

# **PUBLIC DISCLOSURE**

**November 8, 2004**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Founders Bank  
18390  
6825 West 111th Street  
Worth, Illinois 60482**

**Federal Deposit Insurance Corporation  
Division of Supervision and Consumer Protection  
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.

## INSTITUTION RATING

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

Founders Bank has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income individuals, in a manner consistent with its resources and capabilities. This rating is supported by the following.

### Lending Test

- Lending levels reflect adequate responsiveness to assessment area credit needs.
- An adequate percentage of loans were originated to businesses within the bank's assessment area.
- Founders Bank's geographic distribution of loans reflects good penetration throughout the assessment area.
- The distribution of the bank's loans by gross annual revenue reflects adequate penetration throughout the assessment area.
- The bank has made a low level of community development loans, but uses innovative and flexible lending programs aimed at satisfying the credit needs within its assessment area.

### Investment Test

- The bank has initiated a relatively high level of qualified community development investments and grants.

### Service Test

- Retail banking services, through the use of branches, automated teller machines (ATMs), telephone banking, and Internet banking, are reasonably accessible to essentially all portions of the bank's assessment area.
- The bank provides a relatively high level of community development services to organizations throughout the assessment area.

Refer to the following information for a complete discussion of the institution's CRA performance.

## LENDING, INVESTMENT, AND SERVICE TEST TABLE

*The following table indicates the performance level of the institution with respect to the lending, investment, and service tests.*

<b>PERFORMANCE LEVELS</b>	<b>Founders Bank</b>		
	<b>PERFORMANCE TESTS</b>		
	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Outstanding			
High Satisfactory		X	X
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			

The following are notable qualified investments held by Founders Bank during the review period.

- In September 2002, Founders Bank purchased \$11.9 million in redeemable preferred stock in a foundation committed to support crime prevention in nursing homes which primarily serve low- and moderate-income residents. The services offered by the foundation, including lock boxes and crime prevention counseling, are considered community services targeted to low- and moderate-income persons. Of the annual revenue generated by the collateral securities, 2.5 percent is retained by the foundation to support its crime prevention program. As of September 30, 2004, the market value of this innovative investment was \$12.6 million.
- Prior to the previous evaluation, Founders Bank pledged \$4 million in a non-profit organization that provides affordable housing to low- and moderate-income individuals throughout the Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area (MSA). The organization is a pooled-risk mortgage lender specializing in multifamily rehabilitation in lower-income neighborhoods, while offering affordable rents. In September 2004, the bank pledged an additional \$8 million, bringing the bank's total commitment to \$12 million. As of September 30, 2004, the outstanding balance of this investment was \$1.2 million.

Founders Bank's investment activities exhibit adequate responsiveness to the community's credit and economic development needs, although the bank's qualified investments are not considered very complex. The opportunities for community development initiatives in the bank's assessment area are abundant. There are numerous community organizations operating within the assessment area and on broader regional and statewide bases, which offer partnership opportunities for financial institutions to assist in addressing community credit and economic development needs. The level and quality of donation and grant activity is considered adequate and these activities benefit organizations in many of the municipalities where the bank has branch locations.

## **SERVICE TEST**

### **Retail Banking Services**

Founders Bank's delivery systems are reasonably accessible to essentially all portions of the assessment area. In addition to the main office, the institution maintains nine full-service and one limited-service branch offices. Based on the 2000 Census data, the main office in Worth, Illinois, is the only branch located in a moderate-income census tract. Based on 1990 Census data, the census tract in which the main office is located was considered middle-income. Refer to the distribution of branch offices detailed in Appendix E, Table 15.

The Joliet branch, located in a middle-income census tract, opened in June 2003. The bank has not closed any branches since the previous evaluation. There are no differences in the services available or the hours offered at any location. Alternative delivery systems include automated teller machine (ATM) accessibility, Internet banking at [www.foundersbank.com](http://www.foundersbank.com), and 24-hour telephone banking services.