

# **PUBLIC DISCLOSURE**

**July 30, 2007**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**1st Summit Bank  
08426**

**125 Donald Lane  
Johnstown, Pennsylvania 15904**

**Federal Deposit Insurance Corporation  
20 Exchange Place  
New York, New York 10005**

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## INSTITUTION'S CRA RATING

**INSTITUTION'S CRA RATING:** This institution is rated: Satisfactory.

**PERFORMANCE TEST RATINGS TABLE:**

*The following table indicates the performance level of 1st Summit Bank with respect to the Lending, Investment, and Service Tests.*

PERFORMANCE LEVELS	1st Summit Bank		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
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.

In April of 2006, the bank made a \$1 million equity investment in the *Senior Housing Crime Prevention Foundation, Inc., (SHCPF)* and received 1,000 shares of Series L preferred stock in the SHCPF. SHCPF is a 501c-3 non-profit corporation, whose sole objective is to reduce crime in senior housing facilities and to provide ongoing, effective crime prevention programs that ensure safe, secure, and high quality living environments for senior housing residents, the majority of which are low- or moderate-income individuals. The bank's preferred stock investment carries a guaranteed fixed rate of return over a five year commitment period and is fully collateralized. SHCPF used the proceeds from the bank's investment to purchase a FHLB security, the income of which finances SHCPF's community development service activities, and simultaneously provides a mechanism for SHCPF to pay its guaranteed dividend on its preferred stock. The community development features of this investment are highlighted by the fact that the bank directed the SHCPF to fund and implement their Senior Crimestoppers Program at three nursing homes in Cambria County. SHCPF keeps 1.875 percent of the yield from the security to support nursing home and senior housing needs through the Senior Crime Stoppers Program. The bank receives the remaining portion of the yield from the security. In addition to the **\$1 million** equity investment in the SHCPF, **\$18.7 thousand** (1.875 percent of the \$1 million security) is also considered a qualified investment (the amount of the yield provided to the SHCPF.)

A substantial majority of community development donations provided by the bank were provided to organizations located within the Johnstown MSA assessment area. A total of **\$28 thousand** in donations directly benefited this assessment area. Examples of these organizations include Habitat for Humanity, YMCAs, and organizations that provide support services, food, clothing and shelter to low-income residents of the county.

## **SERVICE TEST**

The bank's delivery systems are accessible to essentially all portions of the bank's Johnstown MSA assessment area. The bank operates ten branch offices within this assessment area. Of these, one or 10 percent is located within a low-income tract, one or 10 percent is located in a moderate-income tract, 6 or 60 percent are located within middle-income tracts, and 2 or 20 percent are located in upper-income tracts. No offices were closed within this area; however, one office was opened within this assessment area during the review period in a Wal-Mart store in Johnstown. The opening of this office has not adversely affected the accessibility of the bank's delivery systems. Similar products and services are available throughout this assessment area as those offered in the entire assessment area. The bank's services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and individuals. The institution provides a relatively high level of community development services within this assessment area. Some examples of the community development services within the Johnstown MSA assessment area with which bank personnel are involved are discussed below.