PUBLIC DISCLOSURE

November 3, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community Bank of Oak Park River Forest
34325

1001 Lake Street
Oak Park, Illinois 60301

Federal Deposit Insurance Corporation
Division of Supervision and Consumer Protection
Chicago Regional Office
300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

NOTE: **This document is an evaluation of this 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. 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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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Substantial Noncompliance.
The Lending Test is rated: Needs to Improve.
The Community Development Test is rated: Needs to Improve.

Community Bank of Oak Park River Forest's (bank) rating is "substantial noncompliance". The bank was initially rated "needs to improve" based on less than satisfactory performance under each of the two Community Reinvestment Act (CRA) performance tests – lending and community development. Substantive violations of the Fair Housing Act and the Equal Credit Opportunity Act were identified during a fair lending review of the bank. Due to these substantive violations, the bank's overall CRA rating was lowered to "substantial noncompliance". See the "Fair Lending or Other Illegal Credit Practices Review" section within the "Conclusions with Respect to Performance Tests" section for a more detailed discussion of fair lending compliance findings.

An overall rating of Substantial Noncompliance is assigned. This rating is supported by the following:

Lending Test
The bank's lending performance depicts a poor practice of providing for the credit needs of its entire assessment area under the Lending Test as noted by the following:

- The geographic distribution of home mortgage and small business loans reflects very poor dispersion throughout the assessment area.
- The distribution of loans to borrowers reflects, given the demographics of the assessment area, poor penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- A majority of home mortgage and small business loan originations since the previous evaluation are in the assessment area.
- The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs.
- No consumer complaints have been received.

Community Development Test
The bank's community development performance is poor under the Community Development Test due to loans, investments, and services not being made throughout the assessment area as noted by the following:

- The bank's community development performance demonstrates poor responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

SCOPE OF EXAMINATION

The bank's CRA evaluation is based upon a review of home mortgage and small business loans originated in 2006, 2007, and 2008 (through October 31, 2008). Home mortgage loans are all loans reported pursuant to the Home Mortgage Disclosure Act (HMDA) requirements. Home mortgage loans consist of home purchase, home improvement, refinance, and multifamily loans. For purposes of this evaluation, a small business loan is a commercial or commercial real estate loan with an original loan amount of $1 million or less. Income information for the small business loans was gathered from the individual loan files, since the bank does not normally collect income information. Home mortgage and small business loans are given equal weight in this evaluation because bank management indicated that both loan products are equally emphasized in the bank's lending efforts. Agricultural and consumer loans are not a bank business focus and represent a nominal amount (less than one percent) of the bank's loan portfolio. Therefore, agricultural and consumer loan products were not reviewed for purposes of this evaluation. Community development loans, qualified investments, and community development services initiated since the prior CRA evaluation in December 2003 were also evaluated. The bank did not have any outstanding investments from a prior period. A review of FDIC records, as well as the bank's CRA Public File, did not reveal any complaints relating to the bank's CRA performance since the previous evaluation.

DESCRIPTION OF INSTITUTION

Community Bank of Oak Park River Forest is a $338 million commercial bank that is headquartered in Oak Park, Illinois, and owned by Oak Park River Forest Bankshares, Inc. The mission of the bank is to be the premier financial services provider in the Oak Park, River Forest, and Forest Park communities. These three communities are affluent Chicago suburban areas in Cook County. The bank has one branch, which is full service and located approximately 1 mile west of the main office in River Forest. According to 2000 census data, the population equaled 52,524 residents in Oak Park, 11,635 residents in River Forest, and 15,688 residents in Forest Park. The main office is located in a middle-income census tract, and the branch office is located in an upper-income census tract. The main office has two automated teller machines (ATMs) and a drive-up facility. The branch office has one ATM. The bank operates two additional proprietary ATMs, one at Dominican University and one at Concordia University. Both ATMs are located in upper-income census tracts in River Forest.

The bank experienced a 113 percent growth in total assets since the previous evaluation. According to the Consolidated Reports of Condition, total assets increased dramatically from $158,756,000 at September 30, 2003 to $337,808,000 at September 30, 2008. Total loans increased 113 percent during this same time period from $130,573,000 to $278,339,000. Table A notes that other construction and land development, commercial real estate, and commercial and industrial loans make up 66 percent of total loans, and 1-4 family residential construction and residential mortgage loans make up 30 percent of total loans. All types of credit products and services are offered, including residential mortgage loans, home improvement loans, consumer loans, and commercial loans including small business loans. The bank offers several different types of deposit accounts for consumers, including low or no minimum balance and low or no service charge checking and savings accounts. There are no financial constraints, legal impediments, or any other factors that hinder the bank's ability to provide credit within the assessment area.

Table A – Loan Distribution as of 9/30/2008		
Loan Type	**$ (000s)**	**%**
1-4 Family Residential Construction	$12,817	5%
Other Construction and Land Development	$32,650	12%
Secured by Farmland	$0	0%
1-4 Family Residential	$70,648	25%
Multi-Family (5 or more) Residential	$8,711	3%
Commercial	$76,583	27%
Total Real Estate Loans	$201,409	72%
Agricultural	$0	0%
Commercial and Industrial	$74,721	27%
Consumer	$547	0%
Other	$2,056	1%
Less: Unearned Income	$394	0%
Total Loans	$278,339	100%

Source: Report of Condition

The bank received a rating of "Satisfactory" during the previous CRA Public Evaluation dated December 8, 2003. Small bank CRA procedures were used for that evaluation. Intermediate small bank CRA procedures are being used at the current evaluation.

DESCRIPTION OF ASSESSMENT AREA

Original Assessment Area

The bank's assessment area originally consisted of a small affluent area consisting of the communities of Oak Park, River Forest, and Forest Park. This area is in the western center of Cook County, Illinois. Cook County is among the eight counties that make up the Chicago-Naperville-Joliet Metropolitan Division (MD). The assessment area had not been changed since the bank opened in 1996. The size of the assessment area did not change with the increase in loan volume and resulted in disproportionate lending patterns in low- and moderate geographies and borrowers. As originally defined, the assessment area consisted of 17 census tracts in Cook County (8119 – 8132 and 8159 – 8161), which included the 12 census tracts that comprise Oak Park, the 2 census tracts that comprise River Forest, and the 3 census tracts that comprise Forest Park. The bank's assessment area contained seven middle- and ten upper-income census tracts. It excluded neighboring low- and moderate-income communities and did not contain a majority of the bank's lending activities.

The assessment area was expanded from 17 to 202 census tracts to meet the requirements of the CRA regulation. The revised assessment area now includes low- and moderate-income census tracts to the east of the bank in the Austin community of Chicago, moderate-income census tracts to the west in the Village of Maywood, and moderate-income census tracts to the south in the Town of Cicero and in the Village of Berwyn. The revised assessment area consists of 149 of the 1,343 census tracts in Cook County and 53 of the 147 census tracts in DuPage County. DuPage and Cook Counties are among the eight counties that make up the Chicago-Naperville-Joliet MD.

Geographic, Demographic, and Economic Data

All five low-income census tracts and nearly a third of moderate-income census tracts (17 census tracts) are located in the Austin community of Chicago. Cicero, which is directly south of Austin, contains the next largest cluster of moderate-income census tracts with 11. The Belmont Cragin community, which is directly north of Austin, contains seven moderate-income census tracts. The remaining 18 moderate-income census tracts are split among Berwyn (four), Franklin Park (one), Galewood (three), Maywood (four), Melrose Park (two), Montclare (three), and River Grove (one). These communities are in close proximity to the banking offices in Oak Park and River Forest. Public transportation to and from Oak Park is abundant; therefore the location of the main office is suitable for serving the banking needs of residents of the low- and moderate-income census tracts.

Table B notes geographic, demographic, and economic information on the bank's revised assessment area. The Table also includes data on the three communities with low- or moderate-income census tracts that are adjacent to the communities containing the bank locations. In particular, the Austin community of Chicago is one of the most disadvantaged areas of the bank's assessment area, and this community adjoins Oak Park. Table B indicates that the Austin community has a high percentage of residents living below the poverty level, high unemployment, low percentage of owner-occupied housing units, and the majority (62 percent) of families with earnings that categorize them as low- and moderate-income.

Table B – Geographic, Demographic, and Economic Information										
Category	**Bank-Revised Assessment Area**		**Austin**		**Maywood**		**Cicero**		**Berwyn**	
Census Tracts										
Low-Income	5	2%	5	21%	-	-	-	-	-	-
Moderate-Income	53	26%	17	71%	4	67%	11	85%	4	40%
Middle-Income	84	42%	2	8%	2	33%	2	15%	6	60%
Upper-Income	60	30%	-	-	-	-	-	-	-	-
Total Census Tracts	202	100%	24	100%	6	100%	13	100%	10	100%
Total Population	1,030,980		117,527		26,987		85,616		54,016	
Families by Income Level										
Low-Income	19%		41%		29%		33%		22%	
Moderate-Income	18%		21%		22%		27%		23%	
Middle-Income	23%		19%		23%		23%		27%	
Upper-Income	40%		19%		26%		17%		28%	
Families Below the Poverty Level	7%		21%		11%		13%		6%	
Unemployment Rate	6%		17%		12%		10%		6%	
Median Housing Value	$193,311		$122,854		$107,884		$120,760		$136,862	
Median Age of Housing	44 years		52 years		54 years		53 years		58 years	
Total Housing Units										
1-4 Family	78%		75%		84%		87%		83%	
Multi-Family	22%		25%		16%		13%		17%	
Median Gross Rent	$673		$585		$639		$564		$592	
Housing Units										
Owner-Occupied	65%		39%		59%		52%		59%	
Rental	31%		53%		35%		42%		37%	
Vacant	4%		8%		6%		6%		5%	
Renters with costs >30% of income	11%		25%		18%		16%		13%	

Source: 2000 US Census

The U.S. Department of Housing and Urban Development (HUD) issues annual estimates for updated median family income (MFI). HUD bases its annual estimates on the most recent U.S. Census data and factors in inflation and other economic variables to arrive at a MFI that more closely reflects current economic conditions. Table C identifies the HUD adjusted MFI for 2006, 2007, and 2008, along with the actual MFI for 2000. The actual MFI for 2000 is used to determine the income category of the geography or census tract. The HUD adjusted MFI's for 2006, 2007, and 2008 were used to determine the income category of the borrowers. Table C also includes the income ranges for the respective income level designations.

Table C – Median Family Income for Chicago-Naperville-Joliet MD					
Year	**MFI**	**Low-Income <50% of MFI**	**Moderate-Income 50% - < 80% of MFI**	**Middle-Income 80% - < 120% of MFI**	**Upper-Income ≥ 120% of MFI**
2000	$67,900	< $33,950	$33,950 - < $54,320	$54,320 - < $81,480	≥ $81,480
2006	$72,100	<$36,050	$36,050 - < $57,680	$57,680 - < $86,520	≥ $86,520
2007	$69,700	<$34,850	$34,850 - <$55,760	$55,760 - <$83,640	≥ $83,640
2008	$71,100	<$35,550	$35,550 - <$56,880	$56,880 - <$85,320	≥ $85,320

Source: HUD; < - Less than; ≥ - Greater than or equal to

The composition of families by income level is 19 percent low-income, 18 percent moderate-income, 23 percent middle-income, and 40 percent upper-income. Seven percent of families have incomes below the poverty level.

Housing

The ability for low- and moderate-income families to obtain affordable housing is adversely affected by the high home prices. Information from the Oak Park Board of Realtors' website indicates that the average housing sales price in Oak Park increased from $512,969 in 2006 to $525,871 in 2007 and then declined to $484,748 in 2008. The average housing sales price in River Forest increased from $871,190 in 2006 to $918,405 in 2007 and then decreased slightly to $901,275 in 2008. Forest Park experienced a slight decline from $329,053 in 2006 to $326,132 in 2007 to $318,493 in 2008. The number of home sales in Forest Park dropped 21 percent in 2007 and 19 percent in 2008. Oak Park experienced a 6 percent decline in 2007 and 13 percent decline in 2008, while River Forest experienced a 4 percent decline in 2007 and a 22 percent decline in 2008. Information from the City-Data website indicates that the average housing sales price in 2008 is $245,301 in Austin, $200,551 in Maywood, $223, 200 in Cicero, and $250,217 in Berwyn.

Community Development Opportunities in Oak Park

Oak Park has 12 business districts, each with its own character, businesses, and micro community. Several districts are located in tax increment financing (TIF) areas. Additional attractive economic incentives are available to businesses in these TIF areas. Local business associations serve most of the districts.

Each year the Village of Oak Park receives an allocation of Community Development Block Grant (CDBG) and Emergency Shelter Grant (ESG) funds from the U.S. Department of Housing and Urban Development (HUD). CDBG funds are intended to support a wide variety of community and economic development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. The purpose of the federally funded, but locally administered, CDBG program is to develop and provide decent housing and a suitable living environment, and expand economic opportunities for persons of low- and moderate-income. Organizations, including for-profits and state or federally certified not-for-profit agencies, are eligible to apply for CDBG grants through the Village. ESG funding is available only for providers of services that are related to homelessness or homelessness assistance. Eligible CDBG activities include public services, facility improvements, housing and economic and infrastructure development. Eligible ESG activities include homeless and transitional shelter operations and homeless prevention activities.

According to the most recent Needs Assessment conducted by the Village of Oak Park, there is an adequate supply of affordable rental housing for low- and moderate-income families. However, more affordable three-bedroom rental units are needed as well as affordable single family owner-occupied units. One community contact stated that Oak Park has 500 housing units occupied by low-income individuals on Section 8. When the most recent housing project was complete, a percentage (10 or 20 percent) of the units was set aside for low-income individuals. The number of applications for this limited amount of housing units totaled 47,000 applications. Many of these applications were from individuals living in the greater Chicago area, and not specifically in Oak Park.

Affordable housing for special needs individuals is also desperately needed. The Village of Oak Park has 346 occupied housing units for developmentally challenged or mentally impaired individuals. Another 494 special needs individuals are living in regular housing units due to the shortage of such specially designed units.

According to the interview with a member of the community, rehabilitation of several multifamily housing units is needed. Rehabilitation of single family residences for low- and moderate-income individuals is always needed in Oak Park, according to this community contact. A continuing need exists for homebuyer seminars and for non-profit organizations that need assistance in designing their project so that it meets the needs of their targeted client base as well as meeting the grant eligibility requirements.

For more than 30 years, the Village of Oak Park has been a leader in ensuring stability of the community through a commitment to integration and fair housing. Oak Park has a history of supporting its housing stock through a wide range of support programs. The Housing Programs Division administers programs that provide loans and grants to eligible multi-family and single family properties, and help eligible applicants purchase a first home. The Division sponsors education programs for multi-family building managers, and condominium and town home associations.

According to interviews with community organizations, banks are doing a good job in making loans to low- and moderate-income individuals seeking home ownership and to qualified businesses needing funds. One contact indicated that financial education continues to be a need for both homebuyers and small and start-up businesses. Financing for start-up businesses is also needed. Two contacts indicated that local banks are providing both financial seminars and workshops and business loans to applicants that meet the relatively stringent guidelines. One contact indicated that business loan programs are available for both internal and external façade improvements.

Community Development Opportunities in Disadvantaged Areas of the Assessment Area

Revitalization is desperately needed in the Austin community, according to an interview with a community organization. The Austin community is Chicago's largest community in both population and geographic area. The current economic conditions of the Austin community are not stable, as the community is battling a high level of foreclosures, and the unemployment rate is higher than in other areas of the City of Chicago. The community contact indicated that the Austin community needs more banks that are willing to form relationships with the community. The community contact stated that banks need to become partners with non-profit organizations to gain a better understanding of what is needed in the community. The contact stated that residents, banks, and non-profit organizations should have a forum in the community to discuss what can be done to make the area a better place to live.

In addition, the contact stated banks need to hire from the community to strengthen the relationships with the community. Additional bank facilities are needed as currency exchanges are plentiful. Community contacts indicated that financial literacy would greatly benefit the community. Home improvement loans and start-up business financing are needed in the Austin community.

Affordable housing continues to be a need in the Austin community. The homes are numerous, but a majority are old and in need of repair. There has been some new residential construction in the northern portion of the Austin community; however, the homes are higher-priced, and the average Austin resident is not able to afford a home there. Austin is a community where residents want to find jobs and take care of their families, but unfortunately, jobs are very limited. Many residents have suffered through unemployment and are simply living paycheck to paycheck.

Home values have dropped significantly in Maywood. A community contact stated that the sale price of a standard brick bungalow is $60,000 in 2008, as compared to $125,000 to $150,000 in 2005. Loan modifications through FHA are not being processed timely to curtail foreclosures. A local realtor stated that mortgage brokers provide much quicker service than banks. The contact stated more banks are needed in Maywood, as lending has become very restrictive. The contact stated the Village of Maywood is working with the Maywood Community Development Corporation. This entity is a consortium of four banks that have put together a program to fund home improvement loans.

A community contact estimated that 16 percent or more of the population in Maywood is eligible for rental financial assistance. The contact stated that the greatest needs are additional Section 8 housing, financial and technical support for entrepreneurs, outreach programs for first-generation immigrants that are interested in purchasing a home, and providing competitive alternatives for international cash transfers. With the increase in foreclosures, there is a greater need for low cost rental housing such as Section 8 housing. Unemployment rates are increasing, so some people are attempting to start their own business and need both financial and technical support. First-generation immigrants are not being well served by the banking industry, as many can nearly purchase a home with cash and a small mortgage by the time they begin to search for a home. The contact stated that alternatives to Western Union and payday lenders are needed, and more banks in general could help serve area credit needs.

There are 37 Community Development Financial Institutions (CDFIs) in Chicago as of November 1, 2008. The majority of these CDFIs serve a larger area that includes the bank's assessment area. Deposits, equity investments, loans, or service involvement with these CDFIs would generally receive CRA community development credit.

The Illinois Housing Development Authority is empowered to issue tax-exempt and taxable bonds to provide construction and permanent financing for multifamily rental developments. The program offers developers low-interest rate construction and permanent loan financing through one application process. Rehabilitation and refinance loans are considered on a case-by-case basis.

Financial institutions can contribute toward those organizations' goals that are aimed at CRA qualified activities or directly to customers by providing affordable housing loans, closing cost and downpayment assistance, direct grants, gap assistance, financial education, and credit counseling. In addition, community contacts indicated that cash donations can be particularly responsive to needs as many community development organizations are strapped for cash and lack the resources to repay loans.

Competition in the Assessment Area

The bank operates in a highly competitive environment. Area banks and credit unions, as well as mortgage, insurance, and finance companies, present the largest degree of competition to the bank. As of June 30, 2008, there were 34 FDIC insured financial entities with 97 offices in the bank's assessment area. With two full service banking offices in the assessment area, the bank captured 5 percent of the $6 billion in total deposits in the assessment area as of June 30, 2008.

Competition from financial institutions for home mortgage loans is strong. According to 2006 Home Mortgage Disclosure Act (HMDA) loan data, the bank originated 213 home mortgage loans (less than 1 percent market share) in the assessment area and ranked 70th out of 604 lenders in the assessment area. According to 2007 HMDA loan data, the bank originated 156 home mortgage loans (less than 1 percent market share) in the assessment area and ranked 54th out of 575 lenders in the assessment area. Countrywide Home Loans was the top lender in both years, making 6,100 home mortgage loans (8 percent market share) in 2006 and 5,468 home mortgage loans (10 percent market share) in 2007. The number of lenders originating at least 100 home mortgage loans in the assessment area total 104 in 2006 and 81 in 2007.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's average loan-to-deposit ratio, based upon 20 quarters since the previous evaluation dated December 8, 2003 is 92 percent. During this time period, the bank's loan-to-deposit ratio ranged between a low of 85 percent in September 2006 and a high of 98 percent in September 2005. Similarly situated institutions' ratios have averaged from 58 to 100 percent for the same time period, with an average of 79 percent for this group of 22 financial institutions. Similarly situated institutions are Illinois banks in Cook County that have comparable loan products and asset size. These similarly situated institutions have business loans that comprise 35-80 percent of their loan portfolios, have home mortgage loans that comprise 5-50 percent of their loan portfolios, have multifamily residential loans that comprise no more than 10 percent of their loan portfolios, range in size from $110,021,000 to $458,807,000, and have an average asset size of $268,039,364. Loans sold in the secondary market are not considered in any of the ratios mentioned.

The loan-to-deposit ratio is one measure to determine if the bank is making loans. Another measure is loan growth. The bank experienced a 113 percent growth in total loans since the previous evaluation. According to the Consolidated Reports of Condition, total loans increased dramatically from $130,573,000 at September 30, 2003 to $278,339,000 at September 30, 2008.

Lending in Assessment Area

As noted in Table D, the bank originated a majority of its loans within its assessment area. For home mortgage loans in 2006, 2007, and the first ten months of 2008, 73 percent by number (512 of 706) and 71 percent by dollar volume ($124,004,000 of $174,406,000) were made within the assessment area. For small business loans over the same time period, 57 percent by number (129 of 227) and 51 percent by dollar volume ($37,743,000 of $73,910,000) were made within the assessment area.

Table D – Distribution of Loans Inside and Outside of Bank-Revised Assessment Area

Loan Category or Type	Number of Loans					Dollars in Loans (000)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		$	%	$	%	
Home Mortgage										
2006	213	83%	45	17%	258	$50,972	82%	$10,843	18%	$61,815
2007	156	70%	67	30%	223	$37,507	67%	$18,620	33%	$56,127
2008 YTD	143	64%	82	36%	225	$35,525	63%	$20,939	37%	$56,464
Subtotal	**512**	**73%**	**194**	**27%**	**706**	**$124,004**	**71%**	**$50,402**	**29%**	**$174,406**
Small Business										
2006	37	54%	32	46%	69	$14,093	51%	$13,694	49%	$27,787
2007	39	53%	34	47%	73	$10,365	47%	$11,553	53%	$21,918
2008 YTD	53	62%	32	38%	85	$13,285	55%	$10,920	45%	$24,205
Subtotal	**129**	**57%**	**98**	**43%**	**227**	**$37,743**	**51%**	**$36,167**	**49%**	**$73,910**
Total	**641**	**69%**	**292**	**31%**	**933**	**$161,747**	**65%**	**$86,569**	**35%**	**$248,316**

Geographic Distribution Analysis

The bank's geographic distribution of loans reflects very poor dispersion throughout the assessment area. Loan dispersion maps show significant lending gaps in areas that are in close proximity to the bank's two banking offices. The gaps significantly coincide with the presence of low- and moderate-income census tracts. The Austin community is adjacent to Oak Park to the east, and Maywood is adjacent to River Forest to the west. The main office is located in Oak Park and the branch office is located in River Forest. Austin contains all five low-income census tracts in the bank's assessment area, as well as 17 moderate-income census tracts. Maywood contains four moderate-income census tracts. The only loan activity in these 26 census tracts is one small business loan in a moderate-income census tract in Austin.

Table E notes the geographic distribution of home mortgage loans within the assessment area in 2006, 2007, and ten months of 2008. For comparison purposes, owner-occupied housing units within the assessment area and aggregate loan data are included. Table F notes the geographic distribution of small business loans within the assessment area for the same time period. For comparison purposes, demographic data is shown using D&B data. Although home mortgage and small business loan distributions by dollar volume were considered, this information is not presented in this evaluation as the data reflects results similar to that by number of loans.

Home Mortgage Loans

The bank's performance in originating home mortgage loans, which includes home purchase, home mortgage refinance, and home improvement loans, notes very poor dispersion of loans throughout the assessment area. Table E notes no loans in low-income census tracts, and only 1 or 2 percent in each year in moderate-income census tracts. The disparity between the bank and other lenders is greatest in the moderate-income census tracts. Other lenders made 23 percent of their home mortgage loans in moderate-income census tracts in 2006 and 20 percent in 2007. Other lenders' performance exceeds demographic statistics of 16 percent of owner-occupied housing units in moderate-income census tracts.

The seven home mortgage loans in moderate-income census tracts in 2006, 2007, and 2008 YTD were made in surrounding communities of Oak Park and River Forest. River Grove contains two home mortgage loans, and Melrose Park also contains two home mortgage loans. These communities are located adjacent to River Forest to the northwest. Cicero, which is adjacent to Oak Park to the south, also contains two home mortgage loans. The Belmont Cragin community of Chicago, which is adjacent to the Austin community to the north, contains one home mortgage loan. No home mortgage loans were made in low- or moderate income tracts in Austin or Maywood, which are also adjacent communities to Oak Park and River Forest. While the bank is making loans to residents in moderate-income census tracts, these residents are from communities further away from the bank offices. However, as previously stated, no loans were made in Austin or Maywood despite the fact that public transportation is abundant between Oak Park and the adjacent communities of Austin and Maywood. No mitigating factors were found to explain the gaps in lending to these communities.

Table E – Distribution of Home Mortgage Loans by Income Category of the Census Tract – Bank-Revised AA

Census Tract Income Level	Owner-Occupied Housing Units		Aggregate		2006		2007		2008 YTD	
	#	%	2006	2007	#	%	#	%	#	%
Low	2,315	1%	2%	1%	-	-	-	-	-	-
Moderate	39,633	16%	23%	20%	3	1%	3	2%	1	1%
Middle	109,060	45%	47%	47%	66	31%	45	29%	36	25%
Upper	92,908	38%	28%	32%	144	68%	108	69%	106	74%
Total	**243,916**	**100%**	**100%**	**100%**	**213**	**100%**	**156**	**100%**	**143**	**100%**

Small Loans to Businesses

The bank's performance in originating small business loans notes a very poor dispersion of loans throughout the assessment area. Table F notes no loans in low-income census tracts, and only 3 percent in 2006 in moderate-income census tracts. The bank's performance in 2007 improved significantly to 13 percent; however, the bank's performance dropped to 2 percent in 2008 year-to-date. The bank's performance compares adversely to the percentage of small businesses in moderate-income census tracts which is 14 percent in 2006 and 15 percent in 2007.

Table F – Distribution of Small Business Loans by Income Category of Census Tract – Bank-Revised AA										
Census Tract Income Level	**Small Businesses***		**2006**		**2007**		**2008 YTD**		**Total**	
	2006	**2007**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low	1%	1%	-	-	-	-	-	-	-	-
Moderate	14%	15%	1	3%	5	13%	1	2%	7	5%
Middle	39%	39%	11	30%	8	20%	19	36%	38	30%
Upper	46%	45%	25	67%	26	67%	33	62%	84	65%
Total	**100%**	**100%**	**37**	**100%**	**39**	**100%**	**53**	**100%**	**129**	**100%**

**Source: D&B data.*

The seven small business loans in moderate-income census tracts in 2006, 2007, and 2008 YTD were made in surrounding communities to Oak Park and River Forest: Austin (one small business loan), Belmont Cragin (one), Cicero (three), Melrose Park (one), and River Grove (one). No small business loans were made in Maywood, which is adjacent to River Forest. No mitigating factors were found to explain the gaps in lending to these communities.

Borrower Profile Analysis

The bank's distribution of loans to borrowers reflects, given the demographics of the assessment area, a poor penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. A disproportionate percentage of home mortgage loans are made to middle- and upper-income borrowers, and has continually exceeded the percentage of families and aggregate data. This performance is a reflection of the bank's strategy of focusing on Oak Park, River Forest, and Forest Park, which are communities containing a greater percentage of middle- and upper-income individuals than adjacent communities. The bank's mission, as previously stated, has contributed to a disproportionate level of lending to low- and moderate-income borrowers.

Tables G through J detail the distribution of the institution's home mortgage loans by borrower income level within the assessment area in 2006, 2007, and ten months in 2008. For comparison purposes, the distribution of families within the assessment area by income level and aggregate loan data are included. Approximately 7 percent of the families in the assessment area live below the poverty level.

Tables K and L detail the distribution of the institution's small business loans by annual revenues and loan amounts. For comparison purposes, demographic data is shown using D&B data. Although home mortgage and small business loan distributions by dollar volume were considered, this information is not presented in this evaluation as the data reflects results similar to that by number of loans.

Home Mortgage Loans

The bank's performance in home mortgage loans, which includes home purchase, home mortgage refinance, and home improvement loans, notes poor penetration in meeting the credit needs of borrowers of different income levels in the assessment area, including low- and moderate-income individuals. As shown in Table G, although the penetration to low- income borrowers is in line with aggregate data in 2006 and 2007, there is a declining trend from 2006 through year-to-date 2008, with no loans made being made in 2008. Performance was also below the 12 percent of low-income families, which was adjusted for families living below poverty, residing in the assessment area. The penetration to moderate-income borrowers is substantially below aggregate data for 2006 and below aggregate data for 2007 with only eight loans originated in 2008 as well as substantially below the percentage of families for all three years. The bank's performance in home mortgage loans reflects a disproportionate percentage of home mortgage loans made to middle- and upper-income borrowers. The bank made 78 percent of its home mortgage loans to middle- and upper-income borrowers in 2006, 72 percent in 2007, and 86 percent in 2008 year-to-date. The bank's performance exceeds the 63 percent of middle- and upper-income families in the assessment area and other lenders' performance of 61 percent in 2006 and 65 percent in 2007.

Table G – Distribution of Home Mortgage Loans by Borrower Income – Bank-Revised AA

Borrower Income Level	Total Families	2006 Aggregate	2007 Aggregate	2006 Bank*		2007 Bank*		2008 YTD Bank*	
	%	%	%	#	%	#	%	#	%
Low	19%	3%	3%	9	4%	5	3%	-	-
Moderate	18%	15%	16%	10	5%	17	11%	8	6%
Middle	23%	28%	26%	29	14%	14	9%	18	13%
Upper	40%	33%	39%	136	64%	98	63%	105	73%
Unknown	-	21%	16%	29	13%	22	14%	12	8%
Total	**100%**	**100%**	**100%**	**213**	**100%**	**156**	**100%**	**143**	**100%**

**Includes two multifamily loans in 2006, nine in 2007, and four in 2008 YTD.*

Home Purchase Loans

The bank's performance in home purchase loans notes poor penetration in meeting the credit needs of low- and moderate-income borrowers in the assessment area. As shown in Table H, although the penetration to low- income borrowers was in line with aggregate data in 2006 and exceed aggregate data for 2007, no loans were made in 2008. Performance was also below the 12 percent of low-income families, which was adjusted for families living below poverty, residing in the assessment area. The penetration to moderate-income borrowers is substantially below aggregate data for 2006 and 2007 with only three loans originated in 2008. The bank's performance in home purchase loans reflects a disproportionate percentage of home purchase loans made to middle- and upper-income borrowers. The bank made 80 percent of its home purchase loans to middle- and upper-income borrowers in 2006, 78 percent in 2007, and 81 percent in 2008 year-to-date. The bank's performance exceeds the 63 percent of middle- and upper-income families in the assessment area and other lenders' performance of 63 percent in 2006 and 67 percent in 2007.

Table H – Distribution of Home Purchase Loans by Borrower Income – Bank-Revised AA									
Borrower Income Level	**Total Families**	**2006 Aggregate**	**2007 Aggregate**	**2006 Bank**		**2007 Bank**		**2008 YTD Bank**	
	%	**%**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low	19%	2%	2%	2	2%	3	5%	-	-
Moderate	18%	13%	14%	5	6%	5	8%	3	6%
Middle	23%	28%	24%	10	12%	9	14%	9	19%
Upper	40%	35%	43%	57	68%	42	64%	29	62%
Unknown	-	22%	17%	10	12%	6	9%	6	13%
Total	**100%**	**100%**	**100%**	**84**	**100%**	**65**	**100%**	**47**	**100%**

Home Mortgage Refinance Loans

The bank's performance in home mortgage refinance loans notes a poor penetration in meeting the credit needs of low- and moderate-income borrowers in the assessment area. As shown in Table I, although the penetration to low- income borrowers was slightly above aggregate data in 2006 no loans made were made in 2007 or 2008. Performance in 2006 was also below the 12 percent of low-income families, which was adjusted for families living below poverty, residing in the assessment area. The penetration to moderate-income borrowers for 2006 was substantially below aggregate data for 2006, exceeded aggregate data for 2007 with only two loans originated in 2008. The bank's performance in home mortgage refinance loans reflects a disproportionate percentage of home mortgage refinance loans made to middle- and upper-income borrowers in 2006 and 2008 year-to-date. The bank made 67 percent of its home mortgage refinance loans to middle- and upper-income borrowers in 2006, 59 percent in 2007, and 90 percent in 2008 year-to-date. The bank's performance is generally in line with the 63 percent of middle- and upper-income families in the assessment area and other lenders' performance of 64 percent in 2007. However, the bank's performance to middle- and upper-income borrowers in 2008 year-to-date increased dramatically to 90 percent.

Table I – Distribution of Home Mortgage Refinance Loans by Borrower Income – Bank-Revised AA									
Borrower Income Level	**Total Families**	**2006 Aggregate**	**2007 Aggregate**	**2006 Bank**		**2007 Bank**		**2008 YTD Bank**	
	%	**%**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low	19%	4%	4%	3	5%	-	-	-	-
Moderate	18%	17%	16%	4	6%	7	19%	2	3%
Middle	23%	27%	27%	11	16%	3	8%	6	10%
Upper	40%	31%	37%	34	51%	19	51%	47	80%
Unknown	-	21%	16%	15	22%	8	22%	4	7%
Total	**100%**	**100%**	**100%**	**67**	**100%**	**37**	**100%**	**59**	**100%**

Home Improvement Loans

The bank's performance in home improvement loans notes a poor penetration in meeting the credit needs of individuals of different income levels in the assessment area. As shown in Table J, although the penetration to low- income borrowers was in line with aggregate data for 2006 and slightly below aggregate data for 2007, there is a declining trend from 2006 through year-to-date 2008, with no loans made being made in 2008. Performance was also below the 12 percent of low-income families, which was adjusted for families living below poverty, residing in the assessment area. The penetration to moderate-income borrowers is substantially below aggregate data for 2006 and 2007 with only three loans originated in 2008.

The bank’s performance in home improvement loans reflects a disproportionate percentage of home improvement loans made to middle- and upper-income borrowers in 2006 and 2008 year-to-date. The bank made 86 percent of its home improvement loans to middle- and upper-income borrowers in 2006, 72 percent in 2007, and 86 percent in 2008 year-to-date. The bank’s performance is generally in line with the 63 percent of middle- and upper-income families in the assessment area and other lenders’ performance of 69 percent in 2007. However, the bank’s performance to middle- and upper-income borrowers in 2008 year-to-date increased back up to 86 percent.

Table J – Distribution of Home Improvement Loans by Borrower Income – Bank-Revised AA

Borrower Income Level	Total Families	2006 Aggregate	2007 Aggregate	2006 Bank		2007 Bank		2008 YTD Bank	
	%	%	%	#	%	#	%	#	%
Low	19%	7%	6%	4	6%	2	4%	-	-
Moderate	18%	19%	20%	1	2%	5	9%	3	8%
Middle	23%	31%	29%	8	13%	2	4%	3	8%
Upper	40%	36%	40%	45	73%	37	68%	29	78%
Unknown	-	7%	5%	4	6%	8	15%	2	6%
Total	**100%**	**100%**	**100%**	**62**	**100%**	**54**	**100%**	**37**	**100%**

Small Loans to Businesses

The bank’s performance in lending to businesses of different sizes is evaluated based on the distribution by loan amount, which reflects reasonable performance as shown in Table K. Small loans to businesses were evaluated by loan size, with loan size serving as a proxy for business size. The bank originated 41 percent in loan sizes of $250,000 or less in 2006, 64 percent in 2007, and 64 percent in 2008 year-to-date. Thirty percent or more of the bank’s loans (22 in 2006, 17 in 2007, and 16 in 2008) are commercial mortgage loans or commercial construction loans with higher loan balances due to the high cost of real estate in the bank’s assessment area. The bank’s average loan size for the loans in Table K is $380,892 in 2006, $263,605 in 2007, and $250,660 in 2008. Commercial real estate loans are generally higher in loan size than inventory and equipment loans.

Table K - Distribution of Small Business Loans by Loan Size – Bank-Revised AA

Loan Amount $000s	Community Bank of Oak Park River Forest							
	2006		2007		2008 YTD		Total	
≤$100	11	30%	11	28%	19	36%	41	32%
>$100-≤$250	4	11%	14	36%	15	28%	33	25%
>$250-≤$1,000	22	59%	14	36%	19	36%	55	43%
Total	**37**	**100%**	**39**	**100%**	**53**	**100%**	**129**	**100%**

≤ - Less than or equal to; > - Greater than

Examiners obtained income information from bank loan files for the loans to borrowers located in Cook County in the assessment area. Loans in DuPage County that are in the assessment area were not reviewed, so those loans are excluded from Table L. Therefore, Table L does not tie to other tables in this evaluation.

The bank's performance notes reasonable penetration in meeting the credit needs of businesses of various sizes in the assessment area. The bank's performance in making small business loans to businesses with revenues of $1 million or less is below the 89-90 percent of businesses with revenues of $1 million or less in the assessment area.

Table L depicts the distribution of small business loans to businesses originated in 2006, 2007, and the first ten months of 2008 within the assessment area. The percentage of businesses in the assessment area with $1 million or less in gross annual revenues is 89 percent in 2006 and 90 percent in 2007 based on D&B information. The bank's performance of 73 percent in 2006, 73 percent in 2007, and 81 percent in 2008 year-to-date notes an increasing trend; however, the levels are below D&B benchmark figures. While the banks performance trails the demographic, the demographic represents the percentage of small businesses operating within the assessment area and not necessarily those that are seeking, or qualify for, financing. The bank's willingness to originate smaller dollar amount loans, which are generally sought by smaller businesses, is demonstrated by the fact that over half of the bank's small business loan originations in total are in amounts of $250,000 or less. Given the competition in the assessment area, the bank's performance is considered reasonable.

Table L - Distribution of Small Business Loans by Annual Revenues – Bank-Revised AA								
Business Gross Annual Revenues	**Small Businesses***		**Community Bank of Oak Park River Forest**					
	2006	**2007**	**2006***		**2007***		**2008 YTD***	
≤$1,000,000	89%	90%	22	73%	24	73%	29	81%
>$1,000,000	11%	10%	8	27%	9	27%	7	19%
Total	**100%**	**100%**	**30**	**100%**	**33**	**100%**	**36**	**100%**

≤ - Less than or equal to; > - Greater than
**Source: D&B data.*

Special Loan Programs

To help meet the credit needs of small businesses, the bank utilizes the loan programs that are described below. The bank participates in residential home mortgage loan programs for flood victims and for individuals desiring more flexible loan terms. The bank made five loans through these programs totaling $1,289,990, which were all made through the Oak Park Development Corporation Loan Programs. These programs have targeted Oak Park and River Forest, which is in line with the bank's mission strategy of being the premier financial services provider in Oak Park, River Forest, and Forest Park.

- <u>Oak Park Development Corporation Loan Programs</u> – The bank participates in the commercial loan program and the micro loan program offered by the Oak Park Development Corporation. The commercial loan program provides below market financing for acquisition and construction loans, and the micro loan program provides access to affordable capital to Oak Park's smaller businesses. This organization is comprised of local banks, including Community Bank of Oak Park River Forest. The bank has participated in one loan in each year since the previous evaluation for a total of five loans equaling $1,289,990. Three of the five loans have a community development purpose. The bank has elected to have these three loans excluded from small business loans and included in community development loans.

- Low Interest Rate Loans to Flood Victims – In September 2008, a portion of the bank's assessment area was devastated by floods that were the result of Hurricane Ike. The west end of the Village of River Forest sustained damage to many homes when the banks of the Des Plaines River overflowed. In conjunction with the Village of River Forest, the bank quickly made low interest rate loans available to those affected. This program matched the State of Illinois emergency funding program, but without all the documentation requirements to apply. To date, the bank has received one application for this loan program.
- Federal Housing Administration (FHA)/Veterans Administration (VA) Loans – The bank was approved for the FHA/VA lending program in 2008. The bank has six to eight loans in the pipeline waiting for approval/funding; however, no loans have been closed.

Response to CRA Related Complaints

The bank has not received any complaints since the previous evaluation that relate to its performance in meeting the credit needs of its assessment area.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates poor responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area. The bank has focused on Oak Park, River Forest, and Forest Park when providing community development activities. Little efforts have been made to provide community development activities in low- and moderate-income census tracts in communities immediately adjacent to the bank office locations.

Opportunities for community development activities are greatest in communities like Austin, Maywood, Cicero, and Berwyn. These four communities are located immediately adjacent to the bank office locations. Community contacts stressed the need for bank involvement in a variety of forms. The bank has made little to no efforts to meet the credit needs of these communities, even though the bank experienced significant loan growth over the evaluation period. Bank officer involvement with organizations in these adjoining communities is also nearly non-existent.

Opportunities for community development lending, investments, and services are available based upon an analysis of demographic information, the CRA public evaluations of area institutions, and community contact information. More specifically, the assessment area has 37 percent of the families identified as low- or moderate-income. Using 2007 D&B data, 90 percent of the businesses in the assessment area have gross annual revenues below $1 million. Additionally, several Tax Increment Financing (TIF) districts exist within the bank's assessment area. TIF districts offer favorable tax treatment to areas designated by the government to spur investment in the area. There are 37 Community Development Financial Institutions in Chicago, many of which serve the larger area that includes the bank's assessment area.

Specific community development opportunities were confirmed through a review of the public evaluations of several area banks and contacts with community organizations. Needs in the community cited by local contacts included affordable housing, credit counseling, technical assistance to small businesses, start-up business financing, and home improvement loans. As the bank's market resides in the metropolitan Chicago area, numerous additional investment and service opportunities exist with respect to initiatives that operate throughout the larger metropolitan area and include the bank's assessment area.

Community Development Lending

The bank made a poor level of community development loans throughout the assessment area. The nine community development loans total $5,142,000 or 1.85 percent of total loans. Competition for community development loans is strong in the assessment area. The bank competes for loans as evidenced by the exceptionally strong loan growth rate of 113 percent between September 30, 2003 and September 30, 2008. Five community development loans are in Oak Park, one is in Austin, and three are in Chicago (two just north of Austin in the bank's assessment area and one near Lake Shore Drive, which is outside of the assessment area). The breakdown by year is two loans totaling $2,030,000 in 2004, two loans totaling $719,000 in 2005, three loans totaling $2,134,000 in 2006, one loan for $198,000 in 2007, and one loan for $61,000 in 2008. Table M details the bank's community development loans.

As previously noted, all of the low-income census tracts and a third of the moderate-income census tracts are located in the Austin community, which is immediately adjacent to the bank's two office locations. Cicero, which is directly south of Austin, contains the next largest cluster of moderate-income census tracts with 11. The Belmont Cragin community, which is directly north of Austin, contains seven moderate-income census tracts. The remaining 18 moderate-income census tracts are split among Berwyn (four), Franklin Park (one), Galewood (three), Maywood (four), Melrose Park (two), Montclare (three), and River Grove (one). These communities are in close proximity to the banking offices in Oak Park and River Forest. Despite the close location, only one community development loan was made in Austin and two were made in Belmont Cragin.

Table M - Qualified Community Development Lending Activity		
Community Development Loans	***Location***	***Dollar Volume of Loans (000s)***
2004 Loan to a non-profit organization in Oak Park. The purpose of this unsecured revolving line of credit is to support cash flow needs of the organization, which provides temporary shelter for the homeless.	Oak Park	$30 (2004)
2007 Loan Renewal to a non-profit organization in Oak Park. The purpose of this loan renewal is to provide permanent financing for the facility that houses this organization. The mission of this organization is for education in the musical arts for children and young adults who are members of low- and moderate-income families. The bank has elected to have this loan counted as a community development loan. This loan has been excluded from small business loans in this evaluation.	Oak Park	$198 (2007)

Loans to a restaurant located on the east side of Oak Park. The restaurant employs low- and moderate-income individuals and has successfully provided economic development in a neighborhood that is located near the border of the Austin community. The bank has elected to have these loans counted as community development loans. These loans have been excluded from small business loans in this evaluation. These loans were originated through the bank's participation in a loan program with the Oak Park Development Corporation.	Oak Park	$235 (2006) $61 (2007)
2005 Loan to provide funding for economic development in the form of seven storefronts bordering Austin on Harrison Street in Oak Park. These businesses are located in a middle-income census tract that borders moderate-income census tracts in Austin. The bank has elected to have this loan counted as a community development loan. This loan has been excluded from small business loans in this evaluation. This loan was originated through the bank's participation in a loan program with the Oak Park Development Corporation.	Oak Park	$458 (2005)
2005 Loan Renewal of a 16-unit mixed-use building located in Austin in a moderate-income census tract in the bank's assessment area.	Austin	$261 (2005)
2004 Loan for the rejuvenation of a shopping mall that is located in the bank's assessment area in a middle-income census tract that borders several moderate-income census tracts. New anchor tenants have been obtained which helped stabilize the property and also provided services that were not otherwise available. This mall is utilized primarily by low- and moderate-income individuals. The mall is located just to the north of Austin in Belmont Cragin.	Belmont Cragin	$2,000 (2004)
2006 Loan to purchase an eight-unit apartment building, of which five of the units are Section 8 housing rental units. These affordable housing units are located in a moderate-income census tract in the bank's assessment area. The apartment building is located just to the north of Austin in Belmont Cragin.	Belmont Cragin	$824 (2006)
2006 Loan Renewal to a non-profit adult learning center in Chicago. This loan is for the permanent financing of the school building that is located in an upper-income census tract outside of the bank's assessment area. The majority of students attending this school are low- and moderate-income individuals. Since this loan is to an organization that serves the larger area that includes the bank's assessment area, CRA credit is given as a community development loan.	Chicago	$1,075 (2006)
Total	**9 loans**	**$5,142**

Community Development Investments

The bank has a poor level of community development investments. The bank's community development investments of $267,195 consist solely of charitable donations and membership fees. The bank made $254,612 or 95 percent of community development investments in Oak Park, River Forest, and Forest Park. The remaining $12,583 or 5 percent were made in Austin. The breakdown by year is $34,749, $36,557, $45,296, $105,805, and $44,788 for 2004, 2005, 2006, 2007, and the first ten months of 2008 respectively. As of September 30, 2008, the bank's qualified community development investments represent 0.80 percent of equity capital and 0.08 percent of total assets. The level of investments is not commensurate with the institution's financial resources or the opportunities for investments in the community. The vast majority (91 percent) of the bank's community development investments benefit low- and moderate-income individuals. Small businesses benefit from the remaining 9 percent. Scholarships for students based on financial need make up $87,000 or 33 percent of all qualifying donations.

Community Development Services

The bank has provided a poor level of community development services throughout the assessment area. All community development services are provided in Oak Park, River Forest, and Forest Park with the exception of one recent community development service in Austin. The bank has virtually ignored the most disadvantaged areas of the assessment area, which include Austin and Maywood.

Qualifying community development services are shown in Table N. Community contacts stated that credit counseling for individuals and technical assistance for small businesses is needed. Bank personnel have participated in presenting this type of financial education, as noted below. However, bank personnel have focused on Oak Park when providing credit counseling and technical assistance.

Table N – Community Development Services

Brief Service Description	*Location*	*Bank Sponsored Event, Program or Seminar*	*Technical Assistance or Director Involvement by Bank Employee*	*Bank Product or Service*
A bank officer is a Finance Committee member of **Ascension Parish** in Oak Park. This Committee finds ways for those of low- and moderate-income to be able to afford the tuition at this Oak Park Catholic school.	Oak Park		2006 to present	
A bank officer worked to create and is a founding board member of the **Business and Civic Council**, which is an advocate for small businesses in Oak Park. Another bank officer is also a board member.	Oak Park		2004 to present	
A bank director continues to serve as Chairman of the **Oak Park Development Corporation**. This organization is comprised of local banks to provide financing to businesses that can not obtain conventional financing. Credit risk is split in thirds to participating banks, the Village of Oak Park, and the Oak Park Development Corporation. There are eight participating banks that equally share in their third of the credit risk. Commercial loan programs and a micro loan program are available to area businesses. A bank officer serves on the micro loan committee, which makes the credit decisions of the small business loan requests.	Oak Park		1993 to present; January 2006 to present	
A bank officer is a Board member and a bank director is an honorary Board member of the **Oak Park Regional Housing Center**, which is an organization that provides	Oak Park		2008 to present	

financial counseling support for Oak Park residents and is a national model for diversity in housing.				
A bank director is a Board member of both the **Resurrection Foundation** and the **West Suburban Sentinel Corporation**, and two other bank directors are Trustees of the **West Suburban Medical Clinic**. The Foundation purchased the medical clinic, which provides free services to low- and moderate-income individuals in Oak Park. The West Suburban Sentinel Corporation is the entity that maintains the spirit of the purchase agreement and ensures that low- and moderate-income individuals continue to receive free services.	Oak Park		2000 to present	
Student Corporate Internship Program – The bank is participating in this program, which allows high school student-workers to earn 75 percent of their tuition for Christ the King Jesuit College Preparatory School by providing real world job experience at the bank. Four students from at-risk communities within Chicago attend classes at Christ the King School four days for week and gain professional experience at the bank by working at the bank one day per week. The bank pays for the work done by these four students by providing financial support to this Catholic High School, whose goal is to prepare students to become leaders in their community and chosen profession. This school is located in the Austin community of Chicago, which is an area consisting of low- and moderate-income census tracts. This school serves primarily low- and moderate-income students. A variety of over 70 other businesses are involved with this internship program, with the bank being one of the most recent members to join this program.	Austin	September 2008 to present		
A bank officer is a Board and Finance Committee member of the **United Way of Oak Park, River Forest, and Forest Park**. The bank officer is involved in the budgeting process for activities that help low- and moderate-income individuals.	Oak Park, River Forest, & Forest Park		June 2007 to present	
The bank developed a special grant program that is fully funded by the bank. The **Visionary Grant program** is a $100,000 grant program for local non-profit organizations. Ten grants of $10,000 were awarded to local non-profit organizations throughout 2007 in recognition of Community Bank's 10th anniversary. The Visionary Grant recognized non-profit organizations in the Oak Park, River Forest, and Forest Park communities who show an ability to build capacity to start a sustainable new initiative. The Visionary Grant also aimed to motivate the non-profit community to think outside of the everyday operation of the organization, as well as to encourage collaboration among non-profits in a common mission. Five of the ten grants qualified as CRA community development investments.	Oak Park, River Forest, & Forest Park	2007		

Bank employees provide **informational seminars** on areas such as tax reduction and helping seniors with housing costs. The bank also partnered with other organizations to provide presentations for small businesses on topics relevant to non-profit organizations. The bank participated in three presentations for businesses in 2008, two in 2007, two in 2006, and three in 2005 with an average attendance of 42 individuals per event.	Oak Park	2005 to present		
A bank officer has been a speaker or participant in numerous **Village of Oak Park seminars** presented to the community to educate first time homebuyers.	Oak Park	1996 to present		

Source: Bank Records

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Substantive violations of the Fair Housing Act and Regulation B, which implements the Equal Credit Opportunity Act, were identified during a fair lending review of the bank. The violations are considered to be bank-wide. Given the seriousness of these violations, the institution's CRA performance evaluation has been lowered to a "Substantial Noncompliance" rating. Examiners found these violations occurred despite the policies, procedures, and training programs the bank had adopted to prevent discriminatory or other illegal credit practices. Management has voluntarily committed to enhance the bank's fair lending/compliance policies and procedures and initiate appropriate oversight.

APPENDIX - GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Development Financial Institutions (CDFI): CDFIs are private-sector financial intermediaries with community development as their primary mission. There are six basic types of CDFIs: community development banks, community development loan funds, community development credit unions, microenterprise funds, community development corporation-based lenders and investors, and community development venture funds.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.