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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

September 9, 1997

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

### **Mid-American National Bank & Trust Company**

Charter Number 15416

519 Madison Avenue  
Toledo, Ohio 43604

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Central District Office  
One Financial Place, Suite 2700  
440 South LaSalle Street  
Chicago, Illinois 60605

**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.

## TABLE OF CONTENTS

General Information . . . . .	1
Institution Rating . . . . .	1
Description of Institution . . . . .	2
Description of Assessment Areas . . . . .	3
Conclusions with respect to Performance Tests . . . . .	6
Lending Test . . . . .	6
Investment Test . . . . .	23
Service Test . . . . .	24
Fair Lending Review . . . . .	28
MSA Analyses: MSA 8400 - Toledo, Ohio . . . . .	28
Appendix	
Scope of Evaluation . . . . .	29

## GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Mid-American National Bank & Trust Company** (MidAm) prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **September 9, 1997**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. 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**. The **prior** Performance Evaluation dated May 1, 1995 also resulted in an assigned rating of Outstanding.

### Summary of Performance

MidAm has a strong record of addressing community credit needs. Leadership qualities in lending and community development initiatives have been demonstrated as summarized below:

- Lending levels reflect excellent responsiveness to area credit needs. MidAm is a market leader in mortgage lending, and is a strong small business lender.
- MidAm has effectively served all segments of the community, and is a market leader in lending to low- and moderate-income neighborhoods and to low- and moderate-income individuals. A significant majority of small business loans have been made to entities with annual revenues less than \$1 million, and MidAm is the market's leading SBA lender.
- Community development lending performance has been strong. MidAm has been in leadership roles, and loans have addressed a variety of pressing credit needs. MidAm continuously employs flexible lending practices.
- MidAm has taken leadership roles in providing community development services and making investments, exhibiting a strong responsiveness to the credit and economic development needs of the community.

The following table indicates the performance level of **Mid-American National Bank & Trust Company** with respect to the Lending, Investment, and Service tests.

Performance Levels	Mid-American National Bank & Trust Company Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High satisfactory		X	X
Low satisfactory			
Needs to improve			
Substantial noncompliance			

\* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

## Description of Institution

Mid-American National Bank & Trust Company (MidAm) is a full service commercial bank headquartered in Toledo, Ohio. With average assets of \$861 million during the first quarter of 1997, MidAm serves all or portions of seven counties in northwestern Ohio through 36 offices and 36 Automatic Teller Machines (ATMs). The original predecessor bank was chartered in 1952 and was based in Bowling Green. Mergers and acquisitions with several other local community banks occurred between 1970 and 1992. MidAm relocated its headquarters from Bowling Green (Wood County) to Toledo (Lucas County) in 1992.

MidAm is a wholly-owned subsidiary of Mid Am, Inc., a \$2.2 billion multi-bank holding company based in Bowling Green, Ohio. Formed in 1988, Mid Am, Inc. currently operates five banks and six non-bank financial service affiliates. Four of these banks operate in western Ohio and one operates in southeast Michigan. MidAm is the largest bank affiliate within the system. Non-bank affiliates include an investment / brokerage company, a national consumer finance company, a private trust bank, a specialized credit and leasing company, an information services corporation, and a collections company.

MidAm provides a full range of retail and commercial banking products, as well as trust services. A wide variety of residential mortgage, commercial, and consumer loans are offered. Investment and brokerage services are provided through an affiliate. While striving to be a full service financial institution, MidAm has focused particular attention toward addressing the home mortgage and small business credit needs of the community. The bank's loan portfolio as of March 31, 1997 is summarized in Table 1.

<b>Table 1 MidAm Loan Portfolio March 31, 1997 (\$000's)</b>		
Commercial, Industrial, & Business Loans	\$291,802	46%
Residential Mortgages & Home Equity	188,801	29%
Commercial Real Estate Loans	68,106	11%
Consumer Loans	57,966	9%
Farm and Agriculture Loans	28,475	4%
Other Loans	4,278	1%
<b>Total Loans Outstanding 3/31/97</b>	<b>\$639,428</b>	<b>100%</b>

*Source: MidAm 3/31/97 Report of Condition*

MidAm's assets are comprised of: Loans (71%), Cash and Investments (26%), and Other Assets (3%). Liabilities are comprised of: Domestic Deposits (89%), Borrowed Funds (10%), and Other Liabilities (1%). Equity Capital represents 7% of assets. No legal or other impediments which would impact the bank's ability to address the credit needs of the community have been identified.

## **Description of Assessment Areas**

MidAm operates in seven counties in northwestern Ohio, and has established two CRA assessment areas to serve this geographic territory. Both assessment areas are consistent with CRA regulatory requirements. Low- and moderate-income areas are not arbitrarily excluded, and no evidence of illegal discrimination is present.

MidAm's *Northern Assessment Area* is substantially within the Toledo Metropolitan Statistical Area (MSA 8400) and is comprised of Lucas and Wood counties, plus small portions of Ottawa and Henry counties. While Ottawa and Henry counties are adjacent to the MSA, MidAm's assessment area does not extend substantially into either county. The populace from the one census tract included in the area from Henry County and the three tracts from Ottawa County represent less than 3% of the Northern Assessment Area's population. MidAm includes these tracts due to branch locations. The Fulton County portion of the MSA is not included in the bank's assessment area as no MidAm offices are located there. Furthermore, Fulton County is included in the assessment area of First National Bank of Northwestern Ohio, a MidAm affiliate. *(Note: the terms **census tract** and **tract** as used throughout this document refers also to **block numbering areas**.)*

MidAm serves the Northern Assessment Area with 32 offices and 33 ATMs. According to U.S. census data, the area's population was 593,103 in 1990. A total of 159 census tracts are included, including 18 low-income tracts and 34 moderate-income tracts primarily concentrated in

downtown Toledo. The assessment area is primarily urban in nature, with metropolitan Toledo being the focal point. Other notable cities are Bowling Green and Perrysburg. According to Dun & Bradstreet, Inc. data as of June 1996, there are 18,863 businesses, including 392 agriculture related-entities, located within this assessment area. Prominent industries include automotive, glass production, and the transportation of agricultural products. Major employers include Chrysler Corporation (Jeep), General Motors Corporation, and Owens Illinois Corporation.

The ***Southern Assessment Area*** is comprised of Hancock County and portions of Putnam and Wyandot counties. This area is not within an MSA. U.S. census data reflects a population of 102,596 in 1990. A total of 22 census tracts are included, none of which are designated as being low- or moderate-income. The area is primarily rural in nature, with the cities of Findlay, Ottawa, and Upper Sandusky being the population centers. The dominant industry is agriculture, with some manufacturing as well. According to June 1996 Dun & Bradstreet, Inc. data, there are 3,309 businesses, including 118 agriculture-related entities, located within this area. Primary employers include Cooper Tire Company, Dana Corporation, Guardian Industries, Marathon Oil Company, Phillips Corporation, and Whirlpool Corporation. MidAm serves the Southern Assessment Area with four offices and three ATMs.

Table 2 provides a breakdown of how the bank’s deposits and loans are distributed between the assessments areas, as well as the distribution of various demographic variables. For instance, the Northern Assessment Area contains 88% of MidAm’s assessment area deposit dollars, 100% of the low-and moderate-income census tracts, and 88% of the low- and moderate-income families residing in the assessment areas. The table also reflects the distribution of the number of owner-occupied (own-occ.) housing units, population, and number of businesses within the areas. The Northern Assessment Area clearly represents a substantial majority of the bank’s activity and community.

<b>Table 2</b>							
<b><i>Assessment Area Breakdown</i></b>							
Assessment Area	Deposit Dollars %	Loan Dollars %	Low/Mod Tracts %	Low/Mod Families %	Population %	Own-Occ. Housing %	Businesses %
Northern	88%	92%	100%	88%	85%	84%	85%
Southern	12%	8%	0%	12%	15%	16%	15%
Total	100%	100%	100%	100%	100%	100%	100%

*Sources: Deposit and loan data according to MidAm reports; U.S. census data and Dun & Bradstreet, Inc. business data according to PCI Services, Inc.*

Table 3 provides some demographic data relative to MidAm's assessment areas.

<b>Table 3</b>						
<i>MidAm Community Demographic Data</i>						
<b>TOTAL POPULATION</b> (1990 census data)		695,699				
<b>AREA INCOME</b> Toledo MSA 1990 HUD Median Family Income Toledo MSA 1997 HUD Adjusted Median Family Income Ohio 1997 Nonmetropolitan HUD Median Family Income		\$35,775 \$44,500 \$38,800				
<b>UNEMPLOYMENT RATES</b> (Average of Monthly Seasonally Unadjusted Rates)		1995 Average	1996 Average	1997 Average Through May		
Hancock County		3.7	3.5	3.8		
Henry County		5.5	4.7	7.0		
Lucas County		5.1	5.0	5.2		
Ottawa County		6.4	6.9	8.5		
Putnam County		4.5	4.7	4.9		
Wood County		3.9	3.7	4.0		
Wyandot County		5.0	4.8	6.2		
State of Ohio		4.8	4.9	5.2		
<b>CENSUS TRACT CHARACTERISTICS</b> (Based on HUD Median Family Income)		Tracts		Families		Businesses
		<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>	<b>Count</b> <b>%</b>
Low (below 50% of median)		18	10	9,207	5	2,170   10
Moderate (50 - 80% of median)		34	19	27,373	15	2,541   11
Middle (80-120% of median)		87	48	94,068	52	11,503   52
Upper (over 120% of median)		38	21	50,720	28	5,946   27
N/A (not populated therefore unclassified)		4	2	0	0	12   0
Total		181	100	181,368	100	22,172   100
<b>HOUSING INFORMATION</b> (1990 census data)		Total Units		Units in Low- Income Areas		Units in Mod- Income Areas
		<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>	<b>Count</b> <b>%</b>
Owner Occupied Units		176,704	63	5,575	3	23,041   13
Rental Occupied Units		84,382	30	9,642	11	19,278   23
Vacant Housing Units		18,312	7	3,020	16	4,872   27
Total		279,398	100	18,237	7	47,191   17

*Sources: U.S. Census data and Dun & Bradstreet, Inc. business data according to PCI Services, Inc.;  
Unemployment data according to Ohio Bureau of Employment Services*

The northwest Ohio economy has been generally stable during the past two years. Unemployment levels have remained relatively low, especially in Hancock, Putnam and Wood counties. Ottawa County has been the only county with unemployment levels consistently above the Ohio average. The remaining counties in the assessment areas have generally been near or slightly higher than the Ohio average. Refer to Table 3.

The northwest Ohio financial market is highly competitive. MidAm competes with a large number of other financial and non-financial institutions. Some of the larger financial institutions operating within MidAm's community are KeyBank, N.A.; National City Bank; Fifth Third Bank of Northwestern Ohio, N.A.; Huntington National Bank, Standard Federal Bank, and Charter One Bank, FSB. Numerous smaller financial institutions also compete directly with MidAm. In relation to the other financial institutions in the area, MidAm is a mid-size bank.

Our evaluation took into consideration information derived from members of the community. Seven contacts were made, including Community Development Corporations and non-profit organizations which orchestrate housing rehabilitation; a development foundation with a focus on supporting small businesses; and social service organizations. Furthermore, information from contacts made during the past two years by the OCC and the other federal financial regulating agencies was considered. The need for housing loans, small business financing, including start-up financing were common credit needs identified. Contacts cited affordable housing, redevelopment of "targeted areas," support for social service agencies, and economic development as the area's primary community development credit needs.

## **Conclusions with Respect to Performance Tests**

### **Lending Test**

MidAm's lending performance demonstrates an excellent level of responsiveness to addressing the credit needs of the community. This conclusion is based on the following primary observations:

- o Lending levels reflect excellent responsiveness to area credit needs. This is evidenced by MidAm being a market leader in mortgage lending, and a strong small business lender.
- o The geographic distribution of loans reflects excellent penetration throughout the bank's assessment areas. MidAm has made loans in nearly all census tracts, and is a market leader in making housing loans in low-income and moderate-income areas. Over 82% of loans have been made within the bank's assessment areas since January 1995.
- o Lending to borrowers of different income levels and businesses of different sizes has been excellent. MidAm is a market leader in mortgage lending to low-income and moderate-income individuals. Over 72% of small business and small farm loans made within the assessment areas have been in amounts less than \$100,000, and 76% were made to entities with annual revenues less than \$1 million.
- o Community development lending performance has been strong. A relatively high level of community development loans have been made. MidAm has taken leadership roles, and loans have addressed a variety of pressing credit needs.



- o MidAm continuously employs flexible lending practices, and participates in a variety of government loan programs. MidAm is the leading SBA lender in the market.

***Lending Activity***

MidAm is an active lender offering a wide variety of consumer, mortgage, and commercial lending products. Residential mortgages and business financing have been the primary focus. Table 1 reflects that these product lines represent 75% of the bank’s loan portfolio. As MidAm sells most of its residential mortgages to the secondary market, the portfolio breakdown understates the degree in which mortgage lending dominates the bank’s lending activity.

MidAm has maintained a relatively high loan to deposit ratio during each of the past two years. As of March 30, 1997, MidAm’s ratio of loans, net of loss reserves, to deposits was 86%, similar to the 85% the bank averaged during 1995 and 1996. This level is higher than the 75% average of other banks from throughout the country with average assets between \$500 million and \$1 billion. A high loan to deposit ratio is reflective of MidAm’s willingness to extend credit. MidAm’s loan portfolio annual growth rate of 13% since year-end 1995 has been similar to the 13% experienced by other similar size banks. Table 4 details MidAm’s lending activity for the loan products considered during this evaluation. Information is based on Home Mortgage Disclosure Act (HMDA) disclosure reports, CRA disclosure reports, and internal bank reports which were tested and found to be accurate. All 1997 data used within this document is preliminary.

<b>Table 4</b>						
<b><i>MidAm Lending Activity</i></b>						
Loan Type	1995		1996		1997 through March	
	Count	\$(000's)	Count	\$(000's)	Count	\$(000's)
Home Purchase	1,181	86,137	1,328	109,948	205	17,207
Home Refinance	953	71,570	1,325	105,837	244	22,270
Home Improvement	64	1,666	68	1,262	10	367
Multifamily	1	30	3	941	6	671
Small Business	N/A	N/A	940	93,071	213	19,359
Small Farm	N/A	N/A	176	11,081	31	1,878
<b>Total Loans</b>	<b>2,199</b>	<b>159,403</b>	<b>3,840</b>	<b>322,140</b>	<b>709</b>	<b>61,752</b>

*Sources: HMDA Disclosure Report data; CRA Disclosure Report data; MidAm management reports*

*Note: N/A - small business and small farm data was not collected for 1995*

## Housing Related Lending

MidAm is an active home mortgage lender, with emphasis on Home Purchase and Home Refinance loans. Home improvement loans and multifamily housing financing are offered but are not a particular focus for MidAm bank. For HMDA purposes, the bank has elected to not track or report home equity lines of credit made for home improvement reasons. Therefore, home improvement activity may be understated.

MidAm is a market leader in mortgage lending within the MSA portion of its Northern Assessment Area. This observation was made through analyzing 1995 aggregate market HMDA data, the most recent market data available. In 1995, MidAm made 1,258 mortgages in that segment of the assessment area, ranking third in actual loan numbers. More importantly, however, based on relative size MidAm made the highest number of loans per \$10 million of deposits. MidAm's lending pace was 75% higher than the average of the other five significant lenders in the market.

MidAm and five other institutions - Charter One Bank, FSB; National City Corporation (bank and mortgage company combined); Fifth Third Bank of Northwestern Ohio, N.A.; KeyBank, N.A. (formerly Society National Bank); and Standard Federal Bank - made a total of 6,725 home purchase and home refinance loans in Lucas and Wood counties in 1995. The activity of these six companies represented 54% of the HMDA reported mortgages in the area, with 160 other lenders making the balance of the loans. Based on June 30, 1996 deposit statistics (Bancpen reports using Sheshunoff Information Services, Inc. data) from Lucas and Wood counties, MidAm had the second-smallest deposit base among the six primary lenders. The combined county-based deposits of the six institutions represent 69% of the deposit base in those counties as reported by Sheshunoff. Our analysis determined that MidAm made 23.3 loans for every \$10 million in MidAm deposits, while the average of the other five banks was 13.3 loans per \$10 million in deposits. For the purposes of this analysis, the closest performer to MidAm was Charter One which made 21.7 loans per \$10 million it had in deposits in the area. Charter One is a savings & loan which focuses on making mortgage loans. Each of the other four banks made loans at rates ranging from 7.5 to 17.2 loans per \$10 million they had in deposits.

While our analysis addressed performance in one year, MidAm has historically been a significant mortgage lender. It is noted that MidAm's mortgage lending increased by 24% in 1996, as reflected in Table 4. Within the MSA portion of the Northern Assessment Area, 1996 mortgage lending increased 39% from 1995 levels.

## Small Business Lending

MidAm is an active small business lender, with performance considered strong. This conclusion is based on: 1) a high volume of lending activity occurred; 2) a substantial majority of the bank's commercial loan portfolio is for small business purposes; and 3) OCC and independent peer group analyses demonstrate that the level of small business loans outstanding is relatively high. For

CRA purposes, *small business loans* are defined as commercial loans originated for \$1 million or less. Table 4 reflects that MidAm made 1,153 small business loans between January 1, 1996 and March 31, 1997. This represents nearly 18 loans per week on average, and demonstrates that MidAm is active in small business financing.

The small business segment of MidAm’s commercial loan portfolio is proportionally larger than that of other banks, in both loan numbers and loan dollars. This is based on an analysis of June 30, 1996 Call Report data (the most recent data available) from MidAm and other banks of similar size and characteristics from the OCC’s six-state Central District (Illinois, Indiana, Kentucky, Michigan, Ohio, and Wisconsin). Two peer groups were used in the analyses. The *Central District* peer group was comprised of 70 banks with assets from \$500 million to \$1 billion. The *Commercial Loan* peer group is a subset of the *Central District* peer, but which most closely resembled MidAm’s degree of emphasis on commercial lending. The 24 banks in this group had commercial loans representing 40% to 60% of the banks’ overall loan portfolios.

Table 5 shows that 73% of MidAm’s commercial loan dollars outstanding were reported as small business loans, and that for every \$1 million in commercial loans in its portfolio, MidAm had more than 11 small business loans outstanding. MidAm exceeded both peer groups in both of these criteria. Furthermore, MidAm’s lending in amounts less than \$100,000 was comparable to or exceeded peer group levels, as discussed under the *Borrower Characteristics* section of this evaluation. Our analyses also found that MidAm’s small business lending was proportionally higher than peers in relation to gross loans and total assets. A review of preliminary June 30, 1997 call report data indicated that MidAm’s portfolio characteristics have not materially changed since June 30, 1996.

<b>Table 5</b> <i>Small Business Lending Peer Group Analysis</i>			
Criteria	Central District Peer Average	Commercial Loan Peer Average	MidAm
% of All C/L Dollars which are Small Business Loans	64.6	62.6	73.3
% of All C/L Dollars which are SBLs < \$100,000	17.2	15.0	19.0
# of SBLs per \$1 Million of Commercial Loans Outstanding	8.7	7.4	11.3
% of the Number of SBLs which are < \$100,000	71.3	67.9	69.9

*Source: June 1996 Call Report data from Uniform Bank Performance Report data base as administered by the Federal Financial Institutions Examination Council.  
SBL - Small Business Loan*

OCC analysis results are consistent with similar research conducted by the U.S. Small Business Administration’s Office of Advocacy, as published in its 1996 *Small Business Lending in Ohio*

report. The SBA used June 1996 Call Report data to ascertain the degree of small business lending activities conducted by commercial banks. One significant difference in the SBA study is that the definition of small business loans was limited to loans less than \$250,000. The SBA study ranked MidAm as number 17 of the 259 Ohio banks in regards to overall “small-business-friendliness.” With respect to the number and dollar of small business loans outstanding, MidAm was found to be ranked in the top decile in both categories.

### Small Farm Lending

While MidAm is not a significant agriculture lender, MidAm has affirmatively addressed the community’s small farm credit needs. As indicated in Tables 1 and 4, agricultural lending represents less than 5% of MidAm’s lending activity. Nevertheless, when agricultural loans are made, they are primarily for small farm purposes. For CRA purposes, *small farm loans* are defined as farming and agriculture-related business loans originated for \$500,000 or less.

An OCC peer group analysis similar to that conducted with regard to small business lending using June 30, 1996 Call Report data was done relative to small farm loans. That analysis showed that 95% of MidAm’s agricultural loan dollars were for small farm purposes, as compared to 79% for the peer. It also reflected that both MidAm and the peer (on average) had approximately 18 small farms loans outstanding for each \$1 million outstanding in agricultural loans. The peer group consisted of the fifteen banks from the previously described 70 bank Central District Peer group where farm lending represented between 3% and 10% of gross loans.

### ***Geographic Distribution of Loans***

MidAm’s geographic distribution of credit extensions has been good. This conclusion is based on: 1) a significant majority of MidAm’s lending activity has occurred within the assessment areas; 2) penetration into all segments of the community has been excellent as loans were made in nearly all census tracts of each assessment area during the evaluation period; 3) MidAm is a market leader in making residential mortgage loans in low- income and moderate-income areas; 4) the proportion of mortgage and small business lending in the low-, moderate-, middle-, and upper-income segments of the community has been reasonable.

As reflected in Table 6, 82% of the number of loans and 82% of loan dollars extended between January 1, 1996 and March 31, 1997 were made within the assessment areas, with a substantial majority of small business lending activity occurring within the assessment areas.

<b>Table 6</b> <i>Lending In and Outside of Assessment Areas (1996-3/97)</i>						
Loan Type	Numbers of Loans			Dollars of Loans (000's)		
	In Area	Out of Area	% In Area	In Area	Out of Area	% In Area
Home Purchase	1,195	338	78%	96,886	30,269	76%
Home Refinance	1,250	319	80%	101,433	26,674	79%
Home Improvement	61	17	78%	1,362	267	84%
Multifamily	8	1	89%	1,432	180	89%
Small Business	1,084	69	94%	103,942	8,488	92%
Small Farm	145	62	70%	8,690	4,269	67%
<b>Total Lending Activity</b>	<b>3,743</b>	<b>806</b>	<b>82%</b>	<b>313,745</b>	<b>70,147</b>	<b>82%</b>

*Sources: HMDA Disclosure Report Data, CRA Disclosure report data, and MidAm reports.*

### Housing Related Lending

MidAm's penetration into the community has been excellent, as HMDA-reported loans were made in 97% of all populated census tracts between January 1995 and March 1997. A review of demographic data indicated that less than 1% of the owner-occupied housing units within the bank's entire assessment area are located within the five tracts not penetrated.

MidAm was a leader in lending to the low- and moderate-income neighborhoods of its Northern Assessment Area in 1995. This observation was made through aggregate market HMDA data analysis similar to the analysis previously described under the *Lending Activity* section. In 1995, MidAm made 184 Home Purchase and Home Refinance loans in low- and moderate-income tracts. (As the substantial majority of low-income tracts and moderate-income tracts are intertwined within the City of Toledo, this particular analysis combined the two tract categories.) While ranked second in overall loan numbers, based on relative size MidAm made the highest number of loans per \$10 million of deposits. MidAm's lending pace was nearly twice the average of the other five significant lenders in the market. Our analysis determined that MidAm made 3.41 loans for every \$10 million it had in deposits from the area, while the average of the other five banks was 1.72 loans per \$10 million they had in deposits.

Market share analyses of HMDA data determined that overall, lending in low-, moderate-, middle-, and upper-income census tracts has been reasonable. The analyses used 1995 aggregate HMDA data for the MSA portion of the Northern Assessment Area. This is the most recent information available, and data is only available for MSAs. The analysis was limited to Home Purchase and Home Refinance loans as MidAm's share of the Home Improvement market was only 1.35% and meaningful conclusions could not be reached. Refer to Table 7.

We concluded that the bank’s overall penetration into the low- and moderate-income areas of its community has been reasonable. While the level of lending appears low in the low-income tracts, the difference between the bank’s Home Purchase share of 3.7% and the 8.2% overall market share represents less than five loans. MidAm would have needed to make 5 additional low-income area loans to achieve the 8.2% level. Conversely, MidAm made 30 more Home Purchase loans in moderate-income tracts than it needed to achieve the 8.2% share.

<b>Table 7 Market Share Analysis - Toledo MSA</b>				
	Home Purchase		Home Refinance	
	Market Share	Number of Loans	Market Share	Number of Loans
Low-income tracts	3.7%	4	2.6%	2
Moderate-income tracts	11.2%	112	13.8%	66
Middle-income tracts	8.3%	381	14.2%	328
Upper-income tracts	7.1%	177	13.7%	187
N/A Tracts	-----	0	-----	1
Total Market	8.2%	674	13.8%	584

*Source: Aggregate HMDA data according to PCI Services, Inc.*

The proportion of lending to the various tract categories was found to be reasonably consistent with market demographics and aggregate market loan activity. Table 8 provides information on the MSA portion of the Northern Assessment Area, while Table 9 reflects MidAm’s activity in all assessment areas. The distribution of owner-occupied housing units is considered to be a primary indicator regarding home loan opportunities within each segment of the market. While MidAm’s performance in the low-income tracts appears low, performance is considered to be within a reasonable range given the relative low number of loans made by the market and level of owner-occupied housing units.

<b>Table 8</b>							
<b>HMDA Lending by Income Tract Category (Toledo MSA)</b>							
Tract Category	The % of the Number of Loans which were made in the MSA portion of the assessment area by the Aggregate Market and MidAm				The % of population, families and owner occupied housing units from each tract category		
	Total Market Activity 1995	MidAm Bank Activity			Population %	Families %	Owner Occupied Housing Units %
		1995	1996	5/1997			
<b><i>Low Income Tracts</i></b>							
Home Purchase	1.3%	0.6%	1.1%	0.4%	11.6%	6.2%	3.9%
Home Refinance	1.8%	0.3%	0.5%	0.0%			
<b><i>Moderate Income Tracts</i></b>							
Home Purchase	12.2%	16.6%	13.0%	13.8%	21.9%	18.5%	16.1%
Home Refinance	11.3%	11.3%	5.4%	7.9%			
<b><i>Middle Income Tracts</i></b>							
Home Purchase	56.2%	56.5%	56.2%	54.3%	46.5%	51.8%	55.1%
Home Refinance	54.8%	56.2%	57.9%	60.3%			
<b><i>Upper Income Tracts</i></b>							
Home Purchase	30.4%	26.3%	29.7%	31.5%	17.4%	23.6%	24.9%
Home Refinance	32.1%	32.0%	36.2%	31.8%			

Sources: U.S. Census and HMDA data according to PCI Services, Inc.; MidAm data

Note: Some loan product data does not add to 100% due to rounding and some minor activity occurring in N/A tracts which are not reflected above.

<b>Table 9 HMDA Lending by Income Tract Category (All Assessment Areas)</b>						
Tract Category	The % of the Number of Loans which were made in all assessment areas by MidAm in each tract category		The % of population, families and owner occupied housing units from each tract category			
	1996	5/1997	Tract %	Population %	Families %	Owner Occupied Housing Units %
<b>Low Income Tracts</b>						
Home Purchase	1.0%	0.3%	9.9%	5.8%	5.1%	3.2%
Home Refinance	0.4%	0.0%				
<b>Moderate Income Tracts</b>						
Home Purchase	11.4%	12.1%	18.8%	16.3%	15.1%	13.0%
Home Refinance	4.5%	6.7%				
<b>Middle Income Tracts</b>						
Home Purchase	55.7%	52.7%	48.1%	50.9%	51.9%	54.5%
Home Refinance	56.9%	58.5%				
<b>Upper Income Tracts</b>						
Home Purchase	31.9%	34.8%	21.0%	26.0%	28.0%	29.4
Home Refinance	38.3%	34.8%				

Sources: U.S. Census and HMDA data according to PCI Services, Inc.; MidAm data

Note: Some loan product data does not add to 100% due to rounding and some minor activity occurring in N/A tracts which are not reflected above.

### Small Business Lending

MidAm has penetrated all segments of the community with regard to small business lending. Table 10 reflects that the proportion of MidAm's small business lending in each census tract income category was consistent with the manner in which businesses are distributed within the community.



<b>Table 10</b> <i>Small Business Lending by Census Tract Category 1996-3/97</i>					
Tract Category	The percentage of Lending Activity Occurring in each income tract category				The % of assessment area business located in each income tract category
	Number of Loans		Loan Dollars		
	Count	%	\$(000's)	%	
Low Income	90	8%	6,745	6%	10%
Moderate Income	121	11%	14,528	14%	11%
Middle Income	529	49%	46,725	45%	52%
Upper Income	344	32%	35,944	35%	27%
<b>All Tracts</b>	<b>1,084</b>	<b>100%</b>	<b>103,942</b>	<b>100%</b>	<b>100%</b>

*Sources: CRA Disclosure report data; Dun & Bradstreet, Inc. business demographic data according to PCI Services, Inc.*

### Small Farm Lending

Analyses of small farm lending activity reflect that the geographic distribution of small farm loans has been reasonably proportionate to market characteristics. According to Dun & Bradstreet business demographic data, no agriculture-related businesses are located in low-income tracts.

### ***Borrower Characteristics***

MidAm has effectively served the credit needs of borrowers at all income levels, including low- and moderate-income individuals, and businesses of all sizes. This conclusion is based on; 1) MidAm is a market leader in lending to low- income and moderate-income individuals within the MSA portion of the Northern Assessment Area; 2) A significant majority of MidAm's small business loans are made to businesses with annual revenues under \$1 million; and 3) Small business loans in amounts less than \$100,000 represent a high percentage of the number of small business loans extended.

### Housing Related Lending

MidAm was a leader in lending to low- and moderate-income individuals within its Northern Assessment Area in 1995. This observation was made through aggregate market HMDA data analysis similar to the analysis previously described under the *Lending Activity* and *Geographic Distribution* sections. In 1995, MidAm made 108 Home Purchase and Home Refinance loans to low-income individuals within this area. While ranked second in overall loan numbers, based on relative size MidAm made the highest number of loans per \$10 million of deposits, and made

loans at a pace twice the average of the other five significant lenders in the market. Our analysis determined that MidAm made 2.0 loans for every \$10 million it had in deposits from the area, while the average of the other five banks was 1.0 loans per \$10 million they had in deposits.

In 1995, MidAm made 209 Home Purchase and Home Refinance loans to moderate-income individuals within the MSA portion of the Northern Assessment Area. While ranked third in overall loan numbers, based on relative size MidAm made the highest number of loans per \$10 million of deposits, and at a pace 56% higher than the average of the other five significant lenders in the market. Our analysis determined that MidAm made 3.9 loans for every \$10 million it had in deposits from the area, while the average of the other five banks was 2.5 loans per \$10 million they had in deposits.

Market share analyses of HMDA data determined that MidAm’s lending to low-, moderate-, middle-, and upper-income individuals has been good. The analyses used 1995 aggregate HMDA data for the MSA portion of the Northern Assessment Area. This is the most recent information available, and data is only available for MSAs. The analysis was limited to Home Purchase and Home Refinance loans as MidAm’s share of the Home Improvement market was only 1.35%. Therefore, meaningful conclusions could not be reached. MidAm had particularly strong performance with respect to Home Purchase loans to low-income individuals. Refer to Table 11.

<b>Table 11 Borrower Market Share Analysis - Toledo MSA</b>				
	Home Purchase		Home Refinance	
	Market Share	Number of Loans	Market Share	Number of Loans
Low-income individuals	10.2%	75	10.6%	33
Moderate-income individuals	7.5%	132	12.3%	77
Middle-income individuals	7.5%	177	13.3%	147
Upper-income individuals	8.6%	279	15.3%	317
Income not available	-----	11	-----	10
Total Market	8.2%	674	13.8%	584

*Sources: U.S. Census and HMDA data according to PCI Services, Inc.; MidAm data*

The proportion of lending to the various income segments of the community was found to be reasonable. Table 12 compares MidAm's performance within the MSA portion of the Northern Assessment Area to the aggregate market in 1995, and provides market demographic characteristics as well. Table 13 reflects MidAm's activity in all assessment areas. As aggregate market data is only available for MSAs, Table 13 only provides demographic information. While lending to low-income individuals appears low in relation to the proportion of low-income individuals in the market, the aggregate market lending activity is considered a better reflection of lending opportunities. Therefore, our conclusion regarding MidAm's proportion of lending to the various income segments of the community is based primarily on comparing MidAm's performance to that of the aggregate market in 1995, as reflected in Table 12.

<b>Table 12 HMDA Lending to Individuals by Income Category (Toledo MSA)</b>					
Income Category and Loan Products	The % of the Number of Loans which were made by MidAm and aggregate market to individuals in each income category				The % of families in each income category
	Total Market Activity 1995	MidAm Bank Activity			
		1995	1996	4/1997	
<b><i>Low Income Individuals</i></b>					
Home Purchase	9.0%	11.1%	8.0%	6.9%	21.1%
Home Refinance	7.3%	5.7%	3.7%	5.4%	
Home Improvement	14.5%	13.3%	16.3%	0.0%	
<b><i>Moderate Income Individuals</i></b>					
Home Purchase	21.4%	19.6%	19.0%	18.7%	17.2%
Home Refinance	14.8%	13.2%	12.4%	14.8%	
Home Improvement	23.5%	13.3%	20.9%	36.8%	
<b><i>Middle Income Individuals</i></b>					
Home Purchase	28.8%	26.3%	28.4%	27.9%	22.9%
Home Refinance	26.2%	25.2%	26.4%	29.3%	
Home Improvement	28.8%	26.7%	25.6%	26.3%	
<b><i>Upper Income Individuals</i></b>					
Home Purchase	39.7%	41.4%	42.6%	44.3%	38.7%
Home Refinance	48.9%	54.3%	55.6%	47.9%	
Home Improvement	32.0%	46.7%	37.2%	31.6%	

Sources: U.S. Census and HMDA data according to PCI Services, Inc.; MidAm data

Note: Some loan product data does not add to 100% due to rounding

<b>Table 13 HMDA Lending to Individuals by Income Category (All Assessment Areas)</b>			
Income Category	The % of the Number of Loans which were made by MidAm to individuals in each income category		The % of the area's families in each income category
	1996	5/1997	
<b><i>Low Income Individuals</i></b>			
Home Purchase	8.0%	6.4%	19.4%
Home Refinance	3.7%	4.6%	
Home Improvement	16.3%	9.5%	
<b><i>Moderate Income Individuals</i></b>			
Home Purchase	19.0%	19.1%	16.9%
Home Refinance	12.4%	15.3%	
Home Improvement	20.9%	33.3%	
<b><i>Middle Income Individuals</i></b>			
Home Purchase	28.4%	29.1%	23.1%
Home Refinance	26.4%	29.8%	
Home Improvement	25.6%	23.8%	
<b><i>Upper Income Individuals</i></b>			
Home Purchase	42.6%	43.0%	40.6%
Home Refinance	55.6%	47.9%	
Home Improvement	37.2%	28.6%	

Sources: U.S. Census and HMDA data according to PCI Services, Inc.; MidAm data

Note: Some loan product data does not add to 100% due to rounding

### Small Business Lending

MidAm's small business lending predominately addresses the needs of businesses of the smallest size - those with annual revenues less than \$1 million. Table 14 reflects that 74% of the number of small business loans made by MidAm within its assessment areas between January 1, 1996 and March 31, 1997 were made to this segment of the businesses population. According to Dun & Bradstreet, Inc. June 1996 business demographic data, 69% of businesses located with the bank's assessment areas have annual revenues less than \$1 million.

Table 14 also reflects that a significant majority (71%) of the number of small business loans made within the assessment areas were for amounts less than \$100,000, demonstrating MidAm's willingness to make loans to businesses in the smallest amounts. As mentioned in the peer group analyses under the *Lending Activity* section (See Table 5), a relatively high segment of MidAm's commercial loan portfolio was comprised of loans under \$100,000 at June 30, 1996.

<b>Table 14</b> <i>1996-3/97 Small Business Loans by Size &amp; Revenue</i>						
Loan Size	Total Small Business Lending Activity		Small Business Lending to Businesses with Annual Revenues less than \$1 million			
	# Loans	\$(000's) Loans	Number of Loans Count	%	Loan Dollars (000's) Amount	%
< \$100,000	770	25,456	610	79%	19,309	76%
\$100,000 - \$250,000	199	28,302	130	65%	18,312	65%
\$250,000 - \$1,000,000	115	50,184	59	51%	24,518	49%
Total	1,084	103,942	799	74%	62,139	60%

*Sources: MidAm CRA Disclosure report data*

### Small Farm Lending

MidAm's small farm lending activity predominantly serves the credit needs of farms and agricultural-related companies with annual revenues less than \$1 million. A review of 1996 and preliminary information through March 1997 determined that 91% of the number of small farm loans and 76% of loan dollars were extended to this segment of the agricultural community. According to Dun & Bradstreet, Inc. June 1996 business demographic data, 90% of agricultural-related businesses located within the bank's assessment areas have annual revenues less than \$1 million. Furthermore, 82% of the number of small farm loans were made for amounts less than \$100,000.

### *Community Development Lending*

MidAm's community development lending performance has been strong. This conclusion is based on: 1) the volume of community development loans generated; 2) activity has addressed each of the primary community development credit needs identified in the market; 3) MidAm has taken a leadership role in community lending initiatives; and 4) community development lending characteristics are also present in the bank's small business loan portfolio. These factors combined indicate that MidAm has been a leader in community development lending.

*Community Development Loans* are generally defined as loans which have community development as their primary purpose, as described by the CRA, and have not been reported as small business loans or one-to-four family loans for HMDA purposes.

Since May 1995, MidAm originated 30 community development loans totaling \$6.1 million. The majority of these loans were to non-profit organizations, including churches providing community

development services. The bank extended these loans while competing with several much larger financial institutions that are firmly entrenched in MidAm's assessment areas. Community contacts cited affordable housing, redevelopment of "targeted areas," support for social service agencies, and economic development as the area's primary community development credit needs. MidAm's loans clearly address each of these needs. Examples are:

- o A \$1.2 million loan was made to a social service agency that provides temporary shelter, counseling, food, and clothing to the children of low-income families in crises. MidAm extended the loan in 1996 for the construction of the agency's facilities.
- o The Toledo Warehouse District is a low-income area that has been designated by the City of Toledo as an area targeted for economic/employment revitalization. Since May 1995, MidAm originated loans totaling \$317,000 for the purchase and rehabilitation of several commercial buildings in the area. Emerging businesses in the area primarily employ low- or moderate-income persons.
- o The Next Step Program is a community development service program designed by MidAm to, in part, create loan referral relationships with local churches. These churches are located in low-income census tracts, and provide social, financial education, and credit counseling services to their communities. Since May 1995 MidAm extended renovation loans totaling \$1.9 million directly to several Next Step program churches.
- o Loans have been extended to several local Community Development Corporations (CDC's) for the purchase and renovation of houses in some of Toledo's most distressed areas, including the Warehouse District and the Bancroft Upton Monroe Area (BUMA). These loans were not HMDA reportable.
- o MidAm extended a \$1.5 million loan for the expansion and renovation of a manufacturing facility located in a low-income area which created new jobs which were primarily for low-income persons.

In addition to the \$6.1 million community development loans, MidAm has also originated 13 small business loans totaling \$2.2 million which have community development characteristics. The primary purpose of these loans was community development and included loans for the revitalization and redevelopment of low-income areas and funding of a Title 20 program targeting low-income persons. While these loans are included within the small business loan data for analysis purposes, the characteristics of the loans reflect MidAm's commitment to supporting community development initiatives.

### *Innovative and Flexible Lending Practices*

MidAm proactively employs flexible lending practices, and has demonstrated a willingness to be innovative as well. Creative financing packages have been made to provide customers with loans where traditional financing could not be offered. Examples where the bank accessed special programs to orchestrate financing packages in 1996 and 1997 are as follows:

- Traditional bank financing was coupled with Ohio Mini Loan Program funds and Toledo Neighborhood Economic Development Loan Pool funds to create a loan package for a start-up business in a low-income section of Toledo.
- A \$185,000 loan to a business in the Southern Assessment Area combined a 75% SBA loan guarantee with Ohio Link Deposit loan funds. This allowed the customer to obtain long-term financing, with the interest rate considerably reduced for at least the first two years.
- A small four-employee business in an economically depressed part of Toledo obtained a \$50,000 financing package from MidAm to expand its operations. A city program, the Ohio Mini Loan program, the Link Deposit program, and MidAm products were used. The company benefitted by obtaining funds at a reduced interest rate for seven years.

MidAm continuously uses special loan programs and government programs to provide financing to customers who would not have access to funds through traditional products. The volume of lending under each program indicates that MidAm has actively participated in the programs:

- o MidAm is the clear market leader in U.S. Small Business Administration (SBA) lending. SBA lending is considered flexible as: 1) given their risk profiles, the substantial majority of SBA customers gain access to credit which they would not normally qualify for without the SBA guarantee; or 2) obtain credit with terms and conditions that are more favorable to the customer. For example, the SBA 504 Development Company Loan Program uses partnerships to finance fixed assets can result in allowing longer terms at a reduced fixed rate of interest. The LowDoc program allows the bank to provide financing with relaxed collateral requirements. MidAm has been actively extending loans under these and other SBA programs.

MidAm is a preferred SBA lender, and, according to the SBA's Cleveland District Office, was the number one SBA lender in the MSA portion of the Northern Assessment Area (Wood and Lucas counties) for the fiscal year ending September 30, 1996, the most recent time period for which data is available. MidAm made 51 of the 99 SBA loans within those two counties. MidAm made a total of 62 SBA loans during the 1996 fiscal year, and was the number three lender for the 28 county region administered by the Cleveland District Office. During the calendar first quarter of 1997, MidAm made 29 SBA loans for \$3.7 million.

- o MidAm is one of seven Ohio pilot banks participating in the *Tri-Partite Small Business Loan Initiative* program created by the State, the SBA, and banks. The program's purpose is to encourage entrepreneurship and job creation in targeted areas designated by the State of Ohio as economically distressed and / or where labor surplus exists. This program is considered innovative as it is a pilot program which is combining the resources of the State, the SBA, and the banks. Guaranteed fixed rate loans are available at concessionary rates to small business customers. MidAm made one loan for \$50,000 during the first quarter of 1997, which was the initial period for the program.
- o MidAm's H.O.M.E. mortgage loan program offers 100% financing for low-income individuals. This low-cost product is considered flexible as it requires no points, no private mortgage insurance, and has reduced closing costs. First introduced by MidAm in 1993, this program has been very successful. A total of 100 loans for \$1.9 million were generated in 1995, and 38 loans for \$1.2 million were made in 1996. The reduced number of loans in 1996 was due to the product being re-targeted to low-income applicants only. Prior to that, H.O.M.E. loans were made available to moderate-income applicants as well.
- o MidAm began offering Fannie Mae 97 mortgages in 1996. This low-down payment product features flexible underwriting criteria to borrowers whose income does not exceed 100% of median area income. MidAm made 77 loans totaling \$4 million under this program between January 1996 and April 1997. This program's introduction coincided with the H.O.M.E. loan being re-targeted to low-income applicants.
- o MidAm participates in the Upper Sandusky Community Housing Improvement Program (CHIP) loan program. The program is considered flexible as it provides assistance for down payment and closing costs to low- and moderate-income applicants. MidAm made five loans under the program in 1996 and has reportedly been the only bank to make loans under the program in this area.
- o MidAm has actively participated in the State of Ohio Link Deposit program since 1985. The program provides an injection of funds within the banking community specifically for creating lower-cost capital for Ohio businesses. The program represents flexible underwriting as it provides loans at interest rates that are lower than typically available to customers with similar risk profiles. MidAm made loans totaling \$3.7 million in 1995; \$4.6 million in 1996; and \$3.5 million through July 21, 1997 under this program.
- o Rural Housing and Community Development Services (Formerly known as Farmers Home Administration): This U.S. Department of Agriculture agency provides financing to farmers for working capital and long term financing. The rural housing program is designed to assist low- and moderate-income families by providing 100% financing, a flexible feature. MidAm made 11 loans in 1996.



- o MidAm also participates in the State of Ohio 166 Loan Program and the Ohio Mini Loan Program. Several loans were reportedly made during this period.

## **Investment Test**

MidAm's investment performance has exhibited good responsiveness to the credit and economic development needs of the community. Community contacts cited affordable housing, redevelopment of "targeted areas," support for social service agencies, and economic development as the area's primary community development needs. MidAm has demonstrated leadership qualities and has used innovative methods to support community development initiatives. These conclusions are based on the following primary observations:

- o Community development investments and grants made by MidAm since May 1995 total \$703,000. This volume is good based on 1) the investment needs and opportunities within the market identified through community contacts and observations of activities of other banks; 2) the relatively large number of competitors in MidAm's assessment areas which are contending for investment opportunities, and 3) the bank's size and financial capacity.
- o MidAm played a leadership role in assisting the establishment of the Toledo Urban Community Development Credit Union, which opened in 1996. (Refer to additional discussion under the *Service Test* section.) The Credit Union provides increased accessibility of financial services to a low-income area. During the formation stage, MidAm defrayed start up costs for the credit union by funding management salaries for the first year of operation. In addition, MidAm and MidAm, Inc. helped to capitalize the credit union by committing (and providing) \$200,000 in non-interest bearing deposits for a three-year period. Providing non-interest bearing deposits is considered innovative, as this is unique to the market.
- o MidAm has provided grants to organizations whose primary purpose is community or economic development within low- or moderate-income areas. In addition, grants were provided to a number of organizations that provided social services targeted primarily toward low- and moderate-income persons. Grants were made to more than 50 organizations from throughout the bank's assessment areas for nearly \$500,000 since May 1995. Examples of some of the organizations MidAm provided grants to are: Central Cities Ministries; Community Development Foundation; Findlay/Hancock County Community Foundation; Lagrange Development Corporation; Local Initiatives Support Corporation; Neighborhood Housing Services; North River Development Corp.; Riverside Foundation; and United Way.

## Service Test

MidAm has a strong record of supporting the community through service-oriented activities. This conclusion is based on the following: 1) MidAm has taken leadership roles in providing community development services; 2) offices are reasonably accessible to all portions of the assessment areas; and 3) MidAm employs alternative and innovative delivery systems which make products and services readily available to all portions of the community.

### *Retail Banking Services*

MidAm has 36 branch offices, the majority of which are located in especially high-traffic areas (retail shopping malls, a convention center, grocery store, etc). Thirty-six ATMs are also located throughout the bank's assessment areas. Table 15 displays MidAm's current distribution of delivery systems:

Census Tract Income Category	Offices		ATMs		Assessment Area Characteristics	
	Number	% of Total	Number	% of Total	Distribution of Tracts	Distribution of Families
Low Income	3	8%	5	14%	10%	5%
Moderate Income	1	3%	1	3%	19%	15%
Middle Income	22	61%	20	55%	48%	52%
Upper Income	10	28%	10	28%	21%	28%
Total	36	100%	36	100%	98%**	100%

*Source: MidAm Records*

*Note: \*\* 2% of the bank's tracts are designated N/A as income is not identified)*

Although MidAm has only one branch in moderate-income tracts, the overall distribution of delivery systems within low- and moderate-income neighborhoods is consistent with the characteristics of the assessment areas. Low- and moderate-income tracts are somewhat intertwined in the city of Toledo, so branches located in low-income tracks also serve moderate tracts. Furthermore, two branches located in middle-income tracts also serve adjacent moderate-income neighborhoods. MidAm loan and deposit distribution data and OCC analyses under the *Lending Test* demonstrate that MidAm has been successful at serving all segments of the community.

Branches serving the low- and moderate-income neighborhoods offer products and services in a manner consistent with branches in the other segments of the community. While staffing of

product and service experts at branches vary to some degree, MidAm products and services are available through any location. Lenders will readily make appointments to meet with customers at any bank office or other location of the customer's choice including their residence or place of business. The bank's "mortgage hotline" allows applicants to call in by telephone to apply for a loan or ask questions of a loan officer 24 hours a day.

MidAm's hours are generally tailored to the needs of the surrounding area. Most of the branch offices (85%) maintain Saturday hours. The Franklin Park Mall branch is also open on Sunday. Branches serving the low- and moderate-income neighborhoods maintain service hours in a manner consistent with branches in the other segments of the community.

Since the last CRA examination, MidAm opened one branch in Bradner, a middle-income rural community in Wood County. This improved the bank's ability to serve the community, including low- and moderate income individuals, and enhanced the market's access to credit as this is the only bank located in Bradner. According to 1990 U.S. Census data, 220 low-income families and 323 moderate-income families reside within the census tract that includes the village of Bradner. No branches were closed during this period.

### *Alternative Delivery Systems*

MidAm's alternative delivery systems described below make products and services readily available to all segments of the community.

- o As shown in Table 15 above, MidAm maintains 36 proprietary ATMs, with 27 located at branch offices or drive-up facilities. Five of the 36 are located in low-income census tracts, and one is located in a moderate-income tract. Two ATMs were established in low-income tracts during the first half of 1997.
- o MidAm offers onsite check cashing services to members of a nursing home for senior citizens in Ottawa county.
- o In conjunction with the Bank's Basic Checking product, which is targeted towards low-income persons, MidAm provides the **Visa Check Card**, a point of sale debit card. The Check Card allows customers the convenience of accessing their checking account without having to write a check. The debit card is also provided to other deposit customers as well.
- o Additional MidAm programs are actively offered and provided to the entire community, including low- and moderate-income areas and to low- and moderate-income individuals. The characteristics of the programs enhance the delivery of products to the market as a whole, including the low- and moderate-income segments. As data demonstrating the extent that they are used by the low- and moderate-income segments of the community is

not available, significant weight cannot be placed on these programs when drawing CRA performance conclusions. Nevertheless, the programs demonstrate MidAm's commitment to finding alternative ways to deliver products to the market.

- **Telebanc** is a 24-hour account information system which allows a bank customer to obtain information about checking and savings accounts, and to transfer funds between existing accounts.
- The **1/10 Program** is a service to mortgage applicants that provides a loan approval decision within one hour and ability to close the loan within 10 days. If the loan closing cannot occur within 10 days due to the bank processing procedures, the closing costs are waived. This service is considered innovative.
- **Mortgage Connection** is an innovative 24- hour 1-800 number service that can be used by a caller to obtain basic information on mortgage products, pre-qualify for a mortgage, or generate an application. Bank staff members support the service 24 hours a day as well.
- **Watch 'N Save** is an innovative service available to all MidAm mortgage customers and non-customers. Rates on MidAm mortgage products and the mortgage status of Watch 'N Save customers are continuously monitored. Customers are informed when it may be advantageous for them to consider refinancing with MidAm products.

### ***Community Development Services***

MidAm has demonstrated leadership and innovativeness regarding the provision of community development services, as evidenced by the examples summarized below:

- o MidAm took a leadership role in assisting the Toledo Urban Federal Credit Union in getting established. This Community Development Credit Union, established in 1996, provides increased accessibility to financial services in a low-income portion of Toledo. The credit union currently has assets of \$1.5 million and has 1,200 members. During the Credit Union's inception, MidAm provided employees who helped install phone, security, and PC systems. In addition, MidAm provided training on the use of banking equipment. On a continuing basis, MidAm provides a loan officer who processes mortgage and consumer loan applications in excess of \$2,500. Refer also to the *Investment Test* section for the ways MidAm served the credit union financially.

- o MidAm has taken a leadership role in attempting to stabilize and improve the Bancroft Upton Monroe Area (BUMA), a low-income neighborhood in Toledo. In addition to working with local organizations individually, the bank coordinated a series of meetings among various CDC's and neighborhood groups to allow for a more focused approach to address the area's problems. This resulted in the city's Affordable Auction focusing on this area in 1997. MidAm financed the construction of the initial two new homes sold at the auction. As described under the *Lending Test*, MidAm has also extended loans to CDC's for housing rehabilitation in BUMA. MidAm's Jermain Park banking office Community Center Room has been used free of charge by a variety of community groups including: Whitney Hills Neighborhoods Association, Ottawa Community Development Corporation, City of Toledo Housing Auction, and Housing Education Seminars.
  
- o Through its *Next Step* Program, MidAm has proactively provided community development services in a leadership capacity. The program was developed in late 1994 by MidAm, community leaders and area churches primarily located in low- and moderate-income areas. A primary goal is to identify and address financial education needs among low- and moderate-income portions of the market. Workshops and seminars on a variety of topics have been held based on the needs identified through churches and social organizations. MidAm held 16 budget and credit workshops from January 1995 through March 1997 for over 300 attendees. Several home buyer seminars were held, a wellness survey conducted, and small business, retirement, and financial planning workshops were conducted. This is an ongoing calling and service program that also includes a loan referral feature which has increased the availability of all loan types to this segment of the Toledo market.
  
- o MidAm employees have participated in or conducted a number of seminars and workshops, including those for community home buyers, small business, and credit counseling for low- and moderate-income individuals. Numerous bank employees are actively involved in organizations whose primary purpose is to provide economic development or other financial services to low- or moderate-income persons. Examples of these organizations are: Community Development Foundation; Consumer Credit Counseling; Downtown ToledoVision; Lucas County Revolving Loan Fund; Putnam County Community Improvement Corporation; Toledo Area Chamber of Commerce; Toledo Urban Federal Credit Union; SBA-504 Loan Committee; and Women's Entrepreneurial Network.
  
- o MidAm offers **Basic Checking**, a low-cost account targeted towards low-income persons with limited activity. Also, MidAm will cash government checks for non-depositors free of charge.

## **Fair Lending Review**

MidAm has effective fair lending policies, procedures, training programs, and internal monitoring processes in place. We reviewed purchase money mortgage loan applications from the second half of 1996. No violations of the substantive provisions of the antidiscrimination laws and regulations have been identified, including the Equal Credit Opportunity Act, Fair Housing Act, or Home Mortgage Disclosure Act.

## **Conclusions with Respect to Performance Tests in the Toledo, Ohio MSA (Substantially the Northern Assessment Area)**

MidAm's performance in the Toledo MSA is consistent with the bank's overall performance. The rating assigned the bank was based primarily on performance within this area as a substantial majority of the bank's operations and community are represented by the Toledo MSA.

## ***APPENDIX***

### ***Scope of Evaluation***

The evaluation assessed MidAm's performance as outlined below:

- Both assessment areas were evaluated using examination procedures.
- The period of review was May 1, 1995 (the date of the last examination) to date.
- Primary loan data considered consisted of home mortgage and small business loans.
- No affiliate lending performance was considered.
- Investments made by MidAm, Inc. were considered.
- Four banking offices were visited.