



**NEW YORK STATE BANKING DEPARTMENT  
CONSUMER SERVICES DIVISION**

2 Rector Street  
New York, NY 10006

**PUBLIC SUMMARY**

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

**Date of Evaluation:** January 1, 2001

**Institution:** Atlas Savings & Loan Association  
689 Fifth Avenue  
Brooklyn, New York 11215

**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 Banking Department concerning the safety and soundness of this financial institution.

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## GENERAL INFORMATION

This document is an "on-site" evaluation of the Community Reinvestment Act ("CRA") performance of Atlas Savings and Loan Association ("Atlas") prepared by the New York State Banking Department. The evaluation represents the Banking Department's current assessment and rating of the institution's CRA performance based on an evaluation conducted as of December 31, 2000.

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

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking 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 Banking 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 record of 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 be made available to the public ("Evaluation"). Evaluations are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

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

## **OVERVIEW OF INSTITUTION'S PERFORMANCE**

The Atlas Savings and Loan Association ("Atlas" or the "Association") is rated a "3", indicating the association "needs to improve" its record of helping to meet community credit needs. This rating is based on the following factors:

- Since the last evaluation in 1999, the association has registered a marked improvement in the origination of HMDA loans. During 2000, the association's HMDA origination increased by six (120%) loans, totaling \$1.5 million (271.9%), to 11 loans totaling \$2.1 million.
- According to the Call Reports, the association's average Loan-to-Deposit ratio, for the last eight quarters ended December 31, 2000, was 10.5%. Even though increased slightly from 9.5% at the prior evaluation, a Loan-to-Deposit ratio of 10.5% is indicative of the association's lack of responsiveness to community credit needs.
- During 2000, Atlas originated six (54.6%) HMDA loans totaling \$1.1 million (53.4%), and in 1999 it originated two (40.0%) HMDA loans, totaling \$225 thousand (40.3%), within its assessment area.
- During 2000 the association originated three (50.0%) HMDA loans for \$335 thousand (30.1%) and in 1999, it originated two (100%) HMDA loans for \$225 thousand (100%) in LMI geographies.
- The association's borrower-income loan distribution fails to meet performance standards and needs to improve. During 2000 and 1999, the bank extended no loans to LMI borrowers.
- Neither the association nor the New York State Banking Department has received any CRA-related complaints during the evaluation period.

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

## **PERFORMANCE CONTEXT**

### **Institution's Profile**

Atlas Savings and Loan Association ("Atlas" or "the Association"), chartered in 1990, is a mutual Savings and Loan Association located in Park Slope, Kings County (Brooklyn), New York. It operates one full-service office that is opened until 7:00 PM on Fridays. The office is equipped with an ATM facility. Atlas Savings and Loan Association's full service banking is enhanced by direct mail, and direct deposit. According to the FDIC, on June 30, 1999, Atlas ranked 27<sup>th</sup> out of 38 banks in Brooklyn with a 0.19% share in county's deposits.

The association's primary focus is the origination of 1-4 family residential mortgage loans. Atlas reported 89.4% of its loan portfolio in residential real estate loans, 7.3% in commercial mortgage loans, 3.2% in multifamily loans and 0.1% in consumer loans.

According to its Consolidated Report of Condition and Income of December 31, 2000, Atlas' assets totaled \$64.1 million comprised primarily of \$6.2 million (9.7%) of net loans and \$44.6 million (69.4%) in securities. On the same date, total deposits totaled \$48.7million, and equity of \$14.2 million. Atlas reported a net income of \$159 thousand.

Atlas has a 12.5% equity interest in Neighborhood Bankers of Brooklyn, Inc. (NBB), owned by six other institutions as per evaluation date. Atlas will be pulling out its equity interest, along with the other six organizations, from NBB this year.

There were no financial or legal impediments noted that would adversely impact the institution's ability to meet the credit needs of its assessment area.

### **Assessment Area**

The association's assessment area includes Community District 7 and Community District 10, of Kings County, which encompass Sunset Park, Bay Ridge, and southern Park Slope section of the county. The assessment area is bordered by Prospect Park Southwest and 15<sup>th</sup> street to the north; Fort Hamilton Parkway, Caton Avenue and 37<sup>th</sup> Street to the northeast; 8<sup>th</sup> Avenue, 61<sup>st</sup> Street, 14<sup>th</sup> Avenue and Bay Street to the southeast and the New York Bay to the south and the west.

The assessment area consists of 94 census tracts, 26 (27.7%) of which are low- to moderate-income, 41(43.7 %) are middle-income, 24 (25.5 %) are upper-income, and 3 (3.1%) are zero-income. The association's assessment area is part of the Primary Metropolitan Statistical Area 5600.

According to the 1990 census, the association had a population of 235.2 thousand of which 14.9% were over the age of 65 and 22.8% were under 16 years of age. The area had 58.4 thousand families of which 18.2 thousand (31.1 %) were LMI families. There were 91.7 thousand households of which 10.2 thousand (11.1%) had income below the poverty level.

There were 97.1 thousand housing units including 50.5 thousand (52.0%) 1-4 family units, 45.4 thousand (46.8%) multifamily units, and 5.4 thousand (5.6%) were vacant or boarded up. The median housing value was \$215.9 thousand and the median age was 50 years.

The 1990 median family income for the assessment area was \$36.1 thousand and the MSA/Non-MSA median family income was \$37.5 thousand. The 1999 and 2000 HUD estimated MSA family income was \$53.4 thousand and \$56.2 thousand respectively.

The unemployment rate for Kings County in 1999 and 2000, was 7.8% and 6.8% respectively, which is significantly higher than the state average of 5.2% and 4.6% for the same period.

The assessment area appears reasonable based upon the location of the institution's banking office. There is no evidence that LMI areas are arbitrarily excluded.

## PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The institution offers a wide variety of lending products including:

Home Mortgage Loans;  
Home Refinancing Loans;  
Mixed-Use Mortgage Loans;  
Multi-family Mortgage Loans; and  
Credit cards (Master Card and Visa) through MBNA.

According to the Call Reports, the following table shows a breakdown of the loan portfolio as of December 31, 2000 and 1999.

<b>TOTAL GROSS LOANS OUTSTANDING</b>				
LOAN TYPE	12/31/2000		12/31/1999	
	\$000	%	\$000	%
Residential Mortgage Loans	5,592	89.4	3,977	86.1
Commercial Mortgage Loans	459	7.3	478	10.3
Mutifamily Mortgages	201	3.2	164	3.6
Consumer Loans	1	0.1	0	0.0
Agricultural Loans	0	0.0	0	0.0
Other Loans	0	0.0	0	0.0
<b>Total Gross Loans</b>	<b>6,253</b>	<b>100.0</b>	<b>4,619</b>	<b>100.0</b>

As of December 31, 2000, the association's loan portfolio had increased 35.3% since 12/31/99. The 1-4 residential mortgages constituted 89.4% of gross loans, reflecting the bank's primary lending focus.

During 2000, the association originated two consumer (Passbook) loans totaling \$2 thousand.

The Atlas Savings and Loan Association does not participate in any governmentally insured, guaranteed or subsidized loan programs for housing, small business or small farms.

### **HMDA Lending**

A review of the association's Home Mortgage Disclosure Act/Loan Application Register ("HMDA/ LAR") data for December 31, 2000 and December 31, 1999 revealed the following:

HMDA/LAR SUMMARY								
Loan Category	12/31/2000				12/31/1999			
	APPLICATIONS		ORIGINATION		APPLICATIONS		ORIGINATION	
	#	\$ ('000)	#	\$ ('000)	#	\$ ('000)	#	\$ ('000)
Home Purchase	9	1,695	9	1,695	1	180	1	180
Refinance	1	180	1	180	5	558	4	378
Multifamily	1	200	1	200	0	0	0	0
Home Improvement	0	0		0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>\$2,075</b>	<b>11</b>	<b>\$2,075</b>	<b>6</b>	<b>\$738</b>	<b>5</b>	<b>\$558</b>

In 1999, the association originated five HMDA-reportable loans totaling \$558 thousand. In year 2000, the association originated 11 HMDA-reportable loans, totaling \$2.1 million.

### **Loan-to-Deposit Analysis**

The Loan-to-Deposit ratio remains almost unchanged since the last evaluation, which indicates the association's low level of responsiveness to community credit needs. According to Call Reports, Atlas Savings and Loan Association's average Loan-to-Deposit ratio for the last eight quarters ended December 31, 2000 was 10.5%, slightly up from 9.5% of the prior Evaluation. Management maintains that the low Loan-to-Deposit ratio is primarily attributable to heavy competition with larger banks, and the low turnover of housing ownership within the assessment area.

### **Proportion of Lending Within Assessment Area**

The association's assessment area concentration of loans is poor and needs to improve. During 2000, the association originated 11 HMDA-reportable loans totaling \$2.1 million, of which six (54.6%), totaling \$1.1 million (53.4%), were originated inside its assessment area. Five (83.3%) of these loans, totaling \$910 thousand (82.0%), were home purchase loans, and one (16.7%) loan, for \$200 thousand (18.0%), was a multi-family loan. In 1999, the association originated five HMDA loans, totaling \$558 thousand, of which two (40.0%), totaling \$225 thousand (40.3%), were originated inside its assessment area.

### **Geographic Distribution of Lending**

During 2000, the association originated three (50.0%) HMDA-reportable loans totaling \$335 thousand (30.1%) in LMI geographies within its assessment area. In 2000, two HMDA-reportable loans (33.3%) totaling \$600 thousand (54.0%) were originated in middle-income areas and one loan (16.7%) totaling \$175 thousand (15.8%) in upper-income area. The HMDA aggregate data for 2000 was not available.

### **Borrower Distribution of Lending**

The association's lending to LMI individuals within the assessment area falls below the

performance standards. In 2000, Atlas did not extend any loans to LMI individuals within its assessment area, which was also the case during the prior evaluation. During the present evaluation period, the association extended one loan (16.7%) to a middle-income borrower, four loans (66.7%) went to upper-income borrowers, and one (16.7%) loan went to a borrower whose income was not reported.

### **Action Taken In Response to Written Complaints With Respect to CRA**

There were no CRA related complaints received either by the bank, or by the Banking Department.

### **Qualified Investments**

During 2000, the association made a grant of \$3.5 thousand to a community development nonprofit organization. The recipient was Polonians Organized to Minister to Our Community, Inc., providers of social services.

### **Services**

The association's office is located at 689 Fifth Avenue, Park Slope, a moderate-income community in Kings County (Brooklyn). The association maintains regular banking hours from 9:00 A.M. to 3:00 P.M., Tuesdays to Fridays. On Mondays, the association's banking hours are 9:00 A.M. to 7:00 P.M. The association installed an Automated Teller Machine (ATM) in October of year 2000.

The association has Polish and Russian speaking employees to cater to the local community.

There were no branch openings or closings in the past five years.

### **Discrimination or Other Illegal Practices**

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

There were no practices noted that were intended to discourage applications for the types of credit offered by the institution.

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

The latest regulatory compliance examination, conducted concurrently with this Evaluation, indicated a satisfactory performance in terms of adherence to antidiscrimination or other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.



## **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.**

The association ascertains the credit needs of its community through the involvement of its board of directors and senior management in chambers of commerce, real estate boards, community organizations, and builders' associations.

The association also maintains contact with the Pulaski Businessmen's Association, local Polish religious institutions and various other local community groups.

**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.**

The association does not advertise extensively. Advertisements are limited to print media to promote products and publications used, including the Home Reporter, Nowziennia and Polish American World.

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

In addition to approving the association's CRA policy on annual basis, the board of directors is involved in all CRA-related lending.

## **Other Factors**

**Other factors that in the judgement of the Superintendent and Banking Board, bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.**

The association is a member of the Federal Home Loan Bank since September 7, 1955. During 2000, the association contributed \$3.8 thousand towards the Affordable Housing Program (AHP).

During 2000, the association donated \$450 to three charitable organizations.

The association sells Metropolitan Transit Authority ("MTA") Metro cards to the public.

Atlas has served the Community for 101 years. The association, to mark this milestone in its history, has invited the community to participate in "The Atlas Savings Giveaway

Sweepstakes” on April 12, 2001. The lucky five Grand prize winners will each receive a new 27 inch Panasonic Color TV/DVD/VCR Combo Unit.

## EXHIBITS

Exhibit 1.

<b>Residential Real Estate Loans - Year 1999 - by Borrower Income Level*</b>										
<b>Borrower Income Level</b>	<b>Total Lending</b>				<b>Assessment Area Lending</b>				<b>Aggregate**</b>	
	<b>Applics.</b>		<b>Originations</b>		<b>Applics.</b>		<b>Originations</b>		<b>Originations</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	1	16.7	-	0.0	-	0.0	-	0.0	92	3.5
Moderate	-	0.0	-	0.0	-	0.0	-	0.0	268	10.3
Middle	2	33.3	2	40.0	1	50.0	1	50.0	487	18.8
Upper	3	50.0	3	60.0	1	50.0	1	50.0	1,091	42.1
N/A	-	0.0	-	0.0	-	0.0	-	0.0	654	25.2
<b>Total</b>	<b>6</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>2,592</b>	<b>100.0</b>

\* Borrower income level is based upon the Department of Housing and Urban Development's annual estimate of median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.

\*\* The term "Aggregate" refers to loans originated in the bank's assessment area by all HMDA reporting lenders.

Exhibit 2.

<b>Residential Real Estate Loans - Year 1999 - by Geography Income Level*</b>										
<b>Geo Income Level</b>	<b>Total Lending</b>				<b>Assessment Area Lending</b>				<b>Aggregate</b>	
	<b>Applics.</b>		<b>Originations</b>		<b>Applics.</b>		<b>Originations</b>		<b>Originations</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	-	0.0	-	0.0	-	0.0	-	0.0	54	2.1
Moderate	2	33.3	2	40.0	2	100.0	2	100.0	670	25.8
Middle	1	16.7	-	0.0	-	0.0	-	0.0	1,195	46.1
Upper	3	50.0	3	60.0	-	0.0	-	0.0	630	24.3
N/A	-	0.0	-	0.0	-	0.0	-	0.0	43	1.7
<b>Total</b>	<b>6</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>2,592</b>	<b>100.0</b>

\* Geography income level is based upon 1990 Census data on median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.

Exhibit 3.

<b>Residential Real Estate Loans - Year 2000 - by Borrower Income Level*</b>								
<b>Borrower</b>	<b>Total Lending</b>				<b>Assessment Area Lending</b>			
<b>Income</b>	<b>Applics.</b>		<b>Originations</b>		<b>Applics.</b>		<b>Originations</b>	
<b>Level</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	-	0.0	-	0.0	-	0.0	-	0.0
Moderate	-	0.0	-	0.0	-	0.0	-	0.0
Middle	1	9.1	1	9.1	1	16.7	1	16.7
Upper	9	81.8	9	81.8	4	66.7	4	66.7
N/A	1	9.1	1	9.1	1	16.7	1	16.7
<b>Total</b>	<b>11</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>

\* Borrower income level is based upon the Department of Housing and Urban Development's annual estimate of median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.

Exhibit 4.

<b>Residential Real Estate Loans-Year 2000- by Geography Income Level*</b>								
<b>Geography</b>	<b>Total Lending</b>				<b>Assessment Area Lending</b>			
<b>Income</b>	<b>Applications</b>		<b>Origination</b>		<b>Applications</b>		<b>Origination</b>	
<b>Level</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	-	0.0	-	0.0	-	0.0	-	0.0
Moderate	4	36.4	4	36.4	3	50.0	3	50.0
Middle	5	45.5	5	45.5	2	33.3	2	33.3
Upper	2	18.2	2	18.2	1	16.7	1	16.7
N/A	-	0.0	-	0.0	-	0.0	-	0.0
<b>Total</b>	<b>11</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>

\* Geography income level is based upon 1990 Census data on median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.



## GLOSSARY

### Aggregate

The cumulative lending by all HMDA-reporting lenders in the same geographic area under evaluation.

### Community Development

The term “community development” is defined to mean:

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.

A “community development loan” is defined as a loan that has as 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.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. 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.

A "community development service" is defined as a service that has as its *primary purpose* community development, 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.

### **Demand-Adjusted Penetration Rate**

The number of owner-occupied loans made by the institution (or aggregate as appropriate) in a geographic area per thousand owner-occupied housing units in that area. Mathematically, it is arrived at by dividing the number of owner-occupied housing units into the number of loans made and then multiplying by 1,000.

### **Demand-Adjusted Penetration Ratio**

A ratio that depicts geographic penetration of loans by comparing demand-adjusted lending in LMI areas with non-LMI areas. Mathematically, it is arrived at by dividing the demand-adjusted penetration rate in non-LMI areas into the demand-adjusted penetration rate in LMI areas and then expressed as a percentage.

A ratio of 100% means that the institution (or aggregate as appropriate) made an equal number of loans proportionally in LMI and non-LMI areas. Less than 100 percent would indicate less lending in LMI areas on the same basis compared to non-LMI areas, whereas over 100 percent would indicate a greater level of lending in LMI areas versus non-LMI areas.

### **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.

### **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 (“BNAs”), where according to the 1990 US Census, the median family income is less than 80.0% 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 nonmetropolitan 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 80.0% of the area median family income. In the case 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 nonmetropolitan 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**

Those individuals, whose income is less than 80.0% 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 nonmetropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

### **Small Business Loans**

Loans to businesses with original amounts of \$1 million or less.