



Comptroller of the Currency
Administrator of National Banks

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Community Reinvestment Act Performance Evaluation

**FirstBank North, N.A.
Charter Number: 20903**

**8800 Wadsworth Boulevard
Westminster, Colorado 80020**

**Office of the Comptroller of the Currency
Denver Field Office
1099 18th Street, Suite 2650
Denver, Colorado 80202-1926**

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 CRA performance of **FirstBank North, N.A.**, prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **December 17, 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 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.

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.

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 safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Metropolitan Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs 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 10-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, and the income of applicants, the amount of loan requested, and its disposition (e.g., approved, denied, withdrawn).

Median Family Income (MFI) - The median income determined by the United States Census Bureau every 10 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 - Income levels that are less than 50% of the MFI.

Moderate Income - Income levels that are at least 50% and less than 80% of the MFI.

Middle Income - Income levels that are at least 80% and less than 120% of the MFI.

Upper Income - Income levels that are 120% or more of the MFI.

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 \$500,000 or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

CRA Rating

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

The major factors which support this rating include:

- ▶ An adequate responsiveness to the credit needs of FirstBank North, N.A.’s assessment area.
- ▶ A good distribution of loans to borrowers of all income levels and businesses of all sizes; but weak geographic distribution of loans in moderate-income census tracts.
- ▶ A high level of community development investments and grants made during the review period, which totaled \$913,000.
- ▶ A reasonable accessibility of services through branch/ATM locations.
- ▶ A relatively high level (341 hours) of community development services.

The following table indicates the performance level of **FirstBank North, N.A.**, with respect to the lending, investment, and service tests:

Performance Levels	FirstBank North, N.A. 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.

Description of Institution

FirstBank North, N.A. (FBN), is headquartered in Westminster, Colorado. FBN operates 6 branches, 11 full-service ATMs, and 6 limited-service ATMs in the assessment area. Four of the branches are located in King Soopers grocery stores. The bank reported total assets of \$117 million, net income of \$792,000, and 74 full-time equivalent employees as of June 30, 1997.

FBN offers a full range of commercial, real estate, and consumer loan products. The bank is primarily a consumer real estate lender. A review of the June 30, 1997, Call Report indicates residential real estate loans represent 81% of the total loan portfolio. Other types of consumer loans represent 9%; small business loans represent less than 2%.

LOAN PORTFOLIO COMPOSITION		
June 30, 1997		
Loan Type	\$ Amount (000's)	Percentage of Total Loans
Consumer	\$ 4,995	9%
Residential Real Estate	\$ 44,545	81%
Commercial	\$ 989	2%
Commercial Real Estate	\$ 4,154	8%
Other	\$ 61	0%
Total Loans	\$ 54,744	100%

FBN is a wholly owned subsidiary of FirstBank Holding Company of Colorado (FHCC). FHCC is a multibank holding company located in Lakewood, Colorado. It is the largest, locally owned banking organization in the state. FHCC operates 23 banking offices and 52 branches in Colorado and FirstBank, N.A., located in Palm Desert, California. FHCC reported total assets of \$2.9 billion and consolidated net income of \$25.1 million as of June 30, 1997.

FBN's performance was last evaluated as of May 26, 1994. The bank's rating was "Outstanding Record of Meeting Community Credit Needs."

Description of Assessment Area

FBN's assessment area consists of 64 contiguous census tracts located in the Denver Consolidated Metropolitan Statistical Area (CMSA). The assessment area includes the cities of Arvada, Broomfield, Federal Heights, Lafayette, Louisville, Northglenn, Thornton, and Westminster. As noted in the following table, there are no low-income census tracts within the bank's assessment area. Unless otherwise noted, the table contains information from the 1990 U.S. Census.

ASSESSMENT AREA PROFILE - FIRSTBANK NORTH, N.A.						
PMSAs #2080 (Denver) and #1125 (Boulder)						
Demographic Characteristics	#	\$	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population (#)	313,313		16%	20%	29%	35%
Median Income (\$) - 1997 HUD est.		\$54,900 (D) \$61,200 (B)				
Census Tracts	64		0%	25%	59%	16%
Unemployment Rate - Dec. 31, 1996	3.8%					
Owner Occupied Housing (#)	79,048		0%	18%	66%	16%
Median Housing Value (\$)		\$89,581 (D) \$113,210 (B)				
Small Businesses	9,595		0%	19%	70%	11%

(D) Denver Primary Metropolitan Statistical Area (PMSA).

(B) Boulder PMSA.

According to the 1990 U.S. Census, there are 121,662 housing units in the assessment area, and 79,048, or 65%, are owner occupied. Eighteen percent of the owner-occupied units are in moderate-income census tracts. The median year built for housing is 1973. As of December 31, 1996, the median sales price of a single-family home in the Denver PMSA was \$170,000 and in the Boulder PMSA it was \$190,000. This data is based on information from the Assessors' Offices of Denver and Boulder Counties.

The area's economy continues to prosper. The unemployment rate as of December 31, 1996, was 3.8% compared to 3.3% for the State of Colorado and 5.4% nationally. The 1997 Department of Housing and Urban Development (HUD) median family income is \$54,900 for the Denver PMSA and \$61,200 for the Boulder PMSA. The area's largest employers are Rocky Flats (Department of Energy, EG & G, and Wackenhut), King Soopers, Ball Aerospace, Cobe Laboratory, Interlocken, Gerry Baby, St. Anthony Hospital, North Suburban Medical Center, Front Range Community College, Storage Technology, Lucent Technologies, and the city governments of Arvada, Thornton, and Westminster.

There is significant banking competition within the bank's assessment area. There are a number of credit unions and banks that operate in the bank's assessment area, including several large interstate banking companies, such as Banc One Corporation, Commercial Federal Banks, KeyBanks, Norwest Banks, and U.S. Bank.

Community Credit Needs

We identified community credit needs through a review of recent community contacts which were done by various financial regulatory agencies. We analyzed this information in conjunction with demographic and economic data and determined there is a need for the following:

- ▶ Affordable housing loans, including 30-year fixed-rate home purchase loans, home improvement loans, and loans for rehabilitation of existing low- and moderate-income housing.
- ▶ Small business loans, including those for small business expansion.

Conclusions with Respect to Performance Tests

LENDING TEST

In assessing lending performance, we focused on FirstBank North, N.A.'s lending activity; assessment area concentration; geographic distribution of loans; borrower profile; responsiveness to credit needs of economically disadvantaged geographies, low-income persons, or small businesses; community development lending; and product flexibility. (Unless otherwise indicated, YTD 1997 means as of June 30, 1997.)

Conclusions:

The bank's lending performance within its assessment area is rated as "Low Satisfactory." This rating is based on the following:

- ▶ FBN's lending volume is adequate within the context of market conditions and competition.
- ▶ FBN's lending activity reflects adequate responsiveness to the credit needs of its assessment area.
- ▶ FBN makes a significant portion of its loans (81%) within its assessment area.
- ▶ FBN's distribution of loans reflects weak penetration in moderate-income geographies.
- ▶ FBN exhibits a good record of serving the credit needs of low- and moderate-income borrowers and very small businesses, consistent with safe and sound banking practices.

In addition to the HMDA and small business/small farm data, which large banks are required to collect and report to the regulatory agencies, FBN collected and provided data on consumer loans made in 1996 and YTD 1997. We verified the accuracy of the available data through a review of loan samples. We determined some of the consumer loan data is suitable for analyzing the bank's lending performance under the CRA. The bank does not collect income information for Cash Reserve loans which represent a significant portion of the number of consumer loans. As a result, we were unable to analyze borrower distribution for a majority of the consumer loans. Please refer to **Appendix A** for additional information on the scope of the evaluation.

Lending Activity

Lending volumes reflects an adequate responsiveness to credit needs in the bank's assessment areas. As noted in the following table, the bank originated 2,744 loans totaling \$35 million within the assessment area during 1996 and YTD 1997. This represents a significant majority of FBN's total loans originated. The following table indicates 81% of the number and 75% of the dollar volume of loans originated by the bank in 1996 and YTD 1997 are within the assessment area.

**VOLUME OF FIRSTBANK NORTH, N.A.'S
LOAN ORIGINATIONS IN 1996 and YTD 1997**

Product	Total Originations		Within All Assessment Areas			
	#	\$(000)	#	%	\$(000)	%
Motor Vehicle Loans	194	\$ 2,035	147	76%	\$ 1,528	75%
Home Equity Loans	438	\$ 7,519	383	87%	\$ 6,298	84%
Other Secured Loans	176	\$ 4,346	133	76%	\$ 2,608	60%
Other Unsecured Loans	1,846	\$ 2,411	1,469	80%	\$ 1,834	76%
Total Consumer Loans	2,654	\$ 16,311	2,132	80%	\$ 12,268	75%
Total Small Business Loans	129	\$ 8,821	81	63%	\$ 4,522	51%
Home Purchase/Refinance Loans	260	\$ 16,012	217	83%	\$ 13,213	83%
Home Improvement Loans	341	\$ 5,600	314	92%	\$ 5,100	91%
Multifamily Loans	0	\$ 0	0	0%	\$ 0	0%
Total Home Mortgage Loans	601	\$ 21,612	531	88%	\$ 18,313	85%
Total Community Development Loans	0	\$ 0	0	0%	\$ 0	0%
Grand Total Loans	3,384	\$ 46,744	2,744	81%	\$ 35,103	75%

Source: Bank-prepared Consumer and Small Business Loan Data Collection Registers and HMDA Loan Application Register.

Based on dollar volume, home mortgage loans account for the largest segment of lending at 52% of the total loans made in the assessment area. Home purchase and refinance loans account for 72% of the total dollar volume of home mortgage loans. 1996 HMDA market share data indicates FBN has an overall market share of 2% of the HMDA reportable loans in the assessment area. HMDA loan levels are consistent with the bank's presence in these markets and its business strategy and reflect adequate responsiveness to area credit needs.

Consumer loans account for 78% of the number of loans originated in the assessment area and 35% of the total dollar volume. A significant number (80%) of consumer "Other Unsecured Loans" are Cash Reserve (check credit) loans which have a low credit limit. Banks are not required to collect and report data on consumer loan activity. Therefore, no market comparison is possible. However, the overall level of the bank's consumer lending reflects adequate responsiveness to area credit needs given available data.

During 1996 and YTD 1997, the bank originated 81 small business loans in its assessment area totaling \$4.5 million. This represents 3% of the total number and 13% of the dollar volume of loans originated in 1996 and YTD 1997. Aggregate 1996 small business loan data for all banks in the assessment area indicates the bank has less than 2% of the market share. The volume of small business lending is consistent with the bank's overall business strategy and lending focus.

Based upon the bank's loan-to-deposit ratio, overall lending levels are adequate. The loan-to-deposit ratio, expressed as a percentage, was 50% as of June 30, 1997. The loan-to-deposit ratio has been declining and is significantly lower than most other similarly situated banks in FBN's assessment area. Management states one reason for the decline is due to the increase in deposits generated from the new branches without a corresponding increase in loan applications.

Geographic Distribution of Loans within the Assessment Area

The overall geographic distribution of loans reflects low penetration of moderate-income census tracts and a significantly higher penetration of middle- and upper-income tracts. There are no low-income census tracts in the bank's assessment area. FBN's penetration of moderate-income census tracts, based on the following table, is weak for all loan types, including loans subject to HMDA. The table shows only a 4% penetration of moderate-income census tracts and shows a substantial majority (96%) of HMDA loans are originated in middle- and upper-income tracts.

GEOGRAPHIC DISTRIBUTION OF 1996 LOANS ORIGINATIONS BY CENSUS TRACT INCOME LEVEL*						
Census Tract Characteristics			# Penetration % HMDA	# Penetration % Small Businesses	# Penetration % Consumer	# Penetration % Total
Income Level of Tract	% Census Tracts by Income Level**	% Small Businesses within each Income Tract Level				
Low Income	0%	0%	0%	0%	0%	0%
Moderate Income	25%	19%	4%	5%	8%	6%
Middle Income	59%	70%	80%	67%	71%	72%
Upper Income	16%	11%	16%	28%	21%	22%

* Only 1996 loan numbers were used for this table because HMDA market share data, which corresponds to and further supports mortgage loan data, is only available for 1996, not YTD 1997.

** Income was not available for 2% of the census tracts.

Market share data also confirms the weak penetration of moderate-income census tracts. Although market share indicates FBN does not have a significant portion of the market for HMDA loans, the data also indicates significantly weaker penetration of home mortgage loans in moderate-income census tracts. HMDA market share data for 1996 indicates the bank ranks 47th with a market share of 1% for home mortgage loans in assessment area moderate-income census tracts. In comparison, the bank ranks 17th, with an overall market share of 2%. In two of the moderate-income census tracts, there is limited opportunity for home mortgage loans due to the high volume of rental properties. However, for most other moderate-income census tracts there appear to be home mortgage lending opportunities.

The bank's penetration of moderate-income tracts with small business and consumer loans is better than for home mortgage loans, but still weak. Distribution of small business loans in moderate-income tracts is weak in comparison to the percentage of moderate-income tracts and

also in comparison to the opportunities for small business lending available in these tracts. The bank originated 5% of its small business loans in moderate-income tracts, while 19% of the small businesses in the assessment area are located in moderate-income tracts. The percentages also reflect weak penetration of consumer loans, well below the percentage of moderate-income tracts.

Distribution by Borrowers' Income within the Assessment Area

The table below summarizes FBN's lending activities within the assessment area by product type, income level of census tract, and income level of the borrower.

LENDING TEST: 1996 and YTD 1997 PMSA #2080 (Denver) and # 1125 (Boulder)							
Loan Type	#	\$ (000)	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
			B				
Residential - Home Purchase	34	\$ 2,980	CT	0%	6%	82%	12%
			B	15%	24%	23%	38%
Residential - Refinance	181	\$10,233	CT	0%	5%	78%	17%
			B	5%	19%	39%	37%
Residential - Home Improvement	314	\$ 5,100	CT	0%	3%	83%	14%
			B	4%	19%	39%	38%
Residential - Multifamily	0	\$ 0	CT	0%	0%	0%	0%
			B	0%	0%	0%	0%
Consumer - Motor Vehicle	147	\$ 1,528	CT	0%	10%	73%	17%
			B	19%	27%	33%	21%
Consumer - Home Equity	383	\$ 6,298	CT	0%	3%	75%	22%
			B	7%	21%	35%	37%
Consumer - Other	1,602	\$ 4,442	CT	0%	9%	72%	19%
			B*	5%	6%	6%	4%
Small Business	81	\$4,522	CT	0%	10%	75%	15%
Total Lending	2,742	\$35,103					

* Borrower income is not available for 79% of Consumer - Other loans.

CT = Census Tract.

B = Borrower.

An assessment of home mortgage lending for 1996 and YTD 1997 indicates the bank is effectively serving the home mortgage credit needs of borrowers of different incomes, including those with low and moderate incomes.

Available data indicates FBN is doing a good job of originating home purchase loans to low-income borrowers, but not as well in originating home refinance and home improvement loans to low-income borrowers. As noted above, the percentages of loan originations to low-income borrowers represent 15% for home purchase, 5% for home refinance, and 4% for home improvement. In comparison, low-income families represent 16% of total families in the assessment area. HMDA market share data for 1996 indicates the bank ranked 19th with a market share of 1.21% for all types of home mortgage loans to low-income borrowers. Overall, the bank ranked 16th with a market share of 1.71%.

Data indicates FBN made very good efforts to serve the home mortgage lending needs of moderate-income borrowers. Loans originated to moderate-income borrowers represent 24% for home purchase, 19% for home refinance, and 19% for home improvement. These percentages compare favorably to the percentage of moderate-income families in the assessment area (20%). HMDA market share data for 1996 indicates the bank ranked 19th with a market share of 1.25% for loans to moderate-income borrowers. As noted above, the bank ranked 16th with a market share of 1.71% for overall home mortgage lending to all borrowers.

Consumer loan data indicates good distribution of motor vehicle loans (19%) to low-income borrowers, but weak distribution of home equity (7%) and other types of consumer loans (5%). In comparison, low-income families represent 16% of all families in the assessment area. The data also indicates good distribution of motor vehicle (27%) and home equity loans (21%) to moderate-income borrowers, but weak distribution of other types of consumer loans (6%). In comparison, moderate-income families represent 20% of all families in the assessment area.

An analysis of small business loans by loan size indicates that FBN makes a significant number of business loans in small dollar amounts. The following table shows that 95% of the small business loans originated in the assessment area in 1996 and YTD 1997 involved loan amounts of \$250,000 or less. To the extent that loan size is an indicator of the size of the business, the bank's efforts to extend small business loans are good.

DISTRIBUTION OF SMALL BUSINESS LOAN ORIGINATIONS IN 1996 and YTD 1997 BY LOAN SIZE						
Distribution of Loans by Income Level of Census Tracts	Less than \$100,000		\$100,001-\$250,000		\$250,001-\$1,000,000	
	#	\$(000)	#	\$(000)	#	\$(000)
Low	0	0	0	0	0	0
Moderate	3	\$ 27	1	\$ 213	0	0
Middle	46	\$1,112	4	\$ 560	1	\$ 304
Upper	19	\$ 432	4	\$ 674	3	\$1,200
Total	68	\$1,571	9	\$ 1,447	4	\$1,504

Although FBN also tracks small business loans by revenue size of borrower, our sample of business loans revealed that the reported gross annual revenues for some of the businesses were incorrect. As a result, we are unable to use the data to determine what portion of the small business loans were actually to small businesses with gross annual revenues of \$1 million or less. The bank implemented procedures in 1997 which ensure the reported data is accurate. We found no errors in the bank's 1997 small business loan data.

Community Development Lending

The bank has not originated any community development loans. Although there are limited existing community development projects within the bank's assessment area, there is a need for more community development projects. Community development loans are those which meet the definition of community development lending, as contained in the CRA regulation, and are not included in the review of small business, small farm, home mortgage, or consumer loans.

Product Innovation and Flexibility

FBN uses a number of credit products with flexible underwriting guidelines in serving the home mortgage credit needs of its assessment area. However, none of these products are innovative. Three of the products help meet the home purchase and refinance needs of low- and moderate-income individuals. These are briefly described below.

Community Homebuyer Program. This program is offered through FNMA and provides home purchase and refinance loans for low- and moderate-income borrowers. It permits higher qualifying loan-to-value and debt-to-income ratios, lower down payments, and reduced closing costs. During the review period, the bank generated three loans totaling \$277,000 under this program.

Affordable Housing Program. This is an in-house program which provides home purchase and refinance loans for low-, moderate-, and middle-income borrowers. The program targets borrowers making 80% of the median income. It is more flexible than the FNMA programs. The program permits higher qualifying loan-to-value and debt-to-income ratios, lower down payments, and reduced closing costs. During the review period, the bank generated one loan under this program.

Super Affordable Housing Program. This is another in-house program which is similar to the Affordable Housing Program. However, it targets borrowers making 60% of the median family income. The program offers a fixed-rate loan with low closing costs which will not exceed \$500 plus taxes and insurance. The bank has not originated any loans under this program.

Other than Small Business Administration (SBA) loans, the bank does not offer any flexible or innovative small business loan products. The bank does not offer any flexible or innovative consumer loan products.

INVESTMENT TEST

To assess FirstBank North, N.A.'s performance under the Investment Test, we reviewed its investment and grant activity; responsiveness to credit and community development needs; and its initiatives with community development.

Conclusions:

The bank's investment performance within its assessment area is rated as "High Satisfactory." This rating is based on the following:

- ▶ FBN has a significant level of qualified community development investments and grants. The bank participated in two community development investments and provided grants to 12 organizations whose primary purpose is community development. However, these investments and grants are routinely provided by private investors and the bank did not act in a leadership position.

Qualifying investments can include but are not limited to: investments, grants, or depositor shares that have community development, as defined in the CRA regulation, as their primary purpose. The bank has not assumed a leadership role in this area but exhibits good responsiveness to community development needs when opportunities are available. The need for affordable housing is evident given the strong Colorado economy and rising real estate prices. During the review period, the bank responded to this need by investing \$900,000 in two revenue bond issues which provide affordable housing within the assessment area for low- and moderate-income individuals.

The bank also provided grants to organizations in the assessment area whose primary purpose is community development. Some of the organizations promote economic development; some provide scholarships which help defray the cost of child care for low- and moderate-income families; one provides educational opportunities for low- and moderate-income children; and one provides loans for low- and moderate-income individuals. The remaining provide health and human services for low- and moderate-income individuals. The bank's grants to all these organizations total \$13,000.

INVESTMENT TEST: Denver/Boulder Assessment Area					
Investment Type	Equity	Deposit	Grant	Total	# of Housing Units or Jobs
Affordable Housing	\$900,000			\$900,000	348*
Economic Development			\$ 2,000	\$ 2,000	
Other			\$11,000	\$ 11,000	Data not available
Total	\$ 900,000	0	\$13,000	\$913,000	348

Source: Bank-prepared records for grants and investments.

*The bank's investment will contribute to a project which will provide 348 housing units.

SERVICE TEST

In assessing FirstBank North, N.A.'s performance under the Service Test, we focused on the accessibility of its delivery systems; changes in branch locations; reasonableness of its business hours and services in meeting the needs of its assessment areas; and the level of community development services.

Conclusions:

The bank's performance under the Service Test is rated "High Satisfactory." This rating is based on the following.

- ▶ FBN's products are the same at all branches and hours of service do not vary in a way that would inconvenience certain portions of the assessment area.
- ▶ FBN opened two branches during the review period. One is located in a moderate-income census tract and the other is located in an upper-income census tract. The bank has not closed any branches.
- ▶ FBN provided a relatively high level (341 hours) of community development services.

Retail Banking Services

The bank's delivery systems are reasonably accessible to the entire population within the assessment areas. FBN has 6 branches to service 64 census tracts. The branches are distributed among census tracts of various income levels. One branch is located in a moderate-income tract, four in middle-income tracts, and one in an upper-income tract.

The bank also operates 13 proprietary ATMs which further extend accessibility to the bank's services. Nine of the ATMs are attached to the six bank branches. The other four are located in King Soopers stores. Seven of the ATMs provide deposit and withdrawal services (full-service), while six provide only withdrawal services (limited-service). The following table describes the distribution of all available branches and ATMs. As noted in the table, a high percentage of the bank's branches and ATMs are located in middle-income tracts. Although half of the limited-service ATMs are located in moderate-income tracts, they provide only cash dispensing services and, therefore, do not significantly improve access to bank services.

SERVICE TEST: Branch and ATM Distribution						
Service Type	#	Deposits \$ (million)	Low % /#	Moderate % / #	Middle % / #	Upper % / #
Branch Offices (#)	6	\$113	0%	17%	66%	17%
			0%	1	4	1
ATMs - Attached - Full Service	11		0%	9%	64%	27%
			0%	1	7	3
ATMs - Detached - Ltd Service	6		0%	50%	50%	0
			0%	3	3	0

In an effort to reach more individuals within the assessment area, the bank uses the following alternative delivery systems. However, bank management has not measured the effectiveness of the alternative delivery systems to low- and moderate-income individuals and in low- and moderate-income geographies.

- ▶ **Loan By Phone** - This system is a 24-hour service designed to allow customers to use the telephone to apply for consumer loans and mortgage loans.
- ▶ **Business PC Banking** - This system is designed to allow businesses access to electronic banking through a personal computer. Services include funds transfers, account reconciliation, and tax payment filing.
- ▶ **FirstBank Web Site** - The web site at www.1stbank.com provides customers with product information, bank locations and hours, and telephone numbers. Customers can also apply for a consumer loan.

The bank also offers a service to small business owners called the “Simplified Employee Pension Account.” This service provides a simplified way for employers to establish a retirement plan for their employees utilizing Individual Retirement Accounts.

The bank’s record of opening branches is good. FBN opened two branches during the review period. One is located in a moderate-income tract and the other is located in an upper-income tract. The decision of where to locate branches is based primarily on volume of business traffic and accessibility. The bank has not closed any branches. Bank management has a policy in place to address the impact of closing a branch to ensure that individuals will not be negatively impacted by a proposed closure of a branch.

FBN's business hours, products, and services are reasonable. The bank offers a wide array of products and services at all of its branches. There are no differences in the types of products and services offered at the various branches. Three of the bank's offices are open Monday through Friday from 9:00 a.m. to 6:00 p.m., and on Saturday from 9:00 a.m. to noon. The remaining branches, which are located in King Soopers stores, are open Monday through Friday from 10:00 a.m. to 7:00 p.m., and on Saturday from 9:00 a.m. to 2:00 p.m.

Community Development Services

The bank provided a relatively high level of community development services within the assessment areas. Since the last evaluation, bank management provided 341 hours of service to a variety of organizations which meet the requirements of a community development organization. The bank's assistance to those groups helped provide financial services to low- and moderate-income individuals or small businesses in different ways. The following are some examples:

Arvada Economic Development Association. Officers donated 60 hours to provide expertise in lending and finance to counsel new small businesses in the assessment area.

YMCA. A senior officer donated 128 hours to fund raising and providing financial expertise to this organization. The organization is a non-facility YMCA. The primary focus of the organization is to provide scholarships for employed low- and moderate-income families who need full-time and after-school child care.

Fair Lending Review

A fair lending examination was conducted in November 1996. The examination evaluated the uniform HMDA loan underwriting practices of the national bank subsidiaries of FirstBank Holding Company of Colorado. Lending policies and procedures were reviewed. And a comparative file analysis was done on a sample of 100 home improvement loans to white applicants and 12 denied applications for home improvement loans from minority applicants to test for illegal discrimination on the basis of race. No violations of the substantive provisions of the antidiscriminatory laws and regulations were identified. The holding company's compliance program requires fair lending training for appropriate bank personnel, and the company's audit department performs fair lending reviews of the subsidiary banks.

Appendix A: Scope of Examination

Time Period Reviewed		
Lending Date: January 1, 1996 - June 30, 1997 Other Performance Criteria: January 1, 1996 - December 17, 1997		
Financial Institution	Products Reviewed	
FirstBank North , N.A.	Loans: Consumer, Home Improvement, Residential Mortgage, Small Business, and Community Development. Other: Qualified Investments, Product Delivery Systems, and Community Development Services.	
Affiliate	Products Reviewed	
None.	None.	
List of Assessment Areas and Type of Examination		
Assessment Areas	Type of Exam	Deposits Attributed to Area Branches as of June 1997
		Dollars (in millions) Percent
Portions of the Denver Consolidated Metropolitan Statistical Area	On-site	\$108 100%