



Comptroller of the Currency
Administrator of National Banks

Central District Office
440 South LaSalle, Suite 2700
Chicago, Illinois 60605

PUBLIC DISCLOSURE

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

March 31, 1996

Associated Bank, N.A.
Charter Number: 1602

100 West Wisconsin Avenue
Neenah, Wisconsin 54956

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Associated Bank, N.A.** prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agent.

The evaluation represents the OCC's current assessment and rating of the institution's CRA performance based on an examination conducted as of **March 31, 1996**. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U.S.C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under 5 performance categories, as detailed in the following section of this evaluation.

ASSIGNMENT OF RATING

Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

Outstanding record of meeting community credit needs.

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Satisfactory record of meeting community credit needs.

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Needs to improve record of meeting community credit needs.

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Substantial noncompliance in meeting community credit needs.

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

ABBREVIATIONS

Associated Banc-Corp	AB-C
Associated Bank, National Association	AB
Associated Commercial Mortgage, Incorporated	ACMI
Associated Mortgage Inc.	AMI
Automated Teller Machine	ATM
Block Number Area	BNA
Board of Directors	Board
Census Tract	CT
Closing Cost Assistance Program	C-CAP
Community Reinvestment Act	CRA
Federal Home Administration	FmHA
Home Mortgage Disclosure Act	HMDA
Linked Deposit Loan Program	LiDL
Low-to-Moderate Income	LMI
Metropolitan Statistical Area	MSA
Small Business Administration	SBA
Veterans Administration	VA
Wisconsin Housing and Economic Development Authority	WHEDA

DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating:

Based on the findings presented below, this institution is rated:
Outstanding Record of Meeting Community Credit Needs.

Community Delineation and Profile:

Associated Bank, N.A.(AB) has established a delineated community which encompasses a portion of the Appleton/Oshkosh/Neenah MSA. The entire Appleton/Oshkosh/Neenah MSA includes the 84 census tracts of Calumet, Outagamie and Winnebago Counties. AB's delineated community includes 69 census tracts in an area contiguous to its offices. The majority of Winnebago County, a portion of South Central Outagamie County and the Northwest corner of Calumet County are included in AB's delineated community. Boundaries follow census tracts and do not exclude low or moderate income areas. Based on 1990 Census Data, the population of AB's delineated community totals 260,000.

The delineated community has 69 census tracts (CT). There is one low-income CT in the community, with income levels between 0% and 49% of the median family income of the area. A total of eight CTs are moderate-income, with income levels between 50% and 79% of the median family income for the area; 54 CTs are middle-income, with income levels between 80% and 119% of the median family income for the area; and 6 CTs are upper-income, with income levels of 120% or more of the median family income for the area. The 1990 Census median family income level for the Appleton/Oshkosh/Neenah MSA is \$37,202. AB's delineated community has 101,000 housing units. A total of 66,000 (65%) of the housing units are owner-occupied, with 860 (0.1%) of these units located in low-income CT's, and 9,190 (6%) of these units located in moderate-income areas. The median housing value for the area is \$58,500.

The Appleton/Oshkosh/Neenah MSA serves as a center for commercial activity in the Fox River Valley area, one of the fastest growing communities in the state of Wisconsin. The community workforce includes the paper industry, manufacturing, industrial companies and other diversified service industries. The largest employers for the area are Kimberly-Clark Corporation, Appleton Papers, Plexus Corporation, Miller Electric Manufacturing CO., Novus Health Group, Wisconsin Tissue and the Aid Association for Lutherans. Competition between financial institutions is strong. In 1994, approximately 149 financial institutions originated mortgage loans within AB's delineated community. As of December 31, 1994, the unemployment rate for the Appleton area was stable at 3.2%. The rate is equal to the state unemployment rate of 3.2%.

Bank Profile:

AB is wholly owned by Associated Banc-Corp (AB-C), a \$4 billion multi-bank holding company as of year-end 1995. Associated Commercial Mortgage, Incorporated (ACMI), and Associated Mortgage Incorporated (AMI) are other subsidiaries of AB-C that are operating in AB's delineated community.

AB's loan portfolio continues to grow in size and is diverse in nature. AB had total assets of \$460 million as of March 31, 1996. The bank had \$343 million in outstanding loans, and a loan-to-deposit ratio of 87%. AB's loan portfolio consists of residential real estate loans (36%); commercial real estate loans (22%); commercial loans (26%); and consumer loans (16%). In addition, the bank has outstanding loan commitments of \$84 million, or 18% of total assets. As of March 31, 1996, AB had earnings of \$1.4 million, or a return-on-assets of 1.3%.

AB has seven full-service locations and one trust services only location in the delineated community. The bank has 10 full-service and four cash dispensing proprietary automated teller machines (ATM's) located within the delineated community. One cash dispensing ATM is located in a moderate-income census track. All other ATM and branch locations are located in middle- or upper-income census tracks. Office hours are tailored to meet the needs of the public served. AB also has a 24-hour D.A.T.A. Line with deposit account information services.

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Assessment Factor A - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

- **AB takes a proactive approach in assessing community credit needs through continuous contact with community members.**

AB's Board of Directors (Board) and management are actively involved in meeting with local, state, and federal government officials, community development associations, economic development associations, housing authorities, small business associations, non-profit organizations, public utilities, and other individuals. AB also solicited comments through the use of call programs, customer surveys and a CRA brochure which is available in office lobbies. AB's community involvement assisted bank management in identifying the following community credit needs: real estate loans, personal consumer loans, small business loans, and commercial loans.

The Board and senior management address community credit needs through product development and innovative lending guidelines. Products and services are reviewed on an ongoing basis. AB offers an assortment of products. The following is a partial list of the products offered: Wisconsin Housing and Economic Development Authority (WHEDA) and State Veterans Administration (VA) purchase money mortgages; Closing Cost Assistance Program (C-CAP) purchase money mortgages for low income individuals; Small Business Administration Guaranty Program; and others. AB uses flexible underwriting standards in extending mortgages that do not meet secondary market guidelines.

Assessment Factor C - The extent of participation by the institution's Board of Directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

- **The Board is actively involved in the oversight of AB's Community Reinvestment Act (CRA) program.**

AB's Board is involved in the bank's CRA activities by reviewing and approving CRA policies, delineated community, strategic plan, the CRA Public Notice and the CRA Statement annually. The Board also approved a Branch Activities Policy. The bank has expanded the CRA Statement to include a Summary of CRA File Performance which details the bank's efforts in ascertaining, marketing, originating loans, and analyzing the distribution of those loans.

The Board has also established a CRA Committee which meets on a

periodic basis. The committee is comprised of CRA officer and senior management including representatives from the lending, deposit, and marketing functions of the bank. CRA committee minutes are reviewed by the Board. AB did not identify any significant areas for improvement in the 1995 CRA Self-Assessment.

The Board and senior management actively support CRA training of all personnel. All new employees receive CRA training during employee orientation. Bank employees receive additional training on CRA on an on-going basis. The Board receives CRA training on a periodic basis.

II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

Assessment Factor B - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

- **AB's marketing program is designed to reach all segments of its community.**

AB uses a variety of media to inform the community of its credit services, including: newspapers, radio, television, billboards, brochures, lobby posters, and statement stuffers. Local print media also includes publications that are free to the public. As a result of AB's significant loan growth, a lot of the advertising for 1996 has focused on deposits. The advertising program is monitored for compliance with laws and regulations by AB's CRA/Compliance officer and AB-C's compliance staff.

Assessment Factor I - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community.

- **AB and AMI address a significant portion of the community's identified credit needs.**

As of March 31, 1996, AB's loan-to-deposit ratio was 87%. For the most recent available comparison data, December 31, 1995, the loan-to-deposit ratio was 90%, compared to a national peer ratio of 72%, and a custom peer average of 78%. Custom peer data is comprised of all banks located in the bank's delineated community. The custom peer bank loan-to-deposit ratios range from 58% to 106%. AB's ratio also does not include the volume of residential mortgage loans originated by Associated Mortgage, Incorporated (AMI) in the delineated community, which totaled over \$8 million in 1995.

AB's loan growth since the last evaluation has significantly

exceeded its national and custom peer group. AB's net loans and leases increased 47% and 19% in 1994 and 1995, respectively compared to custom peer's increases of 14% and 10% in 1994 and 1995, respectively. AB purchased an institution in 1994 which increased the loan portfolio by \$60 million and originations increased loans by an additional \$31 million. All \$54 million of AB's loan growth in 1995 can to be attributed to increased originations. Based on the June 30, 1995 Call Reports AB is the second largest commercial lender based on number and dollar volume in its assessment area.

Small Business and Small Farm Loans:

AB extends a good volume of small business loans. On a combined basis, commercial and commercial real estate loans approximate 48% of AB's loan portfolio.

The United States Bureau of Labor Statistics identified approximately 5,914 business enterprises within AB's delineated community as of the 1990 Census. A small business loan is defined as a loan in the amount of \$1 million or less. The most recent available data, as of June, 1995, indicated that AB originated 986 small business loans totaling \$93 million. AB ranked 2nd in loan volume of small business loans originated in the prior 12 month, and 2nd in dollar volume for all banks located in the banks assessment area.

Mortgage Loan Activity:

AB and AMI are active mortgage lenders in their delineated community. Overall, the bank has a 6% Home Mortgage Disclosure Act (HMDA) related loan penetration. In 1994, AB and AMI ranked third in dollar volume and fourth in the total number of mortgage loans originated in the delineated community, with a market share of 6%; ranked first in dollar volume and total number in mortgage refinance lending, with a market share of 9%; ranked sixth in dollar volume and in the total number in purchase money mortgage lending, with a market share of 5%; and ranked fifth in dollar volume and seventh in the total number in home improvement lending, with a 5% market share. In 1994 there were over 149 institutions that originated HMDA related loans in AB's assessment area.

AB and AMI originated a significant majority of their mortgage loans within the delineated community. A total of 96% and 89% of the number of HMDA mortgage loans, in 1994 and 1995, respectively, were made within the delineated community. A total of 96% and 90% of the dollar volume of HMDA related mortgage loans, in 1994 and 1995, respectively, were made within the delineated community.

Table 1 provides an overview of the number and dollar volume of loans originated by AB and AMI:

Table 1

HMDA LOANS ORIGINATED BY AB AND AMI WITHIN THE DELINEATED COMMUNITY						
Loan Type	1994		1995		March 31, 1996**	
	#	\$*	#	\$*	#	\$*
Home Purchase	236	19,035	217	19,763	27	3,225
Home Improvement	64	1,193	78	1,472	17	480
Refinance	318	23,196	166	10,857	66	3,889
Multi-Family	2	463	1	196	0	0
Total	620	43,887	462	32,288	110	7,594

* Dollars are in thousands. Numbers are actual data.

** AMI data is not available for March 31, 1996.

Consumer Activity:

Consumer loans represent 16% of AB's loan portfolio. AB offers a wide variety of consumer loans including home equity loans, home improvements loans, indirect loans, auto loans, as well as several other types of consumer loans.

Assessment Factor J - The institution's participation in governmentally-insured, guaranteed or subsidized loan programs for housing, small businesses, or small farms.

- **AB actively participates in government-insured, guaranteed, or subsidized loan programs.**

AB was the largest SBA lender in its delineated community in 1995. In 1995, AB originated 27% of the loan volume and 22% of the dollar volume of SBA loans in the delineated community. AB originated approximately 9% of the loan volume and 15% of the dollar volume of all SBA loans originated within the three counties that make up the delineated community in 1994. Tables 2 through 4 reflect AB's participation in various government-insured, guaranteed, or subsidized loan programs.

Table 2

1994 AB GOVERNMENT LOAN ORIGINATIONS AND OUTSTANDINGS*				
Loan Type	# Originated***	\$ Originated***	# Outstanding***	\$ Outstanding***
SBA	11	4,028	37	4,997
WHEDA Mortgage**	2	107	0	0
Total	13	4,135	37	4,997

* Dollar figures are in thousands. Number of originations are actual data.

** All WHEDA loans are sold in the secondary market.

*** Originations are within the calendar year. OUTSTANDINGS include the total loan balances on the bank's books at year-end.

Table 3

1995 AB GOVERNMENT LOAN ORIGINATIONS AND OUTSTANDINGS*				
Loan Type	# Originated***	\$ Originated***	# Outstanding***	\$ Outstanding***
SBA	54	10,971	85	12,745
WDVA**	2	182	0	0
WHEDA Mortgage**	1	65	0	0
FmHA	2	1,900	2	1,900
LiDL	1	19	1	17
Total	60	13,137	88	14,662

* Dollar figures are in thousands. Number of originations are actual data.

** All WHEDA and WDVA loans are sold in the secondary market.

*** Originations are within the calendar year. Outstandings include the total loan balances on the bank's books at year-end.

Table 4

1996 AB GOVERNMENT LOAN ORIGINATIONS AND OUTSTANDINGS*				
Loan Type	# Originated***	\$ Originated***	# Outstanding***	\$ Outstanding***
SBA	8	1,815	93	15,210
WHEDA Mortgage**	0	0	0	0
FmHA	0	0	2	1,900
LiDL	0	0	1	17
Total	8	1,815	96	17,127

* Dollar figures are in thousands. Number of originations are actual data.

** All WHEDA loans are sold in the secondary market.

*** Originations are within the calendar year. Outstandings include the total loan balances on the bank's books at year-end.

The following loan categories from the above tables require additional explanation:

- Small Business Administration (SBA): AB offers SBA loans under the programs detailed below. AB is a Preferred SBA Lender which substantially reduces the time necessary to process loan applications.
 - SBA 7a Program: This program provides guaranteed term loans over \$100,000 for business expansion; financing of real estate purchases; construction of new facilities; or working capital to expand business operations purposes.
 - SBA LowDoc Program: This program provides guaranteed term loans under \$100,000 for business purposes. The application process for these loans has been streamlined to expedite the approval process.

- SBA 504 Program: This program provides businesses with guaranteed term loan financing through Community Development Corporations (CDC) for the purchase of real estate or fixed assets in which the customer has a 10% equity position, a bank takes a 50% first security position, and the SBA takes a 40% second lien position.
- SBA 502 Program: This program provides businesses with guaranteed term loan financing for working capital. This program is similar to the 7a program mentioned above.
- Wisconsin Housing and Economic Development Authority (WHEDA): AB offers WHEDA loans under the programs described below.
 - WHEDA Mortgage: This program provides long-term, fixed-rate purchase money mortgage loans at below-market interest rates to first-time home buyers purchasing property in a targeted area. This program also provides funds for renovation of older homes in the target areas. Loans are provided under two programs: a 5% down payment program; or a 3% down payment program, with an additional 2% from either a gift from a family member or a grant from an employer, government, or nonprofit agency.
 - WHEDA LiDL: This program provides loan funds at below-market interest rates to small businesses owned and controlled by women and minority. The reduced debt service helps increase cashflow. This program may be used in conjunction with other programs.
- Wisconsin Department of Veterans Affairs (WDVA) : This program provides customers with government-backed 1-4 family purchase money residential mortgages.
- Farmers Home Administration (FmHA): This program provides agricultural related term loans.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

Reasonableness of Delineated Community

- **AB's delineated community is reasonable and does not arbitrarily exclude low- or moderate-income areas.**

Refer to the Community Delineation and Profile discussion on page 5 of this Evaluation for a detailed description of AB's community delineation. The delineated community is reasonable and meets the requirements of the CRA. The community delineation is based

on the area where most of the bank's loans are derived.

Assessment Factor E - The geographic distribution of the institution's credit extensions, credit applications, and credit denials.

- **The distribution of AB's loan originations represents a reasonable pattern throughout the delineated community.**

An analysis of the bank's geographic distribution of its applications, extensions, and denials indicates a reasonable disbursement of lending activity throughout its delineated community.

Senior management and the Board use various credit distribution reports to review the bank's lending activity.

Mortgage Loan Activity:

The tables 5 and 6 reflect AB's and AMI's HMDA related mortgage loans by CT/BNA characteristic within the delineated community. The following table also compares the bank's data with data of other financial institutions within the same delineated community.

Table 5

1994 AB AND AMI HMDA LOAN ORIGINATIONS BY CENSUS TRACT CHARACTERISTICS*															
Tract Type	Purchase			Refinance			Home Improvement			Multi-Family			Total		
	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	1	7	14%	1	9	11%	0	1	0%	0	2	0%	2	19	11%
Moderate	15	293	5%	23	217	11%	2	59	3%	0	4	0%	40	573	7%
Middle	171	3,833	4%	243	2,734	9%	50	1,145	4%	2	25	8%	466	7,737	6%
Upper	49	753	7%	51	476	11%	12	183	7%	0	5	0%	112	1,417	8%
Total	236	4,886	5%	318	3,436	9%	64	1,388	5%	2	36	6%	620	9,746	6%

* Table reflects percentages based on the actual number of loan originations and purchases.

** Market means the total for all institutions who originated mortgages in the community.

*** NA means the census tract data was not available.

In 1994, AB's and AMI's mortgage loans were reasonably disbursed to borrowers living in low-, moderate-, middle-, and upper-income CTs/BNAs within the delineated community. AB and AMI had significant market penetration in the low- and moderate- income categories for purchase and refinance loans. AB had no home improvement loans in low income category, however the market only generated 1 loan in the low income category. Overall, AB and AMI had a 6% market share of total loans in the delineated community in 1994. However, the market share of low- and moderate-income census tracts was higher at 11% and 7% respectively.

Table 6 provides information regarding mortgage loans originated by AB and AMI in 1995.

Table 6

1995 AB AND AMI HMDA LOAN ORIGINATIONS BY CENSUS TRACT CHARACTERISTICS*															
Tract Type	Purchase			Refinance			Home Improvement			Multi-Family			Total		
	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Moderate	11	NA	NA	13	NA	NA	4	NA	NA	0	NA	NA	28	NA	NA
Middle	160	NA	NA	128	NA	NA	58	NA	NA	1	NA	NA	347	NA	NA
Upper	46	NA	NA	25	NA	NA	16	NA	NA	0	NA	NA	87	NA	NA
Total	217	NA	NA	166	NA	NA	78	NA	NA	1	NA	NA	462	NA	NA

* Table reflects percentages based on the actual number of loan originations and purchases.

** Market means the total for all institutions who originated mortgages in the community.

*** NA means the census tract data was not available.

In table 6 market area information is not yet available. In 1995, the distribution of mortgage loans was reasonable. However, the 1995 volume decreased overall, especially in the refinance category. The overall decline is attributed to an increased competitive environment, a steady decline of properties that the low- and moderate- income borrowers can afford, and fluctuating interest rates. This overall decline is equally noted in low- and moderate income census tracts for the same reason identified above.

Tables 7 and 8 reflects the number of loans originated to borrower's of different income characteristics:

Table 7

1994 AB AND AMI HMDA LOAN ORIGINATIONS BY APPLICANT CHARACTERISTICS*															
Applicant Type	Purchase			Refinance			Home Improvement			Multi-Family			Total		
	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	20	286	7%	17	206	8%	7	82	9%	0	0	0%	44	540	8%
Moderate	45	1,014	4%	49	602	8%	10	226	4%	0	0	0%	104	1,842	6%
Middle	64	1,632	4%	100	1,139	9%	22	514	4%	0	0	0%	186	3,285	6%
Upper	100	1,662	6%	138	1,215	11%	24	455	5%	0	0	0%	262	3,332	8%
NA***	7	292	2%	14	274	5%	1	111	1%	2	36	6%	0	713	0%
Total	236	4,886	5%	318	3,436	9%	64	1,388	5%	2	36	6%	620	9,746	6%

* Table reflects percentages based on the actual number of loan originations and purchases.

** Market means the total for all institutions who originated mortgages in the community.

*** NA means the census tract data was not available.

Table 8

1995 AB AND AMI HMDA LOAN ORIGINATIONS BY APPLICANT CHARACTERISTICS*															
Applicant Type	Purchase			Refinance			Home Improvement			Multi-Family			Total		
	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	9	NA	NA	9	NA	NA	4	NA	NA	0	NA	NA	22	NA	NA
Moderate	37	NA	NA	24	NA	NA	8	NA	NA	0	NA	NA	69	NA	NA
Middle	63	NA	NA	60	NA	NA	24	NA	NA	0	NA	NA	147	NA	NA
Upper	102	NA	NA	72	NA	NA	40	NA	NA	0	NA	NA	214	NA	NA
NA***	6	NA	NA	1	NA	NA	2	NA	NA	1	NA	NA	0	NA	NA
Total	217	NA	NA	166	NA	NA	78	NA	NA	1	NA	NA	462	NA	NA

* Table reflects percentages based on the actual number of loan originations and purchases.

** Market means the total for all institutions who originated mortgages in the community.

*** NA means the census tract data was not available.

In 1994, AB and AMI originated a reasonable amount of mortgage loans to borrowers of different incomes when compared to other area financial institutions. AB has a good penetration in the low- and moderate-income individual market for home improvement and purchase money loans. Market data for 1995 is not yet available.

Loan volume in 1995 decreased significantly, particularly in the low- and moderate-income borrower categories. The 1995 volume decreased primarily in the refinance category. The overall decline is attributed to an increased competitive environment, a steady decline of properties that the low- and moderate-income borrowers can afford, and fluctuating interest rates.

Assessment Factor G - The institution's record of opening and closing offices and providing services at offices.

- **AB's office locations provide reasonable access to all segments of its community.**

Refer to the Bank Profile discussion on page 6 of this Evaluation for a detailed description of AB's business hours.

The Menasha office was closed May 6, 1994. The bank sent a direct mailing 90 days prior to closing to all customers notifying them of the impending closing and how their specific financial needs can be met with alternative solutions. The bank determined that the credit needs of this immediate market area will continue to be met by another Associated Bank location or by a competitor of which there are several in the immediate area. The Neenah Main Office is located approximately 2-3 miles from the closed location. The major factors leading to the closing

were the inability to increase business at this location and historic lack of profitability.

In 1995, AB opened a trust only office located in Appleton. This office is located in a moderate-income census tract.

IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES

Assessment Factor D - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).

- **There is no evidence of practices which would discourage credit applications.**

AB solicits credit applications from all segments of its delineated community. The Board and management have adopted written policies and operating procedures to ensure that all loan applications are treated in a fair and consistent manner. The bank provides effective periodic training for all lending and customer personnel.

AB has a second review program for all direct loan application turn downs. All direct turn down loans are reviewed by the branch manager. This program ensures that the bank's established credit policies and underwriting guidelines are consistently applied to all applications.

Assessment Factor F - Evidence of prohibited discriminatory or other illegal credit practices.

- **AB is in compliance with the substantive provisions of the anti-discriminatory laws and regulations.**

During our examination, we tested a sample of nine home improvement denials and withdrawals on the basis of gender and marital status. The denied home improvement applications were compared to a sample of 78 approved home improvement applications to determine if all applicants had a similar chance of obtaining a loan.

To accomplish our objective, we conducted an analysis of the applications groups. In each case, unsuccessful applicants were compared to successful applicants to determine the treatment received and the level of assistance provided to each group. Our examination did not identify any disparate treatment of applicants or potential applicants on a prohibited basis.

V. COMMUNITY DEVELOPMENT

Assessment Factor H - The institution's participation, including investments, in local community development and redevelopment projects or programs.

- **The bank actively participates in local community development and redevelopment programs.**

AB and Associated Commercial Mortgage, Incorporated (ACMI), a holding company affiliate, extends loans for housing projects targeted toward LMI individuals. The following projects were completed since the last evaluation:

- AB entered into a \$500,000 participation with AMCI to finance the \$1.46 million construction of Marquette Village Apartments in Appleton, WI. This is a 32 unit apartment complex with 100% of the units designated for LMI individuals. This project is within the banks delineated community.
- AMCI financed the \$1.975 million construction of Harvest View Apartments in Brillion, WI. This is two 24 unit apartment complexes with 100% of the units designated for LMI individuals.
- AB financed the \$1.9 million construction of National Manor Apartments in New Berlin, WI. This is a 38 unit apartment complex with 50% of the units designed for LMI individuals. This project was funded by AB because the borrowers/project managers and their businesses are located in Neenah, WI.

AB is the lead lender in a consortium of six financial institutions providing funding for United Community Services, Inc. of Neenah, WI. AB participation in the \$1.25 million loan was \$500,000. The project is for long term cost efficient space for non-profit organizations. The five human service agencies to be located in this facility primarily serve low- and moderate-income individuals or families based on the bank's analysis. This project is within the banks delineated community.

AB also participates in ADVOCAP's Home Ownership Program, which is designed for low-to-moderate income individuals to purchase and rehabilitate homes. The bank has made seven loans totaling \$300,000. AB exceeded its initial commitment of \$100,000.

AB participates in the Oshkosh Commercial Development Rehabilitation Low Interest Program. This program provides low interest loans to business and property owners that would like to improve the facades of their building. The bank funded one loan totaling \$50,000 for this program.

AB participates in the Neenah Small Business Loan program. The program offers low cost, fixed rate financing to small, growing companies that are creating new jobs in the industrial, service, and retail sectors of Neenah's economy. The goal of this program is for the creation of new job opportunities for low and moderate income persons. The bank funded one loan totaling \$28,000 under this program.

Assessment Factor K - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions and other factors.

- **AB actively supports the development and implementation of specific projects promoting economic revitalization and growth, in a manner consistent with the bank's size, financial capacity, location, and current local economic conditions.**

The reader is encouraged to refer back to the Community Delineation and Profile, and Bank Profile sections discussed on pages 5 and 6 of this report for a detailed description of AB's financial capacity and local economic conditions.

Assessment Factor L - Any other factors that, in the regulatory authority's judgment, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

- **AB has demonstrated a willingness to explore other ways to help meet community credit needs.**

AB originates student loans through the Great Lakes Higher Education Authority which are 100% guaranteed by the Federal government. A total of 4,607 loans approximating \$9.2 million were outstanding in 1995.

AB also provides both monetary and time donations to community groups and charitable organizations throughout the delineated community. These groups include: Community Foundation for the Fox Valley Region, Goodwill, United Way, Fox Valley Unites, and Fox Cities Growth Alliance for Quality Fox Cities.

ADDITIONAL INFORMATION

AB's community is comprised of a portion of the Appleton/Oshkosh/Neenah MSA, which encompasses all of Calumet, Outagamie, and Winnebago Counties, Wisconsin (MSA # 0460).