

**State Bank of Herscher**

**Community Reinvestment  
Act  
(CRA)**

**Public Folder**

**2024-2025**

**Community Reinvestment Act  
Written Comments Received  
State Bank of Herscher**

**2022** – None received

**2023** – None received

**2024** -

# **PUBLIC DISCLOSURE**

September 9, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

State Bank of Herscher  
Certificate Number: 11671

10 Tobey Drive  
Herscher, Illinois 60941

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Chicago Regional Office

300 South Riverside Plaza, Suite 1700  
Chicago, IL 60606

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.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

State Bank of Herscher satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test performance.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its small business and small farm loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among businesses and farms of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation dated June 25, 2013 to the current evaluation dated September 9, 2019. Examiners used the Interagency Small Institution Examination Procedures to evaluate the CRA performance of State Bank of Herscher (SBH). The institution's performance was evaluated according to the following criteria.

- LTD ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

### **Loan Products Reviewed**

Examiners determined that the bank's major product lines are small business and small farm loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. The bank's record of originating small farm loans contributed more weight to overall conclusions due to the larger loan volume when compared to small business lending during the most recent calendar year.

Home mortgage and multi-family loans represent 22 percent of the bank's loan portfolio. Nevertheless, residential real estate loans are no longer considered a major product line. This reflects a change in lending strategy and focus since the 2013 CRA evaluation. The percentage of these loans has declined significantly over the last two years and continues to decline such that the bank is no longer a reporter under the Home Mortgage Disclosure Act. The bank has retained very few new mortgage loans in its portfolio in the past few years; those that are retained are primarily accommodations, limited in-house shorter term balloon notes, and mortgage loan refinances. Given the decline in the percentage of home mortgage loans and the shift in the bank's focus, home mortgage loan data is not presented and this lending type did not influence the conclusions in this evaluation.

Bank records indicated that the lending focus and product mix remained relatively consistent throughout the evaluation period, although home mortgage lending declined over the last three years with a greater emphasis on small farm and small business lending. Examiners selected the universe of small business loans and a sample of small farm loans originated or renewed in the period January 1, 2018, through December 31, 2018. The loans reviewed were considered representative of the bank's performance during the entire evaluation period. The bank originated or renewed 27 small business loans totaling \$4.8 million in 2018. The bank originated or renewed 41 small farm loans totaling \$4.8 million in 2018, of which 30 loans totaling \$3.8 million were sampled. D&B data for 2018 provided a standard of comparison for the small business and small farm loans.

Examiners reviewed the number and dollar volume of small business and small farm loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of businesses and farms served.

## **DESCRIPTION OF INSTITUTION**

### **Background**

SBH is headquartered in Herscher, Illinois, in the southwest corner of Kankakee County. The bank is a wholly-owned subsidiary of Foresight Financial Group, Incorporated, a six-bank holding company located in Winnebago, Illinois, which acquired the bank in July 2015. SBH received a Satisfactory rating at its previous FDIC Performance Evaluation dated June 25, 2013, based on FFIEC Interagency Small Institution Examination Procedures.

### **Operations**

SBH operates its main office in Herscher, Illinois, and has one branch office in the Village of Limestone, Illinois. Both offices are located in upper-income census tracts.

The institution offers a wide range of loan and deposit products for commercial and retail customers. Deposit products include checking, savings, money market, certificates of deposit, individual retirement accounts, and health savings accounts. Residential and consumer lending products consist of home equity loans, installment loans, and personal loans. SBH also facilitates long-term fixed-rate home loans through a referral relationship with an affiliate bank. Commercial lending products consist of commercial real estate loans, working capital loans, equipment loans, letters of credit, and other long-term financing loans. The bank also participates in large commercial credits with affiliate banks. Agricultural financing includes operating credit lines, equipment loans, farm real estate, and other term financing. The bank offers alternative delivery channels including online and mobile banking, electronic bill payment services, and bank-owned automated teller machines (ATMs) at each location. In addition, no transaction fees are assessed to bank customers who use ATM machines owned by affiliate banks. The bank has not opened or closed any branches since the previous evaluation.

**Ability and Capacity**

Assets totaled approximately \$140 million as of June 30, 2019, and included total loans of \$75 million and securities totaling \$51 million. The following table illustrates the loan portfolio.

<b>Loan Portfolio Distribution as of 06/30/2019</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	855	1.1
Secured by Farmland	11,836	15.6
Secured by 1-4 Family Residential Properties	11,969	15.8
Secured by Multifamily (5 or more) Residential Properties	4,522	6.0
Secured by Nonfarm Nonresidential Properties	22,755	30.0
<b>Total Real Estate Loans</b>	<b>51,937</b>	<b>68.5</b>
Commercial and Industrial Loans	17,698	23.3
Agricultural Loans	5,833	7.7
Consumer Loans	228	0.3
Other Loans	184	0.2
<b>Total Loans</b>	<b>75,880</b>	<b>100.0</b>
<i>Source: 6/30/2019 Call Report</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet assessment area credit needs.

**DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. SBH designated one assessment area that consists of 24 census tracts located in the western portion of Kankakee County, Illinois, and one census tract located in the northwest portion of Iroquois County, Illinois. Kankakee County comprises the entire Kankakee, IL Metropolitan Statistical Area (MSA); Iroquois County is located within the Illinois Statewide Non-

MSA. The assessment area is consistent with the requirements of the CRA. The following sections discuss demographic and economic information about the assessment area.

**Economic and Demographic Data**

The assessment area includes 25 census tracts. These tracts reflect the following income designations according to the 2015 American Community Survey (ACS) data:

- 5 (20 percent) low-income tracts,
- 4 (16 percent) moderate-income tracts,
- 8 (32 percent) middle-income tracts, and
- 8 (32 percent) upper-income tracts.

The following table illustrates select demographic characteristics of the assessment area using 2015 ACS data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	20.0	16.0	32.0	32.0	0.0
Population by Geography	101,012	13.8	15.8	36.0	34.4	0.0
Housing Units by Geography	40,262	14.9	14.1	37.7	33.3	0.0
Owner-Occupied Units by Geography	25,390	7.3	12.5	41.6	38.5	0.0
Occupied Rental Units by Geography	11,329	25.9	17.8	31.9	24.5	0.0
Vacant Units by Geography	3,543	33.8	14.1	28.3	23.8	0.0
Businesses by Geography	4,609	16.8	15.8	38.4	29.0	0.0
Farms by Geography	316	3.8	5.4	33.5	57.3	0.0
Family Distribution by Income Level	24,748	21.3	17.4	19.9	41.4	0.0
Household Distribution by Income Level	36,719	23.3	15.1	19.0	42.6	0.0
Median Family Income MSA - 28100 Kankakee, IL MSA		\$63,716	Median Housing Value			\$137,142
Median Family Income Non-MSAs - IL		\$59,121	Median Gross Rent			\$827
			Families Below Poverty Level			12.4%

*Sources: 2015 ACS Census and 2018 D&B Data. Due to rounding, totals may not equal 100.0.*  
*\*The NA category consists of geographies that have not been assigned an income classification.*

According to 2018 D&B data, there were 316 farms in the assessment area. Gross Annual Revenues (GARs) for these farms are below.

- 97.5 percent have \$1 million or less.
- 1.6 percent have more than \$1 million.
- 1.0 percent has unknown revenues.

Additionally, according to 2018 D&B data, there were 4,609 businesses in the assessment area. GARs for these businesses are below.

- 77.3 percent have \$1.0 million or less.



- 6.9 percent have more than \$1.0 million.
- 15.8 percent have unknown revenues.

The analyses of small farm and small business loans under the Borrower Profile criterion compare the distribution of farms and businesses by GAR level. Service industries represent the largest portion of businesses at 40.5 percent; followed by retail trade (15.3 percent); finance, insurance, and real estate (8.1 percent); construction (8.0 percent); and agricultural, forestry, and fishing (6.4 percent). In addition, 61.1 percent of area businesses have four or fewer employees, and 84.1 percent operate from a single location.

Data obtained from the Bureau of Labor Statistics shows unemployment rates decreased during the evaluation period, suggesting an improving economy. The 2018 year-end unemployment rate was 4.3 percent for the State of Illinois, and 5.4 percent for the Kankakee, IL MSA.

### **Competition**

The assessment area is highly competitive in the market for financial services. According to June 30, 2019 FDIC Deposit Summary data, 16 banks maintain 36 offices in the assessment area, and 26 of those offices are located in the cities of Bradley, Bourbonnais, and Kankakee. Over half of the assessment area's population resides in these three cities. Outside of these cities, the assessment area is primarily rural. Competition includes national, regional, and local banks. The four largest banks control 57.0 percent of the area's deposit base. Of these institutions, SBH ranks 8<sup>th</sup> with a 6.1 percent deposit market share.

The bank is not required to collect or report its small business data, and it has not elected to do so. Therefore, the analyses of small business and small farm loans under the Lending Test does not include comparisons against aggregate data.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also helps to identify available credit opportunities.

Examiners contacted a representative from an economic development organization in the assessment area. The representative identified a credit need for small dollar business loans, as well as loans for start-up businesses. The representative also identified financial education as a primary need, including financial literacy for students and succession planning for small businesses. Overall, the contact stated that local financial institutions have been responsive to the credit needs of the area.

### **Credit Needs and Opportunities**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business loans are a primary need of the assessment area. The significant percentage of businesses with GARs of \$1 million or less and the large number of businesses with four or fewer employees support this conclusion.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

SBH demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile performance primarily support this conclusion.

### Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 58.8 percent over the past 25 calendar quarters from June 30, 2013, to June 30, 2019. The ratio remained generally stable during the evaluation period. SBH maintained a ratio similar to those of comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 06/30/2019 (\$000s)	Average Net LTD Ratio (%)
State Bank of Herscher	140,367	58.8
Similarly-Situated Institution #1	167,794	55.4
Similarly-Situated Institution #2	108,713	61.6
Similarly-Situated Institution #3	150,261	56.8
Similarly-Situated Institution #4	197,629	62.2
Similarly-Situated Institution #5	122,673	79.9
<i>Source: Call Reports from 06/30/2013 through 06/30/2019.</i>		

### Assessment Area Concentration

The bank made a majority of small business and small farm loans, by number and dollar volume, within its assessment area. See the following table.

Lending Inside and Outside of the Assessment Area (2018)										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	20	66.7	10	33.3	30	2,137	56.6	1,638	43.4	3,775
Small Business	19	70.4	8	29.6	27	2,735	56.1	2,144	43.9	4,879
<i>Source: Bank records. Due to rounding, totals may not equal 100.0.</i>										

## Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable performance of small farm and small business lending supports this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

### ***Small Farm Loans***

The geographic distribution of small farm loans reflects reasonable dispersion. The following table shows the bank did not originate any of the sampled small farm loans in low- or moderate-income census tracts; however, relevant performance context factors mitigate this performance. The majority of low- and moderate-income census tracts within the bank's assessment area are not located in rural areas. According to 2018 D&B data, there are only 12 farms located in low-income census tracts, and 17 farms located in moderate-income census tracts within the assessment area. This demographic reflects the number of farms that exist and not necessarily those seeking financing. Therefore, the opportunities for small farm lending within low- and moderate-income census tracts are very limited. Further, as previously mentioned, the bank's nearest branch location is over three miles away from the nearest low- or moderate-income census tract. Given the limited opportunities that exist and the number of bank competitors located in low- and moderate-income census tracts, the bank's performance is reasonable.

<b>Geographic Distribution of Small Farm Loans (2018)</b>					
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	3.8	0	0.0	0	0.0
Moderate	5.4	0	0.0	0	0.0
Middle	33.5	9	45.0	660	30.9
Upper	57.3	11	55.0	1,477	69.1
<b>Totals</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>2,137</b>	<b>100.0</b>

*Sources: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data.  
Due to rounding, totals may not equal 100.0.*

### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion. The following table shows that the bank's performance in low-income census tracts exceeds business demographics by 4.3 percentage points. The bank's level of lending in moderate-income areas trails business demographics, falling 10.5 percentage points lower. It should be noted that there is a high level of competition within the bank's assessment area. There are over twenty financial institutions located within the low- and moderate-income census tracts of the assessment area. SBH's nearest branch location is over three miles away from the nearest low- or moderate-income census tract. Considering the bank's distance from the low- and moderate-income census tracts, the high level of competition present, and the bank's performance in the low-income tracts, the bank's performance is reasonable overall.

Geographic Distribution of Small Business Loans (2018)					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	16.8	4	21.1	1,056	38.6
Moderate	15.8	1	5.3	10	0.4
Middle	38.4	8	42.1	1,454	53.2
Upper	29.0	6	31.6	215	7.9
<b>Totals</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>2,735</b>	<b>100.0</b>

*Sources: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data.  
Due to rounding, totals may not equal 100.0*

**Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes in the assessment area. The bank’s reasonable performance of small farm and small business lending supports this conclusion. Examiners focused on the percentage by number of small farm and small business loans to farms and businesses with GARs of \$1 million or less.

***Small Farm Loans***

The distribution of small farm loans reflects excellent penetration of loans to farms with GARs of \$1 million or less. The following table shows that all small farm loans originated or renewed were to farms with GARs of \$1 million or less, comparing favorably to the demographics of 97.5 percent. Further review of the small farm lending also supports excellent performance, which reflects that 65.0 percent of the loans were originated to small farms with GARs of less than \$250,000.

Distribution of Small Farm Loans by Gross Annual Revenue Category (2018)					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤\$1,000,000	97.5	20	100.0	2,137	100.0
>\$1,000,000	1.6	0	0.0	0	0.0
Revenues Not Reported	0.9	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>2,137</b>	<b>100.0</b>

*Sources: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data.  
Due to rounding, totals may not equal 100.0*

***Small Business Loans***

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs of \$1 million or less. The following table shows that the percent of the loans originated to businesses with GARs of \$1 million or less trailed the percent of businesses in this revenue category by 8.9 percentage points. However, the demographic consists of all businesses that exist within the assessment area, not necessarily all of the businesses that may be seeking traditional bank financing. For many small businesses, credit needs are often met through

alternative products such as credit cards or home equity loans. Additionally, SBH demonstrated a willingness to originate smaller dollar loans. The bank originated 78 percent of its loans in amounts of \$250,000 or less. This reflects the bank's responsiveness to the small-dollar business lending need in the assessment area, as identified by the community contact. Given the bank's level of originating micro-business loans, the bank's performance is reasonable.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category (2018)</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
≤\$1,000,000	77.3	13	68.4	1,090	39.9
>\$1,000,000	6.9	6	31.6	1,645	60.1
Revenues Not Reported	15.8	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>2,735</b>	<b>100.0</b>
<i>Sources: 2018 D&amp;B Data; 1/1/2018 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0</i>					

**Response to Complaints**

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

**Home Mortgage Loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area:** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic



branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Loan:** A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

**Annual Disclosure Statement**  
**December 31, 2023**  
**FFIEC 041**

**State Bank of Herscher**  
**Herscher, IL 60941**

I, the undersigned officer, attest to the correctness of this statement and declare that it has been examined by me and to the best of my knowledge and belief has been prepared in accordance with instructions issued by the appropriate Federal regulatory authority and is true and correct.

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Signature

Date

# Consolidated Report of Income

## December 31, 2023

	Prior Year 2022	Current Year 2023
Dollar Amounts in Thousands		
<b>Interest income:</b>		
Interest and fee income on loans:		
Loans secured by real estate:		
Loans secured by 1-4 family residential properties.....	309	280
All other loans secured by real estate.....	1,808	2,203
Commercial and industrial loans.....	722	757
Loans to individuals for household, family, and other personal expenditures:		
Credit cards.....	0	0
Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans).....	5	5
All other loans.....	309	326
Total interest and fee income on loans.....	3,153	3,571
Income from lease financing receivables.....	0	0
Interest income on balances due from depository institutions.....	114	895
Interest and dividend income on securities:		
U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities).....	294	398
Mortgage-backed securities.....	703	611
All other securities (includes securities issued by states and political subdivisions in the U.S.).....	470	428
Interest income on federal funds sold and securities purchased under agreements to resell.....	22	23
Other interest income.....	6	9
Total interest income.....	4,762	5,935
<b>Interest expense:</b>		
Interest on deposits:		
Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....	62	154
Nontransaction accounts:		
Savings deposits (includes MMDAs).....	65	134
Time deposits of \$250,000 or less.....	123	387
Time deposits of more than \$250,000.....	30	328
Expense of federal funds purchased and securities sold under agreements to repurchase.....	4	3
Interest on trading liabilities and other borrowed money.....	0	0
Interest on subordinated notes and debentures.....	0	0
Total interest expense.....	284	1,006
Net interest income.....	4,478	4,929
Provision for loan and lease losses.....	(192)	0
<b>Noninterest income:</b>		
Income from fiduciary activities.....	1	1
Service charges on deposit accounts.....	90	92
Trading revenue.....	0	0
Income from securities-related and insurance activities:		
Fees and commissions from securities brokerage.....	0	0
Investment banking, advisory, and underwriting fees and commissions.....	0	0
Fees and commissions from annuity sales.....	0	0
Underwriting income from insurance and reinsurance activities.....	0	0
Income from other insurance activities.....	0	0
Venture capital revenue.....	0	0

# Consolidated Report of Income

## December 31, 2023

Dollar Amounts in Thousands	Prior Year 2022	Current Year 2023
<b>Noninterest income (continued):</b>		
Net servicing fees.....	14	10
Net securitization income.....	0	0
Net gains (losses) on sales of loans and leases.....	0	0
Net gains (losses) on sales of other real estate owned.....	0	0
Net gains (losses) on sales of other assets.....	0	0
Other noninterest income.....	593	424
Total noninterest income.....	698	527
Realized gains (losses) on held-to-maturity securities.....	0	0
Realized gains (losses) on available-for-sale debt securities.....	0	0
<b>Noninterest expense:</b>		
Salaries and employee benefits.....	1,711	1,699
Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest).....	300	264
Goodwill impairment losses.....	0	0
Amortization expense and impairment losses for other intangible assets.....	0	0
Other noninterest expense.....	1,450	1,498
Total noninterest expense.....	3,461	3,461
Income (loss) before change in net unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations.....	1,907	1,995
Change in net unrealized holding gains (losses) on equity securities not held for trading.....	11	8
Income (loss) before applicable income taxes and discontinued operations.....	1,918	2,003
Applicable income taxes.....	420	455
Income (loss) before discontinued operations.....	1,498	1,548
Discontinued operations, net of applicable income taxes.....	0	0
Net income (loss) attributable to bank and noncontrolling (minority) interests.....	1,498	1,548
LESS: Net income (loss) attributable to noncontrolling (minority) interests.....	0	0
Net income (loss) attributable to bank.....	1,498	1,548
<b>Memoranda</b>		
Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes.....	0	0
<i>The following item is to be completed by banks with \$1 billion or more in total assets.</i>		
Income from the sale and servicing of mutual funds and annuities.....	NR	NR
Income on tax-exempt loans and leases to states and political subdivisions in the U.S.....	28	35
Income on tax-exempt securities issued by states and political subdivisions in the U.S.....	309	294
Number of full-time equivalent employees at end of current period (round to the nearest whole number).....	<b>Number</b> 22	<b>Number</b> 20
<i>The following item is to be completed by:</i>		
• banks with \$300 million or more in total assets, and		
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans.		
Interest and fee income on loans to finance agricultural production and other loans to farmers.....	273	282

# Consolidated Report of Income

## December 31, 2023

Dollar Amounts in Thousands

	Prior Year 2022	Current Year 2023
<b>Memoranda (continued)</b>		
<i>The following two items are to be completed by banks with \$10 billion or more in total assets.</i>		
Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:		
Net gains (losses) on credit derivatives held for trading.....	NR	NR
Net gains (losses) on credit derivatives held for purposes other than trading.....	NR	NR
<i>To be completed by banks with \$300 million or more in total assets:</i>		
Credit losses on derivatives.....	NR	NR
Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?.....	<b>YES / NO</b> NO	<b>YES / NO</b> NO
Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties.....	NR	NA
<i>The following four items are to be completed by banks that have elected to account for assets and liabilities under a fair value option.</i>		
Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:		
Net gains (losses) on assets.....	NR	NR
Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk.....	NR	NR
Net gains (losses) on liabilities.....	NR	NR
Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk.....	NR	NR
Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings.....	NR	NR
<i>The following items are to be completed by institutions with \$1 billion or more in total assets and offer one or more consumer deposit account products.</i>		
Components of service charges on deposit accounts:		
Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	NR	NR
Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	NR	NR
Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	NR	NR
All other service charges on deposit accounts.....	NR	NR

# Consolidated Report of Income

## December 31, 2023

Dollar Amounts in Thousands

	Prior Year 2022	Current Year 2023
<b>Changes in Bank Equity Capital</b>		
Total bank equity capital most recently reported for the December 31, 2022 Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	19,966	12,973
Cumulative effect of changes in accounting principles and corrections of material accounting errors.....	0	(174)
Balance end of previous calendar year as restated.....	19,966	12,799
Net income (loss) attributable to bank.....	1,498	1,548
Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions).....	38	19
Treasury stock transactions, net.....	0	0
Changes incident to business combinations, net.....	0	0
LESS: Cash dividends declared on preferred stock.....	0	0
LESS: Cash dividends declared on common stock.....	1,260	650
Other comprehensive income.....	(7,269)	912
Other transactions with stockholders (including a parent holding company).....	0	0
Total bank equity capital end of current period.....	12,973	14,628
<b>Changes in Allowances for Credit Losses</b>		
<b>Loans and Leases Held for Investment</b>		
Balance most recently reported for the December 31, 2022, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	1,931	1,697
Recoveries.....	2	0
LESS: Charge-offs.....	44	763
LESS: Write-downs arising from transfers of financial assets.....	0	0
Provisions for credit losses.....	(192)	(1)
Adjustments.....	0	228
Balance end of current period.....	1,697	1,161
<b>Changes in Allowances for Credit Losses</b>		
<b>Held-to-Maturity Debt Securities</b>		
Balance most recently reported for the December 31, 2022, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	NR	0
Recoveries.....	NR	0
LESS: Charge-offs.....	NR	0
LESS: Write-downs arising from transfers of financial assets.....	NR	0
Provisions for credit losses.....	NR	0
Adjustments.....	NR	0
Balance end of current period.....	NR	0

# Consolidated Report of Income

## December 31, 2023

Dollar Amounts in Thousands

	Prior Year 2022	Current Year 2023
<b>Changes in Allowances for Credit Losses</b>		
<b>Available-for-Sale Debt Securities</b>		
Balance most recently reported for the December 31, 2022, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	NR	0
Recoveries.....	NR	0
LESS: Charge-offs.....	NR	0
LESS: Write-downs arising from transfers of financial assets.....	NR	0
Provisions for credit losses.....	NR	0
Adjustments.....	NR	0
Balance end of current period.....	NR	0
<b>Memoranda</b>		
Allocated transfer risk reserve.....	0	0
<i>The following two items are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.</i>		
Separate valuation allowance for uncollectible retail credit card fees and finance charges.....	NR	NR
Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges.....	NR	NR
Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3).....	NR	NR
Provisions for credit losses on other financial assets measured at amortized cost.....	NR	0
Allowance for credit losses on other financial assets measured at amortized cost.....	NR	0
Provisions for credit losses on off-balance-sheet credit exposures.....	NR	1
allowance for credit losses on loans and leases held for investment.....	NR	0

# Consolidated Report of Condition

## December 31, 2023

Dollar Amounts in Thousands

	Prior Year 2022	Current Year 2023
<b>Assets</b>		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin.....	4,707	3,803
Interest-bearing balances.....	2,152	15,554
Securities:		
Held-to-maturity securities.....	0	0
Available-for-sale debt securities.....	74,343	69,651
Equity securities with readily determinable fair values not held for trading.....	117	125
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold.....	1,068	701
Securities purchased under agreements to resell.....	0	0
Loans and lease financing receivables:		
Loans and leases held for sale.....	0	0
Loans and leases held for investment.....	72,189	71,165
LESS: Allowance for loan and lease losses.....	1,696	1,160
Loans and leases held for investment, net of allowance.....	70,493	70,005
Trading assets.....		
Premises and fixed assets (including capitalized leases).....	1,746	1,665
Other real estate owned.....	0	0
Investments in unconsolidated subsidiaries and associated companies.....	0	0
Direct and indirect investments in real estate ventures.....	0	0
Intangible assets.....	0	0
Other assets.....	9,428	8,923
Total assets.....	164,054	170,427
<b>Liabilities</b>		
Deposits:		
In domestic offices:.....	150,147	154,775
Noninterest-bearing.....	44,285	43,732
Interest-bearing.....	105,861	111,043
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased.....	0	0
Securities sold under agreements to repurchase.....	0	0
Trading liabilities.....		
Other borrowed money (includes mortgage indebtedness).....	0	0
Subordinated notes and debentures.....	0	0
Other liabilities.....	935	1,025
Total liabilities.....	151,082	155,800
<b>Equity Capital</b>		
<b>Bank Equity Capital</b>		
Perpetual preferred stock and related surplus.....	0	0
Common stock.....	400	400
Surplus (excludes all surplus related to preferred stock).....	17,986	18,005
Retained earnings.....	2,020	2,744
Accumulated other comprehensive income.....	(7,434)	(6,522)
Other equity capital components.....	0	0
Total bank equity capital.....	12,972	14,627
Noncontrolling (minority) interests in consolidated subsidiaries.....	0	0
Total equity capital.....	12,972	14,627
Total liabilities and equity capital.....	164,054	170,427



# Consolidated Report of Condition

## December 31, 2023

**Past Due and Nonaccrual Loans, Leases, and Other Assets**

Dollar Amounts in Thousands	Prior Year - 2022		Current Year - 2023	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Loans secured by real estate:				
Construction, land development, and other land loans:				
1-4 family residential construction loans.....	0	0	0	0
Other construction loans and all land development and other land loans.....	0	0	0	0
Secured by farmland.....	0	0	0	784
Secured by 1-4 family residential properties:				
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	0	0	0	0
Closed-end loans secured by 1-4 family residential properties:				
Secured by first liens.....	0	279	103	203
Secured by junior liens.....	44	0	0	0
Secured by multifamily (5 or more) residential properties.....	0	0	0	0
Secured by nonfarm nonresidential properties:				
Loans secured by owner-occupied nonfarm nonresidential properties.....	47	407	0	41
Loans secured by other nonfarm nonresidential properties.....	0	0	0	0
Loans to depository institutions and acceptances of other banks.....	0	0	0	0
Commercial and industrial loans.....	0	659	0	3
Loans to individuals for household, family, and other personal expenditures:				
Credit cards.....	0	0	0	0
Automobile loans.....	0	0	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans).....	0	0	0	0
All other loans.....	0	0	0	0
Lease financing receivables.....	0	0	0	0
<b>Total loans and leases.....</b>	<b>91</b>	<b>1,345</b>	<b>103</b>	<b>1,031</b>
Debt securities and other assets (exclude other real estate owned and other repossessed assets).....	0	0	0	0
Loans and leases reported in items above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC.....	0	0	0	0
Guaranteed portion of loans and leases included in item above, excluding rebooked "GNMA loans".....	0	0	0	0
Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item above.....	0	0	0	0
Loans and leases reported in items above that are covered by loss-sharing agreements with the FDIC:				
Loans secured by real estate:				
Construction, land development, and other land loans:				
1-4 family residential construction loans.....	0	0	NA	NA
Other construction loans and all land development and other land loans.....	0	0	NA	NA

# Consolidated Report of Condition

## December 31, 2023

**Past Due and Nonaccrual Loans, Leases, and Other Assets**

Dollar Amounts in Thousands	Prior Year - 2022		Current Year - 2023	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Secured by farmland.....	0	0	NA	NA
Secured by 1-4 family residential properties:				
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	0	0	NA	NA
Closed-end loans secured by 1-4 family residential properties:				
Secured by first liens.....	0	0	NA	NA
Secured by junior liens.....	0	0	NA	NA
Secured by multifamily (5 or more) residential properties.....	0	0	NA	NA
Secured by nonfarm nonresidential properties:				
Loans secured by owner-occupied nonfarm nonresidential properties.....	0	0	NA	NA
Loans secured by other nonfarm nonresidential properties.....	0	0	NA	NA
All other loans and all leases.....	0	0	NA	NA
Portion of covered loans and leases included in items above that is protected by FDIC loss-sharing agreements.....	0	0	0	0

# Consolidated Report of Condition

## December 31, 2023

**Past Due and Nonaccrual Loans, Leases, and Other Assets**

**Memoranda**

Dollar Amounts in Thousands

	Prior Year - 2022		Current Year - 2023	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Loans restructured in troubled debt restructurings included in items above:				
Construction, land development, and other land loans:				
1-4 family residential construction loans.....	0	0	0	0
Other construction loans and all land development and other land loans.....	0	0	0	0
Loans secured by 1-4 family residential properties.....	0	190	0	73
Secured by multifamily (5 or more) residential properties.....	0	0	0	0
Secured by nonfarm nonresidential properties:				
Loans secured by owner-occupied nonfarm nonresidential properties.....	0	407	0	0
Loans secured by other nonfarm nonresidential properties.....	0	0	0	0
Commercial and industrial loans.....	0	659	0	3
<i>The following two items are to be complete by banks with \$300 million or more in total assets:</i>				
To U.S. addressees (domicile).....	NR	NR	NR	NR
To non-U.S. addressees (domicile).....	NR	NR	NR	NR
All other loans (include loans to individuals for household, family, and other personal expenditures).....	0	0	0	0
<i>Itemize loan categories included in item above that exceed 10% of total loans restructured in troubled debt restructurings that are past due 30 days or more or in nonaccrual status:</i>				
Loans secured by farmland.....	0	0	0	0
Loans to individuals for household, family, and other personal expenditures:				
Credit cards.....	0	0	0	0
Automobile loans.....	0	0	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans).....	0	0	0	0
<i>The following item is to be completed by:</i>				
• Banks with \$300 million or more in total assets				
• Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans				
Loans to finance agricultural production and other loans to farmers included in item above.....	0	0	0	0
Total loans restructured in troubled debt restructurings included in items above.....	0	1,256	0	76
Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in items above.....	0	0	0	0

# Consolidated Report of Condition

## December 31, 2023

**Past Due and Nonaccrual Loans, Leases, and Other Assets**

**Memoranda**

Dollar Amounts in Thousands

	Prior Year - 2022		Current Year - 2023	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
<i>The following four items are to be complete by banks with \$300 million or more in total assets:</i>				
Loans secured by real estate to non-U.S. addressees (domicile) (included in items above).....	NR	NR	NR	NR
Loans to and acceptances of foreign banks (included in items above).....	NR	NR	NR	NR
Commercial and industrial loans to non-U.S. addressees (domicile) (included in items above).....	NR	NR	NR	NR
Leases to individuals for household, family, and other personal expenditures (included in items above).....	NR	NR	NR	NR
<i>The following item is to be completed by:</i>				
<ul style="list-style-type: none"> <li>• Banks with \$300 million or more in total assets</li> <li>• Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans</li> </ul>				
Loans to finance agricultural production and other loans to farmers (included in items above).....	0	0	0	0
Loans and leases held for sale (included in items above).....	0	0	0	0

Dollar Amounts in Thousands

	Prior Year 2022	Current Year 2023
Additions to nonaccrual assets during the previous six months.....	49	906
Nonaccrual assets sold during the previous six months.....	0	0

**Memoranda**

Dollar Amounts in Thousands

	Prior Year - 2022		Current Year - 2023	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
<i>Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):</i>				
Outstanding balance.....	NR	NR	NR	NR
Amount included in items above.....	NR	NR	NR	NR

# **2023 ANNUAL DISCLOSURE STATEMENT NOTICE OF AVAILABILITY**

In accordance with Federal regulation, this bank will provide an Annual Disclosure Statement to our customers, shareholders, and the general public, upon request, containing the bank's financial information for the last two years. This information will be updated annually and made available on or before March 31, 2024.

## **To request a copy**

of the Annual Disclosure Statement, please contact:

State Bank of Herscher

Herscher, IL 60941

## **Bank Branches**

### **Main Branch**

State Bank of Herscher  
10 Tobey Drive  
Herscher, IL 60941  
815-426-2156  
Census Tract: 0126.00

### **Limestone Branch**

State Bank of Herscher  
5053 W Rt 17  
Kankakee, IL 60901  
815-932-9160  
Census Tract: 0104.00

**State Bank of Herscher**

**List of Branches Opened/Closed**

N/A

## **2023 Quarterly Loan to Deposit Ratio**

First Quarter	2023	41.76%
Second Quarter	2023	44.50%
Third Quarter	2023	42.59%
Fourth Quarter	2023	45.23%



## **Credit Services Offered**

Listed below are the types of loans, which the State Bank of Herscher makes available to its community. The kinds of loans we can make available are limited by law and government regulations. Since these can change from time to time, we may be temporarily “out of the market” for certain types of loans at certain times. Also, changes in economic conditions sometimes make it impossible or impractical to make a certain type of loan. As a matter of law and good practice, the bank must maintain a mix of different types of loans and investments.

### **CONSUMER LOANS**

Automobile – new and used, and trucks

Recreational Vehicles – boats, campers, motorcycles, snowmobiles

Deposit Secured Loans – CDs and Savings

### **AGRICULTURAL LOANS**

Short term loans & Lines of Credit (Includes Letters of Credit)

Term loans

### **COMMERCIAL LOANS**

Short term loans & Lines of Credit (Includes Letters of Credit)

Term loans

### **COMMERCIAL AND AGRICULTURAL REAL ESTATE LOANS**

- Raw Land
- Land Development
- 1-4 Family Residential Non-Owner Occupied (Rental Homes)
- Improved Multi-Family
- Improved Non-residential Commercial
- Commercial Construction Loans
- Farmland / Farm Real Estate Loans

### **RESIDENTIAL MORTGAGE LOANS (Primary Residence)**

Owner Occupied 1-4 Family (Balloon Loans)

Variable Rate Home Equity Lines of Credit (HELOC)

Closed-End Home Equity

Construction loans – Owner Occupied

Lot Loans

### **SPECIALIZED LOANS**

Floor Plan Lines of Credit

Bridge Loans

### **OTHER SECONDARY MARKET PRODUCTS**

Credit Cards

Long Term Fixed Rate 1-4 Family Mortgage Loans

### **Deposit Products Offered**

Business Checking  
Certificates of Deposit  
E-access Checking  
Health Savings Account  
Hometown Checking  
Hometown Interest Checking  
Individual Retirement Account CDs (Traditional and Roth)  
Money Market Account  
Regular Savings

### **Other Services Offered**

24-Hour Automated Teller Machines  
24-Hour Tele bank  
Account Research  
Apple Pay/Google Pay  
ATM/Debit Card  
Automatic Transfer between Accounts  
Automatic Transfer of Savings to Checking for Overdraft  
Bank by Mail  
Business Remote Deposit Capture  
Cash Advances  
Cashier's Checks  
Cash Management Services  
Direct Deposit  
E-Statements  
External Transfers – Out Only  
Gift Cards  
Illinois License Plate Stickers  
Kankakee County Property Tax Collection  
Merchant Credit Card Processing  
Mobile Banking  
Mobile Deposit  
Night Depository  
Notary Service  
Online Banking  
Online Bill Pay  
Photocopy and Fax Services  
Safety Deposit Boxes  
Sweeps  
Wire Transfers

**FEE SCHEDULE**  
 Updated December 1, 2022



**FEES AND CHARGES.** The following fees and charges may be assessed against your account:

Account Closure before 90 days per account	\$25.00
ACH Origination Fee per item	\$10.00
ACH Repetitive Fee per item	\$5.00
ATM Fee for customers using foreign ATM per use	\$2.00
ATM/Debit Card Replacement	\$10.00
ATM/Debit Card Replacement for Premium Cards	\$12.00
Bookkeeping Service - minimum of 1 hour plus expenses	\$30.00
Canadian Check per check	\$10.00
Cashier's Check per check	\$4.00
Check Cashing Fee for Non Customer	10.000% of check amount with a minimum Fee of \$5.00
Coin Counting - non customer	10.000% of any amount
Collection - Domestic item per item	\$15.00
Collection - Foreign item per item	\$25.00
Copies per page	\$1.00
Counter Checks - encoded per check	\$1.00
Dormant Account charge per month - ** An account is considered dormant if no deposits or withdrawals have been made as follows: Checking-one year, Savings-two years	\$5.00
Fax - up to 4 pages and 1.00 each additional page	\$5.00
Garnishments/Levies/Subpoenas - plus copy charges and legal fees	\$100.00
Indemnity Bond per bond	\$10.00
IRS Withholding per withholding	\$10.00
Night Deposit Replacement Key per key	\$2.00
Night Deposit Locked Bag with One Key per Bag	\$20.00
Night Deposit Zipper Bag per Bag	\$7.00
Non-Sufficient Funds (NSF/OD) Paid Item Charge per item	\$30.00
Non-Sufficient Funds (NSF/OD) Returned Item Charge per item	\$40.00
Non-Sufficient Funds (NSF/OD) Savings per day with activity	\$45.00
Non-Sufficient Funds - Continuous Overdraft Fee - per day - after the 4th business day	\$5.00
Overdraft Automatic Transfer from Savings per occurrence	\$10.00
Redeposit of Returned Deposited or Cashed Item per item	\$5.00
Return of Deposited or Cashed Item per item	\$10.00
Staff Assisted Transfer/Inquiry per transfer/inquiry (one free per month)	\$2.00
Statement (Special Request) Duplicate statement sent to another address	\$5.00
Statement (Special Request) No images per statement	\$2.00
Statement (Special Request) With images per statement	\$5.00
Stop Payment Order - Effective for six months	\$30.00
Stop Payment Replacement Order - Effective for six months	\$20.00
Visa Gift Card - per card fee	\$4.00
Wire Transfer of Funds - Domestic Incoming per wire	\$10.00
Wire Transfer of Funds - Domestic Outgoing per wire	\$25.00
Wire Transfer of Funds - International Incoming Wire per wire	\$50.00
Wire Transfer of Funds - International Outgoing Wire per wire	\$100.00
Wire Transfer of Funds - Repetitive Outgoing per wire	\$20.00

\*\*\*A non-sufficient funds fee for each resubmission of a debit or re-presentation of an item may be charged\*\*\*

\*\*\* A Bank imposed fee can overdraw an account which may trigger a Continuous Overdraft fee\*\*\*

The following services are offered at no cost: Online Internet Banking, Bill Payment, Mobile Banking and Telebank. These services can be used for a variety of things including transfer of funds or balance inquiries.



\* T 0 0 0 1 9 2 0 % 5 0 1 8 7 % T % 3 4 8 3 2 6 7 5 4 % T D D 8 0 3 6 1 % 0 1 2 6 2 0 2 3 \*

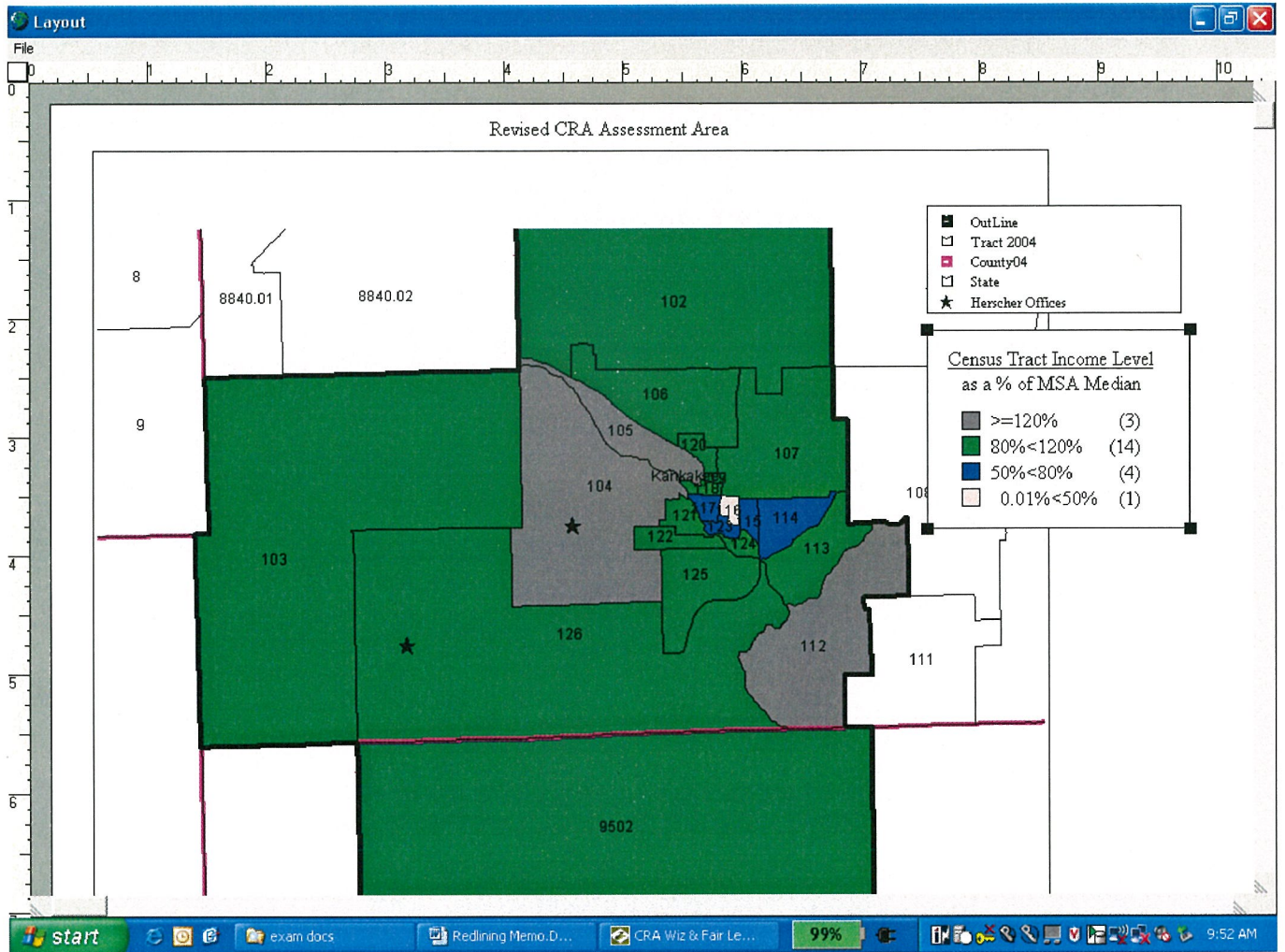
## STATE BANK OF HERSCHER OPEN/CLOSE SCHEDULE

	<b>DAY</b>	<b>HERSCHER</b>	<b>LIMESTONE</b>
<b>LOBBY</b>	Monday, Tuesday	9 am - 5 pm	9 am - 5 pm
	Wednesday	9 am - Noon	9 am - 5 pm
	Thursday	9 am - 5 pm	9 am - Noon
	Friday	9 am - 5 pm	9 am - 5 pm
	Saturday	9 am - Noon	9 am - Noon
	*The Limestone lobby remains temporarily closed; evaluation for 2024 re-opening in progress		
<b>DRIVE-UP</b>	Monday, Tuesday	8 am - 5 pm	8 am - 5 pm
	Wednesday	8 am - Noon	8 am - 5 pm
	Thursday	8 am - 5 pm	8 am - Noon
	Friday	8 am - 6 pm	8 am - 6 pm
	Saturday	8 am - Noon	8 am - Noon

In complying with the Community Reinvestment Act, the contiguous area surrounding the offices of both State Bank of Herscher locations including Census Tracts 0102.01, 0102.03, 0102.04, 0103.00, 0104.00, 0105.00, 0106.01, 0106.2, 0107.01, 0107.02, 0112.00, 0113.00, 0114.00, 0115.00, 0116.00, 0117.00, 0118.00, 0119.00, 0120.00, 0121.00, 0122.00, 0123.00, 0124.00, 0125.00 and 0126.00 in Kankakee County, Illinois.

For Iroquois County, Milks Grove Township and the balance of block numbering area designated as BNA 9502.00. **The following maps delineate this area.**

# Maps of Revised Assessment Area



# Close-up of the Low- and Moderate-income Census Tracts

