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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

November 4, 1996

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**American National Bank  
8890 West Dodge  
Omaha, Nebraska 68114  
Charter Number 15435**

**Office of the Comptroller of the Currency  
Omaha Duty Station  
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 Community Reinvestment Act (CRA) performance of American National Bank prepared by **The Office of the Comptroller of the Currency**, as of November 4, 1996. 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”.

American National Bank’s origination of loans to low- and moderate-income borrowers is exceptional. Its flexible lending programs, technical assistance, and credit and home ownership counseling provided through the Home Owner Mortgage Express (H.O.M.E.) loan program and the Rebuilding North Omaha Committee effectively reach low- and moderate-income geographies and individuals. Its loan to deposit (LTD) ratio is more than reasonable compared to other similarly situated banks in its market.

Conclusions on the bank’s residential real estate lending are based upon a review of its Home Mortgage Disclosure Act Loan Application Register (HMDA-LAR) for 1994, 1995, and 1996 through September 19, 1996.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	AMERICAN NATIONAL BANK 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	X		
Response to Complaints	NO COMPLAINTS HAVE BEEN RECEIVED SINCE THE LAST CRA EXAMINATION.		

## **DESCRIPTION OF INSTITUTION:**

American National Bank (ANB) is a \$259 million financial institution located in Omaha, Nebraska. ANB's main office and seven branches are located within Douglas County and provide financial services within the metropolitan area. One branch is located within a moderate-income census tract, five branches are within middle-income census tracts, one branch is within an upper-income census tract, and one branch is a mobile branch. The bank also operates 12 automated teller machines. American National Corporation, a multi-bank holding company with assets totaling \$501 million, owns 100% of the bank. The bank holding company also owns a bank in Sarpy County, a bank in southeast Nebraska, and a bank in southcentral Nebraska. ANB has no legal or financial impediments which preclude it from fulfilling its obligation under the CRA. ANB received a "Satisfactory" rating during its prior CRA examination dated December 21, 1993.

ANB offers traditional loan and deposit services. It originates residential mortgage loans for its three affiliates to centralize mortgage loan underwriting within the corporation. In addition to its mortgage lending, the bank offers several government guaranteed or sponsored loan products to assist in meeting the credit needs of its community. Loans secured by residential real estate (excluding home improvement loans) comprise 11% by number and 20% by dollar of outstanding loans. Home improvement loans by number and dollar comprise 7% and 3%, respectively, of the bank's outstanding loans. Commercial and commercial real estate lending comprises 15% by number and 44% by dollar of loans outstanding. The bank's indirect lending program is sizable at 55% by number and 22% by dollar of loans outstanding.

## **DESCRIPTION OF ASSESSMENT AREA:**

The assessment area complies with the regulation and does not arbitrarily exclude any low- or moderate-income geographies. ANB's assessment area consists of 90 census tracts in Douglas County and one census tract in Sarpy County. These census tracts comprise a portion of the Metropolitan Statistical Area #5920. The assessment area includes 14 low-income (16%), 26 moderate-income (29%), 29 middle-income (32%), and 21 upper-income (23%) census tracts. One census tract is not categorized by income level.

The total population of the assessment area is 344,456. The 1996 metropolitan median family income is \$45,900. The 1990 Census reveals that the distribution of families by income is 18% low-income, 17% moderate-income, 24% middle-income, and 41% upper-income. Housing units total 142,267 with 58% owner-occupied. The average ratio of owner-occupied units is lower at 29% and 45% within the low- and moderate-income census tracts, respectively. Community contacts reveal that community credit needs include small business and affordable housing loans.

The bank competes aggressively for loans and deposits in its assessment area with numerous financial and nonfinancial institutions. Its primary competition includes 14 banks, ten mortgage companies, and various credit unions, finance companies, and savings banks. ANB is the fifth largest of the 14 retail banks chartered in this area which have total assets ranging from \$46 million to \$3.7 billion. The three largest banks serve a statewide or nationwide area and have total assets ranging from \$2 to \$3.7 billion.

### **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

ANB's average quarterly loan to deposit (LTD) ratio since the last CRA examination demonstrates its commitment to lending. Those banks similar in size and market focus have total assets ranging from \$100 to \$350 million and average quarterly LTD ratios ranging from 61.75% to 79.89%. ANB's average quarterly LTD ratio is the highest at 81.2% compared to the average for this group of 71.4%.

ANB originates a majority of the loans reported on its HMDA-LAR within its assessment area. The bank reported originated loans of 68% by number and 63% by dollar within its assessment area. The ratio of loans originated within its assessment area is lessened by the volume of residential real estate loans originated on behalf of its affiliates. Only 17% by number and 19% by dollar of the total loans reported on ANB's HMDA-LAR are outside the assessment areas designated by the bank or its affiliates.

ANB originates the majority of its small business and commercial real estate loans within its assessment area. Between January 1, 1996 and June 30, 1996, the bank originated 246 or \$20.9 million in commercial loans. Seventy percent by number and 83% by dollar of these loans are within its assessment area.

ANB's distribution of HMDA loans reflects excellent penetration among individuals of differing income levels. Home improvement lending is highly responsive to the needs of low- and moderate-income borrowers at 46.6% by number of loans. This exceeds income demographics of 35.1% for low- and moderate-income families despite the fact that 11% of all households are categorized as below the poverty level (refer to Table 1). ANB's involvement in the City of Omaha's Reinvestment Area Program and the Nebraska Investment Finance Authority program for home improvement loans and its own H.O.M.E. loan program results in residential real estate loans to low- and moderate-income individuals. ANB sponsors home improvement loan fairs in low- and moderate-income geographies to provide technical assistance to individuals in applying for credit and counseling to strengthen weak credit bureau histories.

Table 1

Distribution of HMDA Lending for 1994, 1995, and 1996 through September by Applicant Income						
Income Level of Applicant	Type of Loan	#		\$ (000s)		Percent of families within each income level
Low Income	Aggregate HMDA-LAR Lending	175	<b>16.5%</b>	3,195	5.3%	<b>18.0%</b>
	Home Improvement Loan	110	<b>23.6%</b>	745	10.6%	
Moderate Income	Aggregate HMDA-LAR Lending	222	<b>20.9%</b>	6,510	10.7%	<b>17.1%</b>
	Home Improvement Loan	108	<b>23.1%</b>	895	12.7%	
Middle Income	Aggregate HMDA-LAR Lending	248	23.3%	9,805	16.1%	23.9%
	Home Improvement Loan	110	23.5%	1,328	18.9%	
Upper Income	Aggregate HMDA-LAR Lending	416	39.2%	41,262	67.9%	41.0%
	Home Improvement Loan	139	29.8%	4,054	57.7%	

ANB's market share of HMDA loans to low- or moderate-income individuals and loans within low- and moderate-income census tracts exceeds the bank's overall market share and also reflects a high responsiveness to the community's credit needs (refer to table 2).

Table 2

ANB Market Share and Ranking of HMDA Lending Lending by Tract and Borrower Income Levels								
	1994 Market Share				1995 Market Share			
	# of Loans		\$ of Loans		# of Loans		\$ of Loans	
	Market Share <sup>1</sup>	Rank <sup>2</sup>	Market Share	Rank	Market Share	Rank	Market Share	Rank
Low Income Tract	8.45%	4th	5.07%	4th	11.24%	2nd	6.19%	5th
Moderate Income Tract	5.76%	5th	4.83%	8th	3.38%	10th	2.22%	13th
<b>Aggregate Market Share</b>	<b>3.71%</b>	<b>7th</b>	<b>3.4%</b>	<b>8th</b>	<b>3.45%</b>	<b>8th</b>	<b>2.67%</b>	<b>14th</b>
Low Income Borrowers	7.53%	5th	5.16%	6th	6.16%	5th	2.43%	11th
Moderate Income Borrowers	3.77%	7th	2.89%	13th	3.77%	9th	2.89%	12th

<sup>1</sup> Market share represents ANB's volume of lending as compared to all institutions filing HMDA-LARs and lending in this area.

<sup>2</sup> Rank represents ANB's position relative to other institutions filing a HMDA-LAR and lending in this area.

The bank's geographic distribution of HMDA loans to borrowers in low-income census tracts is exceptional as evidenced by its increased market share of loan activity within the census tract (refer to table 2). ANB's HMDA lending to low-income census tracts is very responsive considering the number of families residing within those census tracts, the low volume of owner occupied homes, and the volume of families with income below the poverty level. The bank's lending to moderate-income census tracts as well as its market share of loans within those tracts is reasonable. Please refer to table 3 for details. ANB's geographic distribution of commercial loans is reasonably disbursed throughout its assessment area with 19% of loans originated within low- and moderate-income census tracts where businesses are less concentrated. This geographic distribution is based upon all commercial loans originated between January 1, 1996 and June 30, 1996 as reported by the bank with its accuracy verified by national bank examiners.

Table 3

Distribution of HMDA Lending for 1994, 1995, and 1996 through September by Census Tract							
Income Category	Type of Loan	#		\$ (000s)		Percent of Census Tracts	Percent of total families within census tract
Low Income	Aggregate HMDA-LAR Lending	100	<b>8.5%</b>	1,603	2.5%	15%	<b>6%</b>
	Home Improvement Loan	54	<b>11.5%</b>	418	<b>5.9%</b>		
Moderate Income	Aggregate HMDA-LAR Lending	221	18.7%	4,585	7.3%	29%	30%
	Home Improvement Loan	95	20.3%	913	13.0%		
Middle Income	Aggregate HMDA-LAR Lending	440	37.3%	16,204	25.8%	32%	45%
	Home Improvement Loan	190	40.6%	2,124	30.2%		
Upper Income	Aggregate HMDA-LAR Lending	418	35.5%	40,492	64.4%	23%	18%
	Home Improvement Loan	129	27.6%	3,588	50.9%		

Based on a sample of 59 commercial loans totaling \$13.9 million out of 246 loans totaling \$20.9 million originated between January 1, 1996 and June 30, 1996, ANB extended credit to a wide variety of businesses based on revenue sizes. ANB originated loans to businesses with gross annual revenues ranging from \$59,000 to \$27.5 million with a median of \$728,000. Thirty-one percent and 22% of the loans originated by ANB were to businesses with annual gross revenues less than \$500,000 and less than \$1 million but greater than \$500,000, respectively.

In an effort to meet the credit needs of North Omaha, ANB successfully established the Rebuilding North Omaha Committee (RNOC) on December 29, 1993 which includes

community and bank representatives. RNOC's objective is to rebuild and revitalize the economically disadvantaged and underserved neighborhoods within North Omaha. This area consists of portions of ten low-income, eight moderate-income, and four middle-income census tracts. Through this partnership, ANB has committed to take prudent and reasonable efforts to lend \$10 million over five years. The primary types of loan products available include first-time home purchase, home improvement, and home equity loans and commercial loans for the purpose of starting or expanding businesses, increasing working capital, or purchasing new equipment. Since initiating this program, ANB originated 49 small business loans totaling \$1,323,450. Forty-six percent of these loans are to start-up businesses. The gross annual revenues of these businesses range from \$15,000 to \$924,000 with a median of \$118,000. ANB also originated 40 home loans with an outstanding balance of \$1.2 million. Not only are these home loans directed to low- and moderate-income individuals and exhibit more flexible underwriting standards, but ANB incorporates credit and home ownership counseling through Consumer Credit Counseling of Nebraska prior to and after funding the loan.

ANB supports affordable housing loans through its participation in Omaha 100 and the ongoing purchases of loan pools from the consortia. Omaha 100 is a community development intermediary, sponsored by Holy Name Housing Corporation, that assists nonprofit housing developers in providing home ownership opportunities in Omaha's established neighborhoods. ANB is one of seven lenders participating in this program and has a bank representative on Omaha 100's Board. The bank's share in the loan pool is based pro-rata on its asset size and presently totals \$254,000.

ANB also supports affordable housing initiatives through community development lending not previously addressed in the bank's RNOC or commercial lending activities. ANB has originated \$250,000 in community development loans to provide affordable housing since the last CRA examination.

American National Bank complies with the substantive provisions of antidiscriminatory laws and regulations. There have been no consumer complaints filed with the bank or the Comptroller of the Currency.