



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

**May 20, 2002**

# **Community Reinvestment Act Performance Evaluation**

**Harris Bank Hinsdale, N.A.  
Charter Number: 11308**

**50 South Lincoln Street  
Hinsdale, Illinois 60521**

**Office of the Comptroller of the Currency**

**Chicago – West Field Office  
85 West Algonquin Road, Suite 340  
Arlington Heights, Illinois 60005**

**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, and should not 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.**

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of Harris Bank Hinsdale, N.A. with respect to the Lending, Investment, and Service Tests:

Performance Levels	Harris Bank Hinsdale, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- Harris Bank Hinsdale, N.A.’s borrower distribution of loans is good. The distribution of loans to borrowers of different incomes reflects an excellent level of home mortgage lending and an adequate level of consumer lending to low- and moderate-income individuals. Lending to businesses of different sizes indicates an adequate level of lending to businesses with revenue of \$1 million or less.
- Harris Bank Hinsdale, N.A. provides a relatively high level of community development services. Delivery systems are accessible to geographies and individuals of different income levels in its assessment area (AA).
- Harris Bank Hinsdale, N.A. has an excellent level of qualified investments considering the needs and opportunities available throughout the bank’s AA and the bank’s size and financial capability.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home Mortgage Loans:** such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

Harris Bank Hinsdale, N.A. (HB Hinsdale) is an intrastate bank headquartered in Hinsdale, Illinois. It is located in the Chicago MA, approximately 16 miles southwest of Chicago. HB Hinsdale is a wholly owned subsidiary of Harris Bankcorp, Inc., located in Chicago, Illinois.

Harris Bankcorp, Inc. is a subsidiary of the Bankmont Financial Corporation, which is wholly owned by the Bank of Montreal in Toronto, Canada. Harris Bankcorp, Inc. includes Harris Trust and Savings Bank (HTSB) in downtown Chicago, 26 separately chartered community banks in the Chicago MA, one bank in Arizona, and one bank in Florida (collectively known as Harris Bank). There are approximately 150 branches and over 250 Harris-owned ATMs in the Chicago area. It is one of the largest community bank networks in the Midwest. HTSB alone is ranked the fourth largest bank in Chicago. According to the Federal Reserve System's National Information Center, Bankmont Financial Corporation is the 31<sup>st</sup> largest banking organization in the United States. The combined assets of the Harris Bank amount to roughly \$29 billion as of December 31, 2001. The Bank of Montreal had assets of approximately \$151 billion Canadian at October 31, 2001 and ranks as one of the ten largest banks in North America.

The holding company does not have any additional subsidiaries that would significantly influence the bank's capacity to lend or invest in the bank's AA. Harris Banks' commitment to community banking is founded on the belief that local, independent banks, allowed to appoint their own management team and board of directors, have the insight to best serve their respective communities.

As of December 31, 2001, HB Hinsdale had \$677 million in total assets and \$584 million in deposits. This is the third largest bank of the Harris Bank, excluding HTSB. HB Hinsdale has four office and seven ATM locations in Hinsdale, Burr Ridge, and Darien, Illinois.

HB Hinsdale is a full-service bank, offering various loan and deposit products. HB Hinsdale offers the standardized consumer and commercial products of the Harris Bank. In 1997 and 1998, Harris Bank consolidated the permanent financing mortgage business of all of its banks into one operation housed at HTSB. Mortgage applications taken at the bank are referred to and processed by one of HTSB's Regional Operations Centers (ROCs). Mortgage applications denied by the ROCs can be overridden and reported on the referring bank's books. For the purpose of the CRA evaluation, home mortgage loans allocated from HTSB were considered. Mortgage loans were allocated by HTSB to its affiliate banks based on the referring bank and the location of the loan. Affiliate banks were assigned loans that were located in their AA.

HB Hinsdale has been primarily a retail bank making home mortgages and consumer loans. As of December 31, 2001, net loans at \$432 million represented 69 percent of total assets, with real estate loans of \$338 million (78 percent), consumer loans of \$66 million (15 percent), and commercial loans of \$28 million (7 percent). Agricultural lending is not a primary business line of the bank. The bank's loan-to-deposit ratio as of December 31, 2001 was 78 percent.

There were no legal, financial or other factors that impeded HB Hinsdale's ability to help meet the credit needs of the communities it serves. As of December 31, 2001, HB Hinsdale

reported Tier One capital of \$48 million. HB Hinsdale was rated "Satisfactory" at its last CRA evaluation dated May 22, 2000.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We reviewed HB Hinsdale's origination, purchase, and HTSB allocation of home mortgage loans, small loans to businesses, and, at the bank's request, consumer loans for the time period of January 1, 2000 through December 31, 2001. Community development loans were reviewed from May 22, 2000 to May 20, 2002.

Our review of investments included an analysis of the investment portfolio and the donations and grants made between May 22, 2000 and May 20, 2002. We considered investments and donations or grants to organizations that have community development as their primary purpose.

In the evaluation of HB Hinsdale's lending and investment performance, the home mortgage and investment activities of its affiliate, HTSB, were considered to the extent the loans and investments were allocated to the bank by HTSB, were located in the bank's AA, and were not included in any other affiliate's data.

Our evaluation of bank services included analyzing the bank's branch and ATM network for the availability and effectiveness of delivering retail banking services. We analyzed the effect of changes in branch locations since our previous CRA examination. We also considered the extent and innovativeness of the bank's community development services in meeting the credit needs of its AA. This analysis covered the period between May 22, 2000 and May 20, 2002.

### Data Integrity

We verified a representative sample of HB Hinsdale's publicly filed data on home mortgage loans, small loans to businesses, and consumer loans to determine the accuracy of the information presented by the bank. We reviewed the sample of HMDA-reportable transactions to ascertain the purpose, action taken, location, race, gender, applicant income, and loan size were accurately included on HB Hinsdale's Loan Application Register. We reviewed the sample of small loans to businesses and consumer loans to ascertain the loan type, original amount, location, and gross revenue or applicant income (respectively) were accurately presented. HB Hinsdale had no significant errors in its data that would prevent an accurate evaluation of its CRA performance.

We reviewed information on bank-identified community development loans, qualified investments, and community development services to verify that the activities met the regulatory definitions. HB Hinsdale had accurately identified substantially most of the activities it submitted. We determined which loans, investments, and services met the definition of community development and included those under the Lending, Investment, or Services Test, respectively.

## **Selection of Areas for Full-Scope Review**

Our analysis included full-scope examination procedures for HB Hinsdale's one AA. The AA consists of 74 census tracts in the southern and central portion of DuPage County and a small portion of Will and Cook Counties, all within the Chicago MA.

## **Ratings**

HB Hinsdale's overall rating was based on conclusions reached during our full-scope review of the bank's performance in its one AA.

## **Other**

During the evaluation, the OCC, the Federal Reserve Bank of Chicago, and the Federal Deposit Insurance Corporation made six community contacts that related specifically to HB Hinsdale's AA. Most of the contacts said that banks were doing a good job of meeting credit needs in their area.

The primary credit need identified by the contacts was lending for affordable housing. The contacts stated that the following are opportunities for banks to help meet the affordable housing credit needs: down payment assistance, home ownership counseling, and low interest rehabilitation loans. The contacts cited the following as obstacles to affordable housing: new home construction costs more than \$200 thousand, little construction of affordable rental properties, high impact fees, high land costs, local zoning ordinances, and few affordable housing developers.

The contacts also identified start-up business loans and operating lines of credit as a credit need. Other needs include financial literacy and education programs due to the increasing number of unbanked residents.

## **Fair Lending Review**

An analysis of recent year's public comments and consumer complaint information and Home Mortgage Disclosure Act (HMDA) and small business lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in July 1997.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated High Satisfactory. Based on this full-scope review, the bank's performance in its AA is good.

#### Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect a good responsiveness by HB Hinsdale to the credit needs of its AA.

During the evaluation period, HB Hinsdale made 1,929 home mortgage loans, small loans to businesses, and consumer loans totaling \$346 million during the evaluation period. Approximately 44 percent of the total number of loans originated/purchased in the bank's AA during the evaluation period was consumer loans. Home mortgage loans equaled 36 percent and small loans to businesses represented 20 percent of the total. Small loans to farms are not a primary business line of HB Hinsdale and are not being considered as part of this evaluation.

A significant majority of the bank's consumer loans were home equity loans. Home equity loans comprised 88 percent, other secured loans comprised 7 percent, and automobile loans comprised 5 percent of the consumer loans originated/purchased.

Among home mortgage loans originated/purchased, approximately 40 percent were for home purchase, 57 percent for home refinance, and 2 percent for home improvement.

HB Hinsdale's lending activity was good in its AA. According to the FDIC's June 30, 2001 deposit market share report, the bank had a 2.10 percent deposit market share and ranked 13<sup>th</sup> out of 78 FDIC insured financial institutions with branches in DuPage County. Based on 2000 peer mortgage data for the AA, the bank had a market share of 0.17 percent and ranked 97<sup>th</sup> of 457 lenders making home purchase loans, a market share of 0.21 percent and ranked 89<sup>th</sup> of 383 lenders making home refinance loans, and a market share of 0.18 percent and ranked 65<sup>th</sup> of 154 lenders making home improvement loans. The bank's market share increases to 0.74 percent for home purchase loans and to 0.61 percent for home refinance loans when the HTSB allocated mortgage loans are included. Mortgage companies and large interstate commercial and thrift institutions were significant lenders in the bank's AA, capturing 36 percent of the home purchase loan market and 37 percent of the home refinance loan market. Based on 2000 peer small business data, HB Hinsdale had a market share of 0.25 percent and ranked 38<sup>th</sup> of 320 lenders making small loans to businesses. The top two lenders making small loans to businesses were non-bank credit card lenders that captured 40 percent of the market.

## **Distribution of Loans by Income Level of the Geography**

There were no low- or moderate-income geographies in the bank's AA. Therefore, an analysis of the geographic distribution of loans would not be meaningful. Geographic distribution of loans was not taken into consideration in evaluating the bank's lending performance.

## **Lending Gap Analysis**

Maps and reports detailing HB Hinsdale's lending activity over the evaluation period for home mortgage loans, small loans to businesses, and consumer loans were reviewed to identify gaps in the geographic distribution of loans. No unexplained, conspicuous gaps were identified.

## ***Inside/Outside Ratio***

Overall, a majority of the home mortgage loans, small loans to businesses, and consumer loans originated/purchased by HB Hinsdale over the evaluation period were within its AA. Fifty-four percent of the bank's home mortgage loans, 66 percent of the small loans to businesses, and 76 percent of the consumer loans were within the bank's AA. This information included bank originations and purchases only and does not include home mortgage loans allocated from HTSB that are being considered under the other performance criteria. HB Hinsdale's lending performance in its AA was positively factored in to the overall analysis of bank's lending performance.

## **Distribution of Loans by Income Level of the Borrower**

The borrower distribution of HB Hinsdale's home mortgage loans, consumer loans, and small loans to businesses reflected a good dispersion among borrowers of different income levels throughout the bank's AA. Because the bank's market share of home mortgage loans and small loans to businesses is not significant enough to perform a meaningful analysis, we did not consider market share data in evaluating in the bank's borrower distribution of loans.

## ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home purchase loans was excellent. HB Hinsdale's 6.42 percent of home purchase loans made to low-income borrowers and 12.39 percent made to moderate-income borrowers exceeded the 6.29 percent of low-income and 11.01 percent of moderate-income families, respectively, living in the AA.

Home refinance loan borrower distribution was excellent. The bank's 6.21 percent of home refinance loans to low-income borrowers substantially met the 6.29 percent of low-income families living in the AA. HB Hinsdale's 11.03 percent of home refinance loans made to moderate-income borrowers exceeded the 11.01 percent of moderate-income families living in the AA.

Since a very limited number of home improvement loans were made during the evaluation period, a borrower distribution analysis of that product would not be meaningful.

### ***Small Loans to Businesses***

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to businesses was adequate. The 49.23 percent of HB Hinsdale's small loans to businesses with revenues of \$1 million or less was below the 82.61 percent of businesses that are defined as such. However, 2000 peer small business data show that 60 percent of small loans to small businesses in the AA have average loan amounts of \$10,000 or less and are made by credit card lenders that dominate the market with small business credit card products, with which the bank cannot compete.

### ***Consumer Loans***

Refer to Table 13 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

Consumer loan borrower distribution was adequate. The 5.83 percent of HB Hinsdale's consumer loans made to low-income borrowers was below the 9.76 percent of low-income households in the AA. This is reasonable considering that approximately 3 percent of the households living in the bank's AA are below the poverty level. The 8.13 percent made to moderate-income borrowers was below the 10.61 percent of the moderate-income households in the AA.

### **Community Development Lending**

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

HB Hinsdale extended a significant amount of community development loans during the evaluation period. Therefore, CD lending had a positive impact on the Lending Test conclusions for the AA.

During the evaluation period, HB Hinsdale originated the following loans for community development purposes:

- A non-revolving line of credit for \$1.9 million to a not-for-profit organization in Oak Brook, Illinois. The funds will be used to remodel and renovate a housing complex providing HUD subsidized housing for seniors. The housing complex provides affordable independent living opportunities to low- and moderate-income seniors. It is one of the largest federally funded senior housing developments in the country. Currently, it provides housing to 750 individuals with average age of 80+ years.
- Two interim financing loans totaling \$700 thousand to a county community housing association. The funds were used to purchase two six flat apartment buildings. The housing association provides affordable housing for DuPage County's Section 8

households and low- to moderate-income families. The rents charged to tenants are based on three criteria: individuals/families ability to pay fair market rent; Section 8 households who pay 30 percent of their income and receive a subsidy from HUD to cover the remaining portion of fair market rent; or individuals/families who pay 30 percent of their income and receive a subsidy from the association.

- A \$750 thousand construction line of credit provided to a not-for-profit corporation, which operates a skilled nursing facility in Burr Ridge, Illinois. The funds were used to rehab and upgrade affordable housing for senior citizens. Currently, all the residents in the housing facility live off of social security and retirement income and are designated as either low- or moderate-income.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated Outstanding. Based on this full-scope review, the bank's performance in its AA was excellent.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

In its investing activities, HB Hinsdale exhibited an excellent level of responsiveness to credit and community development needs. The bank's AA represented a small portion of a large metropolitan area where many investment opportunities were available to assist with needs within the various communities. However, within the bank's AA, qualifying CD investment opportunities were limited. The bank has been a leader in creating opportunities to promote affordable housing in this very affluent AA. The bank devoted its efforts in contributing to those investments that provide the most direct benefit to its AA.

The bank provided qualified investments within its AA through cash contributions, grants, and purchases of securities. Qualifying investments totaled \$6.8 million. Specific noteworthy investments included:

- The bank invested \$4 million in a \$10 million revenue bond issued through the DuPage Housing Authority (DHA) for the benefit of the Community Housing Association of DuPage (CHAD). The purpose of the bond was to refund all of CHAD's outstanding mortgage loans held by another financial institution on properties owned and operated by CHAD. Additionally, the bond was to purchase additional affordable housing stock, retire an existing \$700 thousand mortgage note held by the bank, retire an outstanding operating line of credit, and establish a property tax escrow against the properties owned by CHAD. This bond also allows CHAD to provide its own rental subsidy to low-income tenants who do not receive assistance from other sources.

CHAD is a nonprofit corporation serving low- to moderate-income residents of DuPage County. It provides affordable housing to participants in the U.S. Department of Housing and Development's (HUD) Section 8 program as well as to other qualified low-and moderate-income residents of DuPage County.

Using the DHA's bonding authority to benefit CHAD, HB Hinsdale provided substantial technical assistance and guidance to help create the first bond issue ever done by the DHA. The project was complex and took many months to underwrite. Prior to this bond, DHA was primarily a conduit for Section 8 certificates.

- The bank purchased \$250 thousand of a \$2.1 million Federal National Mortgage Association (FNMA) pool targeted for affordable housing financing for low- to moderate-income multifamily housing units. The pool was for the benefit of St. Charles Square Apartments, a 350-unit multi-family complex located in the bank's AA. Twenty percent of all the units must have rent affordable to households earning no more than 50 percent of

the area median income. Forty percent of all the units must have restricted rents affordable to households earning no more than 60 percent of the area median income.

- HTSB allocated to HB Hinsdale a 5 percent (\$207 thousand) investment in two mortgage-backed securities totaling \$4.3 million. The securities were backed by home mortgage loans originated to low- and moderate-income individuals throughout the Chicago MA. The bank's investment represents the portion of the securities with underlying mortgage loans that directly benefit HB Hinsdale's AA.

Additional donations and grants were provided to organizations with a community development focus. HB Hinsdale contributed to 36 different community development organizations, totaling \$36 thousand during the evaluation period.

Several prior period investment securities are recognized during this evaluation period. They include 14 mortgage back security pools with an outstanding balance of \$468 thousand. Also two revenue bonds (Maywood Public Library and Hinsdale Community House) are outstanding totaling \$1.8 million.

## SERVICE TEST

The bank's performance under the Service Test is rated High Satisfactory. Based on a full-scope review, the bank's performance in the AA is good.

### Retail Banking Services

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

HB Hinsdale has a good distribution of delivery systems that are accessible to geographies and individuals of different income levels in the AA. The bank has four office locations, one of which is a mobile branch office. All four locations are in upper-income geographies and offer the same deposit and loan products. There are no low- or moderate-income geographies within the bank's AA. The bank's lending activity showed that it served individuals of all income levels. As discussed in the Lending Test section, the bank had an excellent dispersion of home mortgage and an adequate dispersion of consumer loans to borrowers of different income levels, including low- and moderate-income borrowers.

Since the previous CRA evaluation, HB Hinsdale obtained the mobile branch charter. Bank employees visit two local nursing homes twice a month to provide banking services to the residents. Services include accepting deposits, cashing checks and opening accounts. One location is an affordable living center and the other is a retirement home with mostly moderate-income residents.

Although the hours of HB Hinsdale's office locations vary slightly, the differences do not negatively impact low- or moderate-income individuals. The Hinsdale location's lobby is open from 8:30 a.m. to 5:00 p.m. Monday through Wednesday, from 8:30 a.m. to 6:00 p.m. on Thursday and Friday, and from 8:30 a.m. to 1:30 p.m. on Saturday. The drive-up is open Monday through Friday from 6:30 a.m. to 7:00 p.m. and on Saturday from 7:30 a.m. to 4:00 p.m. The Burr Ridge location's lobby is open from 8:30 a.m. to 5:00 p.m. Monday through Thursday, from 8:30 a.m. to 6:00 p.m. on Friday, and from 8:30 a.m. to 1:30 p.m. on Saturday. The drive-up is open Monday through Friday from 7:30 a.m. to 7:00 p.m., and on Saturday from 8:00 a.m. to 2:00 p.m. The Darien location's lobby is open from 9:00 a.m. to 6:00 p.m. Monday through Thursday, from 9:00 a.m. to 7:00 p.m. on Friday, and from 9:00 a.m. to 1:30 p.m. on Saturday. The drive-up is open Monday through Friday from 7:30 a.m. to 7:00 p.m. and on Saturday from 8:00 a.m. to 2:00 p.m.

### Alternative Delivery Systems

HB Hinsdale offers various types of alternative delivery systems, which include automated teller machines (ATMs), telephone banking, and computer banking. The bank does not monitor the usage of these alternative delivery services by low- and moderate-income individuals; therefore, significant weight was not placed on these delivery systems when drawing our CRA performance conclusions.

HB Hinsdale operates seven ATMs, five of which take deposits. Two are located at the main location, one at each branch, one at Harris Banks' operations center, and two at local

businesses. The ATMs at the operations center and one of the local businesses are cash dispensers only. All seven ATMs facilitate bilingual (Spanish) transactions. One ATM location was closed during the evaluation period; however, there are two other ATMs, a walk-up and a drive-up within blocks of this location. Therefore, customer access was not adversely impacted by the closure. Also, there are 250 affiliated Harris Bank ATMs located throughout the Chicago MA that can be used by HB Hinsdale customers for no charge.

## Community Development Services

All of the following services benefited the bank's AA by providing services directed towards low- and moderate-income geographies or individuals.

HB Hinsdale's performance in providing CD services in its AA is good. Bank management invests numerous hours in community development programs targeted to low- and moderate-income individuals, positively impacting the Service Test conclusions. These services include providing credit counseling, first-time homebuyer seminars, financial planning, technical expertise to nonprofit or government organizations, and financial education and management skills. The following paragraphs describe the CD services HB Hinsdale provided during this evaluation period.

- HB Hinsdale conducted or participated in 15 Homeseeker seminars for first time homebuyers. Targeted to low- and moderate-income individuals, these seminars were designed to guide homebuyers through the home buying process. Information was provided to participants on how to apply for a loan, repair credit problems, and maintain the home once purchased. These seminars were conducted with seven community groups in various locations throughout the AA. In one location, the seminar was conducted in Spanish.
- A bank officer is on the advisory committee of the DuPage Housing Authority. The DuPage Housing Authority provides subsidized housing for low-income persons. The committee is responsible for providing career, resume, and financial counseling advice to these individuals.
- One bank officer helped raise funds for, while another is a member of the finance committee of, the DuPage Home Ownership Center. This Center is a not-for-profit agency that offers free homebuyer education and counseling service to enable home ownership. The Center sponsors a Homestead program, which provides special financing packages to help low-income first time homebuyers. In addition, two mortgage originators provide financial education to first time homebuyers, which included participation in the DuPage Home Ownership Center's Housing Fair. The fair offered low- and moderate-income first time homebuyers the opportunity to learn about issues related to saving for and buying a home.
- The bank's president is a member of the finance committee of the Community House. This is a not-for-profit organization that strives to enrich the lives of all people by providing recreational and counseling support, including programs targeted to "at risk " children such as Summer Camp and After School Programs. Participants in these two programs are nearly all from low- and moderate-income families. Also, over 65 percent of those using the counseling services are low- and moderate-income individuals.

- A bank officer is vice president of the board of directors, director of the strategic planning committee, and co-chair of the revenue generation committee for Public Action to Deliver Shelter (PADS) in DuPage. The PADS program provides food and shelter to homeless individuals and families.
- The bank's president is a board member and finance committee member of Bridge Communities. This is a not-for-profit agency that provides transitional housing to low-income families. It provides each family with housing, along with transportation, children's services, life skills mentoring, job readiness, and job training.
- A bank officer is a board member and helps with financial statement reviews and strategic planning for the DuPage Senior Citizens Council. This organization provides services such as home delivered meals, as well as home maintenance and repair services to senior citizens throughout DuPage County. Forty-one percent of the participants are below the poverty level.
- The bank's president is a member of the financial advisory committee of the Community Housing Association of DuPage (CHAD). CHAD's mission is to provide affordable housing for Section 8 and low- and moderate-income persons in DuPage County.
- A bank officer assists with fundraising for the Infant Welfare Society in Hinsdale, Illinois. This is a not-for-profit agency that provides medical and dental services to low-income women and their children.
- Harris participates in the Illinois Link Electronic Benefit Transfer (EBT) program introduced by the Department of Public Aid. This system allows low- and moderate-income individuals who receive public assistance to access their benefits through Cash Station ATMs. ATM access allows multiple draws of the monthly benefits.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/00 to 12/31/01 Investment and Service Tests and CD Loans: 05/22/00 to 05/20/02	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Harris Bank Hinsdale, N.A. (HB Hinsdale) Hinsdale, Illinois	Home mortgage loans, small loans to businesses, consumer loans, and community development loans.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Harris Trust and Savings Bank, Chicago, Illinois.	Bank Affiliate	Home mortgage loans and investments.
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Portions of DuPage, Cook and Will Counties in Chicago MA #1600	Full Scope	None

# Appendix B: Market Profiles for Full-Scope Areas

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### Market Profiles for Areas Receiving Full-Scope Reviews

Portions of DuPage, Cook, and Will Counties in Chicago MA ..... B-2

## Appendix B: Market Profile for Full-Scope Area

### Portions of DuPage, Cook, and Will Counties in Chicago MA

Demographic Information for Full-Scope Area: Portions of DuPage, Cook, and Will Counties in Chicago MA						
Demographic Characteristics	#	Low % of #	Modera te % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	74	0.00	0.00	27.03	72.97	0.00
Population by Geography	481,792	0.00	0.00	25.43	74.57	0.00
Owner-Occupied Housing by Geography	130,093	0.00	0.00	23.48	76.52	0.00
Businesses by Geography	26,032	0.00	0.00	23.54	76.46	0.00
Farms by Geography	425	0.00	0.00	18.82	81.18	0.00
Family Distribution by Income Level	130,096	6.29	11.01	22.29	60.41	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	22,510	0.00	0.00	37.87	62.13	0.00
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$42,758 = \$70,500 = 2.58%	Median Housing Value Unemployment Rate			=\$158,468 =1.63 %	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The bank's AA consists of a portion of the Chicago MA. It includes 74 geographies located in southern DuPage, western Cook, and northern Will Counties. There are no low- or moderate-income geographies in the AA. Twenty (27 percent) are middle-income geographies and 54 (73 percent) are upper-income. HB Hinsdale's AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income areas.

The 2001 HUD adjusted median family income for the Chicago MA is \$70,500, an increase of 65 percent from the 1990 median family income of \$42,758. The 1990 median family income of the AA is \$60,554, 42 percent higher than the 1990 Chicago MA median family income.

The 1990 Census data shows that a majority of the working population is employed in executive, administrative, managerial and professional specialty occupations, which explains the higher income and higher housing costs in the bank's AA compared to the Chicago MA as a whole.

The bank's AA is in an affluent section of the Chicago MA. It has newer housing stock, a lower percentage of rental units, and higher housing costs than the overall MA. Based on 1990 Census data, there are 182,657 total housing units in the AA. The large majority of housing is

owner occupied (71 percent). Twenty-four percent are occupied rental units. The weighted average median housing cost is \$158,468, with the average age of housing units approximately 30 years old. Overall, the cost of housing in the area is high in relation to the entire Chicago MA where median housing cost is \$123,397.

There are limited opportunities for first-time or entry-level homebuyers in the local housing market. According to a report in the *Chicago Tribune*, the average price of homes sold in the bank's AA during 1999 was \$204,253 with home values ranging from \$124,000 to \$410,000.

The bank's AA is primarily residential with retail, small business, and large corporate offices scattered throughout the area. Many of these companies gravitated to DuPage County to serve the needs of large high tech companies and corporate offices, which moved to the area over the last ten years. Eighty-three percent of the businesses in the area have gross revenues of less than \$1 million. The primary industry is services (45 percent) followed by retail trade (16 percent), and finance, insurance and real estate (10 percent).

The 1990 unemployment rate in HB Hinsdale's AA was 1.6 percent. The 2001 unemployment rate for DuPage County was 4.3 percent, which was lower than the state unemployment rate of 5.4 percent and lower than the U.S. unemployment rate of 5.8 percent. It was also lower than the Chicago MA, which was 5.4 percent. Major employers in the area are Argonne Laboratory, Jewel, University of Chicago Hospital Research, Good Samaritan Hospital, Pepperidge Farms, and Rockwell Telecommunications.

HB Hinsdale's principal business activities are highly competitive. The bank competes actively with other financial service providers offering a wide array of financial products and services. Local competitors include Advantage National Bank, Bank One, N.A., Citibank, FSB, Fifth Third Bank, First American Bank, First Midwest Bank, US Bank, N.A., Heritage Community Bank, Hinsbrook Bank and Trust, Hinsdale Bank and Trust, LaSalle Bank, N.A., MidAmerica Bank FSB, Northern Trust Corporation, and Oak Brook Bank. The bank views these financial institutions as competitors because of their lending profiles and strategic approach. However, several banks within the AA are similarly situated in terms of size, financial condition, product offerings and business strategy. These include Hinsdale Bank and Trust and Oak Brook Bank.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME													Geography: HB HINSDALE				Evaluation Period: January 01, 2000 TO December 31, 2001							
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***												
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)													
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>													100	697	175,349	390	51,796	0	0	4	3,300	1,091	230,445	100.00

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is May 22, 2000 to May 20, 2002.

\*\*\* Deposit Data as of December 31, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME													Geography: HB HINSDALE				Evaluation Period: January 1, 2000 TO December 31, 2001									
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***												
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)													
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>													100.00	842	118,661	0	0	738	103,057	45	1,051	0	0	59	14,553	100.00

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) From January 01, 2000 to December 31, 2001.

\*\*\* Deposit Data as of December 31, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: HB HINSDALE		Evaluation Period: January 01, 2000 TO December 31, 2001	
MA/Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>					
	0	0	0	0	

\*The evaluation period for Optional Product Line(s) is from January 01, 2000 to December 31, 2001.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: HB HINSDALE				Evaluation Period: January 1, 2000 TO December 31, 2001									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>															
	280	100.00	0.00	0.00	0.00	0.00	23.48	19.29	76.52	80.71	0.17	0.00	0.00	0.16	0.17

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: HB HINSDALE								Evaluation Period: January 1, 2000 TO December 31, 2001				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>															
	13	100.00	0.00	0.00	0.00	0.00	23.48	23.08	76.52	76.92	0.18	0.00	0.00	0.36	0.12

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: HB HINSDALE								Evaluation Period: January 1, 2000 TO December 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>															
	398	100.00	0.00	0.00	0.00	0.00	23.48	13.07	76.52	86.93	0.21	0.00	0.00	0.10	0.24

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: HB HINSDALE								Evaluation Period: January 1, 2000 TO December 31, 2001					
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>															
	6	100.00	0.00	0.00	0.00	0.00	37.78	16.67	62.22	83.33	3.64	0.00	0.00	5.88	2.63

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: HB HINSDALE								Evaluation Period: January 1, 2000 TO December 31, 2001					
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>															
	390	100.00	0.00	0.00	0.00	0.00	23.54	14.87	76.46	85.13	0.25	0.07	0.09	0.15	0.42

\* Based on 2000] Peer Small Business Data: US.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet 2001.

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS			Geography: HB HINSDALE				Evaluation Period: January 1, 2000 TO December 31, 2001								
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>															
	0	0.00	0.10	0.00	0.00	0.00	18.82	0.00	81.18	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2000 Peer Small Business Data: US.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet 2001.

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE			Geography: HB HINSDALE				Evaluation Period: January 1, 2000 TO December 31, 2001								
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>															
	280	100.00	6.29	6.42	11.01	12.39	22.29	18.35	60.41	62.84	0.05	0.10	0.00	0.02	0.08

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 22.14percent of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: HB HINSDALE				Evaluation Period: January 1, 2000 TO December 31, 2001									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>																
	13	100.00	6.29	0.00	11.01	18.18	22.29	27.27	60.41	54.55	0.19	0.00	0.00	0.36	0.18	

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 15.38percent of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: HB HINSDALE				Evaluation Period: January 1, 2000 TO December 31, 2001									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>																
	398	100.00	6.29	6.21	11.01	11.03	22.29	18.28	60.41	64.48	0.04	0.00	0.00	0.05	0.06	

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 27.14percent of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: HB HINSDALE		Evaluation Period: January 1, 2000 TO December 31, 2001			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>									
	390	100.00	82.61	49.23	70.77	13.85	15.38	0.25	0.27

\* Based on 2000 Peer Small Business Data: US.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 7.44percent of small loans to businesses originated and purchased by the Bank.

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS				Geography: HB HINSDALE		Evaluation Period: January 1, 2000 TO December 31, 2001			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>									
	0	0.00	88.00	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2000 Peer Small Business Data: US.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00 percent of small loans to farms originated and purchased by Bank.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Optio)**

Geographic and Borrower Distribution: CONSUMER LOANS																			Geography: HB HINSDALE				Evaluation Period: January 1, 2000 TO December 31, 2001			
MA/Assessment Area:	Geographic Distribution										Borrower Distribution															
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers									
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans								
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>																										
	842	100.00	0.00	0.00	0.00	0.00	26.60	8.43	73.40	91.57	9.76	5.83	10.61	8.13	19.02	15.90	60.61	70.15								

\* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.  
 \*\* Percentage of Households is based on the 1990 Census Information.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS										Geography: HB HINSDALE				Evaluation Period: May 22, 2000 TO May 20, 2002			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**									
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)								
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>																	
	16	2,291	39	4,493	55	6,784	100.00	0	0								

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.  
 \*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: HB HINSDALE Evaluation Period: May 22, 2000 TO May 20, 2002																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review: Portions of DuPage, Cook, and Will Counties in Chicago MA #1600</b>																	
	100.00	4	100.00	0	0	0	100.00	1	0	0	0	0	+1	0.00	0.00	25.43	74.57