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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

March 20, 1998

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The First National Bank of Blanchardville  
Charter Number 11114**

**319 S. Main Street  
Blanchardville, Wisconsin 53516**

**Office of the Comptroller of the Currency  
85 West Algonquin Road, Suite 340  
Arlington Heights, IL 60005**

**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.**

## 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 **The First National Bank of Blanchardville (FNB)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of March 20, 1998. 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.*

This Evaluation covers the period since August 11, 1995, the date of the last CRA examination when the bank was rated "Outstanding Record of Meeting Community Credit Needs".

**INSTITUTION'S CRA RATING:** This institution is rated: Outstanding Record of Meeting Community Credit Needs.

FNB originates a substantial portion of loans to individuals of low- and moderate-income. FNB has a good loan-to-deposit ratio and the majority of loans are made to borrowers within their assessment area. FNB originates a majority of loans to small businesses within their assessment area.

## **DESCRIPTION OF INSTITUTION**

The First National Bank of Blanchardville is a subsidiary of Blanchardville Financial Services, Inc. (BFS), a one bank holding company. FNB has a single location in Blanchardville, Wisconsin. Competition within the area includes branches of Amcore and Norwest banks along with various locally owned community banks. There are no legal or financial impediments which impact FNB's ability to meet the credit needs of the community.

As of December 31, 1997, FNB had \$13.5 million in outstanding loans. The loan portfolio included: \$5 million in agriculture loans (37%); \$4.1 million in residential real estate loans (30%); \$2.8 million in commercial loans (20%); and, \$1.7 million in consumer loans (13%).

## **DESCRIPTION OF ASSESSMENT AREA**

FNB's assessment area (AA) includes portions of Iowa and Lafayette counties. This includes 3 Block Numbering Areas (BNAs). The AA represents the area where FNB originates the majority of their loans and receives a majority of their deposits. The total population of the AA is 9,732 and includes 2,606 families based on 1990 census data. The 1997 non-MSA statewide median family income for Wisconsin was \$39,600. The three BNAs in FNB AA are defined "middle-income". The AA contains: 471 (18%) low-income families; 527 (20%) moderate-income families; 708 (27%) middle-income families; and, 900 (35%) upper-income families.

The local economy is good. The December 31, 1997, unemployment rate ranged from 3% to 5% which was above the State of Wisconsin's unemployment rate of 3%. The vast majority of businesses in the AA are small businesses. Approximately 97% of businesses have less than 50 employees. Three percent of the businesses have 50 to 499 employees and less than 1% have 500 or more employees. The local economy is dependent on agriculture, manufacturing, and retail trade. The largest employers in the area include: the Pecotonica School District, Blanchardville Co-op and the Village of Blanchardville. Lands End, located in nearby Dodgeville, also provides significant employment opportunities.

Local housing is 66% owner-occupied units, 27% rental occupied units, and 8% vacant housing units. The median home value is \$43,575.

FNB's primary competitors consist of surrounding national and state-chartered financial institutions, savings and loans, and credit unions. Discussions with a local community leader during this examination identified small business, agriculture and consumer loans as the community's most pressing credit needs.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

**Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

The table below reflects the residential mortgage and consumer loans originated in 1996 and 1997. The level of residential mortgage and consumer installment loans to low- and moderate-income individuals is good. The table illustrates that 55% of the number and 32% of the dollar amount of loans were made to low- and moderate-income individuals. This compares very favorable to the 38% of low- and -moderate income families within the AA.

Residential Mortgage and Consumer Loans Originated in 1996 and 1997 by Borrower Income								
Borrower Characteristics by Income	# of Loans	Percent of Total		\$ (000) of Loans	Percent of Total		Percent of Families by Income	
Low-Income	10	23%	55%	\$120	12%	32%	18%	38%
Moderate-Income	14	32%		\$198	20%		20%	
Middle-Income	8	19%		\$311	32%		27%	
Upper-Income	11	26%		\$350	36%		35%	
Total	43	100%		\$979	100%		100%	

FNB’s business and agriculture loans are all to small businesses and small farms. A small business is defined as one with annual revenues of less than \$1,000,000. A small farm is defined as one with annual revenues of less than \$500,000. During our examination, we reviewed a sample of 31 commercial and agricultural loans originated in 1996 and 1997. Our sample revealed that 80% of the loans were made in the AA.

**Loan to Deposit Ratio**

FNB’s loan-to-deposit ratio is good. On December 31, 1997, the loan-to-deposit ratio was 92%. This is well above the average of other financial institutions (75%) located in the AA. FNB’s loan-to-deposit ratio averaged 88% since the last CRA examination.

### **Lending in Assessment Area**

FNB's lending within the AA is reasonable. Approximately 81% of residential mortgage and consumer installment loans originated by FNB were within their AA. Eighty percent of loans to small business and farms were within their AA.

### **Geographic Distribution of Loans**

All 3 BNAs in the AA are middle-income areas. An assessment of geographic distribution is, therefore, not meaningful.

### **Compliance with Fair Lending Laws and Regulations**

We also conducted a fair lending examination using consumer installment loans originated in 1997. There was no evidence of illegal discrimination or disparate treatment.