



**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: December 31, 2001

Institution: Rome Savings Bank
100 West Dominic Street
Rome, NY 13440

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 evaluation of the Community Reinvestment Act (“CRA”) performance of Rome Savings Bank (“RSB”) 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 (LMI) 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

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

- RSB's loan-to-deposit ("LTD") ratio is considered reasonable given its size and financial condition.
 - The bank's average LTD ratio for the eight quarters ending December 31, 2001 was 85.1%, which compares favorably with 84.4% for its nationwide peer group.
 - Enhancing credit availability in its assessment area, the bank extended \$2.7 million in community development loans, of which \$1.7 million, or 63%, is considered new money. In addition, it made approximately \$408.3 thousand in qualified investments during the assessment period.
- The bank extended a substantial majority of its HMDA-reportable loans and consumer loans in the assessment area. Assessment area originations constituted 89.1% and 90.0% of RSB's HMDA-reportable loans, and 83.0% and 88.4% of its consumer loans in 2000 and 2001, respectively.
- The bank's geographic distribution of loans reflects an excellent dispersion for HMDA-reportable, and a reasonable dispersion for consumer loans, throughout the assessment area.
 - In 2000, the bank's LMI penetration ratios for HMDA-reportable loans were 13.4% and 13.2.%, based on the number and dollar volume of loans, respectively. These ratios far surpassed those of the aggregate, which attained corresponding percentages of 8.5% and 5.7%, respectively. RSB's LMI area penetration declined slightly by loan number, and more significantly by dollar volume, in 2001.
 - The bank's LMI penetration ratios for consumer loans were 13.4% and 11.4%, based on number and dollar amount, respectively. These ratios improved in 2001, to 15.6% and 12.4%, respectively.
- The bank's distribution of lending reflects a reasonable penetration among individuals of different income levels in the assessment area.
 - In 2000, for HMDA-reportable loans, the bank attained a 28.5% LMI penetration ratio for the number and a 15.5% ratio for the dollar volume of loans extended. While approximating the aggregate's 28.7% LMI ratio for the number of loans, RSB trailed its 18.8% ratio for their corresponding dollar volume. The bank's LMI penetration ratios declined in 2001, to 20.9% and 7.1%, respectively.

- In 2000, for consumer loans, the bank achieved LMI penetration ratios of 39.5% for number and 31.8% for dollar volume. The ratio improved slightly in 2001 for the number of loans (to 40.6%), but decreased (to 30.7%) for their corresponding dollar volume.
- Neither the bank nor the New York State Banking Department received any written complaints about CRA performance since the previous 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:

Rome Savings Bank ("RSB," or "the bank"), chartered in 1851 as a mutual savings bank, converted to a New York mutual holding company structure in October 1999 when it became a wholly owned subsidiary of Rome Bancorp, Inc. ("RBI"), a majority-owned subsidiary of Rome, MHC, the mutual holding company parent. RBI is a Delaware corporation whose sole business is conducted by RSB.

As per the Consolidated Report of Condition (the Call Report) at December 31, 2001, RSB reported total assets of \$247.1 million. RSB operates four full-service banking offices in Oneida County: three offices, including the main office, in Rome and one in New Hartford. Supplementing the banking offices is an Automated Teller Machine (ATM) network in 11 locations, one at each office plus seven off-site locations in the bank's assessment area. All off-site ATMs are non-deposit taking.

The institution offers a wide variety of lending products including the following:

- Residential Mortgages - including 1-4 family residential mortgages, home equity loans, refinancing and home improvement loans;
- Consumer Loans - including motor vehicle loans, secured and unsecured loans, student loans
- Commercial Loans - including multi-family loans, commercial mortgages, commercial & industrial loans, small business loans)

The following table illustrates the bank's loan portfolio during the prior two years based on the Call Report:

TOTAL GROSS LOANS OUTSTANDING				
LOAN TYPE	12/31/2001		12/31/2000	
	\$000	%	\$000	%
Residential Mortgage Loans	65,118	38.5	65,137	38.9
Commercial Mortgage Loans	47,896	28.3	45,677	27.3
Commercial & Industrial Loans	15,440	9.1	16,155	9.6
Consumer Loans	37,215	22.0	37,683	22.5
Multifamily Mortgages	1,370	0.8	1,835	1.1
Construction Loans	2,165	1.3	1,047	0.6
Total Gross Loans	169,204	100.0	167,534	100.0

The bank's principal business focus is the origination of residential and commercial real estate loans, as well as commercial and consumer loans to individuals and small businesses primarily in Oneida County. In 2001 RSB reported 38.5% of its loan portfolio in residential real estate loans, 28.3% in commercial loans, 22.0% in consumer loans and 9.1% in commercial & industrial loans.

RSB's home county, Oneida, provided 100% of the bank's deposits according the June 30, 2001 Market Share Report (of all FDIC-Insured Institutions). The bank ranked 6th among the 18 depository institution i in the county, with a 6.41% market share of the county's total deposits.

The bank is a participating lender under the Small Business Administration's (SBA) 7(a) guaranteed loan program. During the evaluation period, the bank originated four loans totaling \$334 thousand under this program.

The bank received a rating of "2" at its last Performance Evaluation by the Banking Department, as of December 31, 1999.

There are no known legal or financial impediments, which adversely impact the institution's ability to meet the credit needs of its assessment area.

Assessment Area:

The bank designated Oneida County (MSA 8680 Utica-Rome), in its entirety, as its assessment area. Excluding three zero-income census tracts, the county has 79 census tracts, of which four (5.1%) are low-income tracts, 17 (21.5%) are moderate-income tracts, 37 (46.8%) are middle-income tracts and 21 (26.6%) are upper-income tracts.

According to the U.S. Census Bureau, Oneida County had a population of 250.8 thousand in 1990, which decreased by 15.3 thousand (6.1%) to 235.5 thousand in 2000. Of the 1990 population, 15.4% was over the age of 65 and 21.8% was under the age of 16.

In 1990, there were 64.0 thousand families, of which 17.3% (11.1 thousand) were low-income families, 18.4% (11.8 thousand) were moderate-income, 23.8% (15.2 thousand) were middle-income and 40.5% (25.9 thousand) were upper-income families. Of the 22.9 thousand LMI families, 31.0% (7.1 thousand) lived in LMI areas and these families accounted for 62.6% of all the families that lived in LMI areas. There were 92.3 thousand households in the county, of which 12.3% (11.3 thousand) had income below the poverty level.

There were 101.3 thousand housing units in the county, 81.2% (82.2 thousand) of which were 1 to 4 family units, 11.1% (11.2 thousand) were multifamily units and 6.6% (6.7 thousand) were mobile homes. Of all the units, 59.7% (60.4 thousand) were owner-occupied and 10.3% of these were in LMI areas. A further 31.8% (32.2 thousand) were rental occupied and 44.5% of these were in LMI areas. Of all the housing units, 8.8% (8.9 thousand) were vacant/boarded up. The median house value was \$65.9 thousand.

In 1990, the median family income for the county was \$33.5 thousand and the median family income for the MSA was \$31.7 thousand. HUD's estimated median family income for the MSA was \$42.5 thousand in 2002.

The U.S. Department of Commerce's Bureau of Economic Analysis reported that the largest source of earnings in 2000 in the county were services 30.5%, state and local government 20.0% and durable goods manufacturing 11.7%. In 1990, the major sources of earnings were services 20.3%, state and local government 19.7%, and durable goods manufacturing 15.4%.

According to the New York Department of Labor, the county's average unemployment rates were 3.8% in 2000 and 4.6% in 2001. The county's average unemployment rates were below the state's average rates of 4.6% in 2000 and 4.9% in 2001 and the MSA average rates of 4.1% in 2000 and 4.6% in 2001.

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

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

RSB's CRA performance for calendar year 2000 and 2001 was evaluated under the small bank 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 by Borrower Characteristics; and 5) Action Taken in Response to Written Complaints Regarding CRA.

The lending products considered for this evaluation were Home Mortgage Disclosure Act ("HMDA")-reportable and consumer loans. The bank provided consumer loan statistics using PCI Services, Inc. CRA Wiz. In addition, aggregate data for HMDA-reportable loans were obtained from the Federal Financial Institution Examination Council ("FFIEC") and PCI Services, Inc. CRA Wiz, an external vendor. Comparisons were made to the aggregate data for 2000, as the 2001 aggregate were not available for purposes of this evaluation

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

RSB's loan-to-deposit ("LTD") ratio is considered reasonable given its size and financial condition. Based on the Uniform Bank Performance Reports ("UBPR"), the bank's average LTD ratio for the eight quarters ending December 31, 2001 was 85.1%, which compares favorably with the 84.4% achieved by its nationwide peer group.

Other Lending-Related Activities: Enhancing credit availability in its assessment area, the bank extended community development loans totaling almost \$2.7 million, of which \$1.7 million, or nearly 63%, is considered new money. The total also includes outstanding balances from several (11) previously considered community development loans totaling about \$829 thousand. Community development lending activities went mostly to support economic development, affordable housing and community services.

The bank extended the following two *community development loans* during the assessment period:

Griffiss Local Development Corporation (GLDC) - RSB made a \$1.3 million construction loan to this nonprofit organization whose primary purpose is to redevelop the former Griffiss Air Force Base in Rome, New York, into a business and technology park. The project calls for renovation of a building at the Griffiss Business and Technology Park for lease to BAE Systems (defense contractor). In connection with the project, BAE Systems would be able to relocate some contract work to Griffiss enabling it to hire 65 new full-time employees. The project was also funded in part by a \$175 thousand capital grant from the Empire State Development Corporation ("ESDC") and a \$135 thousand federal grant from the Economic Development Administration.

Retail Hardware Store - the company is a State-certified women-owned business and is

located in a Rome Empire Zone (formerly known as Economic Development Zone). The company was granted a \$450 thousand loan, which consisted of a \$350 thousand loan from the bank and \$100 thousand loan participation from the ESDC, to finance the business expansion and creation of new jobs. The project qualified under the New York State Linked Deposit Program (“LDP”), enabling the borrower to obtain a loan at reduced rates. LDP provides small businesses with access to lower-interest loans for eligible projects that stimulate retention of existing jobs and/or to create new jobs. Banks that participate in this program are able to provide loans at lower rates by paying reduced interest rates on deposits of the State; eligible businesses can receive loans that are two or three percentage points lower than the prevailing rate.

In addition, the bank continued to provide a \$300 thousand revolving commitment to the Community Preservation Corporation, a lending consortium that provides financing for the construction and rehabilitation of affordable housing. At the evaluation date, there was an outstanding of \$203.3 thousand. RSB had also continued to renew annually a \$100 thousand line of credit available for the New York Business Development Corporation, a source of financing for small businesses.

During this evaluation period, RSB also made two *qualified investments*:

Statewide Zone Capital Corporation of New York (“SZCC”): the bank invested \$400 thousand in stock of SZCC in 2000. SZCC is an organization authorized by New York State’s Empire Zone (“EZ”) (formerly Economic Development Zone) program to raise money to make investments or loans to “certified zone businesses.” Any investor or contributor to an approved SZCC is eligible for a 25% tax credit on that investment or contribution. The EZ program is designed to stimulate economic growth through a variety of financial incentives designed to encourage the establishment or expansion of businesses and the creation of new jobs in designated areas of New York State.

Federal Home Loan Bank of New York (“FHLBNY”): In addition, the bank contributed an estimated \$8.3 thousand to FHLBNY Affordable Housing Program. This amount represented RSB’s pro-rata share (based on stock ownership) of the FHLBNY’s 2001 earnings that was set aside by for this program.

- **Proportion of Lending Within Assessment Area:** “Outstanding”

The bank extended a substantial majority of its loans in the assessment area during the evaluation period.

HMDA Loans: RSB originated a substantial majority of its HMDA-reportable loans in its assessment area for each of the two years under review.

In 2000, the bank originated 201 HMDA reportable loans, of which 179 (89.1%) totaling \$6.7

million (79.6%) were in the assessment area. During 2001, it also made 201 HMDA-reportable loans, of which 181 (90.0%) aggregating \$7.9 million (84.5%) were in the assessment area.

The table below shows the bank's HMDA loan originations during the assessment period:

HMDA - Assessment Area Lending				
Geography	2000		2001	
	#	\$000's	#	\$000's
All Areas	201	8,480	201	9,383
Assessment Area	179	6,746	181	7,929
% in Assessment Area	89.1%	79.6%	90.0%	84.5%

Consumer Loans: The bank originated a substantial majority of its consumer loans inside its assessment area for each of the two years. In 2000, the bank made 1,511 consumer loans, of which 1,254 loans (83.0%) totaling \$11 million (83.4%) were in the assessment area. In 2001, the bank originated 1,237 consumer loans, of which 1,094 loans (88.4%) totaling \$11.3 million (83.2%) were in the assessment area.

The following chart illustrates the bank's consumer lending activity during the past two years:

CONSUMER LOANS – Assessment Area Lending				
Geography	2000		2001	
	#	\$000's	#	\$000's
All Areas	1,511	13,153	1,237	13,612
Assessment Area	1,254	10,964	1,094	11,324
% in Assessment Area	83.0%	83.4%	88.4%	83.2%

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

The bank's geographic distribution of lending based on census tract income reflects a reasonable dispersion throughout the assessment area.

HMDA Loans: The bank's geographic distribution of HMDA loans reflects an excellent dispersion throughout the assessment area.

In 2000, the bank's LMI penetration ratios were 13.4% and 13.2%, based on the number (24) and dollar volume (\$892 thousand) of loans, respectively. These ratios far surpassed those of the aggregate, which attained corresponding percentages of 8.5% and 5.7%, respectively.

In 2001, the bank achieved a 12.7% LMI penetration ratio, reflecting the origination of 23 HMDA-reportable loans in moderate-income census tracts in the assessment area. Based on

the corresponding dollar amount of \$520 thousand, RSB attained a 6.6% LMI penetration ratio. While the aggregate's ratios for 2001 were not available, it is noted that the bank's LMI penetration ratios were slightly down in number, but more significantly in dollar volume, from the prior year.

The chart below details the bank's LMI geographic distribution of HMDA loans in the assessment area during the review period.

Geography Income Level Distribution of AA HMDA Loans									
Geography	Bank				Aggregate				
	Income	#	%	\$ (000)	%	#	%	\$ (000)	%
2000									
Low	-	-	-	-	10	0.2	289	0.1	
Moderate	24	13.4	892	13.2	366	8.5	12,334	5.6	
LMI Total	24	13.4	892	13.2	376	8.7	12,623	5.7	
2001									
Low	-	-	-	-	-	-	-	-	-
Moderate	23	12.7	520	6.6	-	-	-	-	-
LMI Total	23	12.7	520	6.6	-	-	-	-	-

As noted above, while 26.6% of census tracts in the bank's assessment area were deemed to be LMI, such tracts comprised only 10.3% of the owner-occupied housing in the area.

Consumer Loans: The bank's geographic distribution of consumer loans reflects a reasonable dispersion throughout the assessment area.

In 2000, the bank originated 168 consumer loans aggregating \$1.2 million in LMI census tracts in the assessment area. The corresponding LMI penetration ratios were 13.4% and 11.4%, based on number and dollar amount of loans, respectively.

In 2001, the bank improved its LMI penetration ratios to 15.6% and 12.4%, respectively. These ratios were based on 170 consumer loans totaling \$1.4 million extended in LMI census tracts in the assessment area. The 2001 aggregate data was not available.

The following chart illustrates the bank's geographic distribution of consumer loans in the assessment area during the past two years.

Geography Income Level Distribution - Consumer Loans									
Geography	2000				2001				
	Income	#	%	\$ (000)	%	#	%	\$ (000)	%
Low		5	0.4%	62	0.6%	2	0.2%	14	0.1%
Moderate		163	13.0%	1,184	10.8%	168	15.4%	1,390	12.3%
Middle		723	57.7%	6,559	59.8%	595	54.4%	6,355	56.1%
Upper		363	28.9%	3,159	28.8%	329	30.1%	3,565	31.5%
N/A		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total		1,254	100.0%	10,964	100.0%	1,094	100.0%	11,324	100.0%

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

The bank’s distribution of lending reflects a reasonable penetration among individuals of different income level.

HMDA Loans: The bank’s borrower distribution of lending reflects a reasonable penetration among individuals of different income level.

In 2000, the bank provided 51 HMDA-reportable loans totaling \$1.05 million thousand to LMI borrowers in the assessment area, achieving LMI penetration ratios of 28.5% and 15.5% based on the number and dollar volume of loans, respectively. While approximating the aggregate’s ratio of 28.7% for the number of loans, the bank trailed the aggregate’s 18.8% ratio for the dollar volume of loans to LMI borrowers.

In 2001, the bank’s LMI penetration ratios based on number and dollar volume declined to 20.9% and 7.1%, respectively. The aggregate for 2001 was not available.

The chart below shows the bank’s LMI borrower income distribution of HMDA loans in the assessment area during the assessment period.

Borrower Income Level Distribution AA HMDA Loans								
Income Level	Bank				Aggregate			
	#	%	\$ (000)	%	#	%	\$ (000)	%
2000								
Low	16	8.9	171	2.5	342	7.9	8,667	4.0
Moderate	35	19.6	875	13.0	900	20.8	32,465	14.8
LMI Total	51	28.5	1,046	15.5	1,242	28.7	41,132	18.8
2001								
Low	18	9.9	270	3.4	-	-	-	-
Moderate	20	11.0	297	3.7	-	-	-	-
LMI Total	38	20.9	567	7.1	-	-	-	-

Consumer Loans: The bank’s distribution of lending reflects a reasonable penetration among individuals of different income levels, especially low- and moderate-income individuals.

In 2000, the bank made 495 consumer loans totaling \$3.5 million to LMI borrowers in the assessment area. The corresponding LMI penetration ratios were 39.5% and 31.8%, based on the number and dollar volume of loans, respectively. In 2001, the bank’s LMI penetration ratio for the number of loans improved slightly, to 40.6%, while its ratio based on dollar volume decreased slightly, to 30.7%.

The chart below illustrates the bank’s borrower income distribution of consumer loans during the past two years:

Borrower Income Level Distribution - Consumer Loans								
Borrower	2000				2001			
Income	#	%	\$ (000)	%	#	%	\$ (000)	%
Low	179	14.3%	1,088	9.9%	184	16.8%	1,142	10.1%
Moderate	316	25.2%	2,406	21.9%	260	23.8%	2,338	20.6%
Middle	315	25.1%	2,874	26.2%	216	19.7%	2,227	19.7%
Upper	301	24.0%	3,476	31.7%	255	23.3%	3,095	27.3%
N/A	143	11.4%	1,120	10.2%	179	16.4%	2,522	22.3%
Total	1,254	100.0%	10,964	100.0%	1,094	100.0%	11,324	100.0%

As noted above, 35.7% of families in the assessment area are LMI.

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

Neither the bank nor the New York State Banking Department received any written complaints about CRA performance since the prior evaluation.

- **Services**

The location of two (including its main office) out of four full-service banking offices in moderate-income areas serves to enhance credit availability in the bank's assessment area . In addition, the bank has two off-site ATMs also in moderate-income tracts.

The bank did not open or close any branch during the assessment period.

All of the bank's offices open late from 9:00 a.m. to 5:30 p.m., Monday through Friday, except for the main office that closes at 5:00 p.m. from Monday through Thursday. The bank offers a drive-through facility at every branch. These drive-through facilities are open a half-hour earlier and close at the same time as the established lobby hours. Except for the main office, all branches and their drive-through facilities are open on Saturdays from 9:00 a.m. to 1:00 p.m.

The bank conducted and/or participated in community outreach programs and student loan workshops such as: *Smart Money Education Program– Your Own Home, College Planning Workshop, Home Expo and Oneida County Financial Workshops.*

The bank participates in the Electronic Benefit Transfer ("EBT") system and provides surcharge-free access to ATMs to New York State public assistance recipients.

- **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 report concurrent with this assessment indicates a satisfactory performance in terms of adherence to anti-discrimination and 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 bank determines the credit needs of its assessment area through contacts by its directors, senior officers and employees with local businesses, local government officials, community leaders and nonprofit organizations.

The bank conducted and/or participated in community outreach programs and student loan workshops such as: *Smart Money Education Program— Your Own Home, College Planning Workshop, Home Expo and Oneida County Financial Workshops.*

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.

Aside from the community outreach programs and workshops, the bank also advertises its products through local media such as the Rome Sentinel and the Rome Observer.

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 reviews and approves on an annual basis the bank's CRA policy. The CRA officer also reports to the board on a quarterly basis the bank's CRA performance/activities.

- **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.

None noted.

CHARTS FOR REPORTING OF HMDA STATISTICS

EXHIBIT 1

Residential Real Estate Loans - Year 2000 - by Borrower Income Level*										
Borrower Income Level	Total Lending				Assessment Area Lending				Aggregate**	
	Applications		Originations		Applications		Originations		Originations	
	#	%	#	%	#	%	#	%	#	%
Low	24	10.2	17	8.5	23	11.0	16	8.9	342	7.9
Moderate	42	17.9	37	18.4	40	19.1	35	19.6	900	20.8
Middle	54	23.0	47	23.4	51	24.4	44	24.6	1,158	26.8
Upper	97	41.3	88	43.8	88	42.1	80	44.7	1,801	41.7
N/A	18	7.7	12	6.0	7	3.3	4	2.2	116	2.7
Total	235	100.0	201	100.0	209	100.0	179	100.0	4,317	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.

EXHIBIT 2

Residential Real Estate Loans - Year 2000 - by Geography Income Level*										
Geography Income Level	Total Lending				Assessment Area Lending				Aggregate	
	Applications		Originations		Applications		Originations		Originations	
	#	%	#	%	#	%	#	%	#	%
Low	-	0.0	-	0.0	-	0.0	-	0.0	10	0.2
Moderate	33	14.0	28	13.9	29	13.9	24	13.4	366	8.5
Middle	122	51.9	105	52.2	111	53.1	95	53.1	2,411	55.8
Upper	71	30.2	61	30.3	69	33.0	60	33.5	1,525	35.3
N/A	9	3.8	7	3.5	-	0.0	-	0.0	5	0.1
Total	235	100.0	201	100.0	209	100.0	179	100.0	4,317	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%.

EXHIBIT 3

Residential Real Estate Loans - Year 2001 - by Borrower Income Level*								
Borrower Income Level	Total Lending				Assessment Area Lending			
	Applications		Originations		Applications		Originations	
	#	%	#	%	#	%	#	%
Low	31	11.4	19	9.5	29	11.9	18	9.9
Moderate	38	14.0	22	10.9	34	13.9	20	11.0
Middle	71	26.1	52	25.9	65	26.6	48	26.5
Upper	122	44.9	100	49.8	111	45.5	91	50.3
N/A	10	3.7	8	4.0	5	2.0	4	2.2
Total	272	100.0	201	100.0	244	100.0	181	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%.

EXHIBIT 4

Residential Real Estate Loans - Year 2001 - by Geography Income Level*								
Geography Income Level	Total Lending				Assessment Area Lending			
	Applications		Originations		Applications		Originations	
	#	%	#	%	#	%	#	%
Low	-	0.0	-	0.0	-	0.0	-	0.0
Moderate	43	15.8	27	13.4	37	15.2	23	12.7
Middle	146	53.7	111	55.2	134	54.9	103	56.9
Upper	78	28.7	59	29.4	73	29.9	55	30.4
N/A	5	1.8	4	2.0	-	0.0	-	0.0
Total	272	100.0	201	100.0	244	100.0	181	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.