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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

March 1, 1997

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Mountain West Bank of Great Falls, N.A.  
Charter Number 22815**

**12 3rd Street Northwest  
Great Falls, Montana 59403-3607**

**Comptroller of the Currency  
50 Fremont Street, Suite 3900  
San Francisco, California 94105-2292**

**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.**

## 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 **Mountain West Bank of Great Falls, N.A.**, prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of March 1, 1997. 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 **“Satisfactory.”**

We assign this rating based on the following factors:

- The trend in the bank's ratio of loans to deposits is excellent.
- A majority of the bank's loans and lending-related activities are within its assessment area.
- The bank's lending activity exhibits good distribution among businesses of different sizes and individuals of different income levels.
- The bank's record of lending to borrowers across all geographies in its assessment area is reasonable.

The following table indicates the performance level of **Mountain West Bank of Great Falls, N.A.**, with respect to each of the five performance criteria.

<b>SMALL INSTITUTION ASSESSMENT CRITERIA</b>	<b>Mountain West Bank of Great Falls, N.A., Performance Levels</b>		
	<b>Exceeds Standards for Satisfactory Performance</b>	<b>Meets Standards for Satisfactory Performance</b>	<b>Does Not Meet Standards for Satisfactory Performance</b>
Loan-to-Deposit Ratio	X		
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints received since the bank opened.		

**DESCRIPTION OF INSTITUTION:**

Mountain West Bank of Great Falls, N.A., is an independently owned community bank that opened in November 1995. As of September 30, 1996, the bank had \$36 million in assets and \$25 million in gross loans. The bank has one office in Great Falls, Montana. It is a subsidiary of Mountain West Financial Corporation, a two-bank holding company in Helena, Montana. Consolidated assets of the holding company and subsidiary banks totaled \$143 million as of September 30, 1996. The bank does not have any financial or legal impediments that prevent it from meeting the credit needs of the assessment area.

The bank’s business focus is small business lending, general-purpose consumer lending, residential real estate lending, and agricultural lending. These loans make up 45 percent, 36 percent, 13 percent, and 6 percent, respectively, of the bank’s loan originations by number from when the bank opened November 1, 1995, to December 31, 1996.

**DESCRIPTION OF MOUNTAIN WEST BANK OF GREAT FALLS, N.A., ASSESSMENT AREA:**

The bank’s assessment area consists of the Great Falls, Montana, Metropolitan Statistical Area (MSA) which includes all of Cascade County, located in north central Montana. The assessment area’s 1990 U.S. Census population is 77,691. The 1990 Census data shows the MSA median family income is \$27,902. The table below shows that the Great Falls MSA comprises mainly middle- and moderate-income tracts.

<b>Tract Characteristics</b>	<b>Number of Census Tracts</b>	<b>Percent of Households in the Assessment Area</b>
<b>Low</b>	1	2
<b>Moderate</b>	6	20
<b>Middle</b>	15	67
<b>Upper</b>	2	11
<b>Total</b>	<b>24</b>	<b>100</b>

The economic base of the Great Falls area is stable. Primary industries include retail trade related to military personnel stationed at Malmstrom Air Force Base, government offices, Canadian tourist traffic, and small-grain farming. Great Falls serves as a regional hub for consumer shopping and medical services for various smaller towns surrounding Great Falls. The median housing value in the assessment area is \$53,550.

We contacted two individuals who were knowledgeable regarding the economic condition and credit needs in the community. These individuals indicated that the most pressing community credit needs were affordable home ownership loans and small loans. Additionally, since available housing stock is older, individuals need loans for housing rehabilitation. The general perception is that the various financial institutions in the community are meeting credit needs reasonably well.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :**

### **Loan-to-Deposit Ratio**

Mountain West Bank of Great Falls, N.A., has established a ratio of loans to deposits that compares favorably with similarly situated banks in this area. From when the bank opened November 1, 1995, through September 30, 1996, Mountain West Bank's quarterly ratio of loans to deposits averaged 58 percent. However, the ratio of loans to deposits trend is excellent with the ratio increasing steadily from 18 percent as of December 31, 1995, to nearly 78 percent as of September 30, 1996. The average ratios of loans to deposits for four other local independent commercial banks for the eight quarters ending September 30, 1996, were 76 percent, 68 percent, 54 percent, and 48 percent.

### **Lending in the Assessment Area**

The bank originated a reasonable level of loans within the assessment area. Over 89 percent of the loans the bank originated were to borrowers located within the assessment area. This represented over 67 percent of the total dollar volume of loans made by the bank.

### **Lending to Borrowers of Different Incomes and Businesses of Different Sizes**

The bank's loan originations reflect a reasonable distribution of loans among borrowers with different income levels and to businesses of different sizes. The proportion of loan originations to low- and moderate-income individuals exceeds the corresponding percentage of the assessment area population. The bank originated a clear majority of its business loans to small businesses.

We sampled 20 business-purpose loans to assess the distribution of loans to various-size businesses. The 1990 Census Bureau data indicates 74 percent of the 2,995 businesses in the Great Falls MSA have sales less than \$1 million per year. For purposes of assessing CRA performance, these are considered small businesses. The following table shows that the bank's lending activities are focused on small businesses.

<b>Business Revenues</b>	<b>Percent of Loan Sample</b>
<b>\$0 - 100,000</b>	35
<b>\$100,000 - 250,000</b>	10
<b>\$250,000 - 500,000</b>	5
<b>\$500,000 - 1,000,000</b>	20
<b>&gt; \$1,000,000</b>	30
<b>Total</b>	<b>100</b>

The following table shows that the majority of families in the Great Falls MSA are upper or middle income. Based on our sample of 37 general purpose installment loans, the bank has originated a greater portion of loans to low-income families compared to the demographics of the MSA.

<b>Income Category (1995 Annual income)*</b>	<b>Percent of Families in Great Falls MSA</b>	<b>Bank loans to families by income category (percent)</b>
<b>Low- Less than 50% of median family income. ( &lt; \$18,200/yr)</b>	17	41
<b>Moderate- 50-80% of median family income. (\$18,201 - \$29,120/yr)</b>	19	25
<b>Middle - 80-120% of median family income. (\$29,121 - \$43,680/yr)</b>	24	6
<b>Upper - Greater than 120% of med. family inc. ( &gt; \$43,681/yr)</b>	40	28
<b>Total</b>	<b>100</b>	<b>100</b>

\*Annual income = 1990 Census median family income of MSA adjusted to 1995 family income estimates by Housing and Urban Development, U.S. Government.

We also reviewed a sample of seven agricultural-purpose loans to assess the distribution of loans to various-size agricultural units based on annual revenues. For purposes of CRA performance evaluation, all of the loan customers in our sample are considered small farmers because they had total annual revenues less than \$500,000 per year.

**Geographic Distribution of Loans**

The bank’s lending record shows reasonable lending penetration to borrowers across all tract income categories. As depicted in the following table, the bank originated a slightly higher percentage of loans to borrowers living in low- and moderate-income census tracts than the percentage of the overall population living in low- and moderate-income census tracts.

<b>Tract Income Information</b>	<b>Percent of Population</b>	<b>Percent of Bank’s Borrowers</b>
<b>Low</b>	1	2
<b>Moderate</b>	17	20
<b>Middle</b>	69	54
<b>Upper</b>	13	24
<b>Total</b>	<b>100</b>	<b>100</b>

**Other Information**

The bank has not received any written complaints regarding its CRA performance since the bank opened. We found no violations of antidiscrimination laws and regulations.