



BANK
Comptroller of the Currency
Administrator of National Banks

LARGE

PUBLIC DISCLOSURE

October 26, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Old Second National Bank of Aurora
Charter #4596
37 South River Street
Aurora, IL 60507

Comptroller of the Currency
Chicago South Field Office
7600 County Line Road, Suite 3
Burr Ridge, IL 60521

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or, opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Old Second National Bank of Aurora, Aurora, Illinois as prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of October 26, 1998. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

This evaluation covers the period from January 1, 1997 to September 30, 1998. The prior CRA evaluation, dated September 26, 1996, rated this institution "Outstanding Record of Meeting Community Credit Needs."

DEFINITIONS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition. In addition, there are numbers bolded in tables throughout the document, which are specifically referred to in corresponding narrative analysis.

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

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 or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies. Community development loans specifically exclude loans, which have been reported under the Home Mortgage Disclosure Act or as small loans to businesses or farms, except for multi-family rental housing loans, which can be reported under both categories.

Metropolitan Statistical Area (MSA) - Area defined by the Director of the United States Office

of Management and Budget. MSA's consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Census Tract (CT) - Small, locally defined statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

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

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of census tracts. 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.

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

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

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

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

Small Business Loans - Loans with an original amount of \$1 million or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

Small Farm Loans - Loans with an original amount of \$500 thousand or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

