

# **PUBLIC DISCLOSURE**

**February 28, 2011**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**FPC Financial, F.S.B.  
8402 Excelsior Drive  
Madison, WI 53717  
Docket #: 15685**

**Office of Thrift Supervision  
Central Region  
1 South Wacker Drive, Suite 2000  
Chicago, Illinois 60606**

**NOTE:** This document is an evaluation of this 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. 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**

**Overall Rating**

**INSTITUTION'S CRA RATING: Satisfactory**

FPC Financial, F.S.B. (FPC or institution) received an overall Satisfactory rating.

FPC is a revolving credit card lender that offers loan products through independent John Deere equipment dealers and farm product merchants across the country, as well as through the Internet. As a result of its nationwide business strategy, less than one percent of its loan products come from its eight county Wisconsin assessment area (AA). The evaluation considered performance within the assessment area, as well as in major market areas outside the AA where the highest numbers of each loan product were originated.

Lending Test performance was evaluated as “Low Satisfactory.” FPC’s main lending products are small farm credits, followed by small business and consumer credit cards. Based on limited sampling, the institution makes a majority of its small farm and small business credits to farms and business with annual revenues of \$1.0 million or less. All small farm and small business credits are made in original amounts of \$100,000 mainly due to the type of loan product (credit card).

The geographic distribution of small farm credits within the assessment area and small business credits in major markets were proportional to peer comparables in low- and moderate-income geographies. In contrast, small business credits in the AA and small farm credits in major markets were not well represented in these geographies. Compared to demographic comparables, consumer credits were granted in larger proportions to low- and moderate-income borrowers in the AA, but in smaller proportions in major markets.

FPC performs well under the Investment Test and a “High Satisfactory” component rating was earned. FPC’s qualified investments aggregated \$7.0 million, including additional investments of \$4 million. Grants within the assessment area totaled \$57,555. An affiliate had additional grants which are discussed under this criterion.

Considering its size, FPC has only limited qualified services. However, the number of activities has increased during the review period. FPC’s ability to participate in qualified services is hindered somewhat due to the institution being a credit card lender only and providing no deposit services.

## **Institution (continued)**

### **Community Development Lending**

FPC continues to renew a \$4 million low-interest loan to the Wisconsin Housing and Economic Development Authority (WHEDA). The loan was originally granted in January 2001 and is renewed on a biennial basis. The loan was last renewed in December 2009. FPC provides WHEDA with a \$5,000 processing fee at each renewal.

WHEDA is an agency created by the Wisconsin State Legislature to help meet the need for affordable housing for lower-income individuals and to assist in financing for small businesses and farmers. The WHEDA loan funds are used to construct affordable housing projects primarily located in FPC's eight county assessment area.

### **Innovative of Flexible Lending Practices**

FPC does not offer innovative or flexible lending products.

### **INVESTMENT TEST**

FPC performs well under this test and received a component rating of "High Satisfactory."

FPC has a \$6 million investment in a Small Business Administration (SBA) mutual fund, an increase of \$4 million since the previous evaluation. This fund promotes job creation, retention and improvement in low- and moderate-income areas and to LMI persons who are employed by small businesses by creating greater financial liquidity and low cost capital within the SBA section 7(a) program loan secondary market. FPC's investments are targeted to seven small businesses in Madison (5), Beloit (1) and Spring Green, Wisconsin (all within the assessment area). The businesses include restaurants, insurance, manufacturing, and a convenience store.

FPC has a remaining balance of approximately \$1.0 million in an investment fund whose primary purpose is to purchase and refurbish low-income multi-family housing units throughout the country. The investment includes 11 qualifying low-income rental complexes, one of which is located in the AA. The original balance of this fund was \$4.0 million in July 2004.

Other qualifying investments include direct FPC financial donations totaling \$57,555 (years 2008 through 2010) to various organizations that:

- Provide housing stabilization and second chance financial counseling;
- Provide low interest loans to LMI residents;