

PUBLIC DISCLOSURE

March 11, 1996

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

UINTA COUNTY STATE BANK
10-56-0360
85052

P.O. BOX 159
MOUNTAIN VIEW, WY 82939

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 Uinta County State Bank, Mountain View, Wyoming prepared by Federal Reserve Bank of Kansas City, the institution's supervisory agency, as of March 11, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION'S CRA RATING: *This institution is rated as substantially noncompliant in meeting community credit needs.*

The bank has a substantially deficient record of lending in its assessment area given its resources and capabilities. This is reflected in the bank's extremely low loan-to-deposit ratio. The bank is not meeting the credit needs of its community as indicated by the few loans originated in the bank's assessment area.

Uinta County State Bank

March 11, 1996

The following table indicates the performance level of Uinta County State Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	UINTA COUNTY STATE BANK PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
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 have been received since the previous examination.		

DESCRIPTION OF INSTITUTION

The bank has the ability to meet the credit needs of its defined assessment area based on its size, financial condition, and resources. However, bank management continues with its extremely conservative lending practices. Consequently, lending levels remain extraordinarily low in relation to the bank's deposit base and community credit needs. Most of the deposit base is being invested in investment securities instead of being reinvested in the community through the origination of loans to qualified individuals. The bank had total assets of \$6,890,000 according to the December 31, 1995 Report of Condition and Income (ACall Report®). The Call Report showed that the bank had \$60,000 outstanding in total loans. Agricultural

Uinta County State Bank

March 11, 1996

loans comprised 47 percent of this figure, while consumer and commercial loans accounted for 35 percent and 5 percent, respectively, of this lending activity. The remaining 13 percent consisted of other loans. The few loans that have been originated by the bank are short-term, unsecured loans with rates significantly higher than the prevailing market.

DESCRIPTION OF BANK'S ASSESSMENT AREA

Uinta County State Bank is located in Mountain View, Wyoming in the southwest corner of the state. Mountain View is located in Uinta County and is 45 miles east of the county seat of Evanston, Wyoming. Other than the town of Evanston, the county is sparsely populated. According to 1990 census data, the population of Uinta County is 18,705. Approximately 10,900 or 58 percent of the county's residents live in Evanston. The population of Mountain View is 1,189. The minority population is five percent of Uinta County's population and consists largely of Hispanic residents.

Trona (soda ash) mines are the biggest industry in the area and employ a large part of the work force. Trona is used in a variety of products including baking soda and glass. Community contacts stated that employees of the mines are paid extremely well. This is a major reason the county's median household income of \$33,263 is higher than the state Nonmetropolitan Statistical Area median income of \$26,884. **Other major employers in the area include Uinta County School District #1, the Wyoming State Hospital, Amoco Production Company, Chevron U. S. A., the City of Evanston, and Uinta County. Several ranching operations are located in the county as well.**

The bank's assessment area consists of three of the four BNAs ("Block Numbering Areas") comprising the county. The BNA encompassing the town of Evanston is excluded from the bank's assessment area. The bank's assessment area consists of one upper-income and two middle-income BNAs. The communities of Mountain View, Lyman, and Fort Bridger are on the outskirts of the upper-income BNA which comprises most of Bridger Valley. The remaining two BNAs completely surround this area and extend to sparsely populated areas of the county.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

The bank is in substantial noncompliance with the CRA. The bank's low loan-to-deposit ratio reflects that the bank is unresponsive to the credit needs of the community. This low lending activity affects other criteria used to evaluate the bank's record of helping to meet the credit needs of its assessment area. These include the percentage of loans located in the bank's assessment area, the bank's

Uinta County State Bank

March 11, 1996

lending to borrowers of different income levels and businesses and farms of different sizes, and the geographic distribution of the bank's loans.

The bank's loan-to-deposit ratio is substantially less than reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's average total loan-to-deposit ratio, based on 1995 quarterly figures, was 1.8 percent. This figure indicates that the bank is not helping to meet the effective demands for credit which exist within the community. This local demand for credit is evidenced by the lending activity of another financial institution in the area, which had a net loan-to-deposit ratio of 62.6 percent. Community contacts also stated that loan demand is up significantly because of lower interest rates. Community contacts further stated that there is a demand for residential loans and all types of consumer loans.

To evaluate the bank's lending activity within its assessment area, all loans originated by the bank in the past year were reviewed during the examination. This consisted of 25 consumer loans totaling \$46,138 and 12 commercial loans totaling \$62,000. Based on this lending activity, approximately 95 percent of the bank's loans are within the bank's assessment area. The bank's lending to borrowers of different income and businesses of different sizes could not be determined as the bank does not collect this information in the loan application process. Therefore, in many instances, ZIP Codes were utilized to assist in determining where the loans were made. The bank's geographic distribution of loans within the assessment area shows that 51 percent of loans were to residents with a Mountain View ZIP Code, 20 percent were to residents with a Fort Bridger ZIP Code, and 29 percent were to residents with a Lyman ZIP Code. These three communities border BNAs; therefore their ZIP Code addresses extend into the upper-income BNA and either of the two middle-income BNAs.

The bank's very low loan-to-deposit ratio affects these other criteria that affect the bank's CRA performance. Although the figures representing the bank's lending activity within its assessment area would ordinarily meet satisfactory standards, the record is distorted due to the low level of lending. The bank makes very few loans within its assessment area and is not helping to meet the effective demands for credit which exist within the community. The bank is, therefore, considered to be in substantial noncompliance with the criteria that indicate an institution's lending within its assessment area. No substantive violations of the antidiscrimination laws and regulations were identified during the examination. The bank has not received any complaints relating to its CRA performance since the previous examination.

Uinta County State Bank
March 11, 1996