



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

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: September 30, 2001

Institution: Community Capital Bank
111 Livingston Street
Brooklyn, N.Y. 11201

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 Community Capital Bank (“CCB” or “the bank”) 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 September 30, 2001.

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

Community Capital Bank is rated "1", indicating an outstanding record of helping to meet community credit needs. This rating is based on the following:

- The bank's loan-to-deposit ratio of 81.2% compared well against the peer group and is considered more than reasonable, given its size and capacity. In other lending-related activities, the bank provided approximately \$2.8 million as community development loans during the evaluation period.
- The bank extended a substantial majority of loans (approximately 90%) in the assessment area.
- The bank's geographic distribution of loans reflected an excellent dispersion throughout the assessment area, especially in low- and moderate-income geographies. In 2000, the bank's low- and moderate-income penetration ratio was 45%, with a 19% ratio for low-income areas and a 26% ratio for moderate-income geographies.
- Neither the bank nor the Banking Department has received any complaints regarding the bank's CRA performance since the last evaluation.

This 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:

Chartered in August 1990, Community Capital Bank (CCB) is New York City's first community development bank. A commercial bank located in Downtown Brooklyn, CCB specializes in making small business loans, commercial real estate loans and multi-family loans to developers of affordable housing. The bank's mission is to provide financing to underserved communities throughout the five boroughs of New York City. CCB's lending activities are designed to improve capital access for low- and moderate-income communities, in order to help revitalize and maintain stability in these areas.

CCB is primarily a real estate lender. As of September 30, 2001 the bank reported \$78 million in total assets, of which almost \$55 million, or 70.5%, were in loans. The bank also reported \$63 million in total deposits.

The chart below shows a breakdown of the bank's loan portfolio as of September 30, 2001 and calendar year-end 2000:

TOTAL GROSS LOANS OUTSTANDING				
LOAN TYPE	12/31/00		9/30/01	
	\$000	%	\$000	%
Residential Mortgage Loans	2,154	4.7	4,121	7.5
Commercial Mortgage Loans	9,746	21.5	12,551	22.9
Multifamily Mortgages	15,741	34.7	16,202	29.6
Commercial & Industrial	11,886	26.2	16,209	29.6
Construction & Land Loans	3,617	8.0	3,813	7.0
Consumer Loans	16	0.0	0	0.0
Other Loans	2,234	4.9	1,824	3.3
Total Gross Loans	45,394	100.0	54,720	100.0

CCB operates two full-service banking offices in Kings County (Brooklyn): the main office at Livingston Street and another branch, which opened in December 2000 in the Sunset Park area, a low- and moderate-income (LMI) community designated by the Banking Department as a Banking Development District. The bank provides a full range of banking services to individuals and corporate customers throughout the five boroughs of New York City.

Supplementing the banking offices is an Automated-Teller-Machine (ATM) network consisting of three on-site deposit-taking locations, and one off-site non-deposit taking location in the assessment area. The ATMs are linked nationwide to NYCE, CIRRUS, PLUS, QUEST, Discover Card, VISA, Master Card and American Express Card.

Governmentally-insured, guaranteed and subsidized lending programs:

CCB participates in governmentally-insured, -guaranteed or -subsidized loan programs for housing, small businesses or small farms by being an approved Community Development Financial Institution (CDFI) and an approved U. S Small Business Administration (SBA)-preferred lender. During 2000, the bank originated 22 SBA loans totaling \$5.6 million and in the first six months of 2001, it extended three SBA loans totaling \$692 thousand.

In addition, the bank has a partnership agreement with the U.S. Department of Commerce's Minority Business Development Agency to work with minority-owned businesses seeking financing. The bank also participates in: New York City Housing Authority loans, State of New York Mortgage Association (SONYMA) loans, and with the New York State Energy Research and Development Authority (NYSERDA), New York State Empire Development Corporation and New York City Economic Development Corporation.

The bank, in conjunction with NYSERDA, participates in the New York State Energy Smart Program. This program provides an interest rate subsidy for eligible borrowers interested in completing eligible energy items approved by NYSERDA.

The bank also participates in the World Trade Center (WTC) Disaster Recovery Program, which is administered by Empire State Development Corporation and the New York City Economic Development Corporation by providing bridge financing of up to \$250 thousand to businesses that were physically or economically impacted by the WTC disaster.

Assessment Area:

CCB's assessment area includes New York City's five counties: Bronx, King, Queens, New York and Richmond. This assessment area is part of the New York Primary Metropolitan Statistical Area (PMSA) 5600. This area consists of 2,216 census tracts, of which 733(or 33%) are considered to be LMI tracts, 779 (or 35%) are middle-income and 638 (or 29%) are upper-income tracts. There are also 66, or 3%, zero-income tracts.

Assessment area details follow¹:

Bronx County had a population of 1,203,789 in 1990, which the census estimates declined by 0.7%, to an estimated 1,195,599 in 1998. The 1990 median family income for the county was \$25,479. The 1997 HUD estimated median family income for the MSA was \$49,800. Fifty-

¹ Unless otherwise noted the source used for this section is the 1990 Census. Data are presented for partial counties where appropriate. The percentages reflecting multifamily and 1-4 units do not include boarded up buildings and mobile homes. Estimated population increases or decreases since 1990 is from Population Estimates Program, Population Division, and U.S. Bureau of the Census, Washington, DC 20233. Unemployment figures are from New York State Department of Labor, Division of Research and Statistics. HUD estimated median family income is from CRA Wiz.

seven percent of families who live in LMI geographies are LMI, the highest figure in New York State. Additionally, 26% of families live beneath the poverty level. Bronx County has 355 census tracts, 54% of which are LMI. Seventy-two percent of families who live in LMI geographies are of low- to moderate-income. Seventy-seven percent of LMI families live in an LMI census tract.

There are 440,955 housing units in Bronx County, only 23% of which are 1-4 family structures. Only 17% of the housing units are owner-occupied, and almost 20% of those units are located in LMI census tracts. Three percent of all housing units are vacant/boarded up. The median housing value is \$130,794. Houses located in LMI census tracts are an average of 42 years old.

The unemployment rate was 10% in 1998, a 1% drop from 1997, but still significantly exceeding the state average of 5.3% and the New York City average of 7.3%. Twelve percent of the resident population is over the age of 65, and 28% is under the age of 16.

A portion of the Bronx shares a federally designated Empowerment Zone (“EZ”) with Harlem (part of New York County). These two communities are separated by the Harlem River, joined by three bridges and have long been considered examples of urban distress. For example, in 1990, only 51% of the residents of the EZ were in the labor force, and more than one in three households received public assistance.

Additionally, portions of the Bronx have been designated an Empire Zone (EZ), formerly known as Economic Development Zone, by the State of New York, based on community economic distress. The Hunts Point and Port Morris neighborhoods are designated EZs. Firms located in these areas may be eligible for assistance including various tax credits.

Kings County (Brooklyn) had a population of 2,300,664 in 1990, which decreased to an estimated 2,267,942, or 1.4%, by 1998. The 1990 median family income for the county was \$30,033. The HUD estimated median family income for the MSA was \$49,800. Fifty percent of all families in Brooklyn are LMI, and 21% live beneath the poverty level. There are 789 census tracts in Brooklyn, 41% of which are LMI. Sixty-six percent of families who live in LMI geographies are of low- to moderate-income. Sixty-two percent of LMI families in the county live in an LMI census tract.

There are 873,671 housing units in Kings County, 46% of which are 1-4 family structures. Only 24% of the housing units are owner-occupied, and 25.5% of those units are located in LMI census tracts. Five percent of all housing units are vacant/boarded up. The median housing value is \$181,379. The average age of houses located in LMI census tracts is 59 years old. This is the oldest average of houses in New York State.

The unemployment rate was 9.4% in 1997, which is significantly higher than the state average of 5.6%. The New York Metropolitan Area’s unemployment rate is 7.3%. Twelve percent of the resident population is over the age of 65, and 27% are under the age of 16.

Portions of Kings County have been designated an Empire Zone (EZ) by the State of New York, based on community economic distress. East Williamsburg, East Brooklyn and Southwest Brooklyn neighborhoods are designated EZs. Firms located in these areas may be eligible for assistance including various tax credits.

New York County (Manhattan) had a population of 1,487,536 in 1990, which increased 4.2% to an estimated 1,550,649 by 1998. The 1990 median family income for the county was \$48,582. The 1998 HUD estimated median family income for the MSA was \$49,800. Forty-three percent of all families in the county are LMI, and over 16% live below the poverty level. There are 298 census tracts, of which 43% are considered LMI. Sixty-eight percent of families who live in LMI census tracts are of low- to moderate-income. Seventy-seven percent of LMI families in the county live in an LMI census tract.

There are 785,127 housing units in Manhattan, less than 3% of which are 1-4 family units. Sixteen percent of the housing units are owner-occupied, and 9% of those units are located in LMI census tracts. Eight percent of all housing units are vacant/boarded up. The median housing value for the county is \$212,356, the highest in New York City. The average age of houses located in LMI census tracts is 48 years.

The unemployment rate was 8.0% in 1998, significantly higher than the New York State figure of 5.6%. Thirteen percent of the resident population is over the age of 65, and 18% are under 16.

Queens County ranks second in population in the State, with a population of 1,951,598 in 1990, which increased 2.4% to an estimated 1,998,853 in 1998. The 1990 median family income for the county was \$40,426. The 1998 HUD estimated median family income for the MSA was \$49,800. Thirty-five percent of families in Queens are LMI. With 10% of the families living below the poverty level, Queens County is well below the average for Bronx, Kings and New York Counties at an average 20.8%. The county contains 673 census tracts, 13% of which are LMI. Fifty-eight percent of families who live in LMI geographies are of low- to moderate-income. Twenty-four percent of LMI families in the county live in an LMI census tract.

There are 752,690 housing units, 56% of which are 1-4 family structures. Almost 40% of all housing units are owner-occupied, and 5% of those are located in LMI census tracts. Four percent of all housing units are vacant/boarded up. The median housing value is \$198,082. The average age of houses located in LMI census tracts is 53 years.

The unemployment rate was 7% in 1998, well above the 5.6% for New York State, but falling slightly below the average for the New York City area as a whole. Fifteen percent of the resident population is over the age of 65, and 22% are under 16.

Portions of Queens County have been designated an Empire Zone (EZ) by the State of New York, based on community economic distress. The Far Rockaway and South Jamaica neighborhoods are designated EZs. These areas may offer a potential business abundant

land or existing prime industrial and commercial buildings, and skilled workers. Firms located in these areas may be eligible for assistance including various tax credits, such as wage tax credit, investment tax credit, zone capital credit, sales tax refunds, real property tax abatement, technical assistance and utility rate savings. This designation indicates that there is substantial opportunity for small business lending and investment in this area.

Richmond County (Staten Island) had a population of 378,977 in 1990, which increased 7.4% to an estimated 407,123 by 1998. The 1990 median family income for the county was \$50,533. The 1990 HUD estimated median family income for the MSA was \$49,800. Twenty-four percent of families are LMI, and just 8% live below the poverty level. Richmond County has 101 census tracts, of which only 6% are LMI. Sixty-eight percent of families who live in LMI geographies are of low- to moderate-income. Sixteen percent of LMI families in the county live in an LMI census tract.

There are 139,726 housing units, 82% of which are 1-4 family structures. Almost 59% of all housing units are owner occupied, and 2% of those units are located in LMI census tracts. Six percent of all housing units are vacant/boarded up. The median housing value is \$183,410. The average age of houses located in LMI census tracts is 35 years.

The unemployment rate was 6.9% in 1998, well above the average figure for New York State at 5.4%. Eleven percent of the resident population is over the age of 65, and 25% are under 16.

A portion of Richmond County, the North Shore neighborhood has been designated an Empire Zone (EZ) by the State of New York, based on community economic distress. Firms located in these areas may be eligible for assistance including various tax credits.

The assessment area appears reasonable based upon the location of branches, and the bank's lending patterns. There is no evidence that LMI areas are arbitrarily excluded.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

CCB's performance was evaluated under the small bank performance criteria, which include the following: (1) Loan-to-Deposit Ratio and other Lending-Related Activities; (2) Proportion of Lending in the Assessment Area; (3) Geographic Distribution of Lending; and (4) Action Taken in Response to Written Complaints Regarding CRA. This evaluation does not include a loan distribution analysis based on borrower income (which is customarily performed for a small banking institution), as the data was not available.

The assessment period encompasses calendar years 2000 and three quarters of 2001. The demographic data referred to in this report was obtained from the 1990 U.S. Census along with the updated HUD-estimated median family income.

The bank's lending products include commercial real estate loans, construction and land development loans, small business loans and multi-family residential loans. CCB does not offer home-purchase mortgages, consumer loans or loans to individuals.

Loan-to-Deposit Ratio and other Lending-related Activities: "Outstanding"

For the evaluation period, the bank's loan to deposit ratio (LTD) is considered more than reasonable, given the bank's size and capacity. The bank's average LTD ratio for the seven quarters ending September 30, 2001 was 81.2%, which compared well against the peer group average of 74.0%.

Other Lending-related Activities: Enhancing the bank's record of performance, CCB, as a community development bank, provided community development loans totaling approximately \$2.8 million, of which almost all is considered "new money."

About \$1.8 million, or 64%, went to support organizations engaged in providing community services. Another \$750 thousand, or 27%, was lent to a nonprofit organization providing affordable housing, health care and an improved quality of life for senior citizens in New York City. Other smaller community development loans went to support revitalization/stabilization (8% of total loans) and economic development (3%).

The bank supplemented its lending activities with a \$100 thousand investment in a federally-chartered community development credit union (CDCU). This CDCU is located in Ithaca, New York, which is outside CCB's assessment area.

Proportion of Lending Within Assessment Area: "Outstanding"

The bank provided a substantial majority of its loans in its assessment area. During 2000, CCB originated 131 loans totaling \$28.9 million, of which 120 loans (91.6%) totaling \$27.4

million were made in the assessment area. The assessment area loans were comprised of 88 business loans (\$12 million), 26 real estate loans (\$12 million) and six loans (\$3 million) to not-for-profit organizations.

For the first six months of 2001, the bank originated 67 loans totaling \$16.6 million, of which 60 loans (89.6%) totaling \$16 million were made in the assessment area. Of the assessment area loans, 39 (\$8.3 million) were business loans, 14 (\$7 million) were real estate loans and seven (\$750 thousand) were to not-for-profit organizations.

Geographic Distribution of Lending: “Outstanding”

The bank’s geographic distribution of loans reflects an excellent dispersion throughout its assessment area, particularly in LMI geographies. In 2000, the bank’s low- and moderate-income penetration ratio was 45%, with a 19% ratio for low-income areas and a 26% ratio for moderate-income geographies. In middle-income tracts, the bank’s penetration ratio was 25% and in upper-income tracts it was nearly 24%.

Action Taken In Response to Written Complaints With Respect to CRA

Neither the bank nor the Banking Department has received any complaints with respect to the bank’s CRA performance since the last evaluation.

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.

There was no evidence of prohibited discriminatory or other illegal credit practices noted.

The regulatory compliance examination conducted concurrently with this evaluation indicates 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 were 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 bank's management ascertains the credit needs of its community through participation in community groups and non-profit organizations. The bank makes extensive use of public relations through its Board of Directors, Marketing Committee, Director of Marketing and Public Relations Consultant. In addition, CCB conducts outreach activities through a network of SBA-sponsored Small Business Referral Centers, which are designed to help small businesses located throughout New York City.

Moreover, the bank's president is a board member of the Brooklyn Economic Development Corporation (BEDC), which is a not-for-profit organization established to create employment opportunities for Brooklyn residents. Additionally, the senior vice-president serves on the board of directors of the following non-profit organizations: Vice Chair of Women in Housing and Finance Inc., New Directions Local Development Corporation (a not-for-profit organization established to provide housing and economic development in Southeast Queens), and the Jamaica Business Resource Center (a non-profit organization which main purpose is to provide technical assistance to new and existing small businesses).

Moreover, a vice president and branch manager serve on the Brooklyn Ecumenical Corporation, a not-for-profit organization that rehabilitates vacant New York City owned buildings, which are then made available for rental or purchase by LMI families.

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 bank promotes its services through interviews on television, radio, and general circulation newspapers including the following: Brooklyn Inc., Brooklyn Heights Courier, Caribbean Life, The Daily News, Home Reporter and Sunset News and Park Slope Courier. The bank also uses its web site to advertise its services and products.

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.

The board of directors formulates policies and procedures for the day-to-day operations of the bank and also reviews and approves the bank's Community Reinvestment Act Statement.

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 bank received a \$1.1 million award from the Treasury Department's Bank Enterprise Award, because of its commitment to community development lending. In addition, the bank received the "Star Award" from the Business Consortium Fund for its excellent record in providing financing to minority businesses in the assessment area. Moreover, the bank was also awarded the "Bronze Award" from the Small Business Administration in recognition of its approval of over 25 SBA loans in one year.

The Business Consortium Fund, an affiliate of the Nation of the National Minority Supply Organization, named the bank as a Certified Lender in the largest privately held loan fund in the nation.

CHARTS FOR REPORTING OF HMDA STATISTICS

To Use: **DOUBLE CLICK ON** THE CHART

DELETE CHARTS AND FOOTNOTES NOT USED.

Use the following 2 charts for the **first year** when aggregate figures are available. First chart is a breakdown of HMDA reportable loans by borrower income level. The second chart on the page is the breakdown of loans by income level of geography.

Residential Real Estate Loans - Year XXXX - by Borrower Income Level*										
Borrower Income Level	Total Lending				Assessment Area Lending				Aggregate**	
	Applics.		Originations		Applics.		Originations		Originations	
	#	%	#	%	#	%	#	%	#	%
Low	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0	22,000	100.0
Moderate		0.0		0.0		0.0		0.0		0.0
Middle		0.0		0.0		0.0		0.0		0.0
Upper		0.0		0.0		0.0		0.0		0.0
N/A		0.0		0.0		0.0		0.0		0.0
Total	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0	22,000	100.0

* 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.

Residential Real Estate Loans - Year XXXX - by Geography Income Level*										
Geo Income Level	Total Lending				Assessment Area Lending				Aggregate	
	Applics.		Originations		Applics.		Originations		Originations	
	#	%	#	%	#	%	#	%	#	%
Low	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0	22,000	100.0
Moderate		0.0		0.0		0.0		0.0		0.0
Middle		0.0		0.0		0.0		0.0		0.0
Upper		0.0		0.0		0.0		0.0		0.0
N/A		0.0		0.0		0.0		0.0		0.0
Total	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0	22,000	100.0

- * 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%.

Use the following 2 charts for the **second year** when aggregate figures are available. First chart is a breakdown of HMDA reportable loans by borrower income level. The second chart on the page is the breakdown of loans by income level of geography.

Residential Real Estate Loans - Year XXXX - by Borrower Income Level*										
Borrower Income Level	Total Lending				Assessment Area Lending				Aggregate**	
	Applics.		Originations		Applics.		Originations		Originations	
	#	%	#	%	#	%	#	%	#	%
Low	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0	22,000	100.0
Moderate		0.0		0.0		0.0		0.0		0.0
Middle		0.0		0.0		0.0		0.0		0.0
Upper		0.0		0.0		0.0		0.0		0.0
N/A		0.0		0.0		0.0		0.0		0.0
Total	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0	22,000	100.0

- * 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.

Residential Real Estate Loans - Year XXXX - by Geography Income Level*										
Geo Income Level	Total Lending				Assessment Area Lending				Aggregate	
	Applics.		Originations		Applics.		Originations		Originations	
	#	%	#	%	#	%	#	%	#	%
Low	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0	22,000	100.0
Moderate		0.0		0.0		0.0		0.0		0.0
Middle		0.0		0.0		0.0		0.0		0.0
Upper		0.0		0.0		0.0		0.0		0.0
N/A		0.0		0.0		0.0		0.0		0.0
Total	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0	22,000	100.0

- * 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%.

Use the following 2 charts for the **first year** when aggregate figures are **not** available:

Residential Real Estate Loans - Year XXXX - by Borrower Income Level*								
Borrower Income Level	Total Lending				Assessment Area Lending			
	Applics.		Originations		Applics.		Originations	
	#	%	#	%	#	%	#	%
Low	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0
Moderate		0.0		0.0		0.0		0.0
Middle		0.0		0.0		0.0		0.0
Upper		0.0		0.0		0.0		0.0
N/A		0.0		0.0		0.0		0.0
Total	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0

- * 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%.

Residential Real Estate Loans - Year XXXX - by Geography Income Level*								
Geo Income Level	Total Lending				Assessment Area Lending			
	Applics.		Originations		Applics.		Originations	
	#	%	#	%	#	%	#	%
Low	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0
Moderate		0.0		0.0		0.0		0.0
Middle		0.0		0.0		0.0		0.0
Upper		0.0		0.0		0.0		0.0
N/A		0.0		0.0		0.0		0.0
Total	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0

- * 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%.

Use the following 2 charts for the **second year** when aggregate figures are **not** available:

Residential Real Estate Loans - Year XXXX - by Borrower Income Level*								
Borrower Income Level	Total Lending				Assessment Area Lending			
	Applics.		Originations		Applics.		Originations	
	#	%	#	%	#	%	#	%
Low	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0
Moderate		0.0		0.0		0.0		0.0
Middle		0.0		0.0		0.0		0.0
Upper		0.0		0.0		0.0		0.0
N/A		0.0		0.0		0.0		0.0
Total	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0

* 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%.

Residential Real Estate Loans - Year XXXX - by Geography Income Level*								
Geo Income Level	Total Lending				Assessment Area Lending			
	Applics.		Originations		Applics.		Originations	
	#	%	#	%	#	%	#	%
Low	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0
Moderate		0.0		0.0		0.0		0.0
Middle		0.0		0.0		0.0		0.0
Upper		0.0		0.0		0.0		0.0
N/A		0.0		0.0		0.0		0.0
Total	2,000	100.0	1,000	100.0	2,000	100.0	1,000	100.0

* 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% 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% 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% 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.