



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

One State Street  
New York, NY 10004-1417

**PUBLIC SUMMARY**

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

**Date of Evaluation:** December 31, 2001

**Institution:** Greater Buffalo Savings Bank  
2421 Main Street  
Buffalo, NY 14214

**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 Greater Buffalo Savings Bank (“GBSB”) 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, 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**

Greater Buffalo Savings Bank is rated "2", indicating a satisfactory record of helping to meet community credit needs. This rating is based on the following:

- GBSB's Loan-to-Deposit (LTD) ratio is reasonable given the bank's age, size, financial condition and the credit needs of its assessment area. While below the national peer group's LTD ratio of 83.3%, the 67.3% ratio achieved on September 30, 2001 continues the steady upward trend exhibited by the bank over the prior three quarters.
- GBSB made a majority of its residential home mortgage loans within its assessment area. The bank originated 71% and 56% of its home mortgage loans within the assessment area in 2000 and 2001, respectively.
- The geographic distribution of home mortgage loans originated by GBSB within the assessment area is reasonable. In 2000, the bank originated 31.8% of its home mortgage loans in LMI geographies, comparing well against the aggregate's LMI area penetration ratio of 20%. In contrast, the bank's 2001 ratio of 5.0% reflects a significant decline in the percentage of LMI area loans, accompanied by an increase in the number of assessment area HMDA-reportable loans, which is attributable to a large overall increase in lending.
- The distribution of home mortgage loans originated by GBSB within the assessment area shows a reasonable penetration among borrowers of different income levels. In 2000 the bank made 45.5% of its home mortgage loans to LMI borrowers, comparing well against the aggregate's LMI penetration ratio of 38.2%. The bank's 2001 ratio of 13.9% reflects a significant decline in the percentage of loans to LMI borrowers, accompanied by an increase in the number of assessment area HMDA-reportable loans, which is attributable to a large overall increase in lending.
- Neither GBSB nor the New York State Banking Department has received any CRA related complaints during 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 State Banking Law and Part 76 of the General Regulations of the Banking Board.

## PERFORMANCE CONTEXT

### **Institution's Profile:**

Greater Buffalo Savings Bank was chartered as a New York State shareholder owned savings bank in October 1999. The bank commenced operations in November 1999, offering a broad range of loan and deposit products to consumer and small business customers in western New York State. GBSB is a Federal Deposit Insurance Corporation (FDIC) insured non-member institution and a shareholder of the Federal Home Loan Bank of New York.

GBSB operates four full-service offices. The main office, at 47 Court Street, is located in downtown Buffalo in Erie County. The three other offices are located in the suburb of West Seneca south of Buffalo, the northern Buffalo area and in the City of North Tonawanda (in Niagara County), respectively. All of the offices have 24-hour Automated Teller Machines (ATMs). In addition, the bank maintains non-deposit taking ATMs at 35 locations in Erie and Niagara Counties.

GBSB was granted permission by the New York State Banking Department to open two additional branches during 2002. The proposed Central Park Office would be located at 2421 Main Street. This office, to which the bank would move its head office, is located in an area that was recently made a part of the City of Buffalo's Economic Development Zone (currently known as Empire Zone). The second proposed office would be located at 4950 Main Street in the Snyder area of the town of Amherst.

The bank operates in highly competitive markets and competes against numerous institutions, many of which have greater resources and larger branch systems. According to the June 30, 2001 deposit Market Share Report of all FDIC-insured institutions, the bank had less than 0.5% of Erie County's total deposits.

According to the Consolidated Reports of Condition and Income as of September 30, 2001, the bank reported total assets of \$86.7 million including total loans of \$52.3 million and investments of \$28.6 million. Deposits totaled \$77.2 million and equity was \$9.2 million. For the nine months ending September 30, 2001, bank reported a loss of \$395 thousand.

This is the second year since the bank commenced operations and start-up losses have inhibited somewhat its ability to help meet the credit needs of the community.

GBSB is primarily a residential real estate lender. As of September 30, 2001, the bank reported 83.2% of its loan portfolio as 1-4 family residential real estate loans, 3.8% as multi-family residential real estate loans, 3.9% in commercial real estate loans, 6.9% in commercial & industrial loans and 2.0% in consumer loans. Refer to the chart below for further details.

<b>TOTAL GROSS LOANS OUTSTANDING</b>				
LOAN TYPE	9/30/2001		12/31/2000	
	\$000	%	\$000	%
Residential Mortgage Loans	43,513	83.2	9,903	72.6
Commercial Mortgage Loans	2,019	3.9	684	5.0
Multifamily Mortgages	2,006	3.8	701	5.1
Consumer Loans	1,057	2.0	278	2.0
Commercial & Industrial Loans	3,238	6.2	2,068	15.2
Other Loans	468	0.9		0.0
<b>Total Gross Loans</b>	<b>52,301</b>	<b>100.0</b>	<b>13,634</b>	<b>100.0</b>

GBSB had a First-Time Homebuyer Program designed to make financing more affordable, and for use on neighborhood revitalization projects. Under this program, the bank originated 27 loans totaling \$1.6 million in 2000 and seven loans totaling \$436.1 thousand in 2001. The bank subsequently suspended this program due to safety and soundness considerations.

GBSB's participation in governmentally insured, -guaranteed or -subsidized loan programs is limited to the origination of U.S Small Business Administration (SBA) loans. In 2000, the bank originated one SBA loan totaling \$40.0 thousand, and in the first nine months of 2001, it originated two SBA loans totaling \$400.2 thousand.

**Assessment Area:**

GBSB's assessment area consists of the cities of Buffalo and Lackawanna and the municipalities that are directly contiguous to these cities, including the towns of Amherst, Cheektowaga, Grand Island, Tonawanda and West Seneca, all in Erie County. The City of North Tonawanda and the town of Wheatfield in Niagara County are also part of the assessment area. The assessment area is part of the Buffalo/Niagara Falls MSA 1280.

The assessment area consists of 189 census tracts, 22 (11.6%) of which are low-income tracts, 43 (22.7%) are moderate-income, 83 (43.9%) are middle-income and 36 (19.1%) are upper-income tracts. There are also five (2.6%) zero-income tracts.

According to the 1990 U.S. Census data, this area had a population of 771 thousand, of which 15.8% (121.6 thousand) were over the age of 65 and 20.5% (158.0 thousand) were under the age of 16 years. According to the 2000 Census, the two counties in which the assessment area is located had declined in their population. The population of Erie County declined by 1.9% and the population of Niagara County by 0.4%.

In 1990, the assessment area had 201.8 thousand families, of which 44.3 thousand (22.0%) were low-income families, 37.7 thousand (18.7%) moderate-income, 46.9 thousand (23.2%) middle-income and 72.8 thousand (36.1%) upper-income families. Of the 82.0 thousand LMI

families, 47.1% (38.7 thousand) lived in LMI census tracts and they accounted for 66.2% of all the families (58.4 thousand) that lived in LMI tracts. There were 306.7 thousand households in the assessment area and 14.9% (45.8 thousand) of the households had income below the poverty level.

In 1990, the assessment area had 329.2 thousand housing units of which 86.2% (283.7 thousand) were 1-4 family units and 11.9% (39.6 thousand) were multi-family units. Fifty-six percent (184.4 thousand) of the housing units were owner-occupied and 21.5% (39.6 thousand) of these units were located in LMI tracts. A further 37.5% (123.5 thousand) were renter-occupied and 46.1% (57.0 thousand) of these units were located in LMI tracts. About seven percent (23.3 thousand) of all the housing units were vacant or boarded-up. In 1990, the median housing value was \$68.1 thousand and the median age was 41 years.

In 1990, the average median income for MSA 1280, which includes the assessment area, was \$34.8 thousand and the 2000 HUD estimated median family income was \$46.9 thousand.

According to the New York State Department of Labor, the MSA 1280 average unemployment rates were 5.0% in 2000 and 5.4% in 2001. These figures were slightly above the state's average rates of 4.6% and 4.9%, respectively. It should be noted that the City of Buffalo (which represents a large portion of the assessment area) had unemployment rates of 8.1% in 2000 and 8.6% in 2001, substantially above both the MSA's and the state's unemployment rates.

Portions of Erie County located within the assessment area have been designated as Empire Zones, formerly known as Economic Development Zones (EZs) by the State of New York, based on community economic distress. Parts of the cities of Buffalo and Lackawanna and the town of Tonawanda have been designated EZs. Firms located in these areas may be eligible for assistance including various tax credits, such as wage tax credits, investment tax credits, zone capital credits, sales tax refunds, real property tax abatements, technical assistance and utility rate savings.

The U.S. Department of Housing and Urban Development (HUD) has designated portions of the City of Buffalo as an Enterprise Community. This area receives financial and technical support from multiple federal agencies, including HUD, USDA, HHS, Treasury, Labor and Justice as well as from the state and local governments. The program's purposes is to increase the employment opportunities of the residences through job training and economic development, to create new jobs and retain current jobs as well as programs for affordable housing, education and childcare. Various federal tax benefits and other assistance are available to businesses that open or employ residents in a FEC.

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

## **PERFORMANCE STANDARDS AND ASSESSMENT FACTORS**

GBSB's performance for the years 2000 and 2001 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; (4) Distribution of Lending based on Borrower Characteristics; and (5) Action Taken in Response to Written Complaints Regarding CRA.

The bank was not required to file a HMDA report in 2000. Consequently, the bank's assessment area lending, the geographic distribution of lending and the borrower distribution of lending for 2000 was determined through the analysis of a statistical sample of home mortgage loans that results in a 90% confidence level that the sample analysis matches an analysis based on all the mortgages originated.

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.

- **Loan-to-Deposit Ratio – “Satisfactory”**

GBSB's Loan-to-Deposit ratio (LTD) is reasonable given the bank's age, size, financial condition and the credit needs of the assessment area.

The bank's LTD on September 30, 2001 was 67.3%, compared to the national peer group ratio of 83.3%. Although below the national peer group ratio, the bank's LTD shows a steady upward trend, from 36.3% on December 31, 2000, 46.6% on March 31, 2001, 61.2% on June 30, 2001, to the level at the current evaluation.

GBSB's average LTD ratio was 52.9% for the four quarters ending September 30, 2001 and 25.6% for the four quarters ending December 31, 2000. These ratios are based on information contained in the bank's quarterly Consolidated Report of Condition and Income. The bank's ratios are below the 83.4% and 84.3% ratios achieved by its national peer group for the corresponding periods (the peer group ratios were reported in the Uniform Bank Performance Reports).

The bank's Loan-to-Deposit ratios are reasonable for a new institution, having limited resources available for marketing and a small branch system.

- **Proportion of Lending Within Assessment Area – “Satisfactory”**

GBSB made a majority of its residential home mortgage loans within its assessment area. While showing a decline over the two-year evaluation period, the bank's assessment area lending is considered reasonable.

In 2000, the bank originated 93 home mortgage totaling \$8.8 million, and based on the sample, 66, or 71%, of these loans were made within the assessment area.

During 2001, the bank originated 319 HMDA-reportable loans totaling \$40.9 million, of which 180 loans (or 56%), totaling \$20.2 million (or 49%), were made in the assessment area.

- **Geographic Distribution of Lending – “Satisfactory”**

The geographic distribution of GSBS’s home mortgage loan originations within the assessment area is reasonable.

In 2000, based on the sample detailed above, the bank originated 66 home mortgage loans in its assessment area, of which 31.8% (21 loans) were originated in LMI geographies. This is well above the 20% LMI penetration ratio achieved by the 2000 aggregate.

During 2001, the bank originated 180 HMDA-reportable loans totaling \$20.2 million, of which nine loans totaling \$575 thousand were originated in LMI geographies. As a result, the bank achieved a 5.0% LMI penetration ratio, representing a substantial decline from its previous year LMI penetration ratio level (31.8%). It is also noted that the 2001 LMI penetration ratio is well below the 2000 aggregate level, which is the most recent available for purposes of this evaluation.

It is noted that despite the increase in assessment area HMDA-reportable loans (because of the overall increase in lending) over the two-year evaluation period, the bank’s LMI penetration ratio declined over the same period.

As noted above, 34.3% of census tracts in the assessment area are considered LMI, and these tracts include 21.5% of the owner-occupied housing units in the area.

- **Borrower Distribution of Lending – “Satisfactory”**

The distribution of home mortgage loans originated by GBSB within the assessment area showed a reasonable penetration among borrowers of different income levels, including those of low- and moderate-income.

In 2000, the bank originated 66 home mortgage loans within its assessment area, of which 30 loans were made to LMI borrowers, and thus achieving a 45.5% LMI penetration ratio, which compared well against the 2000 aggregate’s LMI penetration ratio of 38.2%.

In 2001, the bank originated 180 HMDA-reportable loans, totaling \$20.1 million, of which 25 loans, totaling \$1.4 million, were made to LMI borrowers, and thus getting a 13.9% LMI penetration ratio. This ratio is substantially below the 2000 aggregate ratio, the most recent available. Again, while the bank experienced an increase in its assessment area HMDA-reportable loans (because of the overall increase in lending) over the two-year evaluation period, the bank’s LMI penetration ratio declined over the same period.

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

Neither GBSB nor the New York State Banking Department has received any CRA related complaints during the evaluation period.

- **Services**

As noted above, GBSB operates four full-service offices. The main office, at 47 Court Street, is located in a moderate-income census tract in downtown Buffalo in Erie County. Of the three other offices, one is located in an upper-income tract in the suburb of West Seneca south of Buffalo and the other two are in middle-income tracts in the northern Buffalo area and in the City of North Tonawanda. The branch in North Tonawanda is in Niagara County and is located in a non-LMI census tract that is adjacent to a moderate-income tract in Erie County. All of the offices have 24-hrs Automated-Teller-Machines (ATM) machines. In addition, the bank maintains non-deposit taking ATM machines at 35 locations in Erie and Niagara Counties.

- **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 most recent regulatory compliance examination conducted concurrent with this evaluation indicates a satisfactory performance in terms of adherence to anti-discrimination or other applicable laws and regulations. There was no evidence of prohibited discrimination or other illegal credit practices 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.**

To ascertain the credit needs of its community, the bank's senior personnel are involved in various community development activities, including serving as members of the Board of Directors of various local community development and not-for-profit organizations:

- Buffalo Federation of Neighbors Community Centers (BFNC) – An Assistant Vice President serves as a Board Member of BFNC, whose mission is to assist senior citizens, provide services to the disabled, drug rehabilitation counseling, day camp programs, housing for disabled and rehab clients.
- The Dale Association – An Assistant Vice President serves as a member of the Board of Directors and as Chairperson of the Investment Committee. This Association is a Senior Citizen Learning Center & Mental Health Provider.
- The Erie County Bar Association – The bank’s CRA Officer volunteers to provide free quality civil legal services to low-income people and to not-for-profit groups.
- Food Bank of Western New York - A Vice President serves as a member of the Board of Directors and as Chairman of the Personnel Committee of Food Bank of WNY whose mission is to assist the hungry in our local counties and to distribute food in an efficient, equitable and cost effective manner.
- Housing Opportunities Made Equal – An Assistant Vice President serves as a Board Member of Housing Opportunities Made Equal, whose mission is to provide housing relocation, assistance and counseling.
- International League of Muslim Women – An Assistant Vice President VP serves as a consultant. The mission of International League of Muslim Women is to assist refugees with jobs, counseling, language and everyday living challenges.

**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.**

GBSB has a limited marketing program. The bank advertises in a local newspaper (Buffalo News), Community Newsletter and local radio stations to make members of its community aware of the credit products and services it offers. In addition, the bank lists its products on the Web Site [www.gbsb.com](http://www.gbsb.com). GBSB also uses direct mail in targeted neighborhoods. Additionally, the bank made contributions to nonprofit organizations by placing numerous advertisements in their publications.

The bank offers or participates in seminars to inform the public of the credit and other products offered by the bank. The bank conducted or participated in seminars and presentations organized by various community groups, including Buffalo Neighborhood Housing Service, Inc.

**The extent of participation by the banking institution’s board of directors 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 is aware of the bank's CRA commitment to the communities it serves. In August 2001, the board approved GBSB's CRA statement. The Loan Committee of the Board of Directors reviews the report of mortgages extended by the bank. A majority of the board members are active members of various community organizations and are informed of the financial needs of the community through their participation in these organizations.



## 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 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 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 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**

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 non-metropolitan 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.