



FIRST STATE BANK S-P-LC COMMUNITY REINVESTMENT ACT POLICY

Monthly Review:	July	
Date and Given to Review:	6-4-24	BJ
Date and Reviewed By:	7-1-24	BJ/BD
Date Board Approved:	7-9-24	RS
Next Review Date:	July 2025	

First State Bank Shannon-Polo-Lake Carroll

COMMUNITY REINVESTMENT ACT STATEMENT

1. **OPENING STATEMENT**

The primary objective of the First State Bank Shannon-Polo-Lake Carroll is to serve its market area by means of prudent and sound credit, to remain a good corporate citizen, and at all times, a worthy and respected member of the community.

2. **DELINEATION OF MARKET AREA**

The community market area for the First State Bank Shannon-Polo-Lake Carroll will be an area consisting of the following individual and joint Census Tracts/Block Number Units as follows:

Carroll County:	9601, 9604, 9605
Stephenson County:	4, 5
Ogle County:	9607-9609, 9614-9615
Lee County:	5
Whiteside County:	1

(The CRA file contains a map delineating these borders.)

3. **CREDIT POLICIES**

As stated in our organization policy, we are here to serve the growing banking needs of the Shannon-Polo-Lake Carroll area, and to operate within sound operational practices which will provide adequate protection to the Bank's depositors. In addition, we wish to offer modern banking services to our community along with adequate controls.

A. REAL ESTATE LOANS

1. One-to-Four Family Dwellings
2. Farm Real Estate
3. Commercial Real Estate
4. Home Equity Loans
5. FHA Loans
6. USDA Rural Development Loans (100%)
7. VA Loans
8. Down Payment Assistance Grants to low income home buyers

B. CONSUMER LOANS

1. Home Improvement Loans
2. Auto Loans
3. Recreational Vehicles
4. Personal and Home Expenditures (Subject to Collateral)
5. Mobile Homes

C. COMMERCIAL LOANS

1. Business Loans
2. Farm Loans
3. Working Capital Loans
4. Equipment Loans
5. Inventory Loans
6. Accounts Receivable Financing

All loans will be subject to collateral requirements and the Bank Lending Policy, as established by its Board of Directors.

4. COMMUNITY REINVESTMENT ACT NOTICE

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us. Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as, their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our response to those comments. You may review this information today, at any of our following bank locations; 1 S Linn St., Shannon, IL 61078, 211 S. Division Avenue, Polo, IL 61064, 24494 E. Payne Rd., Shannon, IL 61078.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, Division of Supervision and Consumer Protection, Federal Deposit Insurance Corporation, 300 South Riverside Plaza, Suite 1700, Chicago, IL 60606.

You may send written comments about our performance in helping to meet community credit needs to:

Michael Meighan, Customer Service Representative
1 S. Linn St.
PO Box 85
Shannon, IL 61078

And to the FDIC Regional Director. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public. You may also submit comments electronically through the FDIC's website at www.fdic.gov/regulations/cra.

You may ask to look at any comments received by the FDIC Regional Director.

You also may request from the FDIC Regional Director, an announcement of our application covered by the CRA filed with the FDIC.

We are a subsidiary of Shannon Bancorp, a bank holding company. You may also request from the Director of Applications, Federal Reserve Bank of Chicago, 230 South LaSalle Street, Chicago, Illinois 60604, an announcement of applications covered by the CRA filed by bank holding companies.

5. **COMMUNITY CREDIT NEEDS**

The Directors and Officers of the First State Bank Shannon-Polo-Lake Carroll are all local businessmen and women representing a variety of industries in Shannon, Polo and Lake Carroll. Through means of active involvement in local and county organizations, as well as personal daily contact, they are constantly aware of the credit needs and personal requirements to maintain adequate growth in the community.

Recognizing the Bank's location in a growing and expanding community, the Bank has elected to place a large part of its investable funds into Agriculture and Commercial Loans, Real Estate Loans, and personal Consumer Loans. Agricultural Loans are originated to acquire livestock, equipment, farm real estate and capital improvements and to finance crop production and operating expenses. First State Bank Shannon-Polo-Lake Carroll has participated in FSA Guaranty and Farmer Mac II programs, in order to be in place for long term agricultural real estate financing and to enhance first time land buyers or young farmers as well as long term capital needs for established customers. Commercial Loans provide capital for local businesses such as gas stations, grain warehouses, cement plants, truck dispatchers, fertilizer plants, grocery outlets, restaurants, recreational facilities, farm equipment dealers, excavating and plumbing

services, beauty salons, feed and seed supplies, etc.

Personal Consumer Loans are generated to fund residential real estate loans, vehicle loans, and other personal loans. The First State Bank Shannon-Polo-Lake Carroll will continue to support home starts in its market area. We have placed many loans for consumer purchases to help stimulate growth in Stephenson, Ogle, Carroll, Lee, and Whiteside Counties. Due to increased consumer interest rate risk awareness and real estate loan activity, we have established and maintained a 15 and 30 year Fixed Rate Mortgage Program with Mortgage Partnership Finance (MPFXtra) through Federal Home Loan Bank of Chicago. We have the ability to offer 15 to 30 year Fixed Mortgages and in turn sell the mortgage to Federal Home Loan Bank, who in turn sells to Fannie Mae at very competitive rates while in turn retaining servicing rights. We have also helped small businesses in our area with credit advances and will continue to do so within our limitations. As growth continues within the Bank, we plan to help as many small businesses as possible moving into our trade area. Shannon, Polo and Lake Carroll will continue to be a prime development area for First State Bank Shannon-Polo-Lake Carroll with a strong emphasis being placed on assessing credit needs, within the community, by our Board of Directors and management.

This policy will be on file at all bank offices located at 1 S. Linn St., Shannon, Illinois, 211 S. Division Ave., Polo, Illinois and 24494 E. Payne Road, Shannon, IL 61078 and shall be a matter of public record. Any person requesting to review the policy may do so during regular banking hours and for a charge of \$.50 may have a copy for their possession.