PUBLIC DISCLOSURE

September 3, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Chicago Community Bank
14267

1110 West 35th Street
Chicago, Illinois 60609

Federal Deposit Insurance Corporation
Division of Supervision and Consumer Affairs
Chicago Regional Office
500 West Monroe, Suite 3300
Chicago, Illinois 60661

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.**

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GENERAL INFORMATION

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of ***Chicago Community Bank*** *prepared by the* ***Federal Deposit Insurance Corporation****, the institution's supervisory agency, as of* ***September 3, 2002****. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.
Chicago Community Bank's performance reflects a satisfactory level of serving the credit needs of its assessment area. This rating is based on the income and geographic distribution of small business loans and Home Mortgage Disclosure Act (HMDA) reportable loans originated or purchased from January 1, 2000 to June 30, 2002. Consideration was also given to the percentage of loans in the assessment area and the bank's loan-to-deposit ratio.

The following is a summary of the evaluation findings:

- A majority of Chicago Community's HMDA-reportable, and small business loans by number (90%) and by dollar amount (87%) are in the assessment area.
- The distribution of small business loans by loan size is reasonable. Loans under $100,000 average 44 percent during the analysis period.
- The distribution of HMDA reportable loans by borrower income is also reasonable, reflecting similar or superior performance to other lenders in the assessment area.
- The geographic distribution of the small business, and HMDA-reportable loans reflects excellent dispersion throughout the assessment area.
- The bank has originated a high volume of multifamily loans that are considered affordable housing and community development lending.
- At 56 percent, the average loan-to-deposit ratio is reasonable considering the bank's size, location and competition.

DESCRIPTION OF INSTITUTION

Chicago Community Bank is a wholly owned subsidiary of Alpha Bancorp, a two-bank holding company. Alpha Bancorp is a second tier holding company under Metropolitan Bank Group, Inc., which owns 65 percent of Alpha Bancorp. The remaining 35 percent of Alpha Bancorp shares are owned by individuals. Metropolitan Bank Group is a multi-bank holding company that directly or indirectly owns seven financial institutions located throughout the Chicago Metropolitan area. Chicago Community Bank maintains four locations in Chicago. Three branches were opened since the last evaluation on November 5, 1997. The main office and the Halsted Street branch are located in moderate-income census tracts, and the other two branches are in upper-income census tracts. The main office and the Halsted Street branch have drive-up windows and automated teller machines (ATMs). The Polk Street and Michigan Avenue branches do not have drive-up windows but have ATMs. In addition to bank owned ATMs at four locations, customers have access to 69 additional ATMs owned by Metropolitan Bank Group institutions free of charge, of which 2 are located in low-income census tracts and 15 are in moderate-income geographies. The bank's hours of operation provide ample access to customers. The bank only closes on major holidays. Banking hours are reflected in Table 1.

Table 1 – Banking Hours	
Locations	**Hours**
1110 West 35th Street, Chicago, Illinois Main Office (Moderate-income geography)	Lobby Monday - Thursday: 9:00 a.m. – 5:00 p.m. Friday: 9:00 a.m. – 6:00 p.m. Saturday: 9:00 a.m. – 1:00 p.m. Drive-up Monday – Friday: 8:00 a.m. – 6:00 p.m. Saturday: 8:00 a.m. – 3:00 p.m.
1800 South Halsted Street, Chicago, Illinois (Moderate-income geography)	Lobby Monday - Thursday: 9:00 a.m. – 5: p.m. Friday: 9:00 a.m. – 6:00 p.m. Saturday: 9:00 a.m. – 1:00 p.m. Drive-up Monday – Friday: 8:00 a.m. – 7:00 p.m. Saturday: 8:00 a.m. – 3:00 p.m.
180 North Michigan Avenue, Chicago, Illinois (Upper-income geography)	Lobby Monday – Friday: 8:00 a.m. – 5:30 p.m.
47 West Polk Street, Chicago, Illinois (Upper-income geography)	Lobby Monday – Friday: 9:00 a.m. – 6:00 p.m. Saturday: 9:00 a.m. – 1:00 p.m.

Source: Bank records.

Chicago Community bank has established a niche as a community lender among several large metropolitan and regional banks in an urban setting. Credit products include residential mortgages, home equity loans, automobile loans, commercial loans, and commercial real estate loans. Deposit products include a variety of NOW, checking, savings, money market, certificates of deposit, and individual retirement accounts. A no fee consumer checking account and a no fee business checking account are also offered. The bank offers 24-hour telephone banking and online banking services. Customers are able to check balances and transfer collected funds between accounts maintained at the bank. Additional services include wire transfers, an automated loan payment system, safe deposit boxes, and money order/travelers check services. The bank also acts as a purchasing center for Illinois automobile license plate stickers and as a utility bill payment center. These two latter services are available to customers and non-customers.

The bank also offers a number of special credit programs to help low- and moderate-income families purchase homes. One such program offered in partnership with the Home Loan Bank of Chicago and The Resurrection Project is Homeownership Individual Development Accounts (HIDA). Through this program, eligible prospective homebuyers establish savings accounts that are matched dollar for dollar up to $1,000 per participant and receive interest at ¼ percent higher than the bank's regular savings accounts. The program is limited to 50 participants. Over the past 18 months, 25 participants have established accounts. Chicago Community Bank also offers low-down payment mortgage loans offered through the Federal Home Loan Bank of Chicago's Downpayment Plus program. This program is available to first-time homebuyers with a combined annual income under 80 percent of the median household income of the area where the property is located, adjusted for family size. Eligible borrowers receive a grant of up to $3,500 ($3,000 for years prior to 2002) to be used for down payment assistance, closing costs, and rehabilitation costs associated with the acquisition. Chicago Community Bank originated a total

34 loans during the evaluation period, 11 in 2000, 17 in 2001, and 6 from January 1, through June 30, 2002.

According to the bank's June 30, 2002 Consolidated Report of Condition and Income, the bank has a net loan-to-deposit ratio of 51 percent and a net loan-to-asset ratio of 46 percent. Based on that same data, the composition of the bank's loan portfolio is allocated as follows: 50 percent commercial industrial, construction and development, and commercial real estate loans, 46 percent 1-4 family and multifamily residential real estate loans, 3 percent consumer, and 1% farm and other loans. Chicago Community Bank has experienced significant growth since the last CRA Evaluation performed on November of 1997. Between December 31, 1997 and June 30, 2002, loans grew by 161 percent and assets increased 136 percent. A further breakdown of the institution's loan portfolio and financial position is detailed in Table 2.

Table 2 – Loan Distribution as of 6/30/02		
Loan Type	**Dollar Amount (000s)**	**Percent of Total Loans (%)**
Construction and Land Development	$15,120	16%
Secured by Farmland	$430	1%
1-4 Family Residential	$30,154	31%
Multi-Family (5 or more) Residential	$14,763	15%
Commercial	$28,938	30%
Total Real Estate Loans	***$89,405***	***93%***
Commercial and Industrial	$4,080	4%
Agricultural	0	0
Consumer	$2,505	3%
Other	$223	<1%
Less: Unearned Income	($344)	<1%
Total Net Loans	***$95,869***	***100%***

Source: Report of Condition.

According to bank management, the institution's primary lending focus is commercial lending, with an emphasis on commercial and multifamily real estate lending. A review of loan originations for the 30-month period January 1, 2000 through June 30, 2002 showed that the majority of the loans were commercial and HMDA-reportable loans, and resemble the percentages of portfolio loans shown above.

The bank has no financial or legal impediments that would prohibit its ability to provide credit within the established assessment area. However, the institution does operate in a highly

competitive environment. As of June 30, 2002 the Federal Deposit Insurance Corporation (FDIC) Division of Research and Statistics reported 1,244 offices operating in Cook County. There are no similarly situated institutions to Chicago Community due to differences in asset size, branch networks, products offered, and areas served.

DESCRIPTION OF ASSESSMENT AREA

Chicago Community Bank has designated all of the geographies within Cook County, Illinois, as its assessment area. Cook County is part of the Chicago Metropolitan Statistical Area (MSA) 1600, and the area is consistent with the requirements of the regulation, as it is composed of whole geographies and includes the census tracts in which the bank's offices are located. Additionally, it does not arbitrarily exclude any low- or moderate-income geographies.

Unless otherwise stipulated, the demographic information used in this evaluation is based upon 1990 Census Bureau data. Income designations are defined as a percentage of the Chicago MSA's median family income as follows: low-income is 0 to 49 percent, moderate-income is 50 to 79 percent, middle-income is 80 to 119 percent, and upper-income is 120 percent and above.

The bank's assessment area consists of 1,352 census tracts. The geographical income distribution of the census tracts in the assessment area is as follows: 272 (20 percent) low-income, 340 (25 percent) moderate-income, 481 (36 percent) middle-income, 236 (17 percent) upper-income census tracts. The area also contains 23 census tracts (2 percent) that have no household or family income data associated with them due to nominal population (commonly known as NA tracts). The 1990 median family income (MFI) of the assessment area is $39,296, which is approximately 9 percent below the Chicago MSA's 1990 MFI of $42,758. Borrower income classifications are based on the Department of Housing and Urban Development's (HUD) adjusted MFI for the Chicago MSA 1600 for the year in which the credit was originated. The HUD adjusted MFI figures for 2000, 2001, and 2002 are $67,900, $70,500, and $75,400 respectively.

Table 3 compares the housing and demographic characteristics of the assessment area to the Chicago MSA 1600.

- The assessment area has a higher percentage of low- and moderate-income census tracts than MSA 1600.
- The owner occupancy percentage and the number of 1-4 family housing units in the assessment area is less than the Chicago MSA.
- The median value of a home in the assessment area is 22 percent higher than the Chicago MSA.

Table 3 – Demographic & Economic Characteristics of the Assessment Area		
Assessment Area Population Characteristics	Assessment Area	Chicago MSA 1600
Population in Area:	5,105,067	7,410,858
Percentage of Households by Income Level of Household:		
Low-Income	27%	23%
Moderate-Income	17%	16%
Middle-Income	21%	21%
Upper-Income	35%	40%
Below Poverty Level	13%	11%
Percentage of Census Tracts by Income Levels:		
Low-Income	20%	16%
Moderate-Income	25%	21%
Middle-Income	36%	38%
Upper-Income	17%	23%
N/A	2%	2%
Percentage of Total Housing Units:		
1-4 Family Residential	65%	69%
Multi-Family	33%	29%
Mobile Home or Trailer	1%	1%
Other	1%	1%
Owner-Occupied Housing Units	52%	57%
Rental Housing Units	41%	37%
Vacant Housing Units	7%	6%
Median Housing Characteristics:		
Median Age in Years	36	45
Median Home Value 1990	$132,493	$108,960
Median Gross Rent 1990	$485	$492

Source: 1990 U.S. Census Data

Economically, the assessment area is strong and maintains a sound commercial base. According to 2001 Dun and Bradstreet data the area contains 174,586 businesses of various sizes and maturity levels. Approximately 82 percent of the businesses in the assessment area generated less than $1million in gross revenues, while approximately 1 percent generated gross revenues in excess of $25 million. The same Dun and Bradstreet data also show that 83 percent of the businesses in the assessment area employ fewer than 20 employees.

Also, according to the 2001 Dun and Bradstreet data, the most significant portion of working individuals within the assessment area are employed in the service industry (45 percent), while the retail trade industry employs the second largest group of individuals (19 percent). According to the Bureau of Labor Statistics, as of September 30, 2001 the unemployment rate for Cook County was 6.1 percent, which is higher than the Chicago MSA and the State of Illinois figures which are 5.5 percent and 5.4 percent, respectively. Tables 4 and 5 detail the distribution of businesses within the assessment area by census tract income level and by business revenue size.

Table 4 – Distribution of Business Establishments By Income of Tract			
Income Level of Census Tract	Percentage of Tracts	Number of Businesses	Percentage of Businesses
Low	20%	11,161	6%
Moderate	25%	27,660	16%
Middle	36%	70,072	40%
Upper	17%	61,974	36%
NA	2%	3,719	2%
TOTAL	**100%**	**174,586**	**100%**

Source: 2001 Dun and Bradstreet Data.

Table 5 – Distribution of Business Establishments by Revenue Size		
Revenue Size	Number	Percentage
Less Than $500,000	130,066	74%
$500,001 to $1,000,000	13,546	8%
Over $1,000,000	22,662	13%
Not Reported	8,312	5%
TOTAL	**174,586**	**100%**

Source: 2001 Dun and Bradstreet Data.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The evaluation of Chicago Community Bank's lending performance is based upon a review of a sample of its small business, and all residential mortgage loans originated between January 1, 2000 and June 30, 2002, as reflected on the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR). The bank is primarily a small business lender with a strong niche in commercial and multifamily real estate lending. Based upon the June 30, 2002 Consolidated Report of Condition and Income, commercial and industrial, commercial real estate, and construction and land development lending (small business loans) make-up 50 percent of the bank's current loan volume by dollar amount. Residential 1-4 family and multifamily real estate lending (HMDA loans)represents 46 percent.

HMDA originations include mortgages for home purchase, refinance, home improvement, and multi-family purposes. A total of 209 HMDA loans with a combined balance of $35,074,000 were reviewed for this period. Small business loans originated during this same period totaled 259 in number, from which a sample of 99 small business loans was taken (Table 6). Statistically, this sample size is sufficient to achieve a 90 percent confidence level with a 15 percent level of precision.

Performance tests covering small business and HMDA residential lending were weighted equally as both portfolios represent a significant portion of the bank's lending activities.

Table 6 – Universe and Sample of Business Loans		
Year	**Universe Of Loans Originated**	**Sample Size For 15% Precision**
2000	80	31
2001	124	37
2002	55	31

Assessment Area Concentration

The institution's record of lending is reasonable, with a majority of loans being granted within the assessment area by both number and dollar volume. Table 7 reflects the bank's assessment area concentration for small business and HMDA residential mortgage lending.

Table 7 – Distribution of Loans Inside and Outside of the Assessment Area

Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		**Outside**		**Total**	**Inside**		**Outside**		**Total**
	#	**%**	**#**	**%**		**$**	**%**	**$**	**%**	
Home Mortgage										
2000	65	97%	2	3%	67	$6,785	95%	$362	5%	$7,147
2001	92	89%	11	11%	103	$17,722	88%	$2,507	12%	$20,229
2002	34	87%	5	13%	39	$6,419	83%	$1,279	17%	$7,698
Subtotal	**191**	**91%**	**18**	**9%**	**209**	**$30,926**	**88%**	**$4,148**	**12%**	**$35,074**
Business										
2000	28	90%	3	10%	31	$7,163	84%	$1,338	16%	$8,501
2001	32	86%	5	14%	37	$6,199	84%	$1,149	16%	$7,348
2002	26	84%	5	16%	31	$4,615	92%	$415	8%	$5,030
Subtotal	**86**	**87%**	**13**	**13%**	**99**	**$17,977**	**86%**	**$2,902**	**14%**	**$20,879**
Total	**277**	**90%**	**31**	**10%**	**308**	**$48,903**	**87%**	**$7,050**	**13%**	**$55,953**

Source: Bank Records

The assessment area concentration is deemed reasonable, as the bank has granted a majority of loans within the assessment area by both number and dollar. The percentage of small business and HMDA residential real estate loans originated in the assessment area by number have decreased over the past two and one half years. However, lending in the assessment area continues to represent in excess of 84 percent of all loans made by the bank in 2002. By dollar amount, the percentage of HMDA lending in the assessment area has also decreased from 2000 to year-to-date 2002, even though the total dollar volume of lending in 2001 more than doubled due to large increases in refinance and Multifamily loans. Small business lending in the assessment area by dollar volume increased from 2000 to 2002 as a percentage, but total small business lending origination dollars actually declined by 41 percent. Only loans that are within the bank's assessment area are considered when evaluating the bank's lending by borrower income characteristics and the geographic distribution of loans.

Borrower Characteristics

Overall, Chicago Community Bank's performance in lending among businesses of different sizes and borrowers of various income levels is considered reasonable within the context of the opportunities for lending in the assessment area.

Small Business Activity

The following table shows the distribution of the sampled commercial loans in the assessment area by loan amount. Using loan size as a proxy for business revenues, Table 8 indicates that the bank's small business lending reflects a reasonable distribution among businesses of differing revenue sizes.

Table 8 – Distribution of Small Business Loans by Loan Size								
Loan Size (000s)	**2000**		**2001**		**2002**		**Total**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
≤ $100	11	39%	16	50%	11	42%	38	44%
> $100 to ≤ $250	7	25%	9	28%	7	27%	23	27%
> $250 to ≤ $500	6	22%	4	13%	7	27%	17	20%
> $500 to ≤ $1,000	4	14%	3	9%	1	4%	8	9%
Total	**28**	**100%**	**32**	**100%**	**26**	**100%**	**86**	**100%**

Source: Bank Data.

The bank maintains a reasonable distribution of lending to small businesses. As of this evaluation, 95 percent of the number of business loans originated between January 1, 2000 and June 30, 2002 were small business loans (loans originated for $1,000,000 or less). Over 85 percent of small business loans were made for amounts less than $500,000 in calendar year 2000, and in calendar 2001 and year-to-date 2002 the bank's performance increased to 91 percent and 96 percent, respectively. Lending in the less than $100,000 category has also been consistently strong, ranging from 39 percent in 2000, to 50 percent in 2001, and then decreasing to 42 percent for year-to-date 2002. In analyzing this data, loan size is utilized as a proxy for business size, as smaller businesses typically demand and only qualify for smaller dollar loans. These figures compare favorably with 2001 business geodemographic data reported by Dun and Bradstreet, which indicates that 74 percent of commercial entities in the assessment area have revenues of less than $500,000. Assuming the number of loans originated for under $100,000 is an accurate measure of the bank's efforts to meet the credit needs of the small business owner, the bank's performance demonstrates a willingness to fund the credit needs of small business owners.

HMDA Activity

Table 9 shows that the bank's distribution of HMDA loans by borrower income level relative to the concentration of households and to the 2000 and 2001 aggregate HMDA reporters is reasonable. The number of households provides some insight into the available opportunities for mortgage lending in each income segment. Aggregate lending data for 2000 and 2001 also provides a frame of reference to compare Chicago Community bank's level of lending in the assessment area to its peers. It should be noted that a large portion of the bank's HMDA lending, represented by multifamily loans, is not subject to reporting borrower income information.

Table 9 – Distribution of Residential Loans by Borrower Income											
Borrower Income Level	**Percentage of Aggregate HMDA Performance**		**Percentage of Households in this income category**	**2000**		**2001**		**2002**		**Total**	
	2000	**2001**		**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low	10%	8%	27%	14	22%	10	11%	9	26%	33	17%
Moderate	24%	21%	17%	14	22%	20	22%	5	15%	39	20%
Middle	22%	22%	21%	11	17%	13	14%	4	12%	28	15%
Upper	25%	28%	35%	11	17%	13	16%	10	29%	36	19%
NA	19%	21%	0	15	23%	15	37%	6	18%	55	29%
Total*	**100%**	**100%**	**100%**	**65**	**100%**	**92**	**100%**	**34**	**100%**	**191**	**100%**

*Source: Bank Records and FFIEC HMDA aggregate reports * Some percentages do not add to 100 percent due to rounding of the individual percentages.*

Lending to low-income borrowers is considered strong when compared to aggregate lending levels, particularly in 2000 where lending is more than twice that of aggregate lenders. Lending to low-income borrowers in 2001 also exceeds aggregate lending by almost 38 percent. Although no aggregate lending data is available for year-to-date 2002, lending to low-income borrowers continues to be exceedingly strong at 26 percent. By dollar volume the bank's level of lending in low-income tracts was relatively small at 5 percent and 3 percent in 2000 and 2001 respectively. In 2002 the dollar volume of lending to low-income borrowers increased dramatically to 22 percent. The large variation between the percentage of loans, and the dollar volume of loans made to low-income borrowers is due primarily to the large proportion of loan dollars (over 50 percent in both 2000 and 2001 but only 21 percent in 2002) going to NA borrowers, (multifamily loans) which are typically large loans due to the size of the buildings being financed (five units or more). Although the dollar volume of loans to low-income borrowers appears modest in comparison to the number of loans originated in 2000 and 2001, recognition is given to the fact that low-income borrowers typically need and qualify for smaller dollar loans.

Lending to low-income borrowers did not meet or exceed the percentage of low-income households in the assessment area for any of the years reviewed. Given the high level of poverty in the assessment area (13 percent), this level of performance appears to be more than reasonable. Individuals living at or below the poverty level have incomes that are typically insufficient to qualify for home loans, particularly in this assessment area where housing prices are relatively high. Lending to moderate-income borrowers at 22 percent was slightly less than aggregate lending (24 percent) in the area for 2000, but superior to the percentage of households (17 percent) in the assessment area. In 2001, lending to moderate-income borrowers remained at 22 percent, which was slightly higher than the percentage reflected for aggregate reporters in that

year. For year-to-date 2002, HMDA lending to moderate-income borrowers fell to 15 percent, which is still considered reasonable. The decline in lending to moderate-income borrowers in 2002 is more than offset by a proportional increase in loans to low-income borrowers. The dollar volume of lending to moderate-income borrowers at 16 percent (2000), 17 percent (2001), and 11 percent (2002) is relatively similar to the bank's level of lending by number and is considered reasonable.

Geographic Distribution of Lending

In addition to the distribution of credit by borrower characteristics, the bank's geographic distribution of lending is evaluated. Overall, the bank has achieved an excellent dispersion of loans within its assessment area for small business loans and HMDA reportable loans.

Small Business Activity

Table 10 shows the distribution of sampled small business loans in the assessment area relative to the concentration of businesses within census tracts of various income levels. The percentage of businesses in each census tract income level is used to gauge the opportunities for lending in these areas.

Table 10– Distribution of Small Business Loans by Income Category of the Census Tract

Census Tract Income Level	Assessment Area Businesses 2001		2000		2001		2002		Total	
	#	%	#	%	#	%	#	%	#	%
Low	11,161	6%	5	18%	3	9%	6	23%	14	16%
Moderate	27,660	16%	15	54%	9	28%	8	31%	32	37%
Middle	70,072	40%	5	18%	13	41%	9	34%	27	31%
Upper	61,974	36%	1	3%	7	22%	2	8%	10	12%
NA	3,719	2%	2	7%	0	0	1	4%	3	4%
Total	**174,586**	**100%**	**28**	**100%**	**32**	**100%**	**26**	**100%**	**86**	**100%**

Source: Bank Records and 2001 Business Geodemographic Data

Chicago Community Bank originated small business loans at a rate of one and one half to almost four times the concentration of businesses that reside in low-income census tracts from 2000 to year-to-date 2002, with a small dip in lending volume in 2001. By dollar amount, 41 percent of the dollars originated in 2000 were in low-income geographies and that percentage declined to 26 percent in 2002. Lending to moderate-income geographies for these same periods was equally as strong with lending near or exceeding twice the concentration of businesses that reside in those geographies by number. Lending in moderate-income tracts by dollar also consistently

exceeded the percentage of businesses in moderate-income census tracts, although by a smaller proportion. Combined, the bank has maintained a small business lending distribution in low- and moderate-income census tracts ranging from 72 to 37 percent by number and 66 to 34 percent by dollar amount for the two and one half year period reviewed, compared to a concentration of only 22 percent of the assessment area businesses.

The bank's lending performance in these geographies is significant in light of the opportunities in low- and moderate-income geographies, which may experience difficulty in attracting financing due to the economically distressed nature of some of these areas. To some extent, the bank's success in lending in these geographies is attributed to bank facilities located in or near some of these areas, and the gradual transition seen in some of these areas from heavy industrial to small commercial, retail, and residential use.

HMDA Activity

Table 11 shows the distribution of HMDA loans relative to the concentration of owner occupied housing units within census tracts of various income levels. The owner occupancy levels provide some insight into the opportunities for mortgage lending in each income segment. Aggregate lending data for 2000 and 2001 also provides a frame of reference to compare Chicago Community bank's level of lending in the assessment area to competitors in the same market.

Table 11 – Distribution of Residential Loans by Income Category of the Census Tract

Census Tract Income Level	Percentage of Aggregate HMDA Performance		Owner-Occupied Housing Units	2000		2001		2002		Total	
	2000	2001		#	%	#	%	#	%	#	%
Low	8%	6%	4%	3	5%	15	16%	10	29%	28	15%
Moderate	21%	18%	17%	41	63%	39	42%	15	44%	95	50%
Middle	45%	45%	51%	19	29%	28	31%	8	24%	55	29%
Upper	26%	31%	28%	2	3%	9	10%	1	3%	12	6%
NA	<1%	<1%	<1%	0	0	1	1%	0	0	1	<1%
Total	**100%**	**100%**	**100%**	**65**	**100%**	**92**	**100%**	**34**	**100%**	**191**	**100%**

Source: Bank Records and FFIEC HMDA aggregate reports.

Although the bank's level of lending in low income census tracts was less than aggregate reporters in 2000, Chicago Community bank's level of lending in 2001 and year-to-date 2002 displays performance with an increasing trend for each of the periods reviewed. The bank's slightly weaker performance for 2000 in low-income tracts is largely explained by the bank's

exceptionally strong lending performance in moderate-income tracts for 2000. For all periods reviewed the bank's lending performance by number was twice that of aggregate lenders in moderate-income census tracts. In 2000, the bank's lending to moderate-income tracts represented 63 percent of its total HMDA lending for the year, or three times that of aggregate lenders. The bank's lending performance in both low- and moderate-income geographies also exceeded the percentage of housing units located in those geographies. By dollar volume the level of lending in both low- and moderate-income census tracts reflect similar performance levels to the bank's performance by loan volume.

Community Development Lending

The bank has been adept in providing credit for multifamily developments within the assessment area during the analysis period. As detailed in Table 12, Chicago Community Bank originated 46 multifamily loans. Aggregate lending data for 2000 and 2001 is also displayed to provide a frame of reference to compare Chicago Community bank's level of lending in the assessment area to other lenders in the market.

Table 12 – Distribution of Multifamily Loans by Income Category of the Census Tract

Census Tract Income Level	Percentage Aggregate HMDA Performance			2000		2001		2002		Total	
	2000	2001		#	%	#	%	#	%	#	%
Low	21%	17%		1	8%	5	18%	2	33%	8	17%
Moderate	38%	38%		9	69%	15	56%	2	33%	26	57%
Middle	34%	38%		2	15%	6	22%	2	33%	10	22%
Upper	7%	7%		1	8%	1	4%	0	0	2	4%
NA	<1%	<1%		0	0	0	0	0	0	0	0
Total*	**100%**	**100%**		**13**	**100%**	**27**	**100%**	**6**	**100%**	**46**	**100%**

*Source: Bank Records and FFIEC HMDA aggregate reports. * Some percentages do not add to 100 percent due to rounding of the individual percentages.*

Multifamily lending in low-income census tracts is considered reasonable when compared to aggregate lenders, although slightly below aggregate performance in 2000. The low level of multifamily lending in low-income census tracts in 2000 is largely explained by the bank's exceptional lending performance in moderate-income tracts that same year. The bank's level of multi-family lending in moderate-income census tracts for 2000 and 2001 is very strong, exceeding aggregate reporters by 30 percent and 18 percent, respectively. Multifamily lending in moderate-income census tracts continued to decline from a high of 69 percent in 2000 to 33 percent in 2002. Correspondingly the volume of multifamily loans in low-income census tracts continued to increase over the two and one half year evaluation period. Combined the bank has originated between 77 percent and 66 percent of all multifamily loans in low- and moderate-

income census tracts. The dollars originated in the various income census tracts show that 13, 16, and 23 percent of multifamily loan dollars were originated in low-income census tracts for 2000, 2001, and 2002, respectively. The dollars originated in the moderate-income geographies are 53, 57, and 48 percent for the same periods. The 34 loans originated in low- or moderate-income geographies are considered community development lending because they help stabilize the area.

The affordability of housing units was also reviewed for all multifamily housing loans to determine if they meet the criteria for affordable housing. To qualify as affordable housing a majority of the residential units in a building must have rentals at or below 30 percent of the monthly median family income for a moderate-income family living in the Chicago MSA. Out of 46 multifamily housing loans made by Chicago Community Bank during the evaluation period, 42 are considered affordable housing. In total the bank originated $12,644,000 in multifamily housing loans, which resulted in a total of 349 affordable housing units.

Loan to Deposit Ratio

The bank's loan-to-deposit ratio is reasonable given the bank's size, the competitive market it operates in, and the credit needs of the assessment area. The average loan-to-deposit ratio is 56 percent. This average is based on the 19 quarters since the last evaluation. From December 1997 to March 31, 2002, the loan-to-deposit ratio steadily increased from 43 percent to 64 percent. From March 31, 2002 to June 30, 2002 the loan to deposit ratio decreased to 51 percent. The decrease in the loan-to-deposit ratio was caused by a 28 percent increase in the deposit base, from $147,615 as of March 31, 2002 to $188,452 as of June 30, 2002. This increase in deposits was the result of the bank's purchase of the former Universal Bank's deposits. Forty million dollars in Universal Bank loans were later purchased by Chicago Community Bank in July of 2002.

Response to Complaints

The bank has not received any complaints regarding its Community Reinvestment Act performance since its last evaluation.

Compliance with Anti-Discriminatory Laws and Regulations

No violations of the substantive provisions of the anti-discriminatory laws and regulations were identified during the examination.