



**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
FINANCIAL FRAUDS AND CONSUMER PROTECTION DIVISION**

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2012

Institution: Alma Bank
28-31 31st Street
Astoria, NY 11102

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Alma Bank prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This evaluation represents the Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2012.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve in meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary (“Evaluation”) be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Alma was evaluated according to the intermediate small bank performance criteria pursuant to Part 76.7 and 76.12 of the General Regulations of the Superintendent. During this assessment period (calendar years 2010, 2011 and 2012), Alma made very few HMDA loans; therefore, only small business loans were considered for this evaluation. Alma is rated "2," indicating a "**Satisfactory**" record of helping to meet community credit needs.

The rating is based on the following factors:

- **Loan-to-Deposit ("LTD") Ratio and Other Lending-Related Activities:** "Satisfactory"

Alma's average LTD ratio was reasonable considering its size, business strategy, financial condition, aggregate and peer group activity. Alma's quarterly LTD ratio was in line with that of the peer group during the evaluation period.

- **Assessment Area Concentration:** "Satisfactory"

During the evaluation period, Alma originated 66.5% by number of loans, and 60.6% by dollar value of its small business loans within the assessment area. This majority of lending inside its assessment area is a reasonable record of lending.

- **Distribution by Borrower Characteristics:** "Satisfactory"

The distribution of small business loans based on revenue size of the businesses demonstrated a reasonable penetration rate of lending among businesses of different revenue sizes.

Alma originated an average of 38.1% by number and 51.4% by dollar value of its loans to small businesses with revenues equal to or less than \$1 million. These penetration ratios outperformed those of Alma's peers during the evaluation period.

- **Geographic Distribution of Loans:** "Outstanding"

The distribution of small business loans based on lending in census tracts of varying income levels demonstrated an excellent penetration rate of lending.

Alma originated 43.9% by number of loans and 41.9% by dollar value of the small business loans in LMI census tracts, which significantly outperformed its peer group. The ratios also improved from 38.8% by number of loans and 32.2% by dollar value at prior evaluation period.

- **Action Taken in Response to Written Complaints With Respect to CRA:**

Neither DFS nor Alma received any written complaints regarding Alma's CRA performance.

Community Development Test: "Satisfactory"

Alma's community development performance demonstrated a reasonable responsiveness to the community development needs considering Alma's capacity, the need and availability of such opportunities for community development in its assessment area.

Community Development Loans: "Outstanding"

Alma originated \$15.3 million in affordable housing loans during this evaluation period. In addition, Alma originated \$105.3 million in economic development loans. This demonstrated an excellent level of community development lending over the course of the evaluation period. Alma's total community development lending achieved an annualized rate of 4.57% as of 12/31/2012.

Community Development Investments: "Needs to Improve"

During the evaluation period, Alma did not make community development investments. Alma only made \$9,000 in grants to local community organizations for special events such as annual walks for kids, cooking for kids, etc.

Community Development Services: "Satisfactory"

Alma demonstrated a reasonable level of community development services over the course of the evaluation period.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and Part 76 of the General Regulations of the Superintendent.

PERFORMANCE CONTEXT

Institution Profile:

Chartered in 2007, Alma Bank (“Alma”) is a privately owned commercial bank headquartered in Astoria, Queens County, New York. Alma Bank offers a full array of deposit products. Lending is comprised of commercial loans, real estate loans, construction loans and consumer loans. Investments are largely government and agency bonds. It serves the western portion of Queens County, targeting the ethnic Greek community.

Alma has been an active small business lender from its inception in September 2007. In order to expand its small business lending Alma participated in the Small Business Loan Fund established by the U.S. Treasury Department under Small Business Jobs Act of 2010. Alma received \$19 million from this fund and utilized it to increase its small business loans, especially in the Banking Development District in Sunset Park, Brooklyn, and a mixed neighborhood with residential, industrial and commercial areas.

Per the Consolidated Report of Condition (the Call Report) as of December 31, 2012, filed with the Federal Deposit Insurance Corporation (“FDIC”), Alma reported total assets of \$881 million, of which \$644 million was net loans and lease finance receivables. It also reported total deposits of \$766 million resulting in a loan-to-deposit ratio of 84%. According to the latest available Deposit Market Share Report as of June 30, 2012, Alma had a market share of 0.08%, or \$644 million in a market of \$774,335 billion, ranking it 46th among 115 deposit-taking institutions in the Bronx, Kings, New York and Queens counties.

The following is a summary of Alma's loan portfolio, based on Schedule RC-C of the bank's Call Reports from December 31, 2010 through December 31, 2012:

Loan Type	2010		2011		2012	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	1,265	0.3	621	0.1	1,383	0.2
Commercial & Industrial Loans	121,100	33.3	162,132	34.6	167,511	25.5
Commercial Mortgage Loans	134,264	36.9	204,094	43.6	351,238	53.5
Multifamily Mortgages	59,078	16.2	63,468	13.6	79,476	12.1
Consumer Loans	2,983	0.8	2,860	0.6	1,266	0.2
Construction Loans	41,017	11.3	31,927	6.8	55,481	8.5
Other Loans	3,923	1.1	3,088	0.7	0	0.0
Total Gross Loans	363,630		468,190		656,355	

As illustrated in the above chart, Alma primarily makes commercial mortgage loans and commercial & industrial loans. Those loans made up 70%, 78% and 79% of Alma's gross loans in 2010, 2011 and 2012 respectively.

Alma operates 12 full-service banking offices of which nine are located in New York, and three in New Jersey. Supplementing the banking offices is an automated teller machine (“ATM”) network consisting of at least one ATM at each office. All of these ATMs accept deposits. Alma does not have its own ATMs offsite; however, Alma’s customers can access the ALLPOINT ATM Network which provides surcharge-free access to 55,000 ATMs worldwide.

There are no known financial or legal impediments that had an adverse impact on Alma’s ability to meet the credit needs of its community.

Assessment Area:

Alma’s assessment area is comprised of part of the Bronx County, part of Kings County (Brooklyn), all of New York County (Manhattan) and part of Queens County.

There are 980 census tracts in the area, of which 89 tracts were of low-income, 280 were moderate-income, 289 were middle-income, 290 were upper-income and 32 were tracts with no income indicated as per 2010 census.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx*	2	7	26	27	12	74	44.6
Kings*	6	34	110	114	48	312	46.2
New York	12	37	65	23	151	288	35.4
Queens*	12	11	79	125	79	306	29.4
Total	32	89	280	289	290	980	37.7

**partial county*

The assessment area appears reasonable based upon the location of Alma’s offices and its lending patterns. There is no evidence that Alma has arbitrarily excluded LMI areas.

Demographic & Economic Data

According to 2010 census data, the assessment area had a population of 4,042,029. About 13.1% of the population were over the age of 65 and 16.8% were under the age of 16. Of the 873,963 families in the assessment area, 27.9% were low-income, 16.5% were moderate-income, 15.8% were middle-income and 39.8% were upper-income families. There were 1,595,174 households in the assessment area, of which 16.1% had incomes below the poverty level and 3.2% were on public assistance.

The weighted average median family income in the assessment area was \$73,694. Nevertheless, a significant difference appears with regard to the weighted average median family income (“WAMFI”) in different counties within the assessment area. In Bronx County, WAMFI was \$53,486; in Kings County, it was \$53,142; in New York County, it was \$104,415; and in Queens County, it was \$62,598.

There were 1,762,406 housing units within the assessment area, of which 29.9% were one- to four-family units, and 70.1% were multifamily units. A majority (65.8%) of the area’s housing units were rental units while 27.6% were owner-occupied units. Of the 486,413 owner-occupied housing units, 21.6% were in low- and moderate-income census tracts while 68.0% were in middle- and upper-income census tracts. The median age of the housing stock was 70 years and the median home value in the assessment area was \$596, 380.

There were 471,766 non-farm businesses in the assessment area of which 69.5% were businesses with reported revenues of less than or equal to \$1 million, 5.9% with reported revenues of more than \$1 million and 24.6% did not report their revenues. Of all the businesses in the assessment area, 75.9% were businesses with less than fifty employees while 93.9% operated from a single location. The largest industries in the area were Services (43.8%), followed by Retail Trade (13.3%) and Finance, Insurance & Real Estate (9.3%); 17.5% of businesses in the assessment area were unclassified.

According to the New York State Department of Labor, the average unemployment rate for New York State has been higher than the rates for New York and Queens Counties but lower than the rates for Bronx and Kings Counties.

	Statewide	Bronx	Kings	New York	Queens
2010	8.6	12.8	10.3	8.1	8.7
2011	8.3	12.4	9.8	7.5	8.1
2012	8.5	12.7	9.9	7.7	8.3

Community Information

Examiners interviewed a community-based nonprofit organization in the Bronx to obtain input about the credit needs of the neighborhood. The representatives of the organization indicated that the Northwest Bronx area it serves is a low-income neighborhood with a diverse population consisting of about 33% immigrants from the Dominican Republic, Mexico and West Africa. A majority of the Northwest Bronx residents live in rental housing. The rent is increasing and several multifamily buildings in the neighborhood are in physical distress. Unemployment is high, and many new jobs are only part-time jobs.

The representatives of the organization further indicated that the Northwest Bronx area does not have sufficient bank branches which provide affordable products and services to its population. Although some banks offer free checking accounts with direct deposits, many local employers who are small businesses do not offer direct deposits to their employees. Therefore, local people have to use higher-cost financial services such as check cashers. Overall, Alma was not mentioned in any negative context.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

Alma Bank (“Alma”) was evaluated under the intermediate small banking institution’s performance standards in accordance with Parts 76.7 and 76.12 of the General Regulations of the Superintendent, which consists of the lending test and the community development test.

The lending test includes:

- 1. Loan-to-deposit ratio and other lending-related activities;*
- 2. Assessment area concentration;*
- 3. Distribution by borrower characteristics;*
- 4. Geographic distribution of loans; and*
- 5. Action taken in response to written complaints regarding CRA*

The community development test includes:

- 1. Community development lending;*
- 2. Community development investments;*
- 3. Community development services; and*
- 4. Responsiveness to community development needs*

The following factors also were considered in assessing the bank’s record of performance:

- 1. Extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;*
- 2. Any practices intended to discourage credit applications,*
- 3. Evidence of prohibited discriminatory or other illegal credit practices;*
- 4. Record of opening and closing offices and providing services at offices; and*
- 5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs*

Statistics employed in this evaluation were derived from various sources. Bank-specific information was submitted by the bank both as part of the examination process and on its Call Report submitted to the Federal Deposit Insurance Corporation (“FDIC”). Aggregate lending data were obtained from the Federal Financial Institutions Examination Council (“FFIEC”) and deposit data were obtained from the FDIC. LTD ratios were calculated from information shown in the Bank’s Uniform Bank Performance Report (“UBPR”) as submitted to the FDIC.

The demographic data referred to in this report were derived from the 2000 and 2010 U.S. Censuses and the U.S. Department of Housing and Urban Development. Business demographic data used in this report are based on Dun & Bradstreet reports which are updated annually. Unemployment data were obtained from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and are used even where the institution’s assessment area includes partial counties.

The assessment period included calendar years 2010, 2011 and 2012.

Alma Bank made very few HMDA loans during the evaluation period; therefore examiners only considered small business loans in evaluating factors (2), (3) and (4) of the lending test noted above. The loan data evaluated represented actual originations.

At its **prior** Performance Evaluation as of December 31, 2009, DFS assigned Alma a rating of “2,” reflecting a “Satisfactory” record of helping to meet community credit needs.

Current CRA Rating: “Satisfactory”

Lending Test: “Satisfactory”

Alma’s small business lending activities were reasonable in light of aggregate and peer group activity and the demographics of the assessment area.

Loan-to-Deposit Ratio and other Lending-Related Activities: “Satisfactory”

Alma’s average LTD ratio was reasonable considering its size, business strategy, financial condition, aggregate and peer group activity.

Alma’s quarterly LTD ratio was in line with that of the peer group during the evaluation period.

The chart below shows a comparison of Alma’s LTD ratios with the peer group’s ratios for each quarter in the evaluation period.

Loan-to-Deposit Ratios													
	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	Avg.
Bank	78.9	71.4	80.7	83.3	81.8	75.7	72.6	72.1	81.9	75.5	78.3	84.1	78.0
Peer	81.8	80.6	79.8	80.0	77.4	77.6	76.6	77.2	73.3	74.3	74.5	74.0	77.3

Assessment Area Concentration: “Satisfactory”

During the evaluation period, Alma originated 66.5% by number of loans and 60.6% by dollar value of its small business loans within the assessment area. This majority of lending inside of its assessment area is a reasonable record of lending.

The following table shows the percentages of Alma’s small business loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Small Business										
2010	112	69.1%	50	30.9%	162	33,112	68.0%	15,609	32.0%	48,721
2011	107	66.5%	54	33.5%	161	29,957	61.5%	18,746	38.5%	48,703
2012	91	63.6%	52	36.4%	143	27,097	52.8%	24,254	47.2%	51,351
Grand Total	310	66.5%	156	33.5%	466	90,166	60.6%	58,609	39.4%	148,775

Distribution by Borrower Characteristics: “Satisfactory”

The distribution of small business loans based on the revenue size of the businesses demonstrated a reasonable rate of lending among businesses of different revenue sizes.

Alma originated an average of 38.1% by number and 51.4% by dollar value of its loans to small businesses with revenues equal to or less than \$1 million. These penetration ratios outperformed those of Alma’s peers during the evaluation period.

Although Alma’s penetration ratios compared unfavorably to the business demographics, Alma’s total number (118) and dollar amount (\$46 million) of loans significantly exceeded the prior evaluation period’s total number (58) and dollar amount (\$16 million) of loans.

The following chart provides a summary of Alma’s small business lending distribution based on revenue size during the evaluation period.

Distribution of Small Business Lending by Revenue Size of Business									
2010									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	42	37.5%	15,669	47.3%	15,034	15.9%	541,967	21.0%	73.0%
Rev. > \$1MM	41	36.6%	11,445	34.6%					5.9%
Rev. Unknown	29	25.9%	5,998	18.1%					21.0%
Total	112		33,112		94,463		2,581,287		
2011									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	45	42.1%	16,915	56.5%	39,455	32.7%	852,372	26.2%	63.9%
Rev. > \$1MM	45	42.1%	8,902	29.7%					4.3%
Rev. Unknown	17	15.9%	4,140	13.8%					31.9%
Total	107		29,957		120,649		3,250,503		
2012									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	31	34.1%	13,748	50.7%	48,450	38.9%	1,022,495	29.2%	69.5%
Rev. > \$1MM	22	24.2%	3,584	13.2%					5.9%
Rev. Unknown	38	41.8%	9,765	36.0%					24.6%
Total	91		27,097		124,497		3,504,304		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	118	38.1%	46,332	51.4%		30.3%		25.9%	
Rev. > \$1MM	108	34.8%	23,931	26.5%					
Rev. Unknown	84	27.1%	19,903	22.1%					
Total	310		90,166						

Geographic Distribution of Loans: "Outstanding"

The distribution of small business loans based on lending in census tracts of varying income levels demonstrated an excellent rate of lending in LMI census tracts.

Alma originated 43.9% by number of loans and 41.9% by dollar value of its small business loans in LMI census tracts, which significantly outperformed its peer group. The ratios also improved from 38.8% by number of loans and 32.2% by dollar value during the prior evaluation period.

The following chart provides a summary of the Alma's small business lending distribution based on the income level of the geography.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2010									
Geographic Income	Bank				Aggregate (peer)				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	8	7.1%	2,350	7.1%	3,516	3.7%	87,955	3.4%	5.1%
Moderate	41	36.6%	14,016	42.3%	14,815	15.7%	367,819	14.2%	18.9%
LMI	49	43.8%	16,366	49.4%	18,331	19.4%	455,774	17.7%	24.0%
Middle	35	31.3%	7,213	21.8%	17,680	18.7%	446,130	17.3%	18.6%
Upper	27	24.1%	9,233	27.9%	56,925	60.3%	1,602,318	62.1%	55.8%
Unknown	1	0.9%	300	0.9%	1,527	1.6%	77,065	3.0%	1.6%
Total	112		33,112		94,463		2,581,287		
2011									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	4.7%	2,225	7.4%	4,997	4.1%	106,214	3.3%	5.2%
Moderate	41	38.3%	8,897	29.7%	20,916	17.3%	487,111	15.0%	20.1%
LMI	46	43.0%	11,122	37.1%	25,913	21.5%	593,325	18.3%	25.3%
Middle	32	29.9%	11,376	38.0%	24,322	20.2%	575,588	17.7%	19.9%
Upper	25	23.4%	6,009	20.1%	68,570	56.8%	2,003,632	61.6%	53.0%
Unknown	4	3.7%	1,450	4.8%	1,844	1.5%	77,958	2.4%	1.8%
Total	107		29,957		120,649		3,250,503		
2012									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	4.4%	2,000	7.4%	7,117	5.7%	174,877	5.0%	6.3%
Moderate	37	40.7%	7,926	29.3%	20,040	16.1%	496,013	14.2%	18.5%
LMI	41	45.1%	9,926	36.6%	27,157	21.8%	670,890	19.1%	0.0%
Middle	36	39.6%	13,626	50.3%	24,030	19.3%	662,327	18.9%	19.3%
Upper	13	14.3%	3,445	12.7%	67,373	54.1%	1,923,960	54.9%	51.3%
Unknown	1	1.1%	100	0.4%	5,937	4.8%	247,127	7.1%	4.6%
Total	91		27,097		124,497		3,504,304		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	17	5.5%	6,575	7.3%					
Moderate	119	38.4%	30,839	34.2%					
LMI	136	43.9%	37,414	41.5%	71,401	21.0%	1,719,989	18.4%	
Middle	103	33.2%	32,215	35.7%					
Upper	65	21.0%	18,687	20.7%					
Unknown	6	1.9%	1,850	2.1%					
Total	310		90,166		339,609		9,336,094		

Action Taken In Response to Written Complaints With Respect to CRA:

Neither DFS nor Alma received any CRA related complaints during the evaluation period.

Community Development Test: "Satisfactory"

Alma's community development performance demonstrated a reasonable responsiveness to the community development needs considering Alma's capacity, the community's need and the availability of such opportunities for community development in its assessment area.

Community Development Lending: “Outstanding”

Alma originated \$15.3 million in affordable housing loans during this evaluation period. In addition, Alma originated \$105.3 million in economic development loans. This demonstrated an excellent level of community development lending over the course of the evaluation period. Alma’s total community development lending achieved an annualized rate of 4.57% as of 12/31/2012.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	27	15,329	0	
Economic Development	104	105,334		
Community Services	0	0		
Total	131	120,663	0	0

Below are highlights of Alma’s economic development lending:

Alma originated \$63.8 million in medallion loans, \$37.9 million in restaurant/diner loans, and \$3.6 million in supermarket loans. These loans helped to create jobs for LMI individuals.

Community Development Investments: “Needs to Improve”

During the evaluation period, Alma did not make community development investments but made \$9,000 in grants to organizations in the community, mostly in the assessment area, for special events such as annual walks for kids, cooking for kids, etc. These grants established Alma in the community, but overall community development investment remained an area for improvement.

Community Development Services: “Satisfactory”

Alma demonstrated a reasonable level of community development services over the course of the evaluation period.

Listed below are highlights of Alma’s community development services.

- Alma provided a series of financial education workshops targeted to different demographic groups within its Banking Development District in Sunset Park, Brooklyn. Alma staff including the branch manager and chief lending officer gave presentations at these workshops.
- Alma conducted a workshop in June 2012 in collaboration with Community Board 7 of Brooklyn to improve energy and water efficiency in homes. Community

Board 7 is located in a moderate-income neighborhood.

- Workshop entitled “Finding Money for Business Owners” was conducted in August 2012.
- A home buyer seminar was conducted in October 2012 in collaboration with “Neighbors Helping Neighbors”, Brooklyn, NY, which also is located in a moderate-income neighborhood.
- Bank officials served as board members and other positions in various local community organizations.

Responsiveness to Community Development Needs:

Alma demonstrated a reasonable level of responsiveness to credit and community development needs through its community development lending, grants, community development services and outreach programs.

Additional Factors

The extent of participation by the banking institution’s board of directors or board of trustees in formulating the banking institution’s policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

The senior management submits annual reports on Alma’s CRA activities to the Board of Directors. The board reviews the reports and makes appropriate comments and recommendations.

Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution’s CRA Public File.*

DFS did not note any practices that were intended to discourage applications for the types of credit offered by Alma.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS did not note any evidence of prohibited discriminatory or other illegal practices.

Record of opening and closing offices and providing services at offices

Alma opened five branch offices in New York during this evaluation period. Two new

offices were in Brooklyn, one in the Bronx, one in New York City and one in Queens. Of the five new branches opened, one is in moderate-income neighborhood and two in census tracts with unknown income.

Alma has ATM service at all of its branch offices. Those ATMs accept deposits. Alma's ATM debit card that is associated with its checking accounts offer 24-hour banking access worldwide.

Distribution of Branches within the Assessment Area							
County	N/A	Low	Moderate	Middle	Upper	Total	LMI
	#	#	#	#	#	#	%
Bronx				1		1	0%
Kings	1		1	1		3	33%
New York	1					1	0%
Queens			1	3		4	25%
Total	2	-	2	5	-	9	22%

Process Factors

- Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

Alma has partnered with a number of non-profit organizations to determine the needs of the community. It collaborated with local community organizations to provide financial education to residents and businesses in the community. In addition, Alma distributes bi-lingual marketing material in bi-lingual communities to inform them of Alma's services.

- The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution.

Alma has published advertisements in newspapers such as NY Daily News to promote its products and services. In addition, Alma's branch offices provide brochures that describe its products and services.

Other factors that in the judgment of the Superintendent bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

DFS noted no other factors.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

“Community development”:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3) above.

Community Development Loan

A loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

Service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

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 Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Loans to Small Businesses

Small business loans to businesses with gross annual revenues of \$1 million or less.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas where, according to the 2000 U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area ("MSA") or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development ("HUD").

LMI Individuals/Persons

Individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that represents the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Low-Income Housing Tax Credit (LIHTC)

A dollar for dollar tax credit for affordable housing, created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low income Americans. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they provide a dollar for dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

New Markets Tax Credit (NMTC)

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (CDEs). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI).

Qualified Investment

A lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;

- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.