



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

March 13, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of Ordway
Charter Number 8695**

**300-301 Main Street
Ordway, Colorado 81063**

**Comptroller of the Currency
50 Fremont Street, Suite 3900
San Francisco, California 94105**

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 Ordway** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of March 13, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING: This institution is rated **“Outstanding.”**

First National Bank of Ordway has an outstanding performance in meeting the credit needs of its community. Lending patterns of agricultural and business loans show a good penetration to farms and businesses of various sizes. And, the bank offers products, in cooperation with public and governmental entities, designed to enhance the availability of credit to low- and moderate-income individuals, small businesses, and farms. Also, management has invested in multi-family revenue bonds directly supporting affordable housing for the elderly and disabled.

The following table indicates the performance level of *The First National Bank of Ordway* with respect to each of the five performance criteria.

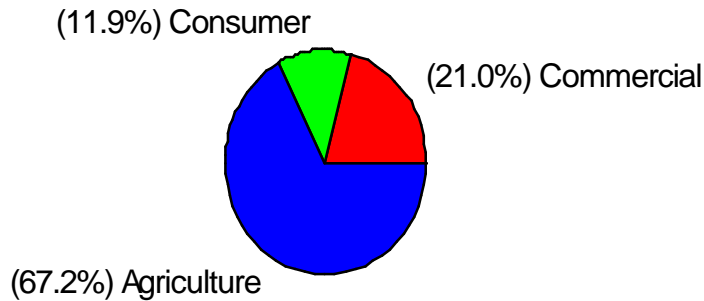
SMALL INSTITUTION ASSESSMENT CRITERIA	The First National Bank of Ordway Performance Levels		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio	X		
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes	X		
Geographic Distribution of Loans	Insufficient data to perform a meaningful analysis.		
Response to Complaints	No complaints received since the last examination.		

DESCRIPTION OF INSTITUTION:

The First National Bank of Ordway is a \$25 million community bank serving Crowley County and the Northern part of Otero County which includes the towns of Rocky Ford, Fowler and Manzanola. The bank’s main office is located in Ordway, Colorado. Ordway is the county seat for Crowley County and is approximately 175 miles southeast of Denver, Colorado. The bank has one branch in Rocky Ford, which is approximately 12 miles south of Ordway. The bank does not own any automated teller machines. Lindoe Inc, a \$3.4 million holding company, is majority owner of the bank. The remaining ownership of the bank is distributed among several individuals. Lindoe Inc. also controls one other bank is Gunnison, Colorado.

The bank offers a full range of credit products including agricultural, commercial, consumer, and home mortgage loans. As shown by the pie chart below, the bank’s primary lending focus is agriculture. There are no financial or legal impediments to the bank’s ability to meet the credit needs of the assessment area.

**Dollar Volume of Loans Over a 13-Month
Period Since January 1, 1996**



DESCRIPTION OF CROWLEY AND OTERO COUNTIES:

The First National Bank of Ordway has designated Crowley County and the northern part of Otero County as their assessment area. Based on the 1990 Census data, the population of Crowley County is 3,946 and the northern part of Otero County is 8,557. Crowley and Otero Counties are not located in a Metropolitan Statistical Area (MSA). The bank’s assessment area consist of five block numbering areas (BNAs). As shown by the chart on page 4, the bank’s assessment area is primarily made up of moderate-income BNAs. The only populated area having diverse BNAs, based on income level, is the town of Rocky Ford which is made up of one low- and one middle-income BNA.

BNA	BNA Income as a % of Statewide Non-MSA Income (\$28,258)	U.S. Census Income Designation	Description of Area
9896	65%	Moderate	All of Crowley County
9879	99%	Middle	Southern part of Rocky Ford and surrounding area
9880	42%	Low	Northern part of Rocky Ford and surrounding area
9881	61%	Moderate	Manzanola, Timpas and surrounding area
9882	79%	Moderate	Fowler and surrounding area

The local economy is dependent upon agriculture, both crops and cattle. In Crowley County, crops consist mostly of corn, wheat, alfalfa, hay, while the area around Rocky Ford is known for their produce (melons and vegetables). The other towns in the assessment area are considered bedroom communities to the larger neighboring cities of La Junta and Pueblo. As a result, small business activities in these towns are limited. Local residents make the easy drive to the neighboring larger cities to shop. The largest employment sector not dependent upon the agricultural industry is the city, county, and federal government.

The First National Bank of Ordway is the only bank in Ordway. However, the bank faces competition throughout its assessment area. Four financial institutions are in neighboring Rocky Ford, two in Fowler and one bank in Manzanola.

We conducted two community contacts. One contact was from the Rocky Ford town government and the other was from the Crowley County government. Both indicated affordable housing was the most pressing community need. This need resulted from growth in the local population due to the improving economy. Both contacts indicated there are limited public resources the bank could work with in addressing affordable housing needs. Also, the contacts thought the local banks were doing a good job helping their communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan-to-Deposit Ratio

The First National Bank of Ordway’s loan-to-deposit ratio is more than reasonable given its size and operating environment. The bank’s average loan-to-deposit ratio for eight quarters ending December 31, 1996, is 86%. The is well above the five similarly situated state and national banks

in the First National Bank of Ordway's assessment area. Their average loan-to-deposit ratios for eight quarters ending September 30, 1996, ranged from a low of 49% to a high of 74%.

Lending in Assessment Area

The First National Bank of Ordway originates a significant majority of its loans within its assessment area. This conclusion is based on reviewing 100% of the loans made between January 1, 1996, and January 31, 1997. This review showed 68% of the loans are made within the bank's assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The First National Bank of Ordway's lending pattern shows a good distribution of loans among farms and businesses of different sizes and individuals of different income levels. The below analyses are based on loans made/renewed for a 13-month period since January 1, 1996.

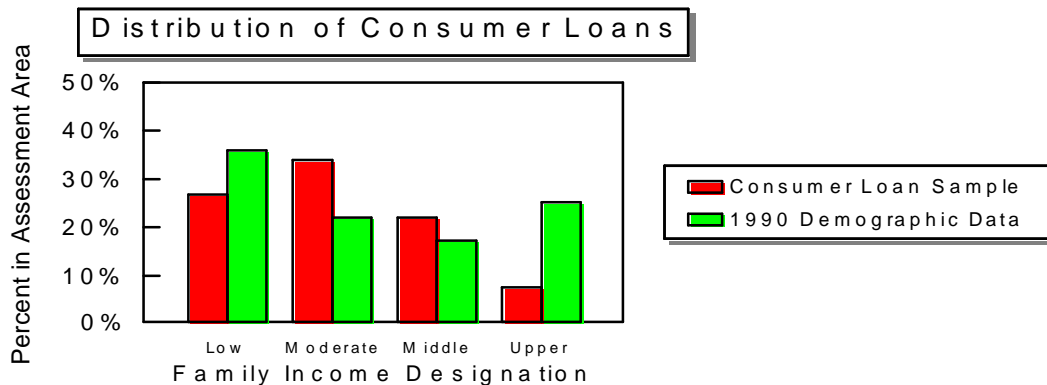
The table below shows all agricultural loans made were to farms with annual gross revenues less than \$500,000. This information was based on reviewing 36% of the farm loans made. Furthermore, a large portion of farm loans were to the smallest agricultural producers. This pattern reflects management's efforts to help meet the credit needs of the areas' local farmers.

Distribution of Agricultural Loans		
Farm Size by Revenues \$(000's)	# of Farm Loans	% of Sample
Annual Revenue < \$50	15	43%
Annual Revenue ≥\$50<\$100	4	11%
Annual Revenue ≥\$100<\$250	9	26%
Annual Revenue ≥\$250<\$500	7	20%
Annual Revenue ≥\$500	0	0%

While business loans do not represent a significant portion of the bank's lending, the lending pattern of these loans reflects a good distribution to businesses of different sizes. The table on page 6 shows a significant portion, 53%, of business loans are to small businesses. This is reflective of the type of businesses in the area. Current business demographic data from Dunn & Bradstreet shows approximately 75% of the businesses in the bank's assessment area reported annual revenues less than \$1 million. The table is based on sampling 53% of the commercial loans made. Loans where no income was available were secured by liquid collateral.

Distribution of Business Loans		
Business Size by Revenues (000's)	# of Business Loans	% of Sample
Annual Revenue < \$100	2	12%
Annual Revenue ≥\$100<\$500	7	41%
Annual Revenue≥\$500<\$1,000	0	0%
Annual Revenue≥\$1,000	2	12%
No Income Available	6	35%

The bar graph below shows a good distribution of consumer loans to individuals of different income levels. This lending pattern is consistent with the demographics of the bank's assessment area. The table is based on sampling 50% of the consumer loans made.



The variance between the percent of loans made to low-income families and the percent of low-income families in the bank's assessment area is explained by the bank's operating environment. Approximately 33% of the low-income families are located in the towns of Manzanola and Fowler where the bank has no branches. Also, 55% of the low-income families are located in the Rocky Ford area where the bank has one branch but faces competition from four financial institutions with their main offices in Rocky Ford. Given the above facts, it is reasonable that the percentage of bank loans to low-income individuals would be slightly below the percentage of low-income families within the bank's assessment area.

Geographic Distribution of Loans

An analysis was not performed since it would not be meaningful. There is a lack of sufficient diverse geographics, BNAs, in the bank's assessment area to provide a meaningful analysis.

Response to Complaints

No complaints have been received regarding the bank's CRA performance since the last CRA Performance Evaluation dated March 28, 1994.

Record of Compliance with Antidiscrimination Laws

Our fair lending examination did not find any evidence of discrimination or practices intended to discourage applicants from applying for credit.

Services and Investments

The bank has shown exemplary performance in offering services and making investments that directly benefit low- and moderate-income individuals, small businesses, and farms.

Management has taken the lead in providing a variety of services enhancing the availability of credit to low- and moderate-income borrowers that would not otherwise qualify for traditional bank credit. Through purchasing funds through the Federal Home Loan Bank, the bank is able to offer long term fixed-rate mortgage loans. Also, the bank has teamed up with Tri-County Housing, a state sponsored block grant agency, to market a product targeted for and enabling low- or moderate-income individuals to acquire and remodel run-down homes in the area.

For small farms, the bank offers a loan product through Colorado Agriculture Development Authority. This product allows first time farmers and ranchers to obtain low rate loans to acquire land and equipment. Also, the bank has teamed up with Rocky Ford Economic Development Authority (RFEDA) enabling small businesses access to credit that would otherwise not qualify for traditional bank credit. RFEDA provides credit enhancements in conjunction with the bank's loan.

The bank participates in a qualified investment directly supporting a 28 unit apartment complex providing affordable housing for the elderly and disabled in Ordway. The apartment complex is owned by the community of Ordway. The bank took the lead in restructuring the debt against the apartment complex. This resulted in improved income to the complex by lowering the interest rate on the debt. The bank was able to qualify the apartment complex through Colorado Housing and Finance Authority for \$444,00 in multi-family mortgage revenue bonds which the bank purchased.