and 28.8 percent of all HMDA loans originated/purchased within its AAs. According to 2009 market share reports for this AA, First Place ranked second (out of 121 institutions) in HMDA loan originations with a 13.8 percent market share among FDIC insured institutions. The bank also originated 301 small business loans totaling \$67.4 million during the review period. According to 2009 market share reports, First Place ranked 15th overall (out of 49 lenders) in small business lending with a 0.9 percent market share.

**Geographic Distribution of Loans**

We focused on First Place’s lending penetration in the low- and moderate-income geographies of its Warren/Youngstown AA. The bank’s 3.8 HMDA lending penetration percentage in these geographies was less than the 4.8 penetration percentage of the aggregate lenders. The bank’s small business penetration percentage (17.3 percent) in low- and moderate-income geographies was higher than that of the aggregate lenders (14.6 percent). We conclude that First Place’s overall geographic distribution of lending in the Warren/Youngstown AA is adequate.

## HMDA Lending

Table 15 shows First Place’s overall geographic distribution of HMDA reportable loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

Income Category	First Place		Aggregate
	Review Period		2009
	#	%	%
Low	11	0.3%	0.4%
Moderate	115	3.5%	4.4%
Middle	1,588	48.0%	55.2%
Upper	1,598	48.2%	40.0%
Total	3,312	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$ 0.6	0.1 %	0.1 %
Moderate	4.8	1.3 %	2.7 %
Middle	157.8	40.6 %	47.6 %
Upper	225.1	58.0 %	49.6 %
Total	\$ 388.3	100.0%	100.0%

Table 15 shows that First Place’s lending percentages in low- and moderate-income (LMI) geographies were slightly below those reported by the aggregate for 2009. Both First Place and the aggregate lenders penetration percentages in low- and moderate-income geographies were considerably less than the percentage of one-to-four family dwellings located (4.5 percent and 17.0 percent respectively as shown in table 13) in these geographies. According to 2009 market share reports, First Place ranked fourth in HMDA reportable loan volume in LMI geographies in this AA with a 9.4 percent market share among FDIC insured institutions making loans in these areas. We conclude that the bank’s geographic distribution of HMDA reportable loans is adequate in this AA.

## Small Business Lending

Table 16 shows First Place’s overall geographic distribution of small business loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

<b>Table 16 - Comparison of Small Business Loans By Geography Income Level in the Assessment Area (Dollars in thousands)</b>				
<b>Geography Income Level</b>	<b>First Place</b>		<b>Aggregate</b>	
	<b>Review Period</b>		<b>2009</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	19	6.3%	330	3.5%
Moderate	33	11.0%	1,044	11.1%
Middle	142	47.2%	4,862	51.8%
Upper	102	33.9%	3,112	33.1%
NA	5	1.6%	43	0.5%
Total	301	100.0%	9,391	100.0%
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Low	\$ 4,881	7.2%	\$ 11,885	4.1%
Moderate	7,319	10.9%	38,768	13.2%
Middle	34,355	51.0%	143,718	49.0%
Upper	20,039	29.7%	95,805	32.7%
NA	775	1.2%	2,820	1.0%
Total	\$67,369	100.0%	\$292,996	100.0%

Table 16 shows that First Place’s penetration percentage of small business loans in the low-income geographies of this assessment area is higher than those of the aggregate reporters. The bank’s penetration percentage in the moderate-income geographies is slightly less than that of the aggregate. Overall, First Place’s 17.3 percent penetration in the LMI geographies is higher than the 14.6 percent reported by the aggregate. The bank’s 17.3 percent penetration of small business loans in low- and moderate-income geographies was considerably less than the 32.8 percent of low- and moderate-income geographies in the assessment area. We conclude that the bank’s geographic distribution of small business loans in the LMI geographies of this AA is adequate.

**Lending to Borrowers of Different Income Levels and Businesses of Different Sizes**

First Place’s record of lending to low- and moderate-income borrowers is adequate. The bank is the number one originator/purchaser of HMDA reportable loans in the Warren/Youngstown AA. First Place has an adequate record of lending to small businesses in this AA.

**HMDA Lending**

Table 17 shows First Place’s overall borrower distribution of HMDA reportable loans made during the review period in the assessment area and compares this activity to the aggregate lending averages in the assessment area for year 2009.

<b>Table 17 - Lending Distribution Based on Borrower Income</b>			
<b>Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	244	7.4%	9.3%
Moderate	724	21.9%	20.2%
Middle	846	25.5%	24.1%
Upper	1,338	40.4%	33.7%
NA	160	4.8%	12.7%
Total	3,312	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$13.7	3.5 %	4.8 %
Moderate	55.4	14.3 %	14.1 %
Middle	84.0	21.6 %	21.6 %
Upper	218.4	56.3 %	46.2 %
NA	16.8	4.3 %	13.3%
Total	\$ 388.3	100.0%	100.0%

Table 17 shows that First Place’s lending percentage to low-income borrowers was lower than that of the aggregate and its lending percentage of moderate-income borrowers was slightly higher than that of the aggregate. The bank’s and the aggregate’s penetration percentages to low-income borrowers were both substantially lower than the percentage of low-income families residing in this AA (18.6 percent). This deficiency is somewhat offset by the high percentage of households living below the poverty level (11.6 percent) in the assessment area. The bank’s and the aggregate’s penetration percentages to moderate-income borrowers were both higher than the percentage of moderate-income families residing in the AA (18.3 percent). According to 2009 market share reports, First Place was the number one originator of HMDA reportable loans to LMI borrowers in this assessment area with 385 loans and a 13.6 percent market share. From this data we conclude that First Place’s HMDA lending distribution to LMI borrowers is good.

**Small Business Lending**

Our distribution analysis of small business lending focused on First Place’s record of making loans to small businesses and its ability to make loans in small amounts which is viewed favorably under the CRA.

Table 18 shows the distribution of small business loans by loan amounts during the review period.

<b>Table 18 - Distribution of Small Business Loans by Dollar Amount In Assessment Area (Dollars in thousands)</b>		
<b>Loan Amount at Origination</b>	<b>First Place</b>	
	<b>Review Period</b>	
	<b>#</b>	<b>%</b>
\$100,000 or Less	139	46.2%
\$100,001 - \$250,000	73	24.2%
\$250,001 \$1 million	89	29.6%
Total	301	100.0%
	<b>\$</b>	<b>%</b>
\$100,000 or Less	\$6,070	9.0%
\$100,001 - \$250,000	13,310	19.8%
\$250,001 \$1 million	47,989	71.2%
Total	\$67,369	100.0%

Table 18 shows that over 46 percent of the bank’s small business loans were for amounts less than or equal to \$100,000. This percentage demonstrates First Place’s willingness to grant loans in small amounts. We also considered the distribution of First Place’s small business loans based on business revenue. This analysis showed that First Place made 52.5 percent of its small business loans (158 loans totaling \$21.5 million) to businesses that reported annual revenue of \$1 million or less. This percentage significantly exceeds the 15.7 percent of small business loans made to businesses with revenues of less than \$1 million per 2009 aggregate small business data. These analyses show that First Place makes small business loans in small loan amounts, and makes these loans to businesses with relatively low revenues. We conclude that this reflects a reasonable performance in these categories.

**Community Development Lending and Flexible and Innovative Lending Practices**

First Place did not originate any community development loans in the Warren/Youngstown AA during the review period. Discussion on flexible and innovative lending practices is found in tables 8 and 9.

**INVESTMENT TEST**

First Place’s qualified investments that benefited the Warren/Youngstown AA totaled \$832,529. This includes \$269,885 in new CRA-related MBSs and \$562,644 in charitable donations during the review period. These amounts represent the bank’s least amount of MBS investment of all AAs,

other than the Defiance/Paulding Counties AA where there was no MBS investment, and the highest dollar amount of charitable donations of all AAs. This level of investment is considered adequate given the bank's resources and operational environment in this AA.

## **SERVICE TEST**

First Place provided a very good level of retail and community development services to the Warren/Youngstown AA during the review period.

### **Retail Banking Services**

First Place's level of retail banking services is very good in this assessment area.

First Place operates 19 branch offices in its Warren/Youngstown AA. Of these, 13 offices have evening office hours (open after 5:00 pm), 17 have Saturday office hours, and three have Sunday office hours. The bank's main office is located in a low-income geography and two offices are in moderate-income geographies. The distribution of First Place's branch offices and the hours of operation are accessible for most of the assessment area and are tailored to meet the needs of the community.

In addition to its physical branch locations, First Place offers alternative delivery systems such as on-line bill pay and banking, telephone banking and a transactional website.

First Place's lending products include mortgage and nonmortgage residential, consumer, and commercial loans. First Place's deposit products include the standard products offered by most banks including savings accounts, health savings accounts, certificates of deposit, money market deposit accounts, checking accounts, and retirement accounts.

### **Community Development Services**

During the review period, First Place directors, managers, and associates provided community development services to a number of local community organizations in the Warren/Youngstown AA. These activities involved 14 directors and employees providing community development services to 26 organizations. The services primarily involved serving on boards and providing technical assistance. Accordingly, we conclude that First Place provided a reasonable level of community development services.

**State Metropolitan Area & State Reviewed**

*(for metropolitan areas with some or all assessment areas reviewed using full-scope review)*

**Description of Institution’s Operations in Cuyahoga/Lorain Counties Assessment Area**

First Place has defined Cuyahoga and Lorain Counties as one of its assessment areas. These counties are part of the Cleveland-Elyria-Mentor, OH MSA. First Place operates 10 branch office locations within this AA. Table 19 lists the location of each office and the type of geography in which the offices are located.

<b>Office Location</b>	<b>Tract Type</b>
Middle Ave/Elyria	Low-Income
Midway Mall Ave/Elyria	Moderate-Income
Antioch Drive/Elyria	Middle-Income
Cleveland Heights	Middle-Income
Grafton	Upper-Income
North Olmstead	Middle-Income
North Ridgefield	Middle-Income
Lorain	Moderate-Income
Amherst	Middle-Income
Solon	Upper-Income

The major employment sectors in the Cuyahoga/Lorain Counties AA are: education and health services; trade, transportation and utility services; and professional and business services. The major employers are American Greetings Corp., Case Western Reserve University, Cleveland Clinic Health System, Continental Airlines (now part of United Airlines), and Ford Motor Co. The December 2010 unemployment rates for Cuyahoga and Lorain Counties were 8.6 and 8.8 percent respectively.

First Place does not have a significant presence in the Cuyahoga Lorain Counties AA. As of June 30, 2010, there were 31 FDIC insured financial institutions with a total of 516 offices in this AA. These financial institutions have deposits totaling \$41.1 billion. First Place ranked 15<sup>th</sup> in deposits with \$317 million in deposits and a 0.8 percent market share. Table 20 illustrates the Cuyahoga Lorain Counties AA’s demographic data, compiled by the U.S. Department of Commerce, based on 2000 census data.

<b>Table 20 - Demographic Data (Based on 2000 U.S. Census Data)</b>	
<b>Demographic Data</b>	<b>2000 Census</b>
Population	1,678,642
Total Families	432,810
1-4 Family Units	573,201
Multi-family Units	148,311
% Owner-Occupied Units	60.3%
% Rental-Occupied Units	32.7%
% Vacant Housing Units	7.0%
Weighted Average Median Housing	\$114,876

Table 21 indicates the number of geographies in each income level and compares it to the distribution of families living in those geographies and to 1-4 family dwellings located within those geographies.

<b>Table 21 - Distribution of Geographies, Families and Housing Units In the Assessment Area (Based on 2000 U.S. Census Data)</b>						
<b>Geog Inc Level</b>	<b>Geographies</b>		<b>Total Area Families</b>		<b>1-4 Family Dwellings</b>	
<b>2000 Census:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	111	10.4%	48,504	11.2%	72,223	12.6%
Moderate	136	22.4%	84,542	19.5%	116,933	20.4%
Middle	195	51.5%	178,087	41.2%	233,293	40.7%
Upper	123	14.9%	121,677	28.1%	150,752	26.3%
N/A	9	0.8%	0.	0.0%	0	0.0%
Total	574	100.0%	432,810	100.0%	573,201	100.0%

According to 2000 U.S. Census Data, 12.1 percent of the families report income below the poverty level.

The Department of Housing and Urban Development (HUD) annually adjusts the 2000 census data to update the income levels. The adjusted figures are used in the Lending to Borrowers of Different Incomes sections of this Performance Evaluation. The HUD estimated the median family income for the Cleveland-Elyria-Mentor, OH MSA was \$60,700 for 2007, \$62,100 for 2008, \$64,800 for 2009, and \$64,800 for 2010.

Table 22 shows the distribution of assessment area families, based on the 2000 census, in each income category of this assessment area.

<b>Table 22 - Distribution of Families in Assessment Area</b>		
<b>Family Income Category (As a % of MSA Median)</b>	<b>Number</b>	<b>Percent</b>
Low	98,832	22.8%
Moderate	80,304	18.6%
Middle	93,431	21.6%
Upper	160,243	37.0%
Totals	432,810	100.0%

We conducted an interview with a representative of a local community housing organization in the Cleveland area during the course of this examination to help determine whether local financial institutions are adequately meeting community credit needs. The representative stated that many large financial institutions are only moderately meeting the community credit needs and he would like to see more financial institutions offering small business loans and work with distressed borrowers in modifying home mortgage loans to avoid foreclosure.

**Conclusions with Respect to Performance Tests in  
 Cuyahoga/Lorain Counties Assessment Area**

**LENDING TEST**

**Lending in Cuyahoga/ Lorain Counties Assessment Area**

First Place’s level of lending in the Cuyahoga Lorain AA is excellent. During the review period, First Place originated 3,100 HMDA reportable loans totaling \$479.5 million in this AA. According to 2009 market share reports for this AA, First Place ranked ninth in HMDA loan originations with a 3.6 percent market share among 197 FDIC insured institutions. This level of lending is excellent given the First Place’s 0.8 percent deposit market share in the Cuyahoga/Lorain Counties AA. The bank also originated 201 small business loans totaling \$47.1 million during the review period. According to 2009 market share reports, First Place ranked 24th overall (out of 80 lenders) in small business lending with a 0.1 percent market share.

**Geographic Distribution of Loans**

We focused on First Place’s lending penetration in the low- and moderate-income geographies of this AA. Although the bank’s HMDA lending penetration percentage in these geographies was less than penetration percentage of the aggregate lenders, its overall lending market share in these geographies were well above its deposit market share for the Cuyahoga/Lorain Counties AA. The bank’s small

business penetration percentage (22.9 percent) in low- and moderate-income geographies was slightly higher than that of the aggregate lenders (22.0 percent). We conclude that First Place’s overall geographic distribution of lending in the Cuyahoga Lorain Counties AA is adequate.

**HMDA Lending**

Table 23 shows First Place’s overall geographic distribution of HMDA reportable loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

Income Category	First Place		Aggregate
	Review Period		2009
	#	%	%
Low	41	1.3%	2.2%
Moderate	164	5.3%	8.4%
Middle	1,279	41.3%	42.8%
Upper	1,616	52.1%	46.6%
Total	3,100	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$ 6.8	1.4 %	1.4 %
Moderate	15.2	3.2 %	5.0 %
Middle	148.7	31.0 %	33.0 %
Upper	308.8	64.4 %	60.6 %
Total	\$ 479.5	100.0%	100.0%

Table 23 shows that First Place’s lending percentages in low- and moderate-income (LMI) geographies were slightly below those reported by the aggregate for 2009. Both First Place and the aggregate lenders penetration percentages in low- and moderate-income geographies were considerably less than the percentage of one-to-four family dwellings located in these geographies (12.6 percent and 20.4 percent respectively as shown in table 21). According to 2009 market share reports, First Place ranked 17<sup>th</sup> in HMDA reportable loan volume in low-income geographies in this AA with a 1.4 percent market share among the 63 FDIC insured institutions making loans in these areas. Likewise, the bank ranked 21<sup>st</sup> in HMDA reportable loan volume in moderate-income geographies with a 1.3 percent market share among the 88 FDIC insured institutions making home loans in the moderate-income geographies of this AA.

First Place’s penetration percentage in the low- and moderate-income geographies is lower than its overall HMDA lending penetration with in this AA, we therefore conclude that the bank’s geographic distribution of HMDA reportable loans is poor.

## Small Business Lending

Table 24 shows First Place’s overall geographic distribution of small business loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

<b>Table 24 - Comparison of Small Business Loans By Geography Income Level in the Assessment Area (Dollars in thousands)</b>				
<b>Geography Income Level</b>	<b>First Place</b>		<b>Aggregate</b>	
	<b>Review Period</b>		<b>2009</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	13	6.5%	2,145	7.3%
Moderate	33	16.4%	4,354	14.7%
Middle	87	43.3%	10,812	36.6%
Upper	68	33.8%	11,978	40.5%
NA	0	0.0%	262	0.9%
Total	201	100.0%	29,551	100.0%
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Low	\$ 1,477	3.1%	\$ 71,959	7.9%
Moderate	8,207	17.4%	152,196	16.8%
Middle	18,306	38.9%	296,725	32.8%
Upper	19,091	40.6%	370,999	41.0%
NA	0	0.0%	13,361	1.5%
Total	\$47,081	100.0%	\$905,240	100.0%

Table 24 shows that First Place’s penetration percentage of small business loans in the low-income geographies of this assessment area is slightly less than those of the aggregate reporters. The bank’s penetration percentage in the moderate-income geographies is slightly more than that of the aggregate. Overall, First Place’s 22.9 percent penetration in the LMI geographies is slightly higher than the 22.0 percent reported by the aggregate. Nevertheless both the bank’s and the aggregate’s percentage penetration of low- and moderate-income geographies is significantly less than the 10.4 percent of low-income geographies and 22.4 percent of moderate-income geographies. We conclude that the bank’s geographic distribution of small business loans in the LMI geographies of this AA is adequate.

**Lending to Borrowers of Different Income Levels and Businesses of Different Sizes**

**HMDA Lending**

Table 25 shows First Place’s overall borrower distribution of HMDA reportable loans made during the review period in this assessment area and compares this activity to the aggregate lending averages in the assessment area for year 2009.

<b>Table 25 - Lending Distribution Based on Borrower Income</b>			
<b>Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	241	7.8%	9.3%
Moderate	656	21.2%	19.3%
Middle	760	24.5%	20.7%
Upper	1,322	42.6%	34.9%
NA	121	3.9%	15.8%
Total	3,100	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$18.9	3.9 %	4.8 %
Moderate	68.0	14.2 %	13.3 %
Middle	100.0	20.9 %	17.8 %
Upper	268.2	55.9 %	48.8 %
NA	24.4	5.1 %	15.3%
Total	\$ 479.5	100.0%	100.0%

Table 25 shows that First Place’s lending percentage to low-income borrowers was slightly lower than that of the aggregate and its lending percentage of moderate-income borrowers was higher than that of the aggregate. The bank’s and the aggregate’s penetration percentages to low-income borrowers were both substantially lower than the percentage of low-income families residing in this AA (22.8 percent). This deficiency is somewhat offset by the high percentage of households living below the poverty level (12.1 percent) in the assessment area. The bank’s and the aggregate’s penetration percentages to moderate-income borrowers were both higher than the percentage of moderate-income families residing in the AA (18.6 percent). According to 2009 market share reports, First Place ranked eighth (of 115 HMDA lenders originating or purchasing loans to this segment of the AA) in HMDA lending volume to LMI borrowers in this assessment area with 387 loans and a 3.6 percent market share. This market share compares well to the bank’s overall HMDA lending market share and is substantially higher than its deposit market share for this AA. We conclude that First Place’s HMDA lending distribution to LMI borrowers is good in this AA.

### Small Business Lending

Our distribution analysis of small business lending focused on First Place’s record of making loans to small businesses and its ability to make loans in small amounts which is viewed favorably under the CRA.

Table 26 shows the distribution of small business loans by loan amounts during the review period in its Cuyahoga/Lorain Counties AA.

<b>Table 26 - Distribution of Small Business Loans by Dollar Amount In Assessment Area (Dollars in thousands)</b>		
<b>Loan Amount at Origination</b>	<b>First Place</b>	
	<b>Review Period</b>	
	<b>#</b>	<b>%</b>
\$100,000 or Less	79	39.3%
\$100,001 - \$250,000	63	31.3%
\$250,001 \$1 million	59	29.4%
Total	201	100.0%
	<b>\$</b>	<b>%</b>
\$100,000 or Less	\$4,195	8.9%
\$100,001 - \$250,000	11,499	24.4%
\$250,001 \$1 million	31,387	66.7%
Total	\$47,081	100.0%

Table 26 shows 39.3 percent of the bank’s small business loans were for amounts less than or equal to \$100,000. Although this penetration percentage is substantially lower than the 94.7 percent of the aggregate in 2009, given the bank’s low volume of small business lending (0.15 percent market share of this AA), this level of business loans in amounts of less than \$100,000 is adequate. We also considered the distribution of First Place’s small business loans based on business revenue. This analysis showed that First Place made 64.2 percent of its small business loans (129 loans totaling \$23.5 million) to businesses that reported annual revenue of \$1 million or less. This percentage significantly exceeds the 20.7 percent of small business loans made to businesses with revenues of less than \$1 million per 2009 aggregate small business data. These analyses show that First Place makes small business loans in small loan amounts, and makes these loans to businesses with relatively low revenues. We conclude that this reflects a reasonable performance in these categories.

### Community Development Lending and Flexible and Innovative Lending Practices

First Place originated five community development loans totaling \$1.6 million during the review period in its Cuyahoga/Lorain Counties AA. These loans consisted of multi-family real estate loans secured by properties in low- or moderate-income geographies. This amount of community development lending is good. Discussion on flexible and innovative lending practices is found in tables 8 and 9.

### **INVESTMENT TEST**

First Place's qualified investments that benefited the Cuyahoga Lorain Counties AA totaled \$1.3 million. This includes the purchase of \$1.1 million in CRA-related MBSs and \$180,172 in charitable donations during the review period. This level of investment is considered good given the bank's resources and operational environment in this AA.

### **SERVICE TEST**

First Place provided a reasonable level of retail and community development services to the Cuyahoga Lorain Counties AA during the review period.

#### **Retail Banking Services**

First Place's level of retail banking services is reasonable in this assessment area.

First Place operates ten branch offices in its Cuyahoga Lorain Counties AA. Of these, one office has evening office hours (open after 5:00 pm), seven have Saturday office hours, and one has Sunday office hours. One office is located in a low-income geography and two offices are in moderate-income geographies. The distribution of First Place's branch offices and the hours of operation are accessible for most of the assessment area and tailored to meet the needs of the community.

Alternate delivery systems, lending products, savings products are similar to those described in the Warren/Youngstown AA.

#### **Community Development Services**

During the review period, First Place directors, managers, and associates provided community development services to a number of local community organizations in its Cuyahoga/Lorain Counties AA. These activities involved six directors and employees providing community development services to seven organizations. The services primarily involved serving on boards and providing technical assistance. Accordingly, we conclude that First Place provided an adequate level of community development services.

**State Metropolitan Area & State Reviewed**

*(for metropolitan areas with some or all assessment areas reviewed using full-scope review)*

**Description of Institution’s Operations in Delaware/Franklin Counties  
 Assessment Area**

First Place has defined Delaware and Franklin Counties, Ohio as one of its assessment areas. These counties are part of the Columbus, OH MSA. First Place operates one branch office, located in an upper-income geography within this AA. This office opened in April 2008 as a result of a merger with Ohio Central Savings. Although this office accounts for only 0.9 percent of the bank’s deposits, 16.8 percent of HMDA reportable loans (1,931 loans) in the bank’s AAs were secured by properties within this AA during the review period.

This AA contains Ohio’s state capital, Columbus. The major employment sectors in the Delaware/Franklin Counties AA are: services; retail trade; and finance, insurance, and real estate. The major employers are J P Morgan Chase, Ohio State University, State of Ohio, and Nationwide Insurance. The December 2010 unemployment rates for Delaware and Franklin Counties were 6.4 and 7.6 percent respectively.

First Place, with only one branch office, has a very limited physical presence in these two counties. As of June 30, 2010, there were 41 FDIC insured financial institutions with a total of 414 offices in this AA. These financial institutions have deposits totaling \$36.4 billion. First Place ranked 33rd in deposits with \$22.7 million in deposits and a 0.6 percent market share. Table 27 illustrates the Delaware/Franklin Counties AA’s demographic data, compiled by the U.S. Department of Commerce, based on 2000 census data.

<b>Table 27 - Demographic Data (Based on 2000 U.S. Census Data)</b>	
<b>Demographic Data</b>	<b>2000 Census</b>
Population	1,178,967
Total Families	296,027
1-4 Family Units	389,177
Multi-family Units	117,854
% Owner-Occupied Units	54.8%
% Rental-Occupied Units	38.4%
% Vacant Housing Units	6.8%
Weighted Average Median Housing	\$121,689

Table 28 indicates the number of geographies in each income level and compares it to the distribution of families living in those geographies and to 1-4 family dwellings located within those geographies.

<b>Table 28 - Distribution of Geographies, Families and Housing Units In the Assessment Area (Based on 2000 U.S. Census Data)</b>						
<b>Geog Inc Level</b>	<b>Geographies</b>		<b>Total Area Families</b>		<b>1-4 Family Dwellings</b>	
<b>2000 Census:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	34	11.6%	20,978	7.1%	31,835	8.2%
Moderate	80	27.3%	62,686	21.2%	87,487	22.5%
Middle	99	33.8%	110,879	37.4%	142,867	36.7%
Upper	80	27.3%	101,484	34.3%	126,988	32.6%
N/A	0	0.0%	0.	0.0%	0	0.0%
<b>Total</b>	<b>293</b>	<b>100.0%</b>	<b>296,027</b>	<b>100.0%</b>	<b>389,177</b>	<b>100.0%</b>

According to 2000 U.S. Census Data, 10.7 percent of the families report income below the poverty level.

The Department of Housing and Urban Development (HUD) annually adjusts the 2000 census data to update the income levels. The adjusted figures are used in the Lending to Borrowers of Different Incomes sections of this Performance Evaluation. The HUD estimated the median family income for the Columbus, OH MSA was \$64,200 for 2007, \$65,300 for 2008, \$68,600 for 2009, and \$68,600 for 2010.

Table 29 shows the distribution of assessment area families, based on the 2000 census, in each income category of this assessment area.

<b>Table 29 - Distribution of Families in Assessment Area</b>		
<b>Family Income Category (As a % of MSA Median)</b>	<b>Number</b>	<b>Percent</b>
Low	58,605	19.8%
Moderate	52,135	17.6%
Middle	66,101	22.3%
Upper	119,186	40.3%
<b>Totals</b>	<b>296,027</b>	<b>100.0%</b>

Conclusions with Respect to  
 Performance Tests in  
 Delaware/Franklin Counties AA

**LENDING TEST**

**Lending in Delaware/Franklin Counties Assessment Area**

First Place’s level of lending in the Delaware/Franklin Counties AA is excellent. During the review period, First Place originated/purchased 1,931 HMDA reportable loans totaling \$398.7 million in this AA. According to 2009 market share reports for this AA, First Place ranked 14th (out of 243 institutions) in HMDA loan originations with a 1.8 percent market share among FDIC insured institutions. This level of lending is excellent given the First Place’s 0.1 percent deposit market share in the Delaware/Franklin Counties AA. The bank also originated 38 small business loans totaling \$11.1 million during the review period. Due to the low volume of small business loans in this AA, we did not conduct any distribution analyses of these loans.

**Geographic Distribution of Loans**

We focused on First Place’s lending penetration in the low- and moderate-income geographies of this AA.

Table 30 shows First Place’s overall geographic distribution of HMDA reportable loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

<b>Table 30 - Geographic Distribution of HMDA Loans</b>			
<b>Geography Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	30	1.6%	1.9%
Moderate	100	5.2%	8.2%
Middle	572	29.6%	34.5%
Upper	1,229	63.6%	55.4%
Total	1,931	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$ 11.0	2.8 %	1.4 %
Moderate	16.0	4.0 %	5.5%
Middle	89.9	22.5 %	27.6 %
Upper	281.8	70.7 %	65.5 %

Total	\$ 398.7	100.0%	100.0%
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Table 30 shows that First Place’s lending percentages in low- and moderate-income (LMI) geographies were less than those reported by the aggregate for 2009. Both First Place and the aggregate lenders penetration percentages in low- and moderate-income geographies were considerably less than the percentage of one-to-four family dwellings located in these geographies (8.2 percent and 22.5 percent respectively as shown in table 28). According to 2009 market share reports, First Place ranked 20<sup>th</sup> in HMDA reportable loan volume in low- and moderate-income geographies in this AA with a 0.9 percent market share among the 130 FDIC insured institutions making loans in these areas.

First Place’s percentage penetration in low- and moderate-income geographies was lower than its overall HMDA lending penetration and considerably lower than the percentage of one-to-four family dwellings in low- and moderate-income geographies within this AA. We conclude that the bank’s geographic distribution of HMDA reportable loans is poor.

**Lending to Borrowers of Different Income Levels**

Table 31 shows First Place’s overall borrower income distribution of HMDA reportable loans made during the review period in this assessment area and compares this activity to the aggregate lending averages in the assessment area for year 2009.

<b>Table 31 - Lending Distribution Based on Borrower Income</b>			
<b>Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	102	5.3%	7.0%
Moderate	275	14.2%	16.2%
Middle	432	22.4%	20.0%
Upper	992	51.4%	38.2%
NA	130	6.7%	18.6%
Total	1,931	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$9.0	2.2%	3.7 %
Moderate	34.9	8.8 %	11.0 %
Middle	72.5	18.2 %	17.2 %
Upper	248.6	62.4 %	50.0 %
NA	33.7	8.4 %	18.1%
Total	\$ 398.7	100.0%	100.0%

Table 31 shows that First Place's lending percentage to low-income borrowers was lower than that of the aggregate and its lending percentage of moderate-income borrowers was also lower than that of the aggregate. The bank's and the aggregate's penetration percentages to low-income borrowers were both substantially lower than the percentage of low-income families residing in this AA (19.8 percent). This deficiency is somewhat offset by the high percentage of households living below the poverty level (10.7 percent) in the assessment area. The bank's and the aggregate's penetration percentages to moderate-income borrowers were also lower than the percentage of moderate-income families residing in the AA (17.6 percent). According to 2009 market share reports, First Place ranked 15th (of 151 HMDA lenders originating or purchasing loans to this segment of the AA) in HMDA lending volume to LMI borrowers in this assessment area with 152 loans and a 1.3 percent market share. This market share is lower than the bank's overall HMDA lending market share (1.8 percent) and is substantially higher than its deposit market share for this AA. We conclude that First Place's HMDA lending distribution to LMI borrowers is adequate in this AA.

### **Community Development Lending and Flexible and Innovative Lending Practices**

First Place originated four community development loans totaling \$16.0 million during the review period in its Delaware/Franklin Counties AA. These loans consisted of multi-family real estate loans secured by properties in low- or moderate-income geographies. This amount of community development lending is excellent. Discussion on flexible and innovative lending practices is found in tables 8 and 9.

### **INVESTMENT TEST**

First Place's qualified investments that benefited the Delaware/Franklin Counties AA totaled \$2.1 million. This includes the purchase of \$2.1 million in CRA-related MBSs and \$349 in charitable donations during the review period. This level of investment is considered excellent given the bank's resources and operational environment in this AA.

### **SERVICE TEST**

First Place provided a reasonable level of retail and community development services to the Cuyahoga Lorain Counties AA during the review period.

#### **Retail Banking Services**

First Place's level of retail banking services is reasonable in this assessment area.

First Place operates one branch office located in an upper-income geography in its Delaware/Franklin Counties AA. Alternate delivery systems, lending products, savings products are similar to those described in the Warren/Youngstown AA.

**Community Development Services**

There were no community development services provide by First Place during the review period.

**State Metropolitan Area & State Reviewed**

*(for metropolitan areas with some or all assessment areas reviewed using full-scope review)*

**Description of Institution's Operations in Portage County Ohio**

First Place has defined Portage County, Ohio as one of its assessment areas. This county is part of the Akron, OH MSA. First Place operates two branch offices, both located in middle- income geographies, within this AA. This office opened in April 2008 as a result of a merger with Ohio Central Savings. These two offices account for 3.1 percent of the bank's deposits. During the review period, 4.3 percent of HMDA reportable assessment area loans (492 loans) were secured by properties within this AA.

The major employment sectors in the Portage County AA are services, retail trade, and construction. The major employers are Kent State University, General Electric Company, Robinson Memorial Hospital, and Portage County Government. The December 2010 unemployment rate for Portage County was a rather high 9.3 percent.

As of June 30, 2010, there were 16 FDIC insured financial institutions with a total of 49 offices in this AA. These financial institutions have deposits totaling \$1.6 billion. First Place ranked seventh in deposits with \$78.2 million in deposits and a 4.9 percent market share. Table 32 illustrates the Portage County AA's demographic data, which is compiled by the U.S. Department of Commerce, based on 2000 census data.

<b>Table 32 - Demographic Data (Based on 2000 U.S. Census Data)</b>	
<b>Demographic Data</b>	<b>2000 Census</b>
Population	152,061
Total Families	39,413
1-4 Family Units	46,299
Multi-family Units	8,247
% Owner-Occupied Units	66.9%
% Rental-Occupied Units	27.0%
% Vacant Housing Units	6.1%
Weighted Average Median Housing	\$118,246

Table 33 indicates the number of geographies in each income level and compares it to the distribution of families living in those geographies and to 1-4 family dwellings located within those geographies.

<b>Table 33 - Distribution of Geographies, Families and Housing Units In the Assessment Area (Based on 2000 U.S. Census Data)</b>						
<b>Geog Inc Level</b>	<b>Geographies</b>		<b>Total Area Families</b>		<b>1-4 Family Dwellings</b>	
<b>2000 Census:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	0	0.0%	0	0.0%	0	0.0%
Moderate	4	11.4%	3,413	8.7%	3,496	7.5%
Middle	28	80.0%	30,963	78.5%	36,298	78.4%
Upper	3	8.6%	5,037	12.8%	6,505	14.1%
N/A	0	0.0%	0.	0.0%	0	0.0%
<b>Total</b>	<b>35</b>	<b>100.0%</b>	<b>39,413</b>	<b>100.0%</b>	<b>46,299</b>	<b>100.0%</b>

According to 2000 U.S. Census Data, 9.9 percent of the families report income below the poverty level.

The Department of Housing and Urban Development (HUD) annually adjusts the 2000 census data to update the income levels. The adjusted figures are used in the Lending to Borrowers of Different Incomes sections of this Performance Evaluation. The HUD estimated the median family income for the Akron, OH MSA was \$60,300 for 2007, \$61,700 for 2008, \$65,000 for 2009, and \$64,800 for 2010.

Table 34 shows the distribution of assessment area families, based on the 2000 census, in each income category of this assessment area.

<b>Table 34 - Distribution of Families in Assessment Area</b>		
<b>Family Income Category (As a % of MSA Median)</b>	<b>Number</b>	<b>Percent</b>
Low	6,896	17.5%
Moderate	7,423	18.8%
Middle	9,899	25.1%
Upper	15,195	38.6%
<b>Totals</b>	<b>39,413</b>	<b>100.0%</b>

Conclusions with Respect to  
 Performance Tests in Portage County

**LENDING TEST**

**Lending in Portage County Assessment Area**

First Place’s level of lending in the Portage County AA is reasonable. During the review period, First Place originated/purchased 492 HMDA reportable loans totaling \$81.8 million in this AA. According to 2009 market share reports for this AA, First Place ranked eighth in HMDA loan originations/purchases with a 4.5 percent market share among 113 FDIC insured institutions. This level of lending is reasonable given the First Place’s 4.9 percent deposit market share in the Portage County AA. The bank also originated 20 small business loans totaling \$6.6 million during the review period. Due to the low volume of small business loans in this AA, we did not conduct any distribution analyses of these loans.

**Geographic Distribution of Loans**

Since this AA does not include any low-income geographies, we focused on First Place’s lending penetration in the moderate-income geographies of this AA.

Table 35 shows First Place’s overall geographic distribution of HMDA reportable loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

Geography Income Category	First Place		Aggregate
	Review Period		2009
	#	%	%
Low	0	0.0%	0.0%
Moderate	24	4.9%	3.6%
Middle	350	71.1%	76.2%
Upper	118	24.0%	20.2%
Total	492	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$ 0	0.0 %	0.0 %
Moderate	2.2	2.6 %	2.7%
Middle	50.2	61.4 %	69.1 %
Upper	29.4	36.0 %	28.2 %
Total	\$ 81.8	100.0%	100.0%

Table 35 shows that First Place’s lending percentage in the moderate-income geographies were 36 percent higher those reported by the aggregate for 2009. Both First Place and the aggregate lenders penetration percentages in the moderate-income geographies were less than the percentage of one-to-four family dwellings located in these geographies (7.5 percent as shown in table 33). According to 2009 market share reports, First Place ranked 12th in HMDA reportable loan volume in moderate-income geographies in this AA with a 3.2 percent market share among the 41 FDIC insured institutions making loans in these areas.

Since First Place’s penetration percentage in the moderate-income geographies was higher than its overall HMDA lending penetration with in this AA, we conclude that the bank’s geographic distribution of HMDA reportable loans is good.

**Lending to Borrowers of Different Income Levels**

Table 36 shows First Place’s overall borrower income distribution of HMDA reportable loans made during the review period in this assessment area and compares this activity to the aggregate lending averages in the assessment area for year 2009.

<b>Table 36 - Lending Distribution Based on Borrower Income</b>			
<b>Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	38	7.7%	7.8%
Moderate	90	18.3%	18.5%
Middle	118	24.0%	23.7%
Upper	216	43.9%	33.6%
NA	30	6.1%	16.4%
Total	492	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$2.9	3.5%	4.4 %
Moderate	10.8	13.3 %	13.7 %
Middle	16.6	20.2 %	21.8 %
Upper	46.6	57.0 %	43.8 %
NA	4.9	6.0 %	16.3%
Total	\$ 81.8	100.0%	100.0%

Table 36 shows that First Place’s lending percentage to low-income borrowers and moderate-income borrowers was slightly lower than that of the aggregate. The bank’s and the aggregate’s penetration percentages to low-income borrowers were both substantially lower than the percentage of low-income families residing in this AA (17.5 percent). This deficiency is somewhat offset by the high percentage of households living below the poverty level (9.9 percent) in the assessment area. The bank’s and the aggregate’s penetration percentages to moderate-income borrowers were comparable to the percentage of moderate-income families residing in the AA (18.8 percent). According to 2009 market share reports, First Place ranked eighth (of 64 HMDA lenders originating or purchasing loans to this segment of the AA) in HMDA lending volume to LMI borrowers in this assessment area with 46 loans and a 4.1 percent market share. This market share is comparable to the bank’s overall HMDA lending market share (4.1 percent) and its deposit market share (4.9 percent) for this AA. We conclude that First Place’s HMDA lending distribution to LMI borrowers is reasonable in this AA.

### **Community Development Lending and Flexible and Innovative Lending Practices**

First Place did not originate any community development loans in its Portage County AA during the review period. Discussion on flexible and innovative lending practices is found in tables 8 and 9.

### **INVESTMENT TEST**

First Place's qualified investments that benefited the Portage County AA totaled \$358,558. This includes the purchase of \$289,945 in a CRA-related county bond that benefited moderate-income geographies within the county and \$68,613 in charitable donations through First Place Community Foundation during the review period. This level of investment is considered good given the bank's resources and operational environment in this AA.

### **SERVICE TEST**

First Place provided a reasonable level of retail and community development services to the Portage County AA during the review period.

#### **Retail Banking Services**

First Place's level of retail banking services is reasonable in this assessment area.

First Place operates two branch offices located in middle-income geographies in its Portage County AA. Alternate delivery systems, lending products, savings products are similar to those described in the Warren/Youngstown AA.

#### **Community Development Services**

Community Development services were limited to two employees volunteering to community-based organizations within this AA.

**State Nonmetropolitan Area & State Reviewed<sup>d</sup>**

*(if none of the assessment areas within the nonmetropolitan statewide area were reviewed using full-scope review)*

**Description of Institution’s Operations in Defiance/Paulding Counties, Ohio Assessment Area**

First Place has designated three geographies in Defiance County and one geography in Paulding County as one of its assessment areas. These counties are part of Ohio’s nonmetropolitan areas. First Place had one branch office in this AA, located in Hicksville, which was acquired in November 2007 and closed in July 2010. During the review period this office originated only 31 HMDA reportable loans and six small business loans. This loan production accounts for less than 0.5 percent of the bank’s loan originations

Table 37 illustrates the Defiance/Paulding Counties AA’s demographic data, which is compiled by the U.S. Department of Commerce, based on 2000 census data.

<b>Table 37 - Demographic Data (Based on 2000 U.S. Census Data)</b>	
<b>Demographic Data</b>	<b>2000 Census</b>
Population	17,408
Total Families	4,891
1-4 Family Units	6,061
Multi-family Units	116
% Owner-Occupied Units	80.9%
% Rental-Occupied Units	14.5%
% Vacant Housing Units	4.7%
Weighted Average Median Housing	\$80,970

This assessment area consists of four middle-income geographies. According to 2000 U.S. Census Data, 4.9 percent of the families report income below the poverty level.

The Department of Housing and Urban Development (HUD) annually adjusts the 2000 census data to update the income levels. The adjusted figures are used in the Lending to Borrowers of Different Incomes sections of this Performance Evaluation. The HUD estimated the median family income for

<sup>d</sup> The discussion of an institution’s CRA performance within a nonmetropolitan statewide area is only required for institutions with branches in two or more states. A separate discussion of CRA performance within a nonmetropolitan statewide area for intrastate banks that have branches in metropolitan and nonmetropolitan areas is optional. However, for intrastate institutions with branches in both metropolitan and nonmetropolitan areas, or for intrastate banks with branches in only nonmetropolitan areas, the examiner may wish to discuss in greater detail the assessment areas within nonmetropolitan areas that were reviewed using a full-scope review.

the non metropolitan areas of Ohio was \$50,000 for 2007, \$51,600 for 2008, \$53,800 for 2009, and \$53,700 for 2010.

Conclusions with Respect to Performance Tests in Defiance/Paulding  
Counties Assessment Area

### **LENDING TEST**

As stated above, during our review period, the bank originated 31 HMDA-reportable loans totaling \$2.9 million and 6 small business loans totaling \$995,000 within this assessment area. This loan production is very low compared to that of the other assessment areas.

Because of First Place's limited lending activity in this assessment area, the geographic and borrower income distribution lending analyses were not meaningful. The bank did not originate any community development loans in this AA during the review period.

### **INVESTMENT TEST**

First Place's qualified investments that benefited this AA totaled \$3,682 in charitable donations.

### **SERVICE TEST**

First Place operated one office in the assessment area, and this office is located in the Village of Hicksville, within a middle-income geography. This office was acquired in November 2007 and closed in July 2010. While open this office generally offered the same retail services, and office hours, as First Place's other offices. Community development services were limited to one employee serving as treasurer of a low-income housing organization.

**State**

**Summary**

**CRA Rating for Michigan**

**CRA RATING<sup>e</sup>:**

**The Lending Test is rated:**

**The Investment Test is rated:**

**The Service Test is rated:**

**Satisfactory**

**Low Satisfactory**

**High Satisfactory**

**Low Satisfactory**

First Place's home lending demonstrated a very good lending market share with respect to loan volume. Its record of home lending to LMI borrowers was poor as was its home lending in LMI geographies. The bank's overall record of small business lending was reasonable. The bank has a very good level of community development lending in Michigan.

The bank's level of qualified investments was more significant within the bank's Macomb/Oakland County assessment area and significant overall. Community development services were adequate.

**Scope of Examination**

The evaluation of First Place's CRA performance in Michigan covers the 42 month period ending June 30, 2010.

Our review of lending focused on home loans reportable under HMDA and small business loans originated/purchases during the period July 1, 2007 through June 30, 2010. First Place makes few consumer loans, therefore, these loan types were not considered in this evaluation.

We performed full scope examination procedures in all three assessment areas in Michigan.

**Description of Institution's Operations in Michigan**

First Place's three assessment areas in Michigan consist of two counties in the Warren-Troy-Farmington Hills, MI MD (Macomb/Oakland County AA), one county that is the Flint, MI MSA (Genesee County AA), and Wayne county in the Detroit-Livonia-Dearborn MI MD. First Place has eleven branch offices in Michigan. Tables 2 and 3 provide information pertaining to these assessment areas. During the review period, the bank closed two offices in Michigan. In addition, further information pertaining to these assessment areas are provided in the following sections of this

<sup>e</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

evaluation. During the review period First Place originated/purchased 23 percent of its assessment area HMDA reportable loans and 51.6 percent of its assessment area small business loans in Michigan. As of June 30, 2010, 24.3 percent of the bank’s deposits were held in its Michigan based branch offices.

**Conclusions with Respect to Performance Tests in Michigan**

During the review period, First Place originated/purchased 23 percent of its assessment area HMDA reportable loans in Michigan. Its home lending in its Michigan assessment areas reflect a very good responsiveness to community credit needs. Approximately 52 percent of assessment area small business loans were in Michigan.

The following table shows our conclusions regarding the bank’s home lending in the three primary performance categories.

<b>Table 38- Michigan Assessment Area Lending Performance Conclusions</b>			
<b>Assessment Area</b>	<b>Performance Category</b>		
	<b>Loan Volume</b>	<b>Geographic Distribution of Loans</b>	<b>Distribution of Loans Based on Borrower Income</b>
Macomb/Oakland Counties	Very Good	Poor	Poor
Genesee County	Good	Poor	Good
Wayne County	Very Good	Poor	Poor

As shown in the previous table, the bank had very good loan volume in the Macomb/Oakland Counties and Wayne Counties assessment areas and reasonable volume in the Genesee County assessment area. The table also shows that geographic distribution in the Macomb/Oakland Counties AA, Genesee County AA, and Wayne County AA was poor. Regarding the distribution analysis based on borrower income, First Place’s record in the Macomb/Oakland Counties AA, Genesee County AA, and Wayne County AA was also poor. During the review period First Place originated 17 community development loans totaling \$9.0 million within its Michigan assessment areas. The majority of these loans were secured by multi-family residences in low-or moderate-income neighborhoods. This level of community development lending is very good. First Place’s volume and distribution of small business loans was reasonable.

During the review period First Place’s new investments in its Michigan AAs totaled \$5.9 million consisting of \$5.9 million in CRA eligible investments and \$21,755 in charitable contributions. First Place’s level of qualified investments was excellent in the Macomb/Oakland AA and reasonable in the Genesee County and Wayne County assessment areas. Overall, the level of investments is very good in Michigan. Overall, the bank provided a reasonable level of retail services and an adequate level of community development services in Michigan.

**State Metropolitan Area & State Reviewed**

*(for metropolitan areas with some or all assessment areas reviewed using full-scope review)*

**Description of Institution’s Operations in Macomb/Oakland Counties AA**

First Place has defined Macomb and Oakland Counties, Michigan as one of its assessment areas. These counties are part of the Warren-Troy-Farmington Hills, MI MD. First Place operates four branch offices within this AA: one in a middle-income geography in Birmingham; one in a moderate-income geography in Shelby Township; one in a middle-income geography in Southfield; and one in an upper-income geography in Troy. These offices account for 12.7 percent of the bank’s deposits and the highest percentage of the three Michigan AAs. During the review period, 10.3 percent of HMDA reportable assessment areas loans (1,193 loans) were secured by properties within this AA. This represents First Place’s largest loan concentration in the State of Michigan.

The major employment sectors in the Macomb/Oakland Counties AA are services, retail trade, finance, insurance & real estate, and construction. The major employers are William Beaumont Hospital, General Motors Co., and Chrysler Group LLC. The December 2010 unemployment rates for Macomb and Oakland Counties were a rather high 11.2 and 9.6 percent respectively.

First Place does not have a dominant presence in this AA. As of June 30, 2010, there were 41 FDIC insured financial institutions with a total of 651 offices in this AA. These financial institutions have deposits totaling \$50 billion. First Place ranked 16th in deposits with \$317.7 million in deposits and a 0.6 percent market share. Table 39 illustrates the Macomb/Oakland Counties AA’s demographic data, which is compiled by the U.S. Department of Commerce, based on 2000 census data.

<b>Demographic Data</b>	<b>2000 Census</b>
Population	1,982,305
Total Families	528,770
1-4 Family Units	641,489
Multi-family Units	138,046
% Owner-Occupied Units	73.4%
% Rental-Occupied Units	24.6%
% Vacant Housing Units	3.9%
Weighted Average Median Housing	\$167,345

Table 40 indicates the number of geographies in each income level and compares it to the distribution of families living in those geographies and to 1-4 family dwellings located within those geographies.

<b>Table 40 - Distribution of Geographies, Families and Housing Units In the Assessment Area (Based on 2000 U.S. Census Data)</b>						
<b>Geog Inc Level</b>	<b>Geographies</b>		<b>Total Area Families</b>		<b>1-4 Family Dwellings</b>	
<b>2000 Census:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	12	2.2%	8,327	1.6%	9,494	1.5%
Moderate	108	19.9%	97,150	18.3%	120,215	18.7%
Middle	271	49.9%	268,019	50.7%	325,492	50.7%
Upper	150	27.6%	155,274	29.4%	186,288	29.1%
N/A	2	0.4%	0.	0.0%	0	0.0%
<b>Total</b>	<b>543</b>	<b>100.0%</b>	<b>528,770</b>	<b>100.0%</b>	<b>641,489</b>	<b>100.0%</b>

According to 2000 U.S. Census Data, 5.6 percent of the families report income below the poverty level.

The Department of Housing and Urban Development (HUD) annually adjusts the 2000 census data to update the income levels. The adjusted figures are used in the Lending to Borrowers of Different Incomes sections of this Performance Evaluation. The HUD estimated the median family income for the Warren-Troy-Farmington Hills, MI MD was \$76,400 for 2007, \$78,800 for 2008, \$81,000 for 2009, and \$79,600 for 2010.

Table 41 shows the distribution of assessment area families, based on the 2000 census, in each income category of this assessment area.

<b>Table 41 - Distribution of Families in Assessment Area</b>		
<b>Family Income Category (As a % of MSA Median)</b>	<b>Number</b>	<b>Percent</b>
Low	95,312	18.0%
Moderate	96,237	18.2%
Middle	124,618	23.6%
Upper	212,603	40.2%
<b>Totals</b>	<b>39,413</b>	<b>100.0%</b>

Conclusions with Respect to  
Performance Tests in  
Macomb/Oakland Counties  
Assessment Area

## **LENDING TEST**

### **Lending in Macomb/Oakland Counties Assessment Area**

First Place's level of lending in its Macomb/Oakland Counties AA is very good. During the review period, First Place originated 1,193 HMDA reportable loans totaling \$272.4 million in this AA. This loan total accounted for 44.9 percent of the bank's total HMDA reportable loans originated/purchased during the review period in Michigan and 10.3 percent of all HMDA loans originated/purchased within its AAs during the review period. According to 2009 market share reports for this AA, First Place ranked 17<sup>th</sup> (out of 226 institutions) in HMDA loan originations/purchases with a 1.2 percent market share among FDIC insured institutions. The bank also originated 340 small business loans totaling \$72.3 million during the review period. According to 2009 market share reports for institutions required to report small business loans, First Place ranked 29th overall (out of 100 lenders) in small business lending with a 0.9 percent market share. Since the bank's HMDA reportable lending market share is twice as high as its 0.6 percent deposit market share which is indicative of an institution serving the credit needs of its community, we conclude that First Place's overall level of lending within this AA is very good.

### **Geographic Distribution of Loans**

We focused on First Place's lending penetration in the low- and moderate-income geographies in this AA. The bank's 5.2 percent HMDA lending penetration in these geographies was less than 50 percent of that of the aggregate. The bank's small business penetration percentage (18.9 percent) in low- and moderate-income geographies was higher than that of the aggregate lenders (18.2 percent). We conclude that First Place's overall geographic distribution of lending in the Macomb/Oakland AA is marginal.

### **HMDA Lending**

Table 42 shows First Place's overall geographic distribution of HMDA reportable loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

<b>Table 42 - Geographic Distribution of Loans</b>			
<b>Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	4	0.3%	0.2%
Moderate	58	4.9%	10.7%
Middle	423	35.5%	49.0%
Upper	708	59.3%	40.1%
Total	1,193	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$ 0.6	0.2 %	0.1 %
Moderate	9.4	3.5 %	5.8%
Middle	76.0	27.9 %	40.4 %
Upper	186.4	68.4 %	53.7 %
Total	\$ 272.4	100.0%	100.0%

Table 42 shows that First Place’s lending penetration percentage in the low-income geographies was slightly higher than reported by the aggregate for 2009. These percentages are very low because only 1.5 percent of the single family dwellings in the AA are located in the low-income geographies. First Place’s penetration percentage in the moderate-income geographies was less than 50 percent of that of the 2009 aggregate. Both First Place and the aggregate lenders penetration percentages in the moderate-income geographies were less than the 18.7 percent of the one to four family dwellings located in these geographies. According to 2009 market share reports, First Place ranked 25<sup>th</sup> in HMDA reportable loan volume in the moderate-income geographies in this AA with 0.6 percent market share among FDIC insured institutions making loans in these areas. This market share is considerably less than the bank’s overall lending market share in this AA. We conclude that the bank’s geographic distribution of HMDA reportable loans is poor in this AA.

**Small Business Lending**

Table 43 shows First Place’s overall geographic distribution of small business loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

<b>Table 43 - Comparison of Small Business Loans By Geography Income Level in the Assessment Area (Dollars in thousands)</b>				
<b>Geography Income Level</b>	<b>First Place</b>		<b>Aggregate</b>	
	<b>Review Period</b>		<b>2009</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	7	2.1%	1,103	2.1%
Moderate	57	16.7%	8,229	16.1%
Middle	156	45.9%	23,983	46.8%
Upper	120	35.3%	17,862	34.8%
NA	0	0.0%	82	0.2%
Total	340	100.0%	51,259	100.0%
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Low	\$ 1,006	1.4%	\$ 89,068	4.1%
Moderate	15,331	21.2%	445,190	20.5%
Middle	32,308	44.7%	960,457	44.2%
Upper	23,611	32.7%	675,934	31.1%
NA	0	0.0%	3,462	0.1%
Total	\$72,256	100.0%	\$2,174,111	100.0%

Table 43 shows that First Place’s penetration percentage of small business loans in the low--income geographies of this assessment area is the same as that of the aggregate reporters. The bank’s penetration percentage in the moderate-income geographies is higher than that of the aggregate. Overall, First Place’s 18.8 percent penetration in the LMI geographies is higher than the 18.2 percent reported by the aggregate. The bank’s and the aggregate’s percentage penetration of low- and moderate-income geographies is comparable to the 2.2 percent of low-income geographies and below the 19.9 percent of moderate-income geographies in the assessment. We conclude that the bank’s geographic distribution of small business loans in the LMI geographies of this AA is reasonable.

**Lending to Borrowers of Different Income Levels and Businesses of Different Sizes**

First Place’s record of lending to low- and moderate-income borrowers is poor in the Macomb/Oakland Counties AA. The bank has a reasonable record of lending to small businesses.

**HMDA Lending**

Table 44 shows First Place’s overall borrower distribution of HMDA reportable loans made during the review period in the assessment area and compares this activity to the aggregate lending averages in the assessment area for year 2009.

<b>Table 44 - Lending Distribution Based on Borrower Income</b>			
<b>Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	54	4.5%	14.0%
Moderate	147	12.3%	18.8%
Middle	176	14.8%	19.4%
Upper	359	30.1%	25.8%
NA	457	38.3%	22.0%
Total	1,193	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$4.8	1.8 %	7.8 %
Moderate	20.0	7.3 %	14.1 %
Middle	31.0	11.4 %	18.9 %
Upper	95.0	34.9 %	38.8 %
NA	121.6	44.6 %	20.4%
Total	\$ 272.4	100.0%	100.0%

Table 44 shows that First Place’s lending percentage to low-income borrowers was significantly lower than that of the aggregate and its lending percentage of moderate-income borrowers was also lower than that of the aggregate. The bank’s penetration percentages to low-income borrowers was also substantially lower than the percentage of low-income families residing in this AA (18.0 percent), even taking into account the percentage of households below the poverty level (5.6 percent) in the assessment area. The bank’s penetration percentage to moderate-income borrowers was also lower than the percentage of moderate-income families residing in the AA (18.2 percent) while that of the aggregate was slightly higher. Overall, First Place’s penetration percentage to LMI borrowers is only 51.2 percent of that of the aggregate. According to 2009 market share reports, First Place ranked 26<sup>th</sup>, of 106 FDIC in HMDA reportable loan volume to low-income borrowers in this AA with 0.6 percent market share among 106 FDIC insured institutions making loans in these areas. This market share is considerably less than the bank’s overall lending market share in this AA. The bank ranked 20<sup>th</sup> (of 115 lenders) in HMDA reportable loan volume to moderate-income borrowers in this AA with a 1.2 percent market share which is higher than the bank’s overall HMDA market share in this AA. We conclude that the bank’s record of home lending to low- and moderate-income borrowers is poor in this AA.

**Small Business Lending**

Our distribution analysis of small business lending focused on First Place’s record of making loans to small businesses and its ability to make loans in small amounts which is viewed favorably under the CRA.

Table 45 shows the distribution of small business loans by loan amounts during the review period.

<b>Table 45 - Distribution of Small Business Loans by Dollar Amount In Assessment Area (Dollars in thousands)</b>		
<b>Loan Amount at Origination</b>	<b>First Place</b>	
	<b>Review Period</b>	
	<b>#</b>	<b>%</b>
\$100,000 or Less	165	48.5%
\$100,001 - \$250,000	84	24.7%
\$250,001 - \$1 million	91	26.8%
Total	340	100.0%
	<b>\$</b>	<b>%</b>
\$100,000 or Less	\$8,955	12.4%
\$100,001 - \$250,000	15,620	21.6%
\$250,001 - \$1 million	47,681	66.0%
Total	\$72,256	100.0%

Table 45 shows that over 48 percent of the bank’s small business loans were for amounts less than or equal to \$100,000. This percentage demonstrates First Place’s willingness to grant loans in small amounts. We also considered the distribution of First Place’s small business loans based on business revenue. This analysis showed that First Place made 70.3 percent of its small business loans (239 loans totaling \$48.7 million) to businesses that reported annual revenue of \$1 million or less. This percentage significantly exceeds the 20.2 percent of small business loans made to businesses with revenues of less than \$1 million per 2009 aggregate small business data within this AA. These analyses show that First Place makes small business loans in small loan amounts, and makes these loans to businesses with relatively low revenues. We conclude that this reflects a reasonable performance in these categories.

**Community Development Lending and Flexible and Innovative Lending Practices**

First Place has an excellent record of community development lending in this AA. During the review period the bank originated 9 community development loans totaling \$5.7 million. Most of these loans were for multi-family housing in low- or moderate-income neighborhoods. Many of these loans were in Pontiac MI. Discussion on flexible and innovative lending practices is found in tables 8 and 9.

**INVESTMENT TEST**

First Place’s qualified investments that benefited the Macomb/Oakland AA totaled \$3.8 million. This includes \$3.8 million in new CRA-related MBSs purchases and \$4,400 in charitable donations during

the review period. This amount represents the bank's highest dollar amount of qualified investments not only in Michigan, but of all First Place's AAs. This level of investment is considered excellent given the bank's resources and operational environment in this AA.

## **SERVICE TEST**

First Place provided a reasonable level of retail and community development services to the Macomb/Oakland AA during the review period.

### **Retail Banking Services**

First Place's level of retail banking services is reasonable in this assessment area.

First Place operates 4 branch offices in its Macomb/Oakland Counties AA. All offices have evening office hours (open after 5:00 pm), and three have Saturday office hours. During the review period, the Southfield office was relocated and combined two offices in Southfield (both middle-income geographies) to the new Southfield Financial Center, which is also in a middle-income geography. The distribution of First Place's branch offices and the hours of operation are accessible for most of the assessment area and are tailored to meet the needs of the community.

In addition to its physical branch locations, First Place offers alternative delivery systems such as on-line bill pay and banking, telephone banking and a transactional website.

First Place's lending products include mortgage and nonmortgage residential, consumer, and commercial loans. First Place's deposit products include the standard products offered by most banks including savings accounts, health savings accounts, certificates of deposit, money market deposit accounts, checking accounts, and retirement accounts.

### **Community Development Services**

During the review period, First Place's managers provided community development services to local community organizations in the Macomb/Oakland Counties AA. These activities involved two managers providing community development services to two organizations. The services primarily involved serving on boards and providing technical assistance. Accordingly, we conclude that First Place provided an adequate level of community development services.

**State Metropolitan Area & State Reviewed**

*(for metropolitan areas with some or all assessment areas reviewed using full-scope review)*

**Description of Institution’s Operations in Genesee County Assessment Areas**

First Place has defined Genesee County, Michigan as one of its assessment areas. The Flint, MI MSA consists of Genesee County. First Place currently operates from five branch office locations within this AA. However, the bank closed two offices during our review period. Table 46 lists the location of each office and the type of geography in which the offices are located.

<b>Office Location</b>	<b>Tract Type</b>
Davison	Middle-Income
Dort Highway/Flint <sup>f</sup>	Middle-Income
West Pierson Rd/Flint <sup>g</sup>	Moderate-Income
Fenton Road/Flint	Middle-Income
Genesee Road/Flint	Middle-Income
Miller Road/Fling	Middle-Income
Flushing	Upper-Income

As of June 30, 2010, these offices accounted for 8.2 percent of the bank’s total deposits and 33.5 percent of First Place’s deposits in its Michigan branch offices. During the review period, 7.8 percent of HMDA reportable assessment areas loans (899 loans) were secured by properties within this AA.

The major employment sectors in the Genesee County AA are services, retail trade, and construction. The major employers are General Motors Co., Hurley Medical Center, Inc., and McLaren Regional Medical Center. The December 2010 unemployment rate for Genesee County was a rather high 11.8 percent.

First Place has a somewhat dominant presence in this AA. As of June 30, 2010, there were 15 FDIC insured financial institutions with a total of 91 offices in this AA. These financial institutions have deposits totaling \$4.4 billion. First Place ranked fifth in deposits with \$203.1 million in deposits and a 4.6 percent market share. Table 47 illustrates the Genesee County AA’s demographic data, which is compiled by the U.S. Department of Commerce, based on 2000 census data.

<sup>f</sup> This branch office closed October 2010

<sup>g</sup> This branch office closed October 2010

<b>Table 47 - Demographic Data (Based on 2000 U.S. Census Data)</b>	
<b>Demographic Data</b>	<b>2000 Census</b>
Population	436,141
Total Families	116,884
1-4 Family Units	147,485
Multi-family Units	21,832
% Owner-Occupied Units	67.7%
% Rental-Occupied Units	24.7%
% Vacant Housing Units	7.5%
Weighted Average Median Housing	\$89,060

Table 48 indicates the number of geographies in each income level and compares it to the distribution of families living in those geographies and to 1-4 family dwellings located within those geographies.

<b>Table 48 - Distribution of Geographies, Families and Housing Units In the Assessment Area (Based on 2000 U.S. Census Data)</b>						
<b>Geog Inc Level</b>	<b>Geographies</b>		<b>Total Area Families</b>		<b>1-4 Family Dwellings</b>	
<b>2000 Census:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	19	14.5%	13,017	11.1%	20,191	13.7%
Moderate	21	16.0%	19,626	16.8%	25,721	17.4%
Middle	53	46.5%	47,760	40.9%	57,681	39.1%
Upper	38	29.0%	36,481	31.2%	42,892	29.8%
N/A	2	0.4%	0.	0.0%	0	0.0%
Total	131	100.0%	116,884	100.0%	147,485	100.0%

According to 2000 U.S. Census Data, an extremely high 12.2 percent of the families report income below the poverty level.

The Department of Housing and Urban Development (HUD) annually adjusts the 2000 census data to update the income levels. The adjusted figures are used in the Lending to Borrowers of Different Incomes sections of this Performance Evaluation. The HUD estimated the median family income for the Flint, MI MD was \$57,200 for 2007, \$55,200 for 2008, \$58,5000 for 2009, and \$56,500 for 2010.

Table 49 shows the distribution of assessment area families, based on the 2000 census, in each income category of this assessment area.

<b>Table 49 - Distribution of Families in Assessment Area</b>		
<b>Family Income Category (As a % of MSA Median)</b>	<b>Number</b>	<b>Percent</b>
Low	25,829	22.1%
Moderate	19,952	17.1%
Middle	23,917	20.4%
Upper	47,186	40.4%
Totals	116,884	100.0%

Conclusions with Respect to  
 Performance Tests in Genesee  
 County Assessment Area

**LENDING TEST**

**Lending in the Genesee County Assessment Area**

First Place’s level of lending in its Genesee County AA is reasonable. During the review period, First Place originated/purchased 899 HMDA reportable loans totaling \$123.4 million in this AA. This loan total accounted for 33.9 percent of the bank’s total HMDA reportable loans originated/purchased during the review period in Michigan and 7.8 percent of all HMDA loans originated/purchased within its AAs during the review period. According to 2009 market share reports for this AA, First Place ranked sixth in HMDA loan originations/purchases with a 4.9 percent market share among 115 FDIC insured institutions. The bank also originated 139 small business loans totaling \$32.1 million during the review period. According to 2009 market share reports for institutions required to report small business loans, First Place ranked 19th overall (out of 47 lenders) in small business lending with a 0.5 percent market share. Since the bank’s HMDA reportable lending market share is comparable to its 4.6 percent deposit market share, we conclude that First Place’s overall level of lending within this AA is reasonable.

**Geographic Distribution of Loans**

We focused on First Place’s lending penetration in the low- and moderate-income geographies in this AA. The bank’s 4.0 percent HMDA lending penetration in these geographies was slightly more than 50 percent of that of the aggregate. The bank’s small business penetration percentage (22.3 percent) in low- and moderate-income geographies was higher than that of the aggregate lenders (18.2 percent). During the review period the bank made more small business loans than home loans in the low-income geographies of this AA. We conclude that First Place’s overall geographic distribution of lending in the Genesee County AA is marginal.

## HMDA Lending

Table 50 shows First Place’s overall geographic distribution of HMDA reportable loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

<b>Table 50 - Geographic Distribution of Loans</b>			
<b>Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	7	0.8%	1.6%
Moderate	29	3.2%	6.3%
Middle	323	35.9%	39.4%
Upper	540	60.1%	52.7%
Total	899	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$ 0.7	0.5%	0.8 %
Moderate	1.9	1.5 %	3.3%
Middle	33.3	27.0 %	32.5%
Upper	87.5	71.0 %	63.4 %
Total	\$ 123.4	100.0%	100.0%

Table 50 shows that First Place’s lending penetration percentage in the low-income geographies was only 50 percent as that of the aggregate for 2009. Both the aggregate’s and First Place’s penetration percentages in these geographies are substantially lower than the percentage of one to four family dwellings located in these areas (13.7%). According to 2009 market share reports, First Place originated only one loan in the low-income geographies of this AA. However, in 2009 there were only 125 loans originate/purchased by 19 lenders in the low-income geographies of this AA and about 50 percent of the loans were originated by the top two lenders (both nationally known financial institutions). First Place’s penetration percentage in the moderate-income geographies was also significantly less than that of the 2009 aggregate. Both First Place’s and the aggregate lenders’ penetration percentages in the moderate-income geographies were significantly less than the 17.4 percent of one to four family dwellings located in these geographies. According to 2009 market share reports, First Place ranked 14<sup>th</sup> in HMDA reportable loan volume in the moderate-income geographies in this AA with 1.5 percent market share among the 31 FDIC insured institutions making loans in these areas. This market share is considerably less than the bank’s overall lending and deposit market share in this AA. We conclude that the bank’s geographic distribution of HMDA reportable loans is poor in this AA.

## Small Business Lending

Table 51 shows First Place’s overall geographic distribution of small business loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

<b>Table 51 - Comparison of Small Business Loans By Geography Income Level in the Assessment Area (Dollars in thousands)</b>				
<b>Geography Income Level</b>	<b>First Place</b>		<b>Aggregate</b>	
	<b>Review Period</b>		<b>2009</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	12	8.6%	519	7.5%
Moderate	19	13.7%	737	10.7%
Middle	58	41.7%	3,202	46.4%
Upper	50	36.0%	2,439	35.4%
NA	0	0.0%	0	0.0%
Total	139	100.0%	6,897	100.0%
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Low	\$ 3,581	11.2%	\$ 15,956	6.5%
Moderate	3,955	12.3%	29,952	12.2%
Middle	12,922	40.3%	122,097	49.6%
Upper	11,593	36.2%	78,047	31.7%
NA	0	0.0%	0	0.0%
Total	\$32,051	100.0%	\$246,052	100.0%

Table 51 shows that First Place’s penetration percentages of small business loans in both the low- and moderate-income geographies of this assessment area exceeded those of the aggregate reporters. The bank’s percentage penetration of low- and moderate-income geographies falls short of both the 14.5 percent of low-income geographies and the 16.0 percent of moderate-income geographies in the assessment area. We conclude that the bank’s geographic distribution of small business loans in the LMI geographies of this AA is good.

### **Lending to Borrowers of Different Income Levels and Businesses of Different Sizes**

First Place’s record of lending to LMI borrowers is good in the Genesee County AA. The bank’s overall penetration percentage to this segment of the AA exceeded that of the aggregate. In addition, over 80 percent of First Place’s small business lending were to businesses with revenues of less than \$1 million and the majority of small business loans were in amounts less than \$100,000.

## HMDA Lending

Table 52 shows First Place’s overall borrower distribution of HMDA reportable loans made during the review period in the assessment area and compares this activity to the aggregate lending averages in the assessment area for year 2009.

<b>Table 52 - Lending Distribution Based on Borrower Income</b>			
<b>Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	72	8.0%	8.8%
Moderate	170	18.9%	16.8%
Middle	240	26.7%	19.2%
Upper	383	42.6%	23.5%
NA	34	3.8%	31.7%
Total	899	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$3.8	3.1 %	5.2%
Moderate	14.8	12.0 %	12.8 %
Middle	26.5	21.5 %	18.6 %
Upper	69.7	56.5 %	33.0 %
NA	8.6	6.9 %	30.4%
Total	\$ 123.4	100.0%	100.0%

Table 52 shows that First Place’s lending percentage to low-income borrowers was slightly lower than that of the aggregate and its lending percentage of moderate-income borrowers was higher than that of the aggregate. The bank’s and the aggregate’s penetration percentages to low-income borrowers were both substantially lower than the percentage of low-income families residing in this AA (22.1 percent). This deficiency is somewhat offset by the high percentage of households living below the poverty level (12.2 percent) in the assessment area. The bank’s penetration percentage to moderate-income borrowers was higher than the percentage of moderate-income families residing in the AA (17.1 percent) while that of the aggregate was slightly lower. Overall, First Place’s penetration percentage to LMI borrowers was slightly higher than that of the aggregate. According to 2009 market share reports, First Place ranked seventh in HMDA reportable loan volume to LMI borrowers in this AA with 5.3 percent market share among 67 FDIC insured institutions making loans in these areas. This market share compares well to the bank’s overall lending and deposit market share in this AA. We conclude that the bank’s record of home lending to low- and moderate-income borrows is good in this AA.

## Small Business Lending

Our distribution analysis of small business lending focused on First Place’s record of making loans to small businesses and its ability to make loans in small amounts which is viewed favorably under the CRA.

Table 53 shows the distribution of small business loans by loan amounts during the review period.

<b>Table 53 - Distribution of Small Business Loans by Dollar Amount In Assessment Area (Dollars in thousands)</b>		
<b>Loan Amount at Origination</b>	<b>First Place</b>	
	<b>Review Period</b>	
	<b>#</b>	<b>%</b>
\$100,000 or Less	70	50.4%
\$100,001 - \$250,000	27	19.4%
\$250,001 \$1 million	42	30.2%
Total	139	100.0%
	<b>\$</b>	<b>%</b>
\$100,000 or Less	\$3,786	11.8%
\$100,001 - \$250,000	4,712	14.7%
\$250,001 \$1 million	23,553	73.5%
Total	\$32,051	100.0%

Table 53 shows that the majority of the bank’s small business loans were for amounts less than or equal to \$100,000. This volume demonstrates First Place’s willingness to grant loans in small amounts. We also considered the distribution of First Place’s small business loans based on business revenue. This analysis showed that First Place made 84.2 percent of its small business loans (117 loans totaling \$24.5 million) to businesses that reported annual revenue of \$1 million or less. This percentage significantly exceeds the 15.2 percent of small business loans made to businesses with revenues of less than \$1 million per 2009 aggregate small business data within this AA. These analyses show that First Place makes small business loans in small loan amounts, and makes these loans to businesses with relatively low revenues. We conclude that this reflects a strong performance in these categories.

### **Community Development Lending and Flexible and Innovative Lending Practices**

First Place has a reasonable record of community development lending in this AA. During the review period the bank originated three community development loans totaling \$1.6 million. These loans were for multi-family housing in low- or moderate-income neighborhoods. Two of these loans

were in Flint, MI and one was in Mount Morris. Discussion on flexible and innovative lending practices is found in tables 8 and 9.

## **INVESTMENT TEST**

First Place's qualified investments that benefited the Genesee County AA totaled \$667,952. This includes \$664,452 in new CRA-related MBSs purchases and \$3,500 in charitable donations during the review period. This level of investment is reasonable given the bank's resources and operational environment in this AA.

## **SERVICE TEST**

First Place provided a marginal level of retail and community development services to the Genesee AA during the review period. Retail banking services were poor primarily due to the closing of an office located in a moderate-income geography. The bank has a good record of providing community development services in this AA.

### **Retail Banking Services**

First Place's level of retail banking services is poor in this assessment area.

First Place currently operates five branch offices in its Genesee County AA. Two offices have evening office hours (open after 5:00 pm), and all have Saturday office hours. Four offices are in middle-income geographies and one office is located in an upper-income geography. In October 2010 the bank closed two offices located in Flint and customer accounts from these offices were transferred to other First Place Bank locations. One of these offices (on West Pierson Road) was the only office located in a moderate-income geography within this AA. The closing of this office adversely affected the bank's accessibility to meet the financial needs of this moderate-income geography.

In addition to its physical branch locations, First Place offers alternative delivery systems such as on-line bill pay and banking, telephone banking and a transactional website.

First Place's lending products include mortgage and nonmortgage residential, consumer, and commercial loans. First Place's deposit products include the standard products offered by most banks including savings accounts, health savings accounts, certificates of deposit, money market deposit accounts, checking accounts, and retirement accounts.

### **Community Development Services**

During the review period, First Place's managers and employees provided community development services to local community organizations in Genesee County AA. These activities involved eight employees providing community development services to ten organizations. The services primarily involved serving on boards, providing technical assistance, and teaching financial literacy classes. Accordingly, we conclude that First Place provided a good level of community development services.

**State Metropolitan Area & State Reviewed**

*(for metropolitan areas with some or all assessment areas reviewed using full-scope review)*

**Description of Institution’s Operations in Wayne County Assessment Area**

First Place has defined Wayne County, Michigan as one of its assessment areas. The Detroit-Livonia-Dearborn, MI MD consists of Wayne County. Wayne County contains Michigan’s largest city, Detroit. First Place operates from two branch office locations within this AA. One office is located in Grosse Point and the other is in Elyria. Both offices are in upper-income geographies.

As of June 30, 2010, these offices accounted for 3.5 percent of the bank’s total deposits and 14.2 percent of First Place’s deposits in its Michigan branch offices. During the review period, 4.9 percent of HMDA reportable assessment areas loans (564 loans) were secured by properties within this AA.

The major employment sectors in the Wayne County AA are: services; retail trade; and construction. The major employers are Ford Motor Co., Oakwood Healthcare, Inc, and Visteon Corp. This assessment area is a major metropolitan area and relies heavily on the automotive industry. This AA has experienced acute economic hardship due to the recent economic downturn. The December 2010 unemployment rate for Wayne County was an extremely high 12.0 percent.

First Place does not have a major presence in this AA. As of June 30, 2010, there were 27 FDIC insured financial institutions with a total of 390 offices in this AA. These financial institutions have deposits totaling \$31.6 billion. First Place ranked 17th in deposits with \$86.2 million in deposits and a 0.3 percent market share. Table 54 illustrates the Wayne County AA’s demographic data, compiled by the U.S. Department of Commerce, based on 2000 census data.

<b>Table 54 - Demographic Data (Based on 2000 U.S. Census Data)</b>	
<b>Demographic Data</b>	<b>2000 Census</b>
Population	2,061,162
Total Families	514,979
1-4 Family Units	645,475
Multi-family Units	124,068
% Owner-Occupied Units	62.0%
% Rental-Occupied Units	31.0%
% Vacant Housing Units	7.0%
Weighted Average Median Housing	\$102,841

Table 55 indicates the number of geographies in each income level and compares it to the distribution of families living in those geographies and to 1-4 family dwellings located within those geographies.

<b>Table 55 - Distribution of Geographies, Families and Housing Units In the Assessment Area (Based on 2000 U.S. Census Data)</b>						
<b>Geog Inc Level</b>	<b>Geographies</b>		<b>Total Area Families</b>		<b>1-4 Family Dwellings</b>	
<b>2000 Census:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	71	11.4%	34,942	6.8%	50,245	7.3%
Moderate	190	30.7%	142,704	27.7%	207,288	30.2%
Middle	191	30.8%	178,825	34.7%	230,868	33.7%
Upper	160	25.8%	158,508	30.8%	197,074	28.8%
N/A	8	1.3%	0	0.0%	0	0.0%
<b>Total</b>	<b>620</b>	<b>100.0%</b>	<b>514,979</b>	<b>100.0%</b>	<b>685,475</b>	<b>100.0%</b>

According to 2000 U.S. Census Data, an extremely high 14.9 percent of the families report income below the poverty level.

The Department of Housing and Urban Development (HUD) annually adjusts the 2000 census data to update the income levels. The adjusted figures are used in the Lending to Borrowers of Different Incomes sections of this Performance Evaluation. The HUD estimated the median family income for the Detroit-Livonia-Dearborn, MI MD was \$53,800 for 2007, \$54,400 for 2008, \$57,1000 for 2009, and \$55,900 for 2010.

Table 56 shows the distribution of assessment area families, based on the 2000 census, in each income category of this assessment area.

<b>Table 56 - Distribution of Families in Assessment Area</b>		
<b>Family Income Category (As a % of MSA Median)</b>	<b>Number</b>	<b>Percent</b>
Low	118,918	23.1%
Moderate	85,466	16.6%
Middle	99,424	19.3%
Upper	211,171	41.0%
<b>Totals</b>	<b>514,979</b>	<b>100.0%</b>

Conclusions with Respect to  
Performance Tests in Wayne County  
Assessment Area

## **LENDING TEST**

### ***Lending in the Wayne County Assessment Area***

First Place's level of lending in its Wayne County AA is very good. During the review period, First Place originated/purchased 564 HMDA reportable loans totaling \$104.6 million in this AA. This loan total accounted for 21.2 percent of the bank's total HMDA reportable loans originated/purchased during the review period in Michigan and 4.9 percent of all HMDA loans originated/purchased within its AAs during the review period. According to 2009 market share reports for this AA, First Place ranked 17<sup>th</sup> (out of 170 institutions) in HMDA loan originations/purchases with a 1.1 percent market share among FDIC insured institutions. The bank also originated 120 small business loans totaling \$28.6 million during the review period. According to 2009 market share reports for institutions required to report small business loans, First Place ranked 32<sup>nd</sup> overall (out of 79 lenders) in small business lending with a 0.1 percent market share. Since the bank's HMDA reportable lending market share is higher than its 0.3 percent deposit market share, we conclude that First Place's overall level of lending within this AA is very good.

### ***Geographic Distribution of Loans***

We focused on First Place's lending penetration in the low- and moderate-income geographies in this AA. While the bank's lending penetration percentage of home loans in low-income geographies was higher than that of the aggregate, the bank's overall HMDA penetration percentage in the LMI geographies of this AA was somewhat lower, but comparable to, than that of the aggregate lenders. First Place's small business lending penetration percentage in these geographies was higher than that of the aggregate. We conclude that First Place's overall geographic distribution of lending in the Wayne County AA is adequate.

### **HMDA Lending**

Table 57 shows First Place's overall geographic distribution of HMDA reportable loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

<b>Table 57 - Geographic Distribution of Loans</b>			
<b>Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	24	4.3%	1.0%
Moderate	25	4.4%	8.2%
Middle	108	19.1%	32.8%
Upper	406	72.0%	58.0%
NA	1	0.2	0.0
Total	564	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$ 1.5	1.4%	0.5%
Moderate	2.3	2.3 %	4.4%
Middle	13.2	12.6 %	22.8%
Upper	87.4	83.5 %	72.3 %
NA	0.2	0.2	0.0
Total	\$ 104.6	100.0%	100.0%

Table 57 shows that First Place’s lending penetration percentage in the low-income geographies was significantly greater than that of the aggregate for 2009. Both the aggregate’s and First Place’s penetration percentages in these geographies are substantially lower than the percentage of one to four family dwellings located in these areas (7.3%). First Place originated/purchased 21 of its 24 loans in the low-income geographies in 2009 when it ranked third in HMDA lending volume among 35 FDIC insured institutions originating or purchasing loans in these geographies with a 7.6 percent market share. First Place’s penetration percentage in the moderate-income geographies was less than that of the 2009 aggregate. Both First Place’s and the aggregate lenders’ penetration percentages in the moderate-income geographies were significantly less than the 30.2 percent of one to four family dwellings located in these geographies. According to 2009 market share reports, First Place ranked 17<sup>th</sup> in HMDA reportable loan volume in the moderate-income geographies in this AA with 0.9 percent market share among the 59 FDIC insured institutions making loans in these areas. This market share percentage is slightly less than the bank’s overall HMDA reportable lending market share percentage in this AA. First Place’s overall 8.7 penetration percentage in the LMI geographies of this AA is comparable to that of the aggregate’s 9.2 percent. We conclude that the bank’s geographic distribution of HMDA reportable loans is poor in this AA.

**Small Business Lending**

Table 58 shows First Place’s overall geographic distribution of small business loans in this assessment area during the review period and compares this activity to the aggregate lending in the assessment area for the year 2009 (the most current year available).

<b>Table 58 - Comparison of Small Business Loans By Geography Income Level in the Assessment Area (Dollars in thousands)</b>				
<b>Geography Income Level</b>	<b>First Place</b>		<b>Aggregate</b>	
	<b>Review Period</b>		<b>2009</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	4	3.3%	1,147	4.3%
Moderate	25	20.8%	4,643	17.3%
Middle	41	34.2%	9,626	35.9%
Upper	50	41.7%	11,257	42.0%
NA	0	0.0%	149	0.5%
Total	120	100.0%	26,822	100.0%
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Low	\$ 379	1.3%	\$ 51,601	5.4%
Moderate	6,252	21.8%	179,678	18.9%
Middle	12,019	42.0%	371,184	38.9%
Upper	9,984	34.9%	334,288	35.0%
NA	0	0.0%	17,416	1.8%
Total	\$28,634	100.0%	\$954,167	100.0%

Table 58 shows that First Place’s penetration percentage of small business loans in the low-income geographies was less than that of the aggregate reporters and its penetration percentage in the moderate-income geographies was higher than that the aggregate reporters. The bank’s percentage penetration of low- and moderate-income geographies falls short of both the 11.4 percent of low-income geographies and the 30.7 percent of moderate-income geographies in the assessment area. Overall, the bank’s 24.1 percent penetration in the LMI geographies of this AA was higher than the 21.6 percent penetration of the aggregate lenders. We conclude that the bank’s geographic distribution of small business loans in the LMI geographies of this AA is good.

**Lending to Borrowers of Different Income Levels and Businesses of Different Sizes**

First Place’s overall record of lending to LMI borrowers is poor in the Wayne County AA. Although the bank has a very strong record of lending to small businesses, First Place’s overall HMDA lending penetration percentage to LMI borrowers in this AA was significantly lower than that of the aggregate.

**HMDA Lending**

Table 59 shows First Place’s overall borrower distribution of HMDA reportable loans made during the review period in the assessment area and compares this activity to the aggregate lending averages in the assessment area for year 2009.

<b>Table 59 - Lending Distribution Based on Borrower Income</b>			
<b>Income Category</b>	<b>First Place</b>		<b>Aggregate</b>
	<b>Review Period</b>		<b>2009</b>
	<b>#</b>	<b>%</b>	<b>%</b>
Low	17	3.0%	7.5%
Moderate	64	11.4%	17.1%
Middle	86	15.2%	18.3%
Upper	248	44.0%	31.1%
NA	149	26.4%	26.0%
Total	564	100.0%	100.0%
	<b>\$ (millions)</b>	<b>%</b>	<b>%</b>
Low	\$1.1	1.1 %	4.3%
Moderate	6.1	5.9 %	11.0 %
Middle	10.0	9.5 %	15.3 %
Upper	55.8	53.3 %	45.1 %
NA	31.6	30.2 %	24.3%
Total	\$ 104.6	100.0%	100.0%

Table 59 shows that First Place’s lending percentage to low-income borrowers was significantly lower than that of the aggregate and its lending percentage of moderate-income borrowers was also lower than that of the aggregate. The bank’s and the aggregate’s penetration percentages to low-income borrowers were both substantially lower than the percentage of low-income families residing in this AA (23.1 percent). This deficiency is somewhat offset by the very high percentage of households living below the poverty level (14.9 percent) in the assessment area. The bank’s penetration percentage to moderate-income borrowers was also lower than the percentage of moderate-income families residing in the AA (16.6 percent) while that of the aggregate was slightly lower. Overall, First Place’s penetration percentage to LMI borrowers was only 58.8 percent of that of the aggregate. According to 2009 market share reports, First Place ranked 18<sup>th</sup> in HMDA reportable loan volume to LMI borrowers in this AA with 0.6 percent market share among 93 FDIC insured institutions making loans in these areas. This market share is significantly lower than the bank’s overall HMDA reportable lending market share in this AA. We conclude that the bank’s record of home lending to low- and moderate-income borrows is poor in this AA.

**Small Business Lending**

Our distribution analysis of small business lending focused on First Place’s record of making loans to small businesses and its ability to make loans in small amounts which is viewed favorably under the CRA.

Table 60 shows the distribution of small business loans by loan amounts during the review period.

<b>Table 60 - Distribution of Small Business Loans by Dollar Amount In Assessment Area (Dollars in thousands)</b>		
<b>Loan Amount at Origination</b>	<b>First Place</b>	
	<b>Review Period</b>	
	<b>#</b>	<b>%</b>
\$100,000 or Less	54	45.0%
\$100,001 - \$250,000	21	17.5%
\$250,001 \$1 million	45	37.5%
Total	120	100.0%
	<b>\$</b>	<b>%</b>
\$100,000 or Less	\$2,887	10.1%
\$100,001 - \$250,000	3,515	12.3%
\$250,001 \$1 million	22,232	77.6%
Total	\$28,634	100.0%

Table 60 shows that 45 percent of the bank’s small business loans were for amounts less than or equal to \$100,000. This volume demonstrates First Place’s willingness to grant loans in small amounts. We also considered the distribution of First Place’s small business loans based on business revenue. This analysis showed that First Place made 74.2 percent of its small business loans (89 loans totaling \$20.8 million) to businesses that reported annual revenue of \$1 million or less. This percentage significantly exceeds the 19.2 percent of small business loans made to businesses with revenues of less than \$1 million per 2009 aggregate small business data within this AA. These analyses show that First Place makes small business loans in small loan amounts, and makes these loans to businesses with relatively low revenues. We conclude that this reflects a strong performance in these categories.

**Community Development Lending and Flexible and Innovative Lending Practices**

First Place has a very good record of community development lending in this AA. During the review period the bank originated five community development loans totaling \$1.8 million. These loans were for multi-family housing in low- or moderate-income neighborhoods. All of these loans were in Detroit. Discussion on flexible and innovative lending practices is found in tables 8 and 9.

**INVESTMENT TEST**

First Place’s qualified investments that benefited the Wayne County AA totaled \$1.4. This includes \$1.4 million in new CRA-related MBSs purchases and \$13,855 in charitable donations, through the First Place Community Foundation, during the review period. This level of investment is reasonable given the bank’s resources and operational environment in this AA.

## **SERVICE TEST**

First Place provided an adequate level of retail and community development services to the Wayne County AA during the review period. Retail banking services were reasonable and the bank provided a minimal level of community development services in this AA.

### **Retail Banking Services**

First Place's level of retail banking services is reasonable in this assessment area.

First Place operates two branch offices in its Wayne County AA. Both offices have Saturday office hours. The distribution of First Place's branch offices and the hours of operation are accessible to, and meet the needs of the local community.

In addition to its physical branch locations, First Place offers alternative delivery systems such as on-line bill pay and banking, telephone banking and a transactional website.

First Place's lending products include mortgage and nonmortgage residential, consumer, and commercial loans. First Place's deposit products include the standard products offered by most banks including savings accounts, health savings accounts, certificates of deposit, money market deposit accounts, checking accounts, and retirement accounts.

### **Community Development Services**

During the review period, there was one documented effort of community development services in the Wayne County AA. An employee developed a savings program for an elementary school. Accordingly, we conclude that First Place provided a minimal level of community development services.

**Appendix A**

**Scope of Examination**

SCOPE OF EXAMINATION		
We conducted a full-scope CRA review covering the period July 1, 2007 through December 31, 2010.		
<b>TIME PERIOD REVIEWED:</b>	7/1/2007 – 12/31/2010	
<b>FINANCIAL INSTITUTION</b>		<b>PRODUCTS REVIEWED</b>
First Place Bank		Home Mortgage Loans, Small Business Loans, Investments, Flexible Lending Programs
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONSHIP</b>	<b>PRODUCTS REVIEWED</b>
None		

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED <sup>1</sup>	OTHER INFORMATION
Warren/Youngstown OH	Full Scope	None	None
Cuyahoga/Lorain Counties OH	Full Scope	None	Conducted Community Contact
Delaware/Franklin Counties OH	Full Scope	None	None
Portage County OH	Full Scope	None	None
Defiance/Paulding Counties OH	Limited Scope	None	None
Macomb/Oakland Counties MI	Full Scope	None	None
Genesee County MI	Full Scope	None	None
Wayne County MI	Full Scope	None	None

<sup>1</sup> There is a statutory requirement that the written evaluation of a multistate institution’s performance must list the individual branches examined in each state.

**Appendix B**

Summary of State and Multistate Metropolitan Area Ratings

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
Ohio	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Michigan	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

## **CRA Rating Definitions**

There are five separate and distinct CRA assessment methods set forth in the CRA: the lending, investment, and service tests for large, retail institutions; the intermediate small institution test for intermediate small savings associations; the streamlined examination method for small institutions; the community development test for wholesale and limited purpose institutions; and the strategic plan option for all institutions. OTS will assign an institution one of the four assigned ratings required by Section 807 of the CRA:

1. "Outstanding record of meeting community credit needs."
2. "Satisfactory record of meeting community credit needs."
3. "Needs to improve record of meeting community credit needs."
4. "Substantial noncompliance in meeting community credit needs."

OTS judges an institution's performance under the test and standards in the rule in the context of information about the institution, its community, its competitors, and its peers. Among the factors to evaluate in an examination are the economic and demographic characteristics of the assessment area(s); the lending, investment, service, and community development opportunities in the assessment area(s); the institution's product offerings and business strategy; the institution's capacity and constraints; the prior performance of the institution; in appropriate circumstances, the performance of a similarly situated institution; and other relevant information. An institution's performance need not fit each aspect of a particular rating profile in order to receive that rating, and exceptionally strong performance with respect to some aspects may compensate for weak performance in others. The institution's overall performance, however, must be consistent with safe and sound banking practices and generally with the appropriate rating profile. In addition, OTS adjusts the evaluation of an institution's performance under the applicable assessment method in accordance with §563e.21 and §563e.28, which provide for adjustments on the basis of evidence of discriminatory or other illegal credit practices.