



# INTERMEDIATE SMALL BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

July 16, 2012

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bankers Trust Company, National Association  
Charter Number 14564

1201 Broadway  
Quincy, IL 62301

Office of the Comptroller of the Currency

211 Fulton Street, Suite 604  
Peoria, IL 61602

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## **INSTITUTION'S CRA RATING:**

**First Bankers Trust Company, N.A. ("FBTC") is rated Satisfactory.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

- FBTC's distribution of loans to individuals of different income levels and businesses of different sizes is reasonable.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area ("AA"), including low- and moderate-income census tracts ("CTs").
- FBTC's community development ("CD") performance demonstrates adequate responsiveness to the community development needs of its AA through community development loans, qualified investments, and community development services.
- A majority of the loans originated by FBTC are to customers from within its AA.

## **Scope of Examination**

This Performance Evaluation assesses FBTC's record of meeting the credit needs of the communities in which it operates. We evaluated FBTC under the Intermediate Small Bank performance criterion, which includes a lending test and a community development test. The lending test evaluates a bank's record of helping to meet the credit needs of its assessment area through its lending activities. The community development test evaluates a bank's community development lending, qualified investments, and community development service activities.

- The evaluation period covers loans originated or purchased from July 21, 2009, through July 16, 2012. However, we will be excluding the loans originated in 2012 from analysis for Geographic Distribution, and for Lending to Borrowers of Different Incomes and to Businesses of Different Sizes. Loans originated in 2012 must be analyzed using 2010 census data. The 2010 census data has not been released as of this examination.
- The Springfield AA will receive a limited scope review since FBTC's presence in Springfield is limited and the volume of loans and deposits is substantially less than that in the Quincy AA. The Quincy AA will receive a full-scope review.
- The lending test is based on FBTC's primary loan products. Conclusions regarding the bank's lending performance are based on commercial and residential mortgage loans originated or purchased from January 1, 2010, through June 30, 2012, utilizing 2000 census data.

- We reviewed residential related loans reported under the Home Mortgage Disclosure Act (“HMDA”) for the years 2010, 2011, and through May 31, 2012.
- We conducted Data Integrity reviews of the HMDA data by comparing information from the bank’s loan application registers to actual loan files. We found the HMDA data to be accurate and reliable for use in this examination.
- FBTC is not required to maintain CRA data on small business lending outside of the individual credit files. Thus, we reviewed a sample of 25 commercial loans from each AA originated during the lending test period to assess lending to businesses of different sizes.

## **Description of Institution**

FBTC is a \$791 million intrastate financial institution located on Interstate 172 along the Mississippi River in Adams County, West Central Illinois. The main office is located near downtown Quincy with a drive-up facility and ATM. There are branches in Carthage, Macomb, Mendon, Paloma, Rushville and Springfield, as well as one additional office in Macomb and three additional offices in Quincy. Each office is equipped with drive-up facilities. FBTC has twenty-one ATMs located throughout the AA: nine in Quincy, seven in Macomb, two in Rushville, and one each in Carthage, Mendon, and Springfield.

FBTC is a wholly-owned subsidiary of First Bankers Trustshares, Inc., a one-bank holding company. The holding company also owns First Bankers Trust Services, Inc., which provides asset management services. In addition, FBIL Statutory Trust I, II, and III are wholly-owned non-consolidated subsidiaries. The bank’s affiliates do not negatively impact the bank’s ability to meet the credit needs of the community.

Since the previous CRA evaluation, FBTC has opened two new branch offices; one in Springfield, Illinois on Wabash Avenue, and the other in Macomb, Illinois on East Jackson Street. The opening of the Springfield branch office is FBTC’s first opportunity to provide banking services to Sangamon County. Meanwhile, the opening of branch office on East Jackson Street, gives FBTC a second location in Macomb, and increases the bank’s ability to provide financial services to the community and McDonough County area. No branches have been closed since the previous evaluation.

FBTC’s strategy of providing a full range of traditional innovative banking products and services to individuals and businesses, along with introducing innovative financial products and services, to meet or exceed the needs of their customers in the communities they serve has not changed.

FBTC’s two primary lending products are commercial and residential real estate loans. These two lending categories account for 73 percent of all loan originations during the evaluation period and make up 72 percent of the outstanding loan balance as of June

30, 2012. Thus, we used these two lending products for our analysis in this evaluation. Agricultural and consumer lending are not primary loan products, accounting for 27 percent of all loan originations during the evaluation period and the remaining 28 percent of the outstanding loan balance as of June 30, 2012.

<b>Table 1 – Loan Originations by Loan Type from January 1, 2010 through June 30, 2012</b>		
<b>Loan Category</b>	<b>\$ (000)</b>	<b>Percent</b>
Commercial Loans	\$ 203,472	39%
Residential Loans	\$ 176,268	34%
Consumer Loans	\$ 70,957	14%
Agricultural Loans	\$ 66,481	13%
<b>Total Originations</b>	<b>\$ 517,178</b>	<b>100%</b>

Source: Bank Records from January 1, 2010 – June 30, 2012

As of June 30, 2012, FBTC reported \$397 million in outstanding loans and a net loans and leases to total assets ratio of 49 percent. The loan portfolio consists of:

<b>Table 2 – Loan Portfolio Summary by Loan Type June 30, 2012</b>		
<b>Loan Category</b>	<b>\$ (000)</b>	<b>Percent</b>
Commercial Loans	\$ 215,535	54%
Residential Loans	\$ 69,817	18%
Consumer Loans	\$ 57,118	14%
Agricultural Loans	\$ 54,792	14%
<b>Total Loans</b>	<b>\$ 397,262</b>	<b>100%</b>

Source: June 30, 2012 Call Report

There are no financial conditions, legal constraints, or other factors that would hinder the bank's ability in helping to meet the credit needs of the communities within its assessment area. Tier 1 capital was reported at \$60 million as June 30, 2012. The bank's previous CRA rating as of July 21, 2009, was Satisfactory.

## **Description of Assessment Areas**

FBTC's AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income areas. FBTC has two AAs: the Quincy AA, and the Springfield AA. The addition of the Springfield AA is a change from the prior evaluation, due to the opening of a branch office in Springfield. The Springfield AA is in the Springfield Metropolitan Statistical Area ("MSA"), while the Quincy AA is not located in a MSA.

**Quincy AA**

The Quincy AA covers thirty-eight CTs located in Adams County, Hancock County, McDonough County, and Schuyler County. One CT in McDonough County is designated low-income (3 percent), one other CT in McDonough County and four CTs in Adams County are designated moderate-income (13 percent), while the remaining thirty-two CTs are designated as middle- or upper-income (84 percent). The one low-income CT consists of the campus of Western Illinois University. The following is demographic information for the assessment area:

<b>Table 3 - Demographic Information for the Quincy Assessment Area</b>					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	38	3%	13%	76%	8%
Population by Geography	128,500	3%	10%	78%	9%
Owner-Occupied Housing by Geography	36,434	0%	7%	83%	10%
Businesses by Geography	11,899	0%	12%	78%	10%
Farms by Geography	1,426	0%	1%	94%	5%
Family Distribution by Income Level	32,980	18%	19%	25%	38%
Distribution of Low- and Moderate-Income Families throughout the AA	12,038	1%	15%	77%	7%
Median Family Income	\$44,379	Median Housing Value			\$ 66,949
2011 HUD Adjusted Median Family Income for Illinois non- MSA	\$56,600	Median Year Built			1956
Families Below the Poverty Level	8%	Average Monthly Gross Rent			\$ 392

Source: 2000 U.S. Census Data

**Springfield AA**

The Springfield AA covers twenty-six CTs located the Springfield MSA. These CTs primarily consist of the western and southern portions of Springfield and areas of Sangamon County. Seven CTs in the Springfield AA are designated moderate-income (27 percent), while the remaining nineteen CTs in the Springfield AA are designated as middle- or upper-income (73 percent). There are no low-income CTs in the Springfield AA. The following is demographic information for the assessment area:

<b>Table 4 - Demographic Information for the Springfield Assessment Area</b>					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	26	0%	27%	35%	38%
Population by Geography	98,372	0%	23%	35%	42%
Owner-Occupied Housing by Geography	28,956	0%	17%	35%	47%
Businesses by Geography	11,031	0%	23%	29%	48%
Farms by Geography	345	0%	14%	38%	48%
Family Distribution by Income Level	25,870	15%	17%	22%	46%
Distribution of Low- and Moderate-Income Families throughout the AA	8,340	0%	38%	36%	26%
Median Family Income	\$61,888	Median Housing Value		\$100,659	
2011 HUD Adjusted Median Family Income for the MSA	\$69,100	Median Year Built		1968	
Families Below the Poverty Level	6%	Average Monthly Gross Rent		\$ 525	

Source: 2000 U.S. Census Data

### **Economic Data**

The local economy has stabilized, but is at a lower level than prior to the recession. The Quincy AA economy is concentrated in healthcare, education, manufacturing, and agricultural industries, while the Springfield AA is heavily concentrated in the service and government sectors. The June 2012 unemployment rates for Adams County (6.7 percent), Schuyler County (7.3 percent), and Sangamon County (7.8 percent) compare favorably to the 8.2 percent national average and to the 9.3 percent state of Illinois average rate. Meanwhile, the June 2012 unemployment rates for Hancock County (8.7 percent) and McDonough (9.4 percent) are above the national average and similar to the state average. Major employers in the Quincy AA include; Western Illinois University, Blessing Hospital, Quincy Medical Group, Titan Wheel International, Knapheide Manufacturing, Wal-Mart, the local school districts, and the city and county governments. Major employers in the Springfield AA include: State of Illinois, St. John's Hospital, Memorial Medical Center, Illinois National Guard, Springfield school system, Horace Mann Insurance Company, SIU School of Medicine, and the city and county governments.

We contacted a local businessman/realtor in the Quincy AA during the examination. The contact indicated the primary credit needs in the AA are home loans, home improvement loans, business loans, and car loans. The contact felt FBTC and other

local financial institutions are meeting the credit needs of the area. The contact said the local economy remains a little below average. However, he feels Quincy and Adams County has not been hit as hard with the recession as other areas. The contact said he was not aware of many opportunities for banks to participate in Community Development projects in low- and moderate-income CTs. However, the local banks are very involved with home lending and home improvement lending programs. The contact indicated there are no credit needs or banking services not met or provided for by the local financial institutions. He said all local banks and their employees remain actively involved in the community.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

FBTC meets the standards for satisfactory performance. In making this determination, we gave more consideration to the performance of lending in the Quincy AA as a substantial majority of loan originations are from this AA.

- The distribution of loans to individuals of different income levels and businesses of different sizes is reasonable.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA, including low- and moderate-income CTs.
- A majority of the loans originated by FBTC are to customers from within its AA.
- FBTC's average loan-to-deposit ratio is reasonable given the bank's size, financial condition, and AA credit needs.

### **LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES**

The distribution of loans reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. In making this determination, we gave substantially more consideration to the lending performance in the Quincy AA as 87 percent of commercial loans and 96 percent of residential loans are originated within the Quincy AA.

#### **Commercial Loans**

The distribution of loans to businesses of different sizes reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes. In making this determination, we gave more consideration to the analysis of the Quincy AA because 87 percent of the commercial loans originated by FBTC are from within the Quincy AA.

Based on the number of commercial loan originations from our sample, 72 percent of the loans in the Quincy AA and 52 percent of the loans in the Springfield AA were to small businesses. Meanwhile 49 percent of the dollar amount in the Quincy AA and 31

percent of the dollar amount in the Springfield AA were loans originated to small businesses. The disparity between the number and the dollar amount of loans to small businesses in the sample is due to the size variation in the businesses. The average loan amount to small businesses in the Quincy AA sample was \$69 thousand and \$383 thousand in the Springfield AA, while the average loan amount to businesses with annual gross revenues greater than a million dollars was \$182 thousand in the Quincy AA and \$943 thousand in the Springfield AA. Small businesses are businesses with gross annual revenues of one million dollars or less. The demographic data shows 67 percent of the businesses in the Quincy AA and 63 percent of the businesses in the Springfield AA reporting revenue data have annual gross revenues equal to or less than one million dollars.

The following tables show the distribution of commercial loans among businesses of different sizes within the AAs:

<b>Table 5 – Borrower Distribution of Loans to Businesses of Different Sizes in the Quincy AA</b>					
Business Revenues	Number of Loans		Percent of Businesses in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	18	72%	67%	\$ 1,244	49%
>\$1,000,000	7	28%	3%	\$ 1,274	51%
Total	25	100%	70%	\$ 2,518	100%

Source: Bank records on new loans originated during 2010 through December 31, 2011; 2000 Census Data.

\*\* 30 percent of AA businesses did not report revenue data.

<b>Table 6 – Borrower Distribution of Loans to Businesses of Different Sizes in the Springfield AA</b>					
Business Revenues	Number of Loans		Percent of Businesses in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	11	52%	63%	\$ 4,217	31%
>\$1,000,000	10	48%	3%	\$ 9,430	69%
Total	21	100%	66%	\$ 13,647	100%

Source: Bank records on new loans originated during 2010 through December 31, 2011; 2000 Census Data.

\*\* 34 percent of AA businesses did not report revenue data.

### **Residential Real Estate Loans**

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels. FBTC’s lending to moderate-income borrowers is reasonable and consistent with the percentage of moderate-

income families in the Quincy AA. Although the lending to low-income borrowers is below the percentage of low-income families in the Quincy AA, this is considered reasonable, given eight percent of families in the Quincy AA are below the poverty level.

In making this determination, we weighed FBTC’s performance in the Quincy AA more heavily because 96 percent of the residential originations during the evaluation period were from the Quincy AA. FBTC’s performance in the Springfield AA was poor and well below the percentage of low- and moderate-income families.

<b>Table 7 – Borrower Distribution of Residential Real Estate Loans in the Quincy AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number
Residential	18%	9%	19%	18%	25%	20%	38%	53%

Source: HMDA records from January 1, 2010 to December 31, 2011; 2000 Census Data.

<b>Table 8 – Borrower Distribution of Residential Real Estate Loans in the Springfield AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number
Residential	15%	3%	17%	7%	22%	41%	46%	49%

Source: HMDA records from January 1, 2010 to December 31, 2011; 2000 Census Data.

**GEOGRAPHIC DISTRIBUTION OF LOANS**

The geographic distribution of loans reflects reasonable dispersion throughout the Quincy AA and the Springfield AA.

**Commercial Loans**

FBTC’s geographic distribution of commercial lending reflects a reasonable dispersion in CTs of different income levels, including moderate-income CTs. Based on the population of commercial loans originated during the evaluation period, the percentage of commercial loans originated in the moderate-income CTs is reasonable and above the level of commercial businesses located in the Quincy AA. Meanwhile, the percentage of commercial loans originated in moderate-income CTs is excellent and well above the level of commercial businesses located in the Springfield AA.

<b>Table 9 – Geographic Distribution of Loans to Businesses in the Quincy AA</b>								
CT Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number	% of AA Businesses	% of Number	% of AA Businesses	% of Number	% of AA Businesses	% of Number
Commercial	0%	0%	12%	17%	78%	65%	10%	18%

Source: Bank records on new loans originated during 2010 through December 31, 2011; 2000 Census Data.

<b>Table 10 – Geographic Distribution of Loans to Businesses in the Springfield AA</b>								
CT Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number	% of AA Businesses	% of Number	% of AA Businesses	% of Number	% of AA Businesses	% of Number
Commercial	0%	0%	23%	33%	29%	27%	48%	40%

Source: Bank records on new loans originated during 2010 through December 31, 2011; 2000 Census Data.

**Residential Real Estate Loans**

FBTC’s geographic distribution of residential lending reflects a reasonable dispersion throughout the CTs of different income levels, including moderate-income CTs. The percentage of residential loans originated in moderate-income CTs is reasonable and consistent with the level of owner occupied housing located in the Quincy AA, while the percentage of residential loans originated in moderate-income CTs in the Springfield AA is reasonable and above the level of owner occupied housing.

<b>Table 11 – Geographic Distribution of Residential Real Estate Loans in the Quincy AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number
Residential	0%	0%	7%	6%	83%	76%	10%	18%

Source: HMDA records from January 1, 2010 to December 31, 2011; 2000 Census Data.

Table 12 – Geographic Distribution of Residential Real Estate Loans in the Springfield AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number
Residential	0%	0%	17%	24%	35%	18%	47%	58%

Source: HMDA records from January 1, 2010 to December 31, 2011; 2000 Census Data.

### LENDING IN THE ASSESSMENT AREA

A majority of the loans originated by FBTC are to customers within its AA. FBTC’s lending to customers within the AA for all loan types is satisfactory. The following table details the bank’s lending within the AA based on the number of loan originations and dollar volume during the evaluation period.

Table 13 – Loans Originated within the Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total \$(000)
	#	%	#	%		\$(000)	%	\$(000)	%	
Commercial	698	82%	149	18%	847	\$140,985	69%	\$ 62,487	31%	\$203,472
Residential	1,265	81%	289	19%	1,554	\$140,817	80%	\$ 35,451	20%	\$176,268
Totals	1,963	82%	438	18%	2,401	\$281,802	74%	\$ 97,938	26%	\$379,740

Source: HMDA records from January 1, 2010 to June 30, 2012 and bank records on new loans originated during 2010 through June 30, 2012.

### LOAN-TO-DEPOSIT RATIO

FBTC's average loan-to-deposit ratio is reasonable given the bank’s size, financial condition, and AA credit needs. FBTC's quarterly average loan-to-deposit ratio for the period July 1, 2009, to March 31, 2012, was 58 percent. The quarterly average loan-to-deposit ratio for other similarly situated financial institutions over the same time period ranged from 63 percent to 93 percent. FBTC’s average loan-to-deposit ratio is slightly lower than the other nine similarly situated banks, which range in asset size from \$230 million to \$964 million. The similarly situated banks utilized for comparison purposes are community banks located within the AA counties.

In making this determination we took into consideration that seven of the nine financial institutions are located outside of Quincy. FBTC's loan volume has continued to grow each year, but their deposit growth continues to exceed their loan growth. A primary reason deposit growth has been strong over the past two years, is due to the large amount of local media coverage of the troubled status of their primary competitor in Quincy.

## **RESPONSES TO COMPLAINTS**

FBTC has received no complaints about its performance in helping to meet the credit needs within its AA during this evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

FBTCs community development performance demonstrates adequate responsiveness to the community development needs of its AA through community development loans, qualified investments, and community development services.

### **Number and Amount of Community Development Loans**

FBTC has six qualifying loans totaling \$6.9 million originated during the evaluation period.

- FBTC originated a \$500,000 operating line of credit to Bridgeway, Inc., and a \$3,500,000 loan to Bridgeway Foundation, Inc. ("Bridgeway"). Bridgeway is a not-for-profit community agency that provides families and individuals services such as alcohol and drug abuse prevention and treatment, community support, family services, rehabilitation and residential housing. Bridgeway has four assisted living facilities in Macomb, Illinois. All individuals served in Macomb are low- or moderate-income and 90 percent are Medicaid eligible. Bridgeway Foundation is the real estate holding company, which leases the property to Bridgeway, Inc., the operating entity.
- FBTC originated a \$1,800,000 operating line of credit to Transitions of Western Illinois, ("Transitions") for operating expenses. Transitions is a not-for-profit agency, previously known as the Adams County Mental Health Center. Transitions provides community living arrangements for the mentally ill and developmentally disabled adults. Transitions receives a majority of its funding from United Way, Adams County Board, the Illinois Department of Mental Health, the Illinois Division of Developmental Disabilities, along with various other state agencies.
- FBTC originated a \$150,000 operating line of credit to the Adams County Mental Health and Retardation Association ("ACMHRA") for operating expenses. ACMHRA is a charitable, not-for-profit 501(c)(3) corporation organized in 1956. ACMHRA provides mental health, educational, and rehabilitation services to children and

adults who have an emotional adjustment problem, a serious mental illness, and/or developmental disability.

- FBTC originated a \$850,000 term loan to a customer to purchase a 48-unit apartment complex in Quincy, Illinois. The customer is rehabilitating the property by updating the roof and laundry areas. The customer was approved by the Illinois Department of Housing and Urban Development to maintain and offer units through the Section 8 subsidized rental program.
- FBTC originated a \$100,000 operating line of credit to the Cheerful Home Association (“CHA”) for working capital needs. CHA is a non-profit 501(c)(3) child day care facility serving low- and moderate-income individuals and families. CHA began in 1886 and is the oldest licensed day-care facility in the State of Illinois. CHA receives additional funding from United Way and the Department of Children and Family Services.

### **Number and Amount of Qualified Investments**

FBTC has made a total of \$32,648 in cash contributions and donations to community development organizations assisting low- and moderate-income individuals and families within the assessment area. The most notable qualifying donation was \$27,458 to the United Way.

### **Extent to Which the Bank Provides Community Development Services**

Delivery systems are reasonably accessible to individuals of different income levels. FBTC operates eleven full-service offices and twenty-one cash-dispensing ATMs in the AA. Four ATMs are located in low-income CTs, while two branch offices and four ATMs are located in moderate-income CTs. Extended hours are available at all office drive-up locations, along with one branch office in Quincy and one in Macomb offering extended lobby hours on Saturday and Sunday.

FBTC offers a satisfactory level of community development services based on the capacity of the bank, and the need and availability of opportunities in the AA.

- Illinois League of Financial Institutions Downpayment Plus Program - 33 loans - \$1,904,205.

This program offers down payment and closing cost assistance to low- and moderate-income homebuyers, funded through the Affordable Housing Program of the Federal Home Loan Bank of Chicago. Home buyers whose total annual household income is 80 percent or less than the area median income are eligible for assistance in the acquisition and acquisition/construction/rehab of an owner-occupied one or two family dwelling. The grant may be used for down payment assistance, payment of closing costs, payment of rehab costs associated with the acquisition, and/or reimbursement of home buyer counseling costs.

- USDA Guaranteed Rural Housing Loan Program – 119 loans - \$10,200,000

This federal government program is designed to assist low- and moderate-income people to purchase homes in rural areas. The USDA sets maximum income guidelines for people to qualify for the program. It assists them in obtaining conventional home loans without down payments. The program allows banks to lend up to 103.5 percent of the cost of the property, which covers closing costs.

### **Responsiveness to Community Development Needs**

FBTC's community development activities demonstrate satisfactory responsiveness to the needs and opportunities in the AA. CD opportunities are limited with several organizations providing services to low- and moderate-income families and promoting economic development. The officers and employees of FBTC are heavily involved in a large number of community service organizations.

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

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