

## **GENERAL INFORMATION**

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **M&I Marshall & Ilsley Bank** prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency.

The evaluation represents the agency's current assessment and rating of the institution's CRA performance based on an examination conducted as of **January 22, 1996**. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U. S. C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

### **Basis for the Rating**

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under 5 performance categories, as detailed in the following section of this evaluation.

## **ASSIGNMENT OF RATING**

### Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

Outstanding record of meeting community credit needs.

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Satisfactory record of meeting community credit needs.

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Needs to improve record of meeting community credit needs.

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Substantial noncompliance in meeting community credit needs.

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

## DISCUSSION OF INSTITUTION'S PERFORMANCE

### Institution's Rating:

This institution is rated **outstanding record of meeting community credit needs**, based on the findings presented below.

### COMMUNITY PROFILE

The main bank is located in Milwaukee, Wisconsin with offices in Milwaukee, Waukesha and Ozaukee Counties. The bank has defined its community as a portion of the Milwaukee Metropolitan Statistical Area (MSA) that encompasses all of Milwaukee County, and portions of Ozaukee, Washington and Waukesha Counties. There are a total of 361 census tracts in the bank's delineated community.

According to the 1990 census, the bank's delineated community has a population of 1,274,778. Demographically, White residents represent 78.9% of the delineation's population, compared to 15.4% for Blacks, 3.7% for Hispanics, and 2.0% for all others. The adjusted median family income for the Milwaukee MSA is \$46,400. Income levels are classified as low, moderate, middle, and upper incomes, and are defined as less than 50% of median, 50-79% of median, 80-120% of median, and 121% or more of median family income, respectively. Seventy-seven or 21.33% of the community's census tracts are low-income, 68 or 18.84% are moderate-income, 146 or 40.44% are middle-income, and 70 or 19.39% are upper-income.

Census data showed that 14.4% of the community's population resides in low-income census tracts, 15.3% in moderate-income tracts, 42.8% in middle-income tracts, and 27.6% in upper-income tracts. Demographically 3.9% of Whites reside in low-income tracts, 12.1% in moderate-income, 50.2% in middle-income, and 33.8% in upper-income tracts. By comparison 53.5% of minorities reside in low-income tracts, 27.5% in moderate-income, 14.3% in middle-income, and 4.7% in upper-income. Further comparison shows that 59.0% of Blacks reside in low-income tracts, 28.3% in moderate-income, 10.7% in middle-income, and 2.0% in upper-income. The distribution for Hispanics is 42.9% low-income, 25.1% moderate-income, 24.2% middle-income, and 7.7% upper-income. Minority census tracts are defined as those in which 50% or more of the residents are minorities. There are 85 minority tracts in the delineated community, which represents 23.55% of all the tracts in the community.

There are a total of 504,219 housing units in the bank's community with 279,861 or 55.5% owner-occupied, 202,604 or 40.2% rental units, and 21,754 or 4.3% vacant. Thirteen percent of all housing units are located in low-income tracts, 16.2% in moderate-income, 45.0% in middle-income, and 25.8% in upper-income. Further review showed that the geographic distribution of owner-occupied units is 5.4% in lower-income tracts, 11.7% in moderate-income, 47.9% in middle-income, and 35.0% in upper-income. Distribution of rental units is 21.6% low-income,

22.3% moderate-income, 42.7% middle-income, and 13.4% upper-income. Distribution of vacant units is 32.5% low-income, 18.0% moderate-income, 28.1% middle-income, and 21.4% upper-income.

The median age of the community's housing stock is 42 years old; the median age varies from 55 years in low-income tracts, 49 years in moderate-income tracts, 42 years in middle-income tracts to 31 years in upper-income tracts. Median housing value for the community is \$74,458; the median value varies significantly based on income levels within the tract. Median value is \$31,665 in low-income tracts, \$43,455 in moderate-income tracts, \$67,178 in middle-income and \$106,409 in upper-income tracts.

December 1995 employment and labor statistics provided by the Wisconsin Department of Industry, Labor and Human Relations, showed that residents of the Milwaukee MSA were employed in the following nonagricultural sectors of the economy: service 29.37%, manufacturing 21.98%, trade 21.84%, government 10.84%, finance 7.28%, transportation 4.81%, construction 3.84% and mining 0.04%. These statistics reflect a 1.90% increase in total employment compared to 1994. Department of Industry, Labor and Human Relations data also showed that the unemployment rate for the Milwaukee MSA was 2.7% as of December 1995 compared to 3.5% in December 1994.

## **BANK PROFILE**

M&I Marshall & Ilsley Bank, with \$3,778,464,000 in total assets as of September 30, 1995, is a subsidiary of Marshall & Ilsley Corporation, Milwaukee, Wisconsin, a multi-bank holding company. The bank has a total of 40 branches with 32 offices located in Milwaukee County, 5 in Waukesha County and 3 in Ozaukee county. Thirty branches have automated teller machines (ATMs), and 27 offer drive-thru teller services. Consumers may apply for consumer credit products at 33 of the bank's branches. Real estate, small business and commercial lending, as well as deposit operations are centralized at the bank's main office in downtown Milwaukee.

Primary competition within the bank's delineated community is provided by Firststar Bank Milwaukee, NA; Bank One Milwaukee, NA; Norwest Bank Wisconsin; Security Bank SSB; Mutual Savings Bank; and St. Francis Bank FSB all located in Milwaukee, Wisconsin. Competition is also provided by a number of smaller local banks, savings and loan associations, credit unions and mortgage companies.

## ASSESSMENT OF RECORD

### I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

*Assessment Factor (a) - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.*

#### **Regulatory Expectation**

The Statement of the Federal Financial Supervisory Agencies regarding the Community Reinvestment Act (Policy Statement) indicates that an effective CRA process must include methods to ascertain community credit needs on an ongoing basis through outreach efforts to local governments, businesses, and community members and organizations. This ascertainment effort should include a system that facilitates dialogue with these individuals and groups and enables them to communicate their concerns to an officer of the financial institution.

#### **Scope and Findings**

The bank ascertains community credit needs primarily through officer and director affiliations with various community organizations, and through officer call programs directed at both customers and prospects. Various internal reports and studies were reviewed to determine the level and effectiveness of the bank's ascertainment efforts.

#### OFFICER/DIRECTOR AFFILIATIONS

The bank uses director, management and officer affiliations with various community, civic, business and professional groups and organizations to ascertain community credit needs. The following is a partial list of organizations with which bank officers and management are affiliated:

#### Economic/Business/Community Development:

Association for Corporation Growth-Wisconsin Chapter  
Avenues West Association  
Bay View Business Association  
Better Business Bureau  
Business Improvement District # 10  
Cedarburg Chamber of Commerce  
Competitive Wisconsin, Inc.  
Cudahy Chamber of Commerce  
Downtown West Allis Business Improvement District  
Elm Grove Business Association  
Greater Milwaukee Committee  
Greendale Chamber of Commerce  
Greenfield Chamber of Commerce  
Hispanic Chamber of Commerce  
Lincoln Neighborhood Redevelopment

Mequon-Thiensville Chamber of Commerce  
Metropolitan Milwaukee Association of Commerce  
Northridge Business Owners/Managers Association  
Northridge Mall Merchants Association  
Southridge Area Merchants Association  
Wauwatosa Chamber of Commerce  
Whitefish Bay Business Association  
Wisconsin Manufacturers and Commerce  
Wisconsin Policy Research Institute  
Wisconsin Women's Business Initiative Corporation

Housing Organizations:

Hmong American Credit Counseling Agency  
Housing Equity Fund  
Housing Partnership Corporation  
Lincoln Neighborhood Redevelopment  
MICAH Banking Campaign  
Milwaukee Housing Assistance Corporation  
Neighborhood Housing Services  
NOHIM  
South Community Organization  
Walker's Point Credit Counseling Agency  
Waukesha County Lenders Consortium

OFFICER CALL PROGRAM

The bank also ascertains community credit needs through a formal officer call program. Under this call program, officers throughout the bank call on existing customers and prospects as a means of identifying service and credit needs. The call program includes banking divisions throughout the bank which serve both regional and local markets.

Review of officer calling efforts revealed that the bank called on a total of 8,258 entities in 1995, of which 6,050 or 73.3% are located within the delineation. Further review showed that 6.7% of these entities are located in low-income census tracts, 8.7% in moderate-income tracts, 40.0% in middle-income tracts, and 44.5% in upper-income tracts. The review also showed that 7.4% of the entities called on are located in minority tracts.

Review of officer calls showed that 4,814 or 58.3% of total calls in the delineation were to existing customers. Further review showed that 5.8% of the customers called on in the delineation were companies located in low-income census tracts, 7.2% in moderate-income tracts, 38.7% in middle-income tracts, and 48.3% in upper-income tracts. The review also showed that 6.0% of the customers called on in the delineation were located in minority tracts.

Review of officer calls showed that 3,444 or 41.7% of total calls in the delineation were to prospects. Further review showed that 8.5% of prospects called on in the delineation were companies located in low-income census tracts, 11.6% in moderate-income tracts, 42.6% in middle-income tracts, and 37.2% in upper-income tracts. The review also showed that 9.9% of the prospects called on in the delineation were located in minority tracts.

As part of its credit needs ascertainment efforts, the bank's mortgage department routinely calls on area realtors. Review of available data showed that 84, or 92.3% of the realtors called on are located within the delineated community, with 47.7% of the realtors in the delineation located in Milwaukee County compared to 44.0% in Waukesha County and 8.3% in Ozaukee County. Further review showed that 4.7% of the realtors in the delineation are located in low-income census tracts, 8.3% in moderate-income tracts, 34.5% in middle-income tracts, and 52.4% in upper-income tracts. The review also showed that 7.1% of the realtors are located in minority tracts.

In addition to the officer call program, the bank also communicates with various units of local government. In this regard the bank regularly obtains information from the City of Milwaukee concerning development needs. Officers of the bank meet with representatives of the city's community block grant administration, economic development corporation, department of city development, and housing programs management staff to obtain information and evaluate public sector plans.

### **Conclusions**

The bank's ascertainment efforts are considered strong, based on officer and director affiliation with numerous organizations that target economic, business, and community development and the extensive officer call program. These activities are conducted throughout the delineated community and they allow the bank to ascertain community credit needs on an ongoing basis.

***Assessment Factor 8- The extent of participation by the institution's board of directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.***

### **Regulatory Expectation**

The Policy Statement states that banks are encouraged to develop a CRA plan to ensure an affirmative effort on the part of the bank to comply with the Act. It further states that the duty to coordinate and monitor the CRA process should be assigned to a senior officer or a committee charged with the responsibility to report periodically to the board of directors about the bank's CRA efforts, performance, and areas for improvement, where appropriate. An employee training program should be established which addresses information about those policies of the bank designed to help meet community credit needs including the needs of low- and moderate-income areas and small businesses. Procedures should be implemented to ensure that files are maintained, as required by the regulation, for purposes of receiving public comments and for reviewing and responding to the comments.

Regardless of how the bank organizes itself to implement its CRA plan, seeing that the institution has taken the steps necessary to help meet its community's credit needs is the responsibility of the entire organization, beginning with its board of directors and continuing through its line management. To be effective, a CRA plan must include methods to incorporate findings regarding community credit needs into the development of products and services that the bank decides to offer to help meet these needs.

The Policy Statement also states that the bank's CRA statement should accurately reflect the types of lending and other services that the bank is willing to offer to the community. This statement must be reviewed at least annually to ensure its accuracy. The services that the bank chooses to offer should be clearly articulated and reasonably related to community needs.

### **Scope and Findings**

The bank's CRA plan, CRA committee structure, minutes of the board of directors and CRA committee meetings, internal reports, self-assessment and training were reviewed to determine the level of oversight and direction provided by the bank's board of directors.

The bank has developed and implemented a formal CRA plan designed to provide management oversight and direction of the bank's CRA activities. The bank has appointed a vice president for community reinvestment, and he has been delegated sufficient authority to implement the bank's CRA plan. The bank also appointed a CRA committee to help coordinate and monitor the bank's CRA activities. The CRA committee membership includes a bank director; the corporate secretary; the executive vice president; vice presidents for community reinvestment, small business lending, and the retail division; a representative of M&I Mortgage Corporation; and the managers of the bank's Wisconsin Avenue, and Southridge branches.

The bank's CRA plan identifies and establishes the role of the board of directors, CRA committee, and vice president for community reinvestment. The plan establishes goals and objectives, including numeric targets to help measure activities under ascertainment, marketing, lending, and community development. The plan also establishes that periodically the vice president for community reinvestment will present written reports to the board of directors summarizing the bank's CRA activities and how actual performance corresponds with planned goals and objectives. In this regard, a review of the geographic distribution of HMDA reportable loan activity, officer call and marketing results, as well

as any other CRA-related information is reviewed by the CRA committee and presented to the board of directors quarterly. A formal self-analysis of the bank's performance encompassing all five performance categories is completed annually for presentation to the board of directors. The bank reviews its CRA statement and plan at least annually, as evidenced by the minutes of the February 13, 1996 board of directors meeting.

CRA training is an integral part of the bank's CRA program. CRA training includes annual participation in a training sessions designed to review regulatory responsibilities, assist in needs ascertainment, and provide guidelines for handling public requests for CRA information.

### **Conclusions**

The board of directors' ongoing efforts in developing and monitoring the bank's CRA plan and activities is considered strong. Use of a broad based committee structure, formal periodic reviews of year-to-date performance results, annual self-assessment, review, and discussion and approval of the bank's CRA statement and plan demonstrate that the board and bank management actively oversee the bank's CRA activities.

## **II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED**

***Assessment Factor (b) - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.***

### **Regulatory Expectation**

The Policy Statement indicates that an effective CRA plan should include marketing and advertising programs for lending products and services that are responsive to the needs of the community and that will inform and stimulate awareness of those products and services throughout the community, including low- and moderate-income areas.

### **Scope and Findings**

The bank's call programs, community affiliations and advertising records were reviewed to determine the extent to which the availability of credit products is marketed throughout the delineated community.

The bank markets its products and services through its call programs, community affiliations, direct mail, lobby brochures and advertising. Commercial loans are marketed primarily through the bank's officer call program and affiliations with various organizations throughout the community. The officer call program includes calls on existing customers and prospects, which provides the bank with an opportunity to market its products and services to noncustomers. Residential mortgage loans are marketed primarily through interaction with community-based organizations and calls on local realtors and brokers. Commercial and real estate loan marketing efforts are also augmented by mass media advertising. The availability of consumer loan and deposit services are marketed to existing customers primarily through statement messages and

enclosures, lobby posters, displays and brochures. Consumer loan products are marketed to the general public through advertising in the local mass media.

A review of marketing records indicates that the bank utilizes a variety of local mass media services to promote consumer loan and deposit products. They include newspapers that are circulated throughout the entire community, such as the Milwaukee Journal/Sentinel, and others that target minorities such as the Milwaukee Times Newspaper, Milwaukee Courier, Milwaukee Black Pages, Hispanic Yellow Pages and Latino Community News; a number of local radio stations, including one that targets Blacks; and the following local television stations: WTMJ-NBC, WITI-CBS/FOX, WISN-ABC, and WHKE-ABC. Circulation, listening, and viewing audience data indicate the media used reach all areas of the delineated community.

Sixty-five percent of mass media advertisements were radio, 31% were print, and 4% percent were television. Review of radio advertisements showed that 60.4% were goodwill/image announcements, 26.4% were for loan products and 13.2% were for deposit/investment services. Review of print advertisements showed that 42% were for deposit/investment services, 40% were for loan products and 18% were goodwill/image announcements. All television advertisements were goodwill/image announcements. Further review indicated that loan-related advertisements included promotion of automobile, personal, personal equity line, MI-Line and mortgage loans, and the Neighborhood Home Loan Program. Additional mortgage related products or services advertised included First Home Savers Plan, as well as credit work shops and home buying seminars.

The bank conducted eight credit workshops during 1995, which were designed to discuss the types of products and services offered and how to qualify for bank financing. The workshops were well received with 225 households in attendance.

The bank also markets the availability of home improvement loans through a network of home improvement dealers who refer applications to the bank. This referral network includes 245 dealers located in the Milwaukee MSA, of which 182, or 74.3% are located within the delineated community. Further review showed that 5.5% of the home improvement dealers in the delineation are located in low-income census tracts, 16.5% in moderate-income tracts, 51.6% in middle-income tracts and 26.4% in upper-income tracts. The review also showed that 12.1% of the dealers are located in minority tracts.

### Conclusions

The bank's marketing efforts are considered strong. The officer call programs, realtor and dealer referral networks, and mass media advertising effectively market the availability of credit products and services throughout the community, including low- and moderate-income and minority areas.

***Assessment Factor (I) - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community.***

### Scope and Findings

The bank's September 30, 1995 Consolidated Report of Condition, and Uniform Bank Performance Report (UBPR) were reviewed.

The Report of Condition revealed the distribution by loan type was as follows:

LOAN TYPE	DOLLAR AMOUNT OUTSTANDING (000's)	PERCENT OF TOTAL LOANS
REAL ESTATE:		
Construction	104,069	4.20
Agricultural	6,187	0.25
Residential (1-4)	287,742	11.62
Home Equity	55,444	2.24
Multi-family	14,406	0.58
Commercial	265,338	10.71
DEPOSITORY INSTITUTIONS	1,404	0.06
AGRICULTURAL	2,457	0.10
COMMERCIAL/INDUSTRIAL	1,198,896	48.40
CONSUMER:		
Open-end Credit	26,203	1.06
All Other	332,996	13.44
FOREIGN	0	NA
STATE/LOCAL GOVERNMENT	5,222	0.21
OTHER	176,774	7.13

Review of the Consolidated Report of Condition revealed outstanding loans of \$2,477,138,000. Net loans as of the September 30, 1995 Report of Condition were \$2,432,910,000, deposits totaled \$2,540,684,000 and assets were \$3,778,464,000. The bank's net loan-to-deposit ratio was 95.8%, while the net loan-to-asset ratio was 64.4%. By comparison, the March 31, 1994 Report of Condition, used during the previous examination, showed outstanding loans totaled \$1,836,340,000. Net loans as of that Report were \$1,804,959,000, deposits totaled \$1,974,705,000 and assets were \$3,110,753,000. The net loan-to-deposit ratio at that time was 91.4%, while the net loan-to-asset ratio was 58.0%. This comparison shows that outstanding loans increased 34.9% since the previous examination, deposits increased 28.7%, and assets increased 21.5%. These changes are primarily the result of the bank's acquisition of Valley Bank Milwaukee in August 1994.

The September 30, 1995 UBPR comparing the bank's loan portfolio to peer is illustrated in the following chart.

LOAN TYPE	BANK AVERAGE LOAN MIX (%)	PEER AVERAGE LOAN MIX (%)
REAL ESTATE LOANS		
Construction/Development	4.70	2.79
1 - 4 Family Residential	15.89	23.86
Home Equity	2.10	2.94
Other Real Estate	11.35	13.47
Farmland	0.24	0.16
Multi-family	0.58	1.01
Commercial	10.54	11.80
TOTAL REAL ESTATE LOANS	31.94	43.17
LOANS TO INDIVIDUALS	13.77	21.73
CREDIT CARD LOANS	1.09	3.02
COMMERCIAL & INDUSTRIAL LOANS	46.58	19.76
AGRICULTURAL LOANS	0.24	0.26
MUNICIPAL LOANS	0.19	0.71
OTHER LOANS*	7.08	1.46
*Excludes Financial Institution Loans, Acceptances of Other Banks, Foreign Office Loans and Leases, and Lease Financing Receivables		

BANK NET LOAN/LEASE TO DEPOSIT RATIO	PEER NET LOAN/LEASE TO DEPOSIT RATIO
95.76	92.06

Review of the September 30, 1995 UBPR revealed a net loan-to-deposit ratio of 95.8%, compared to its peer group ratio of 92.0%. The bank's net loan-to-asset ratio was 64.4%, compared to the peer group ratio of 65.9%. The variances between the bank and peer group loan portfolio mix reflects the bank's emphasis on commercial lending.

### Conclusions

The bank extends credit by general type consistent with its CRA statement of available credit products. The bank's loan portfolio mix reflects the bank's emphasis on commercial lending which represents 46% of the bank's loan portfolio.

*Assessment Factor (j) - The institution's participation in governmentally insured, guaranteed or subsidized loan programs for housing, small business or small farms.*

### **Scope and Findings**

The bank's loan portfolio, various internal documents and CRA statement were reviewed and compared to determine the extent of the bank's participation in government loan programs.

The bank participates in the Small Business Administration (SBA) 7A and 504 loan programs, and has made 30 SBA loans totaling \$3,713,726 since the previous examination. The bank also originated six Veteran Administration (VA) mortgage loans totaling \$362,510 since the previous examination. The bank also participates in a number of insured or guaranteed programs offered through the State of Wisconsin and City of Milwaukee. In this regard, the bank participates in loan programs offered through the Wisconsin Veteran Administration (WVA), Wisconsin Housing and Economic Development Administration (WHEDA), Wisconsin Business Development Finance Corporation (WBDFC), Milwaukee Economic Development Corporation (MEDC), as well as loans under the Petroleum Environmental Clean Fund Act (PECFA). Since the prior examination, the bank made three WVA loans for \$295,500, one WHEDA Crop loan for \$20,000, seven MEDC loans for \$315,373, and nine PECFA loans for \$609,000. The bank generated 226 WHEDA mortgage loans since the prior examination; however, the dollar amount of those transactions was not available. The bank has not originated any WBDFC loans since the previous examination. The bank also participates in the guaranteed student loan program, originating 8,430 student loans for a total of \$24,191,484 since the previous examination.

In addition to the preceding programs, a number of government insured or guaranteed mortgage loan programs are available through M&I Mortgage Company, a corporate affiliate. In this regard M&I Mortgage Company originated 120 Federal Housing Administration loans for \$7,893,000 in 1995.

### **Conclusions**

The bank is an active participant in a number of governmentally insured, guaranteed, or subsidized loan programs. The bank's performance is consistent with the need for this type of product in its community.

### III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

#### **Regulatory Expectation**

##### Reasonableness of Community Delineation

The regulation requires state member banks to prepare, and at least annually review, a delineation of the local community or communities that comprise its entire community, without excluding low- and moderate-income neighborhoods. Maps are required to be used to portray community delineations. The regulation requires Federal Reserve System examiners to review the reasonableness of the delineations.

The regulation states that a local community shall consist of the contiguous areas surrounding each office or groups of offices, including any low- and moderate-income neighborhoods in those areas. In preparing its delineation, a bank may use any one of the three methods, as stipulated in the regulation: (1) existing boundaries, such as those of a Metropolitan Statistical Area or counties in which the bank's office or offices are located; (2) the bank's effective lending territory, which is defined as that local area or areas where it makes a substantial portion of its loans and all other areas equidistant from its offices; or (3) any other reasonably delineated local area that meets the purposes of CRA and does not exclude low- and moderate-income areas.

#### **Scope and Findings**

The bank has defined its community as an elliptical area encompassing all of Milwaukee County, the eastern three-fourths of Waukesha County, and the southern portions of Ozaukee and Washington Counties. This delineation includes the majority of the four-county Milwaukee MSA, and all low- and moderate-income, as well as all minority census tracts within the MSA. This method of delineation is consistent with method number three described above.

#### **Conclusions**

Reviews of the loans sampled during this examination, and internal bank reports support the reasonableness of the delineation. The delineation does not exclude any low- and moderate-income areas or neighborhoods the bank could reasonably be expected to serve.

***Assessment Factor (e) - The geographic distribution of the institution's credit extensions, credit applications and credit denials.***

#### **Regulatory Expectation**

The Policy Statement states that the services that the bank chooses to offer should be distributed within the bank's community in a fair and nondiscriminatory manner, in keeping with the bank's general approach to its business.

#### **Scope and Findings**

The examination sample of approved loans and denied credit applications, the bank's internal geographic distribution analysis, as well as recent HMDA statements were reviewed and analyzed for geographic distribution of credit.

Loan Sample:

A review of the loan sample revealed the following geographic distribution:

LOAN TYPE	TOTAL SAMPLED	WITHIN THE LOCAL DELINEATED COMMUNITY	PERCENT OF TOTAL
APPROVED LOANS:			
DIRECT INSTALLMENT	287	212	73.9
OVERDRAFT PROTECT	161	152	94.4
HOME EQUITY	177	161	91.0
REAL ESTATE	83	66	79.5
SMALL BUSINESS	41	38	92.7
TOTAL APPROVED	749	629	84.0
REJECTED APPL-S:			
DIRECT INSTALLMENT	169	144	85.2
OVERDRAFT PROTECT	30	29	96.7
HOME EQUITY	52	27	51.9
REAL ESTATE	9	6	66.7
SMALL BUSINESS	2	2	100.0
TOTAL REJECTED	262	208	79.4
TOTAL APPROVED	749	629	84.0
TOTAL REJECTED	262	208	79.4
TOTAL APPLICATIONS	1,011	837	82.8

Analysis of the geographic distribution of the bank's loan activity for November 1995, as illustrated in the preceding chart, indicates that 84.0% of approved loans, 79.4% of denied applications, or a combined 82.8% of all applications reviewed were from consumers or small businesses who reside or are located in the delineated community.

Geographic distribution of the loans and rejected applications within the community is illustrated in the following charts:

APPROVED LOAN SAMPLE DISTRIBUTION IN COMMUNITY						
LOAN TYPE	# in DELN	# in LOW	# in MOD	# in MID	# in UPP	# in MIN
Direct Installment	212	15	34	94	69	19
Overdraft Protection	152	7	12	75	58	8
Home Equity	161	2	5	57	97	2
Real Estate	66	3	5	27	31	4
Small Business	38	1	4	14	19	3

TOTAL APPROVED	629	28	60	267	274	36
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REJECTED LOAN SAMPLE DISTRIBUTION IN COMMUNITY						
LOAN TYPE	# in DELN	# in LOW	# in MOD	# in MID	# in UPP	# in MIN
Direct Installment	144	14	40	64	26	26
Overdraft Protection	29	1	8	16	4	2
Home Equity	27	0	2	10	15	1
Real Estate	6	1	1	2	2	1
Small Business	2	0	0	1	1	0
TOTAL REJECTED	208	16	51	93	48	30

COMBINED APPROVED AND REJECTED APPLICATION DISTRIBUTION IN COMMUNITY						
LOAN TYPE	# in DELN	# in LOW	# in MOD	# in MID	# in UPP	# in MIN
Direct Installment	356	29	74	158	95	45
Overdraft Protection	181	8	20	91	62	10
Home Equity	188	2	7	67	112	3
Real Estate	72	4	6	29	33	5
Small Business	40	1	4	15	20	3
TOTAL COMBINED	837	44	111	360	322	66

Analysis of the distribution within the community, illustrated in the preceding charts, showed that 4.5% of loans were from applicants who reside or are located in low-income census tracts, 9.5% from moderate-income tracts, 42.4% from middle-income tracts, and 43.6% from upper-income tracts. Review of installment loans showed distribution as 7.1% low-income, 16.0% moderate-income, 44.3% middle-income, and 32.6% upper-income. Distribution for overdraft protection lines (ODP) was 4.6% low-income, 7.9% moderate-income, 49.3% middle-income, and 38.2% upper-income. Home equity lines distribution was 1.2% low-income, 3.1% moderate-income, 35.4% middle-income, and 60.3% upper-income. Distribution of real estate loans was 4.5% low-income, 7.6%

moderate-income, 40.9% middle-income, and 47.0% upper-income. Distribution of small business loans was 2.6% low-income, 10.5% moderate-income, 36.9% middle-income, and 50.0% upper-income.

Analysis of denied applications showed that 7.7% were from applicants who reside or are located in low-income census tracts, 24.5% from moderate-income tracts, while 44.7% were from middle-income tracts, and 23.1% were from upper-income tracts. Review of denied installment loan applications showed distribution as 9.7% low-income, 27.8% moderate-income, 44.4% middle-income, and 18.1% upper-income. Distribution for overdraft protection line denials was 3.4% low-income, 27.6% moderate-income, 55.2% middle-income, and 13.8% upper-income. Distribution of denied home equity lines was 7.4% moderate-income, 37.0% middle-income, and 55.6% upper-income. Distribution of denied real estate applications was 16.7% low-income, 16.7% moderate-income, 33.3% middle-income, and 33.3% upper-income. Distribution of denied small business applications was 50.0% middle-income and 50.0% upper-income.

Analysis of the combined approved and rejected applications showed that 5.2% were from applicants who reside or are located in low-income census tracts, 13.3% from moderate-income tracts, 43.0% from middle-income tracts, and 38.5% from upper-income tracts. Detail review of installment applications showed distribution as 8.1% low-income, 20.8% moderate-income, 44.4% middle-income, 26.7% upper-income. Distribution for overdraft protection lines was 4.4% low-income, 11.0% moderate-income, 50.3% middle-income, and 34.3% upper-income. Distribution for home equity lines was 1.1% low-income, 3.7% moderate-income, 35.6% middle-income, and 59.6% upper-income. Distribution for real estate applications was 5.6% low-income, 8.3% moderate-income, 40.3% middle-income, and 45.8% upper-income. Distribution of small business applications was 5.2% low-income, 13.3% moderate-income, 43.0% middle-income, 38.5% upper-income.

The sample was also reviewed for distribution of loan activity in the minority census tracts within the delineation. This analysis showed that 5.7% of loans, 14.4% of denied applications, or a combined 7.9% of transactions were from applicants who reside or are located in minority census tracts. Review of loans showed the following distribution in minority tracts: 9.0% installment, 5.3% ODP, 1.2% Home Equity, 6.1% real estate, and 7.9% small business. Review of denied applications revealed the following minority tract distribution: 18.1% installment, 6.9% ODP, and 3.7% real estate. Review of combined approved and denied applications showed minority tract distribution was: 12.6% installment, 5.5% ODP, 15.6% Home Equity, 6.9% real estate, and 7.5% small business.

#### Bank HMDA:

The bank's HMDA statements for 1992 through 1994 were also reviewed. This review showed that the bank generated HMDA reportable real estate applications from 318, or 87.8% of the census tracts in its delineation during 1992, compared to 335, or 93.1% in

1993, and 331, or 91.9% in 1994. The review showed that applications were received from 110, or 75.3% of low-and moderate-income tracts within the community in 1992, compared to 125 or 86.8% in 1993, and 120 or 83.3% in 1994. Review of minority tract activity showed that the bank received applications from 64 or 75.3% of the minority tracts in the community in 1992, compared to 76 or 89.4% in 1993, and 72 or 94.7% in 1994.

Review of loan originations, as illustrated in the following charts, showed that bank originations totaled 2,231 in 1992, compared to 2,171 in 1993, and 3,129 in 1994. Further review showed that 1,865 or 83.6% of 1992 originations were in the delineated community, compared to 1,743 in 1993, and 2,160 in 1994. In addition, the review showed that 216 or 11.6% of the originations within the delineation in 1992 were in low-and moderate-income tracts, compared to 361 or 20.7% in 1993, and 381 or 17.6% in 1994.

Bank HMDA Originations in Delineation						
Loan Type	1992		1993		1994	
	#	%	#	%	#	%
Conventional	380	82.25	361	88.26	652	81.29
Refinancing	732	84.62	333	89.03	336	74.17
Home Improvement	753	83.29	1,049	75.57	1,169	62.48
Multi-family	0	NA	0	NA	3	100.00
TOTAL	1,865	83.59	1,743	80.28	2,160	69.03

Bank HMDA Originations in Low-and Moderate-Income Tracts						
Loan Type	1992		1993		1994	
	#	%	#	%	#	%
Conventional	22	5.78	108	29.91	97	14.87
Refinancing	38	5.19	25	7.50	27	8.03
Home Improvement	156	20.71	228	21.73	256	21.89
Multi-family	0	NA	0	NA	1	100.00
TOTAL	216	11.58	361	20.71	381	17.63

Bank HMDA Originations in Minority Tracts						
Loan Type	1992		1993		1994	
	#	%	#	%	#	%
Conventional	9	2.36	67	18.56	53	8.12
Refinancing	17	2.32	13	3.90	12	3.57
Home Improvement	109	14.47	138	13.15	147	12.57
Multi-family	0	NA	0	NA	1	100.00
TOTAL	135	7.23	218	12.50	213	9.86

A more detailed review and comparison of bank and aggregate data was also completed. This review revealed that over the three-year period the bank and aggregate increased the percentage of lending in low- and moderate-income areas, with the bank showing the greater increase. This review showed that 4.2% of the bank's originations in 1992 were in low-income tracts and 7.4% were in moderate-income tracts, compared to 5.8% low-income and 14.9% moderate-income in 1993, and 4.4% low-income and 13.2% moderate-income in 1994. By comparison the aggregate data for 1992 showed 3.2% of aggregate originations were in low-income tracts and 7.5% were in moderate-income tracts, compared to 2.5% low-income and 7.9% moderate-income during 1993, and 4.8% low-income and 11.8% moderate-income during 1994. Review of bank minority tract originations showed that 135 or 7.2% of 1992 originations were in minority tracts, compared to 218 or 12.5% in 1993, and 213 or 9.9% in 1994. By comparison 4.8% of aggregate originations in 1992 were in minority census tracts, 4.5% in 1993, and 8.0% in 1994.

### Conclusions

The geographic distribution of the bank's credit applications and originations is considered strong. The bank's ability to monitor its geographic distribution through various internal reports is considered strong. Review of the examination loan sample and HMDA data show that the overwhelming majority of applications are from consumers or small businesses who reside or are located in the bank's community. Review of this data shows the bank is generating applications and originations from all geographic segments of its community. This review shows that the bank's penetration rate in moderate, middle, and upper-income areas generally mirrors the geographic distribution of the community's population. Review of and comparison with the aggregate HMDA data shows the bank's geographic distribution is similar to other lenders in the community.

***Assessment Factor (g) - The institution's record of opening and closing offices and providing services at offices.***

### **Scope and Findings**

The number and location of bank branches, ATM locations, level of services offered, the opening and closing of branches, as well as the bank's branch opening and closing policy were reviewed.

The bank has increased its number of branch locations since the previous examination from 23 to 40. Eleven of these new facilities resulted from the bank's August 1994 merger with Valley Bank Milwaukee, while the others are the result of mergers with other M&I affiliate banks in 1994 and 1995. As a result of these mergers the bank has 32 branches in Milwaukee County, five in Waukesha County, and three in Ozaukee County. Two of the bank's branches are located in low-income census tracts, three in moderate-income tracts, 19 in middle-income tracts, and eight in upper-income tracts. One of the low-income branches is located in a minority census tract. Seventeen of the bank's facilities, including all five low- and moderate-income and minority locations, are within the City of Milwaukee. Thirty of the bank's branches are served by ATMs and 27 have drive-thru tellers. All low- and moderate-income branch locations offer ATM services, and four of five have drive-thru tellers. Applications for consumer credit are available at 33 branches including all low- and moderate-income offices.

The bank has a formal branch opening and closing policy in place. The policy establishes procedures for analysis of alternative means of serving customers, conducting meetings with community groups and the general public prior to closing a branch. There has been no change in policy, or branch closures since the previous examination.

### **Conclusions**

The bank's facilities provide an adequate level of service to the bank's entire delineated community.

## **IV. DISCRIMINATION OR OTHER ILLEGAL CREDIT PRACTICES**

***Assessment Factor (d) - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).***

### **Scope and Findings**

A comparison was made between the credit products listed in the bank's CRA statement and the examination loan sample, as well as other bank documents to determine if products listed were in fact being made available.

The bank's CRA statement indicates that the following types of credit are available to members of its community:

Mortgage Loans:

Mortgage loans for 1-4 family owner-occupied residential real estate  
Construction loans for primary residences

Consumer Loans:

Home Improvement loans  
Home Equity loans and lines of credit  
Automobile loans  
Student loans  
Overdraft Protection line of credit

Commercial and Small Business:

Fixed-asset term loans for building, construction, and equipment purchase  
Lines of credit for working capital  
Government-assisted programs offered by the SBA, WHEDA, MEDC, and WBDFO.

Community and Economic Development:

Interim housing rehabilitation loans to not-for-profit community development corporations  
Mortgage programs promoting home ownership for low- and moderate-income families  
Financing multi-family housing for low- and moderate-income families  
Financing to promote job creation and retention.

In addition, government-assisted mortgage programs such as FHA, VA, WHEDA, Wisconsin VA, and FNMA 3/2 loans are available from M&I Mortgage Corporation, an affiliate of the Marshall and Ilsley Corporation.

**Conclusions**

A review of the examination loan sample, and loans made since the previous examination indicate that the bank has made loans in accordance with its stated policy. No practices intended to discourage applications for the credit products listed in the bank's CRA Statement were detected. In addition, community representatives did not identify any specific instances of discouragement; they did note, however, a need for affordable housing and credit products directed at small business. The bank offers both conventional and government-insured products either directly or through the mortgage affiliate, to address both of these needs.

**Assessment Factor (f) - Evidence of prohibited discriminatory or other illegal credit practices.**

**Scope and Findings**

The bank's loan forms, policies and procedures were reviewed, and loan officers were interviewed. Recent real estate, consumer installment and open-end revolving loans, a sample of commercial loans, as well as rejected loan applications were reviewed for compliance with applicable fair housing and fair lending laws and regulations. The bank's HMDA statements were also reviewed for any patterns of prohibited credit practices. A comparison between approved white applicants and denied minority applicants listed on the bank's 1994 LAR was also completed.

Review of direct consumer installment and open-end revolving loans, mortgage and home improvement loans, and small business loans revealed no evidence of prohibited discriminatory credit practices. Likewise the comparison between approved and denied applications from the 1994 HMDA data revealed no evidence of prohibited discriminatory practices.

**Bank HMDA:**

Review of the bank's HMDA statements revealed no evidence of any prohibited discriminatory credit practices as it relates to mortgage or home improvement loans. Detailed review of the bank's 1992, 1993 and 1994 HMDA data, as illustrated in the following chart, shows that White applicants, who comprise 78.9% of the population of the bank's community, represented 88.4% of 1992 applicants, 76.2% of 1993 applicants, and 77.4% of 1994 applicants. By comparison Blacks, who comprise 15.4% of community residents, represented 6.6% of 1992 applicants, 18.7% of 1993 applicants, and 18.0% of 1994 applicants. Hispanics, who comprise 3.7% of the community population, represented 2.0% of 1992 applicants, 2.9% of 1993 applicants, and 2.8% of 1994 applicants.

Racial/National Origin Composition of Bank Applications, Originations, and Denials									
Racial/National Category	1992			1993			1994		
	#APP	#ORG	#DEN	#APP	#ORG	#DEN	#APP	#ORG	#DEN
Amer. Indian	6	6	NA	5	5	NA	9	7	1
Asian	23	17	NA	22	13	2	25	19	4
Black	128	92	26	388	248	115	489	250	188
Hispanic	39	25	10	61	34	25	77	39	26
White	1,720	1,505	119	1,580	1,335	157	2,095	1,775	180
Other	30	26	3	18	15	1	13	9	2
TOTAL*	1,946	1,671	158	2,074	1,650	300	2,708	2,099	401

\*Total excludes Joint and Unknown which are not Census Bureau categories

Further review showed that the bank's origination rate for identified racial categories was 85.9% in 1992, 79.5% in 1993, and 77.5% in 1994. The origination rate for White applicants was 87.5% in 1992, 84.5% in 1993, and 84.7% in 1994. By comparison, the Black origination rate was 71.9% in 1992, 63.9% in 1993, and 51.1% in 1994. The Hispanic origination rate was 64.1% in 1992, 55.7% in 1993, and 50.6% in 1994. Despite declining origination rates for Black and Hispanic applicants, the number of applications and originations increased each year for both of these groups.

The bank's denial rate for identified racial categories was 8.1% in 1992, 14.5% in 1993, and 14.8% in 1994. The denial rate for White applicants was 6.9% in 1992, 9.9% in 1993, and 8.6% in 1994. The denial rate for Black applicants was 20.3% in 1992, 29.6% in 1993, and 38.4% in 1994. The denial rate for Hispanic applicants was 25.6% in 1992, 41.0% in 1993, and 33.8% in 1994. Review of the reasons for denial showed that the primary reasons given for denial during this period were debt-to-income ratio, and credit history.

Aggregate HMDA:

The aggregate HMDA data for 1992, 1993, and 1994 was also reviewed. This review, as illustrated in the following chart, showed that White applicants represented 92.2% of aggregate applicants within the bank's delineated community in 1992, 90.4% in 1993, and 83.9% in 1994. Black applicants represented 4.8% of 1992

applicants, 6.2% of 1993 applicants, and 11.2% of 1994 applicants. Hispanic applicants were 1.5% of aggregate applicants in 1992, 1.5% in 1993, and 2.8% in 1994.

Racial/National Origin Composition of Aggregate Applications, Originations, and Denials									
Racial/National Category	1992			1993			1994		
	#APP	#ORG	#DEN	#APP	#ORG	#DEN	#APP	#ORG	#DEN
Amer. Indian	171	127	25	181	154	17	131	91	25
Asian	452	365	35	652	550	37	541	423	66
Black	2,415	1,634	529	4,224	2,734	1,055	4,851	2,883	1,386
Hispanic	729	526	118	1,043	781	160	1,203	835	227
White	45,874	40,545	2,366	61,150	54,506	2,664	36,231	30,776	2,449
Other	108	86	8	412	339	35	206	129	39
TOTAL*	49,749	43,283	3,081	67,662	59,064	3,968	43,163	35,137	4,192

\*Total excludes Joint and Unknown which are not Census Bureau categories

The aggregate origination rate for identified racial categories was 87.0% in 1992, 87.3% in 1993, and 81.4% in 1994. The aggregate origination rate for White applicants was 88.4% in 1992, 89.1% in 1993, and 84.9% in 1994. Black applicant origination rates were 67.7% in 1992, 64.7% in 1993, and 59.4% in 1994. The origination rates for Hispanic applicants were 72.1% in 1992, 74.9% in 1993, and 69.4% in 1994.

The aggregate denial rate for identified racial categories was 6.2% in 1992, 5.9% in 1993, and 9.7% in 1994. The White denial rate was 5.2% in 1992, 4.4% in 1993, and 6.7% in 1994. The Black denial rate was 21.9% in 1992, 25.0% in 1993, and 28.6% in 1994. Hispanic denial rates were 16.2% in 1992, 15.3% in 1993, and 18.9% in 1994.

### **Conclusions**

Review of the examination loan sample, comparison of approved and denied LAR applications, and HMDA data revealed no evidence of prohibited discriminatory credit practices. The HMDA data showed that the bank has been generating higher percentages of minority applicants than the aggregate during 1992-1994. This data also showed that the bank's higher than aggregate minority denial rates were caused by the applicants' high debt-to-income ratios and weak credit histories. Despite the high denial rate, the number of Black and Hispanic originations increased each year. The bank is in compliance with the substantive provisions of the fair housing and fair lending laws, including the Fair Housing Act and Equal Credit Opportunity Act.

## **V. COMMUNITY DEVELOPMENT**

***Assessment Factor (h) - The institution's participation, including investments, in local community development or redevelopment projects or programs.***

### **Scope and Findings**

The bank's loan and investment portfolios, as well as management's participation in and knowledge of development activities within the community were reviewed.

The bank's Consolidated Report of Condition as of September 30, 1995 showed that the bank's investment portfolio totaled \$779,031,000, or 20.6% of assets. Municipal bonds, which provide financial support for local government units (school, park, library, water and sewer districts and/or commissions) totaled \$40,162,000, or 5.2% of the portfolio. Further review showed that \$26,730,000, or 66.5% of municipal bond investments were issues within the State of Wisconsin. The review also showed that the bank provided \$15,424,000 in funding for 43 new issues for communities within Wisconsin since the previous examination.

The bank also provides support for community development through direct loans to various community organizations. In 1995 the bank: made \$6,532,645 in credit available in the form of new, increased, and or renewed loans and lines of credit to 15 developers of affordable housing; provided \$7,756,185 in financing for the purchase or construction of community facilities for seven neighborhood organizations; and provided \$1,347, 215 in lines of credit to 17 local community-based organizations.

The bank also demonstrates its commitment to community development through participation in the following programs:

#### Milwaukee Innercity Congregation Allied for Hope (MICAH)

The bank's relationship with MICAH began in 1993 with the M&I-MICAH Partners for Progress initiative. MICAH's program now includes 15 lending institutions with a total loan volume goal of \$500 million over a five-year period. M&I increased its commitment from an original goal of \$50 million to a total of \$65 million for home purchase and improvements; small business financing; and community development loans. As of December 31, 1995, the bank had originated \$55 million in home purchase and improvement, small business, and community development loans in the targeted area. The bank has also generated approximately \$9 million dollars in mortgage loan refinancings within MICAH's target area.

#### New Opportunities for Homeownership in Milwaukee (NOHIM)

The bank has been a participating lender in the NOHIM program since 1992. The purpose of the program is to provide home buying counseling to low- and moderate-income households interested in purchasing a home in the City of Milwaukee. Five counseling agencies and 40 lending institutions participate in this cooperative effort. The bank originated 45 loans in 1995, 39 loans in 1994, 51 loans in 1993, and 35 loans in 1992.

#### Local Initiative Support Corporation (LISC)

The bank is one of the local corporate sponsors of LISC and has committed to provide \$50,000 in financial support. The role of LISC is to provide technical assistance to projects undertaken by Milwaukee community development corporations involved in housing and economic development. The bank is an active participant on LISC's local governing board.

#### Lincoln Neighborhood Redevelopment Corporation (LNRC)

The LNRC is a multi-lender CDC whose primary service area is Milwaukee's near south side. The Lincoln Fund is one of the programs offered by LNRC and is directed at small business. In December 1995 the bank joined the fund and issued a commitment to fund up to \$150,000 in small business loans on a pro-rated basis.

### **Conclusions**

The bank's community development activities are considered strong. The bank supports

community development in part through funding of local government bond issues. The bank also supports community development through direct loans and lines of credit to various community organizations, as well as participation in credit counseling and loan referral programs.

***Assessment Factor (k) - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions and other factors.***

There are no apparent factors relating to the bank's financial condition and size, or local economic conditions that would prevent the bank from meeting community credit needs.

***Assessment Factor (l) - Any other factors that, in the regulatory authority's judgement, reasonably bear upon the credit needs of its entire community.***

### **Scope and Findings**

The activities of the M&I Foundation were reviewed to determine the extent to which Foundation grants support bank community development efforts.

The M&I Foundation supports the bank's community development efforts by targeting grants and participations in projects and programs promoting affordable housing and economic development. In 1995, the foundation approved community development grants totaling \$112,750. The foundation disbursed \$77,750 in grants in 1995, with \$35,000 scheduled for disbursement in 1996.

### **Conclusions**

Grants from the M&I Foundation provide additional support for the bank's strong community development efforts.