



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

February 23, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Guaranty Bank
Charter Number 717936

501 West Northshore Drive
Milwaukee, WI 53217-4513

Office of the Comptroller of the Currency
1200 North Mayfair Road, Suite 200
Wauwatosa, WI 53226

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'S CRA RATING: This institution is rated Satisfactory.

The Lending Test is rated Satisfactory.

The Community Development Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the institution's size, business strategy, and lending capacity.
- The institution originates a majority of loans outside the institution's assessment area (AA).
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The institution's community development performance through community development loans, qualified investments, and services demonstrates adequate responsiveness to community development needs in the AAs.

Scope of Examination

We evaluated Guaranty Bank's (Guaranty) Community Reinvestment Act (CRA) performance under the Intermediate Small Bank examination procedures, which include a lending test and a community development (CD) test. The lending test evaluates the institution's record of meeting the credit needs of its AAs through its lending activities. The CD test evaluates the institution's responsiveness to CD needs in its AAs through CD lending, qualified investments, and CD services.

The lending test covers Guaranty's performance from January 1, 2012 to December 31, 2014. The evaluation period for the CD test is from July 14, 2008 to February 23, 2015. The Office of Management and Budget (OMB) revised metropolitan area (MA) and census tract geographic definitions and boundaries in February 2013. Those revisions became effective for CRA purposes on January 1, 2014. Five of the institution's AAs were affected by these changes and will receive a separate analysis of 2014 lending data.

Guaranty's primary loan product is residential real estate loans. The institution reports data under the requirements of the Home Mortgage Disclosure Act (HMDA). Prior to conducting this evaluation, the HMDA data was tested and found to be reliable. Therefore, reported HMDA data was used for three years in our evaluation of residential real estate lending. Additionally, we obtained aggregate HMDA peer group data for the lending test.

HMDA data for number of loans. Loans originated within moderate-income census tracts were slightly less than the 2013 aggregate HMDA data.

Distribution of Residential Mortgage Loans By Geography Income Level in the Chicago-Naperville-Arlington Heights, IL MD Assessment Area (\$000's)							
Borrower Income Level	2012-2013		2014		Review Period 1/1/2012 – 12/31/2014		Aggregate 2013
	#	%	#	%	#	%	% by #
Low	2	0.54%	0	0.00%	2	0.51%	3.10%
Moderate	35	9.51%	5	23.81%	40	10.28%	13.43%
Middle	153	41.58%	10	47.62%	163	41.90%	33.04%
Upper	178	48.37%	6	28.57%	184	47.30%	50.43%
Income NA	0	0.00%	0	0%	0	0.00%	0.00%
Total	368	100%	21	100%	389	100%	100%
By \$ Amount	\$	%	\$	%	\$	%	% by \$
Low	293	0.44%	0	0.00%	293	0.42%	3.25%
Moderate	4,118	6.15%	429	13.56%	4,547	6.49%	10.24%
Middle	25,308	37.82%	1,587	50.17%	26,895	38.38%	26.17%
Upper	37,197	55.59%	1,147	36.26%	38,344	54.72%	60.35%
Income NA	0	0.00%	0	0%	0	0.00%	0.00%
Total	\$66,916	100%	\$ 3,163	100%	\$70,079	100%	100%

Source: 2012 -2014 HMDA data and 2013 Peer Mortgage Data (Aggregate)

Responses to Complaints

The institution has not received any CRA-related complaints since the last examination.

COMMUNITY DEVELOPMENT TEST

The institution’s performance under the CD test in Illinois is rated Satisfactory. CD performance through CD loans, qualified investments, and services demonstrates adequate responsiveness to CD needs in the AA.

Number and Amount of Community Development Loans

Guaranty provided an adequate level of CD lending. The institution originated eight qualifying CD loans totaling \$1.066 million, all benefiting the AA. These loans included:

- Seven down-payments/closing cost assistance loans totaling \$30,555. The loans were provided through a nonprofit organization and extended to low- and moderate- income homebuyers within the AA.
- One CD loan located in a low-income census tract was made in 2014 totaling \$1,063,124 through Solomon Hess SBA fund.

Number and Amount of Qualified Investments

The institution made an adequate amount of qualified investments in its AA. During the evaluation period, Guaranty made 61 investments in the AA totaling \$1.942 million. Of