



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

November 6, 1997

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**First National Bank and Trust Company of Kearney
Charter Number 14480**

**21 West 21st Street
Kearney, Nebraska 68847**

**Supervisory Agency: Office of the Comptroller of the Currency
Omaha South Field Office
11606 Nicholas Street, Suite 201
Omaha, Nebraska 68154-4410**

<p>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.</p>

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GLOSSARY OF TERMS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation.

Assessment Area (AA) - The geographic area which an institution selects as the community within which its regulator will assess the institution's record of CRA performance. Generally, an urban assessment area will not extend beyond the boundaries of a MSA. A rural assessment area may contain one or more neighboring counties.

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

Community Reinvestment Act (CRA) - A statute that requires federal regulators to evaluate a financial institution's lending performance in light of the credit needs in the institution's local community. (This is a generic description of the bank's requirements and not a legal explanation of the requirements contained in 12 U.S.C. 2901, as amended, and 12 C.F.R. 25, as amended.)

Home Mortgage Disclosure Act (HMDA)- A statute that requires certain mortgage lenders that do business or have banking offices in MSAs to file annual summary reports of their lending activity. The reports include such data as the race, gender, and the income of the applicant(s), the amount of loan requested and its disposition (e.g made, turned down, withdrawn). The types of loan applications reported include governmentally-guaranteed home purchase and home improvement loans, conventional home purchase loans, home improvement loans, refinancing of home purchase and home improvement loans and loans for the purchase of multi-family (5 or more units) dwellings. (*This is a generic description of the bank's requirements and not a legal explanation of the requirements contained in 12 U.S.C. 2801, as amended, and 12 C.F.R. 203, as amended.*)

Income Levels - These relate to individuals, families or the BNAs or CTs in a bank's assessment area.

Low = An income level that is less than 50 percent of the median income.

Moderate = An income level that is at least 50 percent and less than 80 percent of the median income.

LMI = An income level that is less than 80 percent of the median income.

Middle = An income level that is at least 80 percent and less than 120 percent of the median income.

Upper = An income level that is 120 percent or more of the median income.

Median Family Income - The median family income for a specific MSA as determined by the United States Census Bureau. The Department of Housing and Urban Development updates this figure annually using an estimated inflation factor.

First National Bank and Trust Company, Kearney, Nebraska= FNB.

Metropolitan Statistical Area (MSA) - An area containing a city with a population of at least 50 thousand or an urbanized area with a population of at least 50 thousand and a total metropolitan population of at least 100 thousand. Generally, MSAs consist of one or more whole counties that have a high degree of interaction.

Small Business or Small Farm - A business or farm that has \$1 million or less in gross annual revenues.

Small Loan to a Business or Farm - A loan of \$1 million or less to a business of any size or a loan of \$500 thousand or less to a farm of any size.

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 CRA performance of **First National Bank and Trust Company, Kearney, Nebraska (FNB)** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **November 6, 1997**. 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 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 C.F.R. Part 25.

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

We rated **FNB** "Satisfactory" because:

- The distribution of lending among borrowers of different income levels and businesses of different revenue levels shows good penetration in view of the area's demographic makeup.
- FNB's lending levels reflect good responsiveness to the area's credit needs.
- FNB has originated a substantial majority of its loans within its assessment area.
- FNB has an adequate level of qualified investments given the limited opportunities available in its assessment area.
- FNB's branches and delivery systems are accessible to customers in its assessment area.
- FNB provides a relatively high level of community development services.

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

Performance Levels	First National Bank and Trust Company Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs To Improve			
Substantial Noncompliance			

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

This evaluation covers the bank’s CRA performance from August 18, 1994, the date of the last CRA evaluation, to year-to-date 1997. This institution is subject to the small business and small farm data collection requirements under 12 C.F.R. Part 25 since it is an affiliate of a bank holding company with total assets of over \$1 billion. Our evaluation of small business and small farm lending begins with calendar year 1996 since it was the first year such data was required to be collected and reported under the revised CRA regulation. The bank elects to collect housing loan data in the Home Mortgage Disclosure Act (HMDA) loan application register (LAR) format for CRA for record keeping purposes.

DESCRIPTION OF INSTITUTION

FNB is a \$174 million full-service bank headquartered in Kearney, Nebraska. It is the second largest financial institution headquartered in Buffalo County. The bank has four locations, including its main office and three drive-in/walk-in facilities in Kearney. FNB offers deposit products and services including an overdraft credit product at all locations. Loan services are offered only at the main location. In addition to automated teller machines (ATMs) at its four staffed facilities, FNB has installed ten ATMs in seven of the assessment area’s nine Block Numbering Areas (BNAs). Refer to the Assessment Area section for a detailed description of the bank’s assessment area.

FNB has the financial capacity to assist in meeting the community’s credit needs. There are no legal or financial barriers which impede its efforts. The OCC assigned a CRA rating of “Outstanding” during the last CRA evaluation ending August 18, 1994. The bank offers a full-range of credit products including agricultural,

real estate, commercial, and consumer loan products. As of June 30, 1997, the bank's loan portfolio consisted of 37 percent commercial and commercial real estate; 31 percent consumer; 16 percent agricultural and agricultural real estate; and of 16 percent 1-4 family residential loans. The bank's net loan-to-deposit ratio averaged 57 percent over the last twelve quarters based on data the bank reported in its Consolidated Reports of Condition. During this same period FNB's loan-to-deposit ratio consistently ranked seventh or eighth among the nine banks headquartered in Buffalo County. The nine banks' loan-to-deposit ratios ranged from 56 percent to 83 percent. Not reflected in FNB's loan-to-deposit ratio is the large number of 1-4 family residential real estate loans originated and sold into the secondary market. From January 1996 through August 1997 the bank originated and sold 183 residential real estate loans totaling \$14,998,000.

First Commerce Bancshares, Inc., a \$2 billion multi-bank holding company, headquartered in Lincoln, Nebraska, is controlling owner of the bank. Through common ownership, FNB is affiliated with seven other banks and a mortgage company in Nebraska.

ASSESSMENT AREA

FNB's assessment area includes all nine BNAs of Buffalo County, Nebraska. The 1990 census survey designated eight of the BNAs as middle-income with the remaining BNA being upper-income.

According to the 1990 U.S. Census, the bank's assessment area had a population of 37,447. The demographics of the families in the assessment area by income level were 14 percent low-, 16 percent moderate-, 25 percent middle- and 45 percent upper-income. In addition, 12 percent of the population was over age 65 and 14 percent of households were below poverty level. The 1990 HUD nonMSA statewide median family income for Nebraska was \$27,623. In 1997, the updated HUD nonMSA statewide median family income was \$37,100. This updated figure was used to assess the bank's lending to borrowers of different income levels in this CRA performance evaluation.

The majority of the bank's business originates in Kearney where its main office is located. Kearney, with a population of approximately 27,200, is the county seat of Buffalo County. It is located on Interstate 80, approximately 130 miles west of Lincoln, Nebraska, the state capital. Kearney's economy is diversified and unemployment is low. The economy is becoming less dependent on agriculture due to increasing manufacturing industries, a state university, and regional medical facilities. Major employers are: Eaton Corporation (auto valves), which employs 764 individuals; Baldwin Filters which employs 631; and Coleman PowerMate (electric generators) employing 543. Six other manufacturers in the assessment area utilize over 100 workers. A regional health facility, Good Samaritan Hospital, has a staff of 1,287 and the University of Nebraska at Kearney employs 1,577. Nine other institutions headquartered in Buffalo County as well as branches of three banks or savings institutions provide robust competition for loans and deposits.

Kearney is challenged by a lack of available affordable single-family and multi-unit housing, including lots for development and developers willing to construct affordable housing. The City of Kearney Consolidated 10 Year Plan, dated 1996, indicated this is the most pressing need. Four of the six community contacts interviewed

by bank regulators within the past year also indicated a need for residential loans with lower down payment requirements or more low income housing. Our contact with the administrator of the Kearney Housing Authority during this review stated that it is extremely difficulty to find and develop lots for low income housing. The 1990 U.S. Census determined owner occupied housing units were only 58% of the total. The University of Nebraska at Kearney provides campus housing for only 2,350 of the school's total student enrollment of approximately 7,200. Low cost homes are frequently purchased by investors who turn them into student rental units which decreases the availability of housing for low- and moderate-income families.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

We evaluated the bank's lending performance using the following product lines: small business loans, small farm loans, consumer loans secured by automobiles and loans secured by 1-4 family residential real estate. We reviewed small business and small farm data which the bank collected in 1996 through September 30, 1997. We analyzed the bank's small business and small farm lending considering the location, the revenues of the businesses and farms and the size of the loans. A substantial portion of FNB's loan portfolio (31%) consists of loans to consumers. FNB elects to maintain lending data on this segment of the portfolio to assist in an evaluation of the bank's lending performance. Because approximately 75% of consumer loan volume is for the purchase of and secured by new and used automobiles, we selected this type of loan product for our analysis of the consumer loan area. We also used the bank's HMDA-LAR data to evaluate 1-4 family residential lending within the assessment area and distribution of mortgage loans to borrowers of different income levels.

FNB's lending levels reflect good responsiveness to the area's credit needs. The data contained in the following tables shows the bank to be meeting the credit needs of small businesses and farms within its assessment area. A significant portion of the loan portfolio is for the purchase of vehicles and the data shows the bank having a strong record of lending to low- and moderate-income borrowers for this purpose. A substantial majority of lending is to borrowers within the assessment area in most loan categories.

DISTRIBUTION BY BORROWERS' PROFILE:

Following is a discussion of the bank's lending to borrowers of different income levels and to businesses and farms of different revenue sizes.

Distribution by Borrower Income:

FNB's distribution of loans to businesses and farms in 1996 through September 30, 1997 reflected good representation of lending to enterprises of different sizes. The revised CRA regulation assumes gross annual revenues correlate with the size of the business. Gross annual revenues of \$1 million or less are considered representative of small businesses and small farms. A significant majority of FNB's lending is to small businesses and farms as shown by the following two tables. Small business lending and small farm lending was 73% and 100% respectively for 1996. Year-to-date lending in 1997 shows similar results. This closely correlates with the demographic make up of businesses and farms as indicated by 1990 U. S. Census data.

Loans to Commercial Businesses Based on Revenue Size

Revenue Size	% of Businesses ❶	1996				1997*			
		#	%	\$000s	%	#	%	\$000s	%
≤\$1 million	72%	205	73%	8,263	65%	164	68%	5,591	52%
> \$1 million	10%	74	27%	4,375	35%	78	32%	5,097	48%
Total	18% ❷	279	100%	12,638	100%	242	100%	10,688	100%

* through September 30, 1997.

❶ This column presents the 1990 U. S. Census division of all businesses by revenues within the assessment area.

❷ % of total businesses not reporting revenue information in the 1990 Census.

Loans to Farms Based on Revenue Size

Revenue Size	% of Farms ❶	1996				1997*			
		#	%	\$000s	%	#	%	\$000s	%
≤\$1 million	94%	155	100%	8,652	100%	120	96%	7,607	91%
> \$1 million	6%	0	0%	0	0%	5	4%	755	9%
Total	6% ❷	155	100%	8,652	100%	125	100%	8,362	100%

* through September 30, 1997.

❶ This column presents the 1990 U. S. Census division of all farms by revenues within the assessment area.

❷ % of total farms not reporting revenue information in the 1990 Census.

Distribution by Revenue of Business/Farm:

A substantial majority of the bank's loans to small businesses (over 90%) and small farms (over 80%), by number, were made in amounts of \$100 thousand or less during the time period we reviewed. The CRA associates smaller dollar loans with smaller businesses and farming operations. The following table shows the distribution of the bank's lending by loan size for the time period we evaluated.

Distribution of Small Loans to Businesses and Farms by Loan Size

Loans <u>Within</u> Assessment Area Only 1996	Loans to Businesses				Loans to Farms			
	# of Loans	% of # Total	\$(000's) of Loans	% of \$ Volume	# of Loans	% of # Total	\$(000's) of Loans	% of \$ Volume
<=\$100,000	185	90%	3,717	45%	126	81%	3,382	39%
>\$100,000 and <=\$250,000	16	8%	2,144	26%	25	16%	3,650	42%
>\$250,000 & <\$1,000,000	4	2%	2,402	29%	4	3%	1,620	19%
Totals - 1996	205	100%	8,263	100%	155	100%	8,652	100%

Distribution of Small Loans to Businesses and Farms by Loan Size

Loans <u>Within</u> Assessment Area Only 1997*	Loans to Businesses				Loans to Farms			
	# of Loans	% of # Total	\$(000's) of Loans	% of \$ Volume	# of Loans	% of # Total	\$(000's) of Loans	% of \$ Volume
<=\$100,000	152	93%	3,363	60%	96	80%	2,942	39%
>\$100,000 and <=\$250,000	11	7%	1,428	26%	20	17%	2,940	39%
>\$250,000 & <\$1,000,000	1	0%	800	14%	4	3%	1,725	22%
Totals - 1997	164	100%	5,591	100%	120	100%	7,607	100%

* through September 30, 1997.

From FNB's consumer loan data we also selected every fourth automobile loan since January 1, 1996 which had income information. This resulted in a sample of 71 and 76 automobile loans from 1996 and 1997, respectively. From this we evaluated FNB's lending across income categories for this segment of the portfolio. As shown by the following table, FNB exceeds the area's demographics when lending to low- and moderate- income individuals in both number and dollars for both time periods.

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Loans to Purchase and are Secured by Automobiles (within assessment area only):

Borrower Income Level	% Families in AA	1996				YTD 1997*			
		# of Loans	% of Loans by Number	\$(000's) of Loans	% of Loans by Dollar Volume	# of Loans	% of Loans by Number	\$(000's) of Loans	% of Loans by Dollar Volume
Low	15%	17	24%	127	18%	20	26%	140	20%
Moderate	16%	18	25%	144	20%	20	26%	183	26%
Middle	25%	24	34%	286	40%	22	29%	230	32%
Upper	44%	12	17%	163	22%	14	19%	161	22%
Total	100%	71	100%	720	100%	76	100%	714	100%

* Through September 24, 1997

The distribution of loans to borrowers of different income levels reflects good penetration in view of the income levels of the families in the assessment area. The following table, based on the HMDA-LAR 1-4 family residential loans, shows the distribution of the bank's lending to borrowers of different income levels for loans secured by 1-4 family residential properties. As a comparison, the table shows the percentage of families at each income level within the bank's assessment area based on 1990 U.S. Census Data. High housing costs offer some explanation for the disparity between the percentage of families who are designated low-income and the percentage of the bank's lending to borrowers at the low-income level. Since the low-income level tops at \$18,549, it is difficult for borrowers at this income or below to qualify for loans to buy even the smallest houses in Kearney. The average current market price for older two bedroom houses is \$67,000. Though there is no data available on the percentage of families at poverty, 14 percent of all "households" in Buffalo County were at or below poverty income level according to the 1990 U.S. Census Data.

Loans Secured by 1-4 Family Residential Real Estate (within assessment area only):

Borrower Income Level	% Families in AA	1996				YTD 1997*			
		# of Loans	% of Loans by Number	\$(000's) of Loans	% of Loans by Dollar Volume	# of Loans	% of Loans by Number	\$(000's) of Loans	% of Loans by Dollar Volume
Low	15%	4	2%	159	1%	1	1%	2	0%
Moderate	16%	21	10%	839	6%	14	15%	564	9%
Middle	25%	71	36%	4,014	30%	21	23%	916	15%
Upper	44%	104	52%	8,477	63%	56	61%	4,727	76%
Total	100%	200	100%	13,489	100%	92	100%	6,209	100%

* Through July 31, 1997

Community Development Lending:

FNB funded a reasonable level of community development loans given the limited opportunity for this type of lending. Community development loans must meet the definition in the revised CRA regulation which states that such loans must have community development as their **primary** purpose. Community development loans specifically exclude loans which have been reported as HMDA or small business loans, except for multi-family rental housing loans which can be reported under both categories.

During the evaluation period, FNB made four qualified community development loans in its assessment area totaling \$180,800. Following are the details of the community development loans the bank made in the Buffalo County Assessment Area.

- \$123,800 to provide 15 year financing which assisted in the overall funding package to construct eight duplexes for low-income or elderly individuals.
- \$25,000 to Residential Assistance to Families in Transition (RAFT) a local organization that provides financing for people who are in financial distress and/or seeking protection from an abusive relationship.
- \$32, 000 (two loans total) to two borrowers who used the funds to renovate older retail store spaces within a 20-block downtown Kearney redevelopment area. FNB originated these loans and participated \$16,000 to the City of Kearney under an Urban Development Authority grant from HUD.

Flexible Loan Programs:

FNB makes use of flexible lending programs to serve its assessment area’s credit needs. The bank uses Veterans Administration and Federal Housing Authority guarantees to provide flexible terms to home buyers. FNB also uses Farm Services Agency and Small Business Administration (SBA) programs to assist borrowers in obtaining financing with lower interest rates and through guaranteed loan programs. The following table summarizes FNB’s use of these Federal Agencies in its lending program.

Federal Agency	1996		1997*	
	# of Loans	\$(000)s of Loans	# of Loans	\$(000)s of Loans
Veterans Administration / Federal Housing Authority	12	\$964	6	\$401
Farm Services Agency	11	\$1,958	11	\$2068
Small Business Administration	4	\$377	3	\$755
Totals:	27	\$3,299	20	\$3,224

*Through July 31, 1997

The bank arranged for a flexible funding package for a new small business which takes advantage of the Certified Development Company (NedCo) SBA 504 program. The new business will require approximately \$590M of long term financing, which refinances an existing construction loan at FNB. This SBA 504 Program loan requires the hiring of approximately 20 new employees in the new business as a condition for the favorable financing terms allowed by the program.

The bank provides flexible micro-loan products by coordinating with an area community development agency, Mid Nebraska Community Services. Mid Nebraska Community Services uses grant money to provide capital to entrepreneurs wanting to start up small commercial businesses. These entrepreneurs then obtain start-up loans from the bank.

GEOGRAPHIC DISTRIBUTION:

Distribution by Income Levels of BNAs:

Analysis of the bank's lending by the income levels of BNAs is not meaningful since eight of the nine BNAs within the bank's assessment area are designated middle-income with the remaining BNA being upper-income.

Lending within the Assessment Area:

The bank makes a substantial majority of its small business loans, 91 percent, within its assessment area. While small farm loans show a smaller majority within the assessment area, almost all of those outside are in counties immediately adjacent to Buffalo County. The following tables show the volume, by number and dollars, of small business loans, small farm loans and loans secured by 1-4 family residential real estate that FNB made during 1996 and part of 1997.

Product Type		1996		YTD 1997*		Total		% of Total	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
Small Business	In	205	8,263	164	5,591	369	13,854	91%	85%
	Out	14	464	24	2,005	38	2,469	9%	15%
Total Small Business		219	8,727	188	7,596	407	16,323	100%	100%
Small Farm	In	155	8,652	120	7,607	275	16,259	60%	55%
	Out	103	7,201	77	6,088	180	13,289	40%	45%
Total Small Farm		258	15,853	197	13,695	455	29,548	100%	100%

* Through September 30, 1997

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Kearney is a retail center and draws automobile buyers from a wide region throughout Nebraska. Many of these buyers reside outside FNB's assessment area. They finance their purchases at the automobile dealers who in turn sell these loan contracts to FNB. This accounts for a higher percentage of borrowers from outside assessment area for this portion of the loan portfolio.

Product Type		1996*				1997*			
		#	\$ (000's)	% of 1996 sample total #'s	% of 1996 sample total \$s	#	\$ (000's)	% of 1997 sample total #'s	% of 1997 sample total \$s
Loans for & secured by automobiles	In	212	2,103	57%	56%	245	2,279	54%	53%
	Out	157	1,636	43%	44%	212	2,017	46%	47%
Total In and Out		369	3,739	100%	100%	457	4,296	100%	100%

*Based on a sample of all loans secured by automobiles originated over eight months in 1996 and 1997. This equates to approximately 33% of all originations from January 1, 1996 through September 24, 1997.

FNB has originated a substantial 88% of 1-4 family residential real estate loans within the assessment area since January 1996.

Product Type		1996		YTD 1997*		Total		% of Total	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
1-4 Family Residential Real Estate	In	200	13,489	92	6,209	292	19,698	88%	90%
	Out	21	1,115	19	1,193	40	2,308	12%	10%
Total In and Out		221	14,604	111	7,402	332	22,006	100%	100%

* Data is based on all loans which the bank elects to report in a HMDA-LAR report format which the bank originated between January 1, 1996 and July 31, 1997.

INVESTMENT TEST

FNB has made an adequate level of qualified community development investments and grants which benefit the Buffalo County Assessment Area. The bank has provided qualified investments and grants totaling \$386,000 during the assessment period. These investments and donations provided financial support for affordable housing initiatives, provided assistance to agencies and organizations which provide community services to low- and moderate-income families, and assisted in furthering economic development and revitalization.

- \$246,000 to purchase tax credits in a low-income rental housing project.
- \$130,710 remaining investment in municipal bonds which provided funds for expansion of the Buffalo County Courthouse to establish an office for public assistance. The original issue in June 1990 was wholly purchased by the bank for \$350,000.
- \$9,600 in donations or grants over the past two years to qualified community development organizations whose purpose is to promote health, educational, emergency shelter, alcohol and drug rehabilitation or other “safety net” services to low- and moderate-income individuals and households within the assessment area.

SERVICE TEST

Retail Banking Services:

FNB’s branches and services are reasonably accessible to its customers. All of FNB’s locations provide deposit services. The main office provides all lending services and offers after-hours appointments to customers who cannot conduct banking business during regular banking hours. Agricultural loan officers use a portable computer when evaluating cash flow projections for farmers who cannot leave their operations. Three drive-in facilities have extended weekday hours and all have Automated-Teller Machines (ATM). The drive-ins offer Saturday hours. In September 1995, the bank implemented 24 hour telephone banking services which allow customers access to select financial services including personal account and loan information, funds transfer, and rate information. In June 1997 the bank added bill paying to this call-in service. Also, in June 1997, FNB implemented home banking via a personal computer for transfers between accounts and bill paying. There have been no branch closings during this evaluation period.

Community Development Services:

FNB provides a relatively high level of community development services. The primary purpose of these services must relate to the provision of financial services.

The bank's community development service activities include:

- Seven bank officers or directors serve as directors on several area economic development organizations including the Buffalo County Economic Development Council, Kearney Area Chamber of Commerce, Kearney Community Redevelopment Authority, Kearney Downtown Improvement Council, Nebraska Economic Development Council and Nebraska Diplomats. All of these organizations assist in the development of jobs by providing or facilitating financial services to expanding small businesses or farms. One of these officers is also the treasurer of the local hospital and provides financial expertise to its Bad Debt Committee which develops relief plans for low- and moderate-income patients who are in financial difficulty due to medical expenses.
- Several bank staff members provide educational services to Kearney area students. A senior bank officer teaches an eleven-week course each semester at Kearney Senior High School. The training includes small business management through changing economic cycles, personal money management, the loan application process, and good credit preservation. Another staff member administers simulated checkbook management exercises. Other bank employees provide training in family budgeting to the parents of grade school students whose school is located in an area with several low- and moderate-income households.
- A bank officer serves on a task force of the Kearney Area AG Producers Association whose purpose is to find ways to add value to area farmers grain production. The task force has facilitated premium pricing of grain through a program of matching grain buyers who desire an extra high quality product with the area's small farmers.
- A senior bank official serves as the campaign director for the United Way of the Kearney Area. Almost all of the United Way agencies are designed to serve the needs of low- and moderate-income individuals and households.
- Two bank officers serve as curriculum advisors to the Nebraska Department of Education and Kearney Public Schools regarding practical courses for noncollege bound students.
- FNB offers free checking with a required minimum opening deposit of \$100 and free government check cashing for customers and noncustomers. These services benefit low- and moderate-income individuals and families.

FAIR LENDING REVIEW

We found no violations of the substantive provisions of anti-discrimination laws and regulations.

ADDITIONAL INFORMATION

The Office of the Comptroller of the Currency (OCC) is the regulatory agency responsible for supervision. If you have questions, concerns, or issues, contact the agency at the address below.

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