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Comptroller of the Currency  
Administrator of National Banks

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## **Public Disclosure**

*August 8, 1997*

### **Community Reinvestment Act Performance Evaluation**

**SECURITY NATIONAL BANK OF OMAHA  
Charter Number 15379**

**35th & Farnam Streets  
Omaha, Nebraska 68131**

**Office of the Comptroller of the Currency  
Omaha North Field Office  
11606 Nicholas Street, Suite 201  
Omaha, Nebraska 68154**

**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 CRA performance of Security National Bank of Omaha, Omaha, Nebraska prepared by The Office of the Comptroller of the Currency, as of **August 8, 1997**. 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.

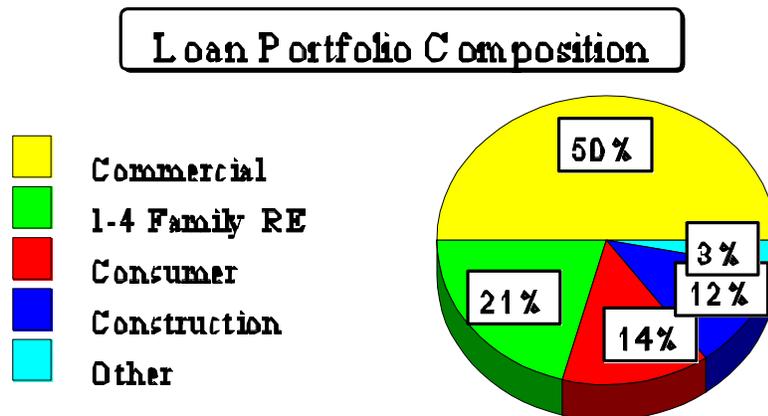
**Institution's CRA Rating:** This institution is rated "**Satisfactory.**"

Security National Bank of Omaha (SNB) satisfactorily meets the credit needs of its assessment area. The bank's primary lending activities are centered around commercial loans and residential real estate loans. SNB's average loan-to-deposit ratio since the last CRA examination is reasonable. The bank has a good record of originating loans in the assessment area. The bank's loans are reasonably disbursed throughout the area. SNB has an adequate record of making loans to individuals with different income levels and to businesses of different sizes.

## Description of Institution

SNB is a \$185 million financial institution located in eastern Nebraska. The bank is the sixth largest financial institution in its assessment area. Security National Corporation, a one bank holding company with total assets of \$13.9 million as of March 31, 1997, owns 100% of outstanding shares of the bank. SNB operates eight full service facilities, a residential mortgage office, and thirty-three automated teller machines (ATMs). All facilities and ATMs are located in the assessment area.

The following table displays SNB's loan portfolio composition as of March 31, 1997.



## Description of Douglas and Sarpy Counties

SNB's assessment area includes 104 census tracts in Douglas County, Nebraska and 2 census tracts in Sarpy County, Nebraska. The area consists of 15 low-income tracts, 33 moderate-income tracts, 35 middle-income tracts, and 23 upper income tracts. The inflation adjusted 1996 median family income for the Omaha NE/IA Metropolitan Statistical Area is \$45,900 (see table on following page for additional information regarding income categories). Based on 1990 census data, the population of SNB's assessment area is 415,054. The median housing value for the area is \$50,650. The assessment area meets the requirements of the regulation and does not arbitrarily exclude any low- and moderate-income areas.

The following table illustrates the number and percentage of families in each income category in the bank's assessment area. The data is based on the 1990 median family census income of \$36,011.

<b>Families by Income Category</b>		
<b>Income Category</b>	<b>Number</b>	<b>Percentage</b>
Low	19,190	18%
Moderate	18,727	17%
Middle	26,556	25%
Upper	42,258	40%

The economy of the assessment area is stable and well diversified. The economic well-being of the Omaha NE/IA Metropolitan Statistical Area is substantially tied to the prosperity of large corporations such as: ConAgra, Union Pacific, Mutual of Omaha, AT&T, and US West Communications. Stable economic conditions in the area pose no constraints on the bank's community reinvestment efforts or performance.

Competition in SNB's assessment area is strong. The bank faces competition from three regional and numerous community banks.

Regulators' discussions with housing and economic development organizations revealed a need for long-term fixed rate housing loans, housing rehabilitation loans, and small business loans. SNB has a reasonable record of originating housing loans to all family income levels and commercial loans to businesses of different sizes.

## **Conclusions with Respect to Performance Criteria**

### **Loan-to-Deposit Ratio**

SNB's loan-to-deposit ratio since the last CRA examination is satisfactory and in line with the average of similarly sized financial institutions in the bank's assessment area. The bank's average loan-to-deposit ratio over the past nine quarters is 77%. The nine quarter average of similarly sized banks in SNB's assessment area is 78%, with a range of 64% to 97%.

## Lending in the Assessment Area

SNB originates a substantial proportion of its loans in the assessment area. Examiners sampled 40 residential real estate loans and 40 business working capital loans originated from January 1996 through June 1997. This sample revealed 83% of the number of residential real estate loans and 93% of the number of business loans were originated in the assessment area. The tables in the next section display our analysis of lending in the assessment area.

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

SNB has a satisfactory record of lending to individuals of different income levels and to businesses of different sizes. The loan portfolio is acceptably balanced in relation to the demographics of the assessment area and reflects the bank is satisfactorily meeting identified housing and small business credit needs. The bank makes long-term fixed rate residential real estate loans available through its Midlands Mortgage office.

SNB originated 336 residential real estate loans totaling \$18.5 million over the past 18 months. The following table represents a sample of 40 residential real estate loans totaling \$2.5 million originated from January 1996 through June 1997.

Residential Real Estate Loans				
Income Levels of the Assessment Area	% of Households	% of Families	Real Estate Loans % by Number / % by Dollar	
Low	23%	18%	5%	1%
Moderate	17%	17%	18%	8%
Middle	20%	25%	22%	8%
Upper	40%	40%	55%	83%
Percent Originated in the Assessment Area			83%	79%

The following table represents a sample of 40 commercial working capital loans totaling \$2.5 million originated from January 1996 through June 1997. The table displays the bank's record of lending to businesses of different sizes.

<b>Commercial Working Capital Loans</b>		
<b>Annual Gross Revenue (000)</b>	<b>% of Number Made in Revenue Range</b>	<b>% of Dollar Volume Made in Revenue Range</b>
<100	13%	2%
100 - 250	28%	14%
251 - 500	25%	30%
501 - 1,000	17%	19%
>1,000	17%	35%

SNB originated 93% of the number and 98% of the dollar volume of the above commercial loans in the assessment area.

### **Geographic Distribution of Loans**

Based on loan samples described above, SNB's residential real estate and commercial loans are reasonably disbursed throughout the bank's assessment area. The following table displays SNB's lending efforts in comparison to the percentage of census tracts in each income category.

<b>Lending By Census Tract Income Levels</b>					
<b>Assessment Area Census Tracts by Income Category</b>		<b>Residential Real Estate Loans % By Number/% By Dollar</b>		<b>Commercial Loans % By Number/% By Dollar</b>	
Low	14%	9%	1%	3%	1%
Moderate	31%	18%	35%	11%	4%
Middle	33%	21%	2%	48%	69%
Upper	22%	52%	62%	38%	26%

## **Response to Complaints**

No CRA related complaints have been received since the last CRA examination.

## **Record of Compliance with Antidiscrimination Laws**

We did not identify any violations of antidiscrimination laws or regulations, or disparate treatment of loan applicants. SNB has policies, procedures and audit programs designed to prevent and detect lending discrimination.