



**NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION**
One State Street
New York, NY 10004

PUBLIC SUMMARY
(OFF-SITE EVALUATION)

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2001

Institution: Woori America Bank
1250 Broadway 16th Floor
New York, N. Y. 10001

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 “off-site” evaluation of the Community Reinvestment Act (“CRA”) performance of Woori America Bank (“Woori”) 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

Woori America Bank is rated "2", indicating a satisfactory record of helping to meet community credit needs.

- *Loan-to-Deposit ("LTD") Ratio and Other Lending-Related Activities:* Woori's LTD ratio, averaging approximately 79%, is considered reasonable, given the bank's size, financial condition and the credit needs of its assessment area. Further enhancing access to credit in its assessment area, Woori made qualified investments in the form of mortgage-backed securities totaling \$2.1 million.
- *Assessment Area Concentration:* A majority of the bank's Home Mortgage Disclosure Act ("HMDA")-reportable and small business loans were originated within the bank's delineated assessment area. For its HMDA loans, Woori extended 73% of its number and dollar volume in its assessment area in 2000, and 65% by number and 59% by dollar volume in the assessment area in 2001. For its small business loans, the bank extended 66% of its number and 48% of its dollar volume in the assessment area in 2000. The assessment area concentration for small business loans grew substantially in 2001, to 83% by number and 77% by dollar volume.
- *Geographic Distribution:* The bank achieved a reasonable dispersion of loans within the assessment area, due primarily to its small business lending. From 2000 to 2001, Woori's percentage of small business loans in LMI tracts doubled from 5% to 10%, respectively. In contrast, the bank's HMDA lending in LMI tracts was negligible.
- *Borrower Characteristics:* The bank achieved adequate penetration among borrowers of different income levels and businesses of different sizes in the assessment area. A majority of the bank's small business loans originated during the evaluation period were extended in original amounts of \$100 thousand or less and to businesses with gross annual revenues of less than \$1 million. In 2000, the bank originated 7.5% of its total HMDA-reportable loans to LMI borrowers but none of these were within the assessment area. In 2001, the bank made no HMDA loans to LMI borrowers.
- There were no written complaints with respect to CRA during the assessment period.

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

PERFORMANCE CONTEXT

Institution's Profile:

Chartered in 1984, Woori America Bank (formerly Hanvit America Bank) is a retail commercial bank headquartered in midtown, Manhattan. Woori is a wholly owned subsidiary of Hanvit Bank, the second largest bank in Korea in terms of total assets. As of December 31, 2001, Hanvit reported total assets of \$57 billion, while Woori's total assets were \$332.6 million.

Woori has three banking offices in New York, including its main office located in midtown Manhattan (New York County) and branch offices located in Flushing and Woodside (Queens County). Woori provides retail banking services, primarily for Korean-American customers in the Metropolitan New York area. The bank has not open or closed a branch in New York State since the last evaluation.

Supplementing the banking offices are an ATM network consisting of five locations, two each in the Broadway and Flushing branches and one in the Woodside branch. The ATMs are available 24 hours and are link nationwide to various electronic networks. The bank's alternate delivery system is available throughout the assessment area. The bank also has a Telebanking System (bank by phone) that provides customers with information concerning account balances, funds transfers and account status. In addition the bank provides Internet Banking and Website Banking.

The bank provides a wide range of banking services to individuals and small to medium-sized businesses, including deposit taking, personal and business checking accounts, savings accounts and safe deposit boxes. The bank also provides a full range of loan products, including residential and commercial real estate loans, commercial loans, home equity lines of credit, trade financing and working capital loans.

Woori offers a wide variety of lending products for personal and business purposes including residential mortgages, commercial mortgages, commercial and industrial loans, small business loans (including SBA Loans), consumer loans, home equity loans, and letters of credit.

The following table shows the bank's gross loans as of December 31, 2001 and December 31, 2000, according to the FDIC Consolidated Reports of Condition and Income:

Woori American Bank -- Gross Loans Outstanding				
LOAN TYPE	12/31/2001		12/31/2000	
	\$000	%	\$000	%
Residential Mortgage Loans	65,624	33.7	45,932	25.2
Commercial Mortgage Loans	81,953	42.1	69,890	38.3
Mutifamily Mortgages	0	0.0	333	0.2
Commercial and Industrial	30,248	15.5	33,408	18.3
Consumer Loans	1,702	0.9	1,156	0.6
Construction and other	12	0.0	32	0.0
Other Loans	16,012	8.2	32,210	17.7
Unearned Income	-680	-0.3	-510	-0.3
Total Gross Loans	194,871	100.0	182,451	100.0

As reflected in the above chart, Woori is primarily a real estate lender, with 76% of its loan portfolio in real estate loans, (commercial 42% and residential 34%), 8% in commercial loans and less than 1% in consumer loans.

The bank has not participated in any governmentally insured, guaranteed or subsidized loan programs for housing, small business or small farms.

Woori America Bank (formerly Hanvit America Bank) received a rating of “2”, reflecting a satisfactory record of helping to meet community credit needs, at its last Performance Evaluation by the New York State Banking Department on October 31, 1999.

Assessment Area:

Woori’s assessment area includes New York (Manhattan) and Queens counties in their entireties. The assessment area is part of MSA 5600, consisting of 971 census tracts, of which 215, or 22%, are considered LMI tracts.

According to the 1990 U.S. Census, the assessment area had a population of 3.4 million persons. There were 1.4 million households, of which 198 thousand or 14%¹ lived below the poverty level. Of the total, 351 thousand, or 25% lived in LMI. Thirty-one percent of households lived in middle-income tracts, and 45% lived in upper-income tracts.

There were 1.5 million housing units in 1990, of which 69% were multifamily and 29% were 1-4 family. Approximately 65% were renter-occupied, 28% were owner-occupied and 7% were vacant. The weighted-average median housing

¹ Please note that while percentage figures are based on exact numbers, absolute numbers pertaining to population and housing characteristics have been rounded to the nearest decimal point

value was \$205,370 and the median age 51 years. As of 1990, the weighted-average median family income was \$43,975.

New York County (Manhattan) had a population of 1.5 million persons in 1990. There are 298 census tracts in the county, of which 43% are considered LMI and 42% are upper-income. The 1990 median family income for the county was \$36,831. Thirty-four percent of all households in the county are LMI, and 17% live below the poverty level.

There were 785 thousand housing units in Manhattan, less than 3% of which are 1-4 family units. Sixteen percent of the housing units are owner-occupied. The median housing value for the county is \$471 thousand with a median age of 53 years.

There are 138 thousand businesses in Manhattan, of which 78% have revenues less than \$1 million, 68% have revenues of less than \$0.5 million and 57% have fewer than five employees.

Queens County: According to the U.S. Census Bureau, Queens County had a population of 1.9 million in 1990. Queens has 673 census tracts, of which 87, or 13% are LMI. The largest segment is middle-income at 49%, followed by upper-income at 35% of total census tracts.

The county has 718 thousand households, of which 105 thousand or 15% are LMI. Again, the largest segment is middle-income households at 52%, while upper income tracts comprise 34% of the area.

In 1990, there were 753 thousand housing units in Queens County, of which 57% were 1 to 4 family units and 41% were multi-family units. Forty-one percent of all housing units were owner-occupied and 55 percent were renter-occupied. Vacant or boarded-up units comprise the remaining 4% of the county's housing stock. The median housing value was \$189 thousand and the median age of the housing was 56 years.

There are 55 thousand businesses in Queens, of which 90% have revenues less than \$1 million, 74% have revenues of less than \$0.5 million and 66% have less than five employees.

Portions of Queens County have been designated as Economic Development Zones (EDZ) by the State of New York, based on community economic distress. The Far Rockaway and South Jamaica neighborhoods are designated EDZs. 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 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

Woori's performance for the years 2000 and 2001 was evaluated under the small bank performance criteria, which include the following: (1) LTD Ratio and other Lending-Related Activities; (2) Proportion of Lending in the Assessment Area; (3) Geographic Distribution of Lending; (4) Distribution of Lending according to Borrower Characteristics; and (5) Action Taken in Response to Written Complaints Regarding CRA.

The evaluation is based primarily on the bank's residential and small business loans. The demographic data referred to in this report was obtained from the 1990 U.S. Census, with 2001 estimated income figures provided by the United States Department of Housing and Urban Development ("HUD").

- **LTD Ratio and Other Lending-Related Activities: "Satisfactory"**

The bank's average net LTD ratio, calculated over the eight quarters since the prior evaluation is 78.65%, slightly above the peer group's ratio of 77.31%.

For the calendar quarter ended December 31, 2001, Woori reported total net loans of \$185.8 million and total deposits of \$276 million, reflecting a declining LTD of 67.3%. Though below the peer group's ratio 79.9% for the same period, this percentage is considered reasonable considering the bank's size, recent eight-quarter average and the credit needs of the assessment area.

Qualified Investments: Enhancing the availability of credit in its assessment area, Woori had \$2.1 million outstanding in Freddie Mac mortgage back securities targeted for affordable housing for low and moderate-income geographies, as of the evaluation date.

- **Proportion of Lending Within Assessment Area: "Satisfactory"**

The bank extended a majority of its HMDA-reportable and small business loans in the assessment area.

HMDA Reportable Loans:

A majority of the bank's HMDA-related loans were originated in its assessment area. In 2000, Woori originated 40 HMDA-reportable loans totaling \$11.6 million, of which 29(73%), totaling \$8.5 million (73%), were extended inside the assessment area. In 2001, the bank also originated 40 HMDA reportable loans, but its assessment area concentration declined to 65% by number and 59% by dollar volume.

The table below provides a summary of the bank's HMDA lending inside and

outside the assessment area.

Table 1

HMDA Loans Originated Inside and Outside Assessment Area								
	2000				2001			
	Number		(000)		Number		(000)	
	#	%	\$	%	#	%	\$	%
Inside	29	73	8,500	73	26	65	6,298	59
Outside	11	27	3,067	27	14	35	4,373	41
Total	40	100	11,567	100	40	100	10,671	100

Small Business Loans:

In 2000, the bank extended 38 small business loans totaling \$4.3 million, of which 25 (66%) totaling \$2 million (48%) were extended inside the assessment area. In 2001, the bank soundly increased its small business lending as it originated 68 loans (83%) totaling \$8.1 million (77%) inside the assessment area

The table below illustrates the bank’s small business lending inside and outside the assessment area for the years 2000 and 2001, respectively.

Table 2

Small Business Loans Originated Inside and Outside Assessment Area								
	2000				2001			
	Number		(000)		Number		(000)	
	#	%	\$	%	#	%	\$	%
Inside	25	66	2,047	48	68	83	8,106	77
Outside	13	34	2,235	52	14	17	2,355	23
Total	38	100	4,282	100	82	100	10,461	100

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

The bank achieved a reasonable dispersion of loans within the assessment area, due primarily to its small business lending performance.

HMDA Loans

The bank’s geographic distribution of HMDA reportable loans reflects poor penetration in LMI geographies. In 2000, the bank extended only one HMDA reportable loan totaling \$125 thousand in LMI tracts. In 2001, there were no reported loans in LMI tracts. However, it is noted that income information was not available for 75% of Woori’s HMDA loans in 2001.

Refer to the below tables for further details:

Table 3

Residential Real Estate Loans - Year 2000 - by Geography Income Level*								
Geo	Total Lending				Assessment Area Lending			
Income	Applics.		Originations		Applics.		Originations	
Level	#	%	#	%	#	%	#	%
Low	-	0.0	-	0.0	-	0.0	-	0.0
Moderate	1	2.4	1	2.5	1	3.4	1	3.4
Middle	14	34.1	14	35.0	11	37.9	11	37.9
Upper	26	63.4	25	62.5	17	58.6	17	58.6
N/A	-	0.0	-	0.0	-	0.0	-	0.0
Total	41	100.0	40	100.0	29	100.0	29	100.0

Table 4

Residential Real Estate Loans - Year 2001- by Geography Income Level*								
Geo	Total Lending				Assessment Area Lending			
Income	Applics.		Originations		Applics.		Originations	
Level	#	%	#	%	#	%	#	%
Low	-	0.0	-	0.0	-	0.0	-	0.0
Moderate	-	0.0	-	0.0	-	0.0	-	0.0
Middle	3	7.5	3	7.5	1	3.8	1	3.8
Upper	7	17.5	7	17.5	6	23.1	6	23.1
N/A	30	75.0	30	75.0	19	73.1	19	73.1
Total	40	100.0	40	100.0	26	100.0	26	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%.

Small Business Loans:

The geographic distribution of small business loans reflects improved dispersion throughout the assessment area. Moreover, the bank's record of lending to businesses in LMI tracts compares favorably to the geographic composition of its assessment area.

In 2000, the bank extended 5% of its number and 1% of its dollar volume of assessment area small business loans in LMI geographies. LMI penetration doubled to 10% for the number and tripled to 3% for the dollar volume of loans in 2001. The below table illustrates Woori's small business lending within the assessment area in 2000 and 2001, respectively:

Table 5

Geographic Distribution of Small Business Loans								
Geographic	As of 12/31/2000				As of 12/31/2001			
	#	%	\$(000)	%	#	%	\$(000)	%
Low	0	0	0	0	1	1	10	0
Moderate	2	5	59	1	6	9	223	3
Middle	17	45	2,403	56	24	35	2,064	25
Upper	18	47	1,790	42	35	52	5,639	70
N/A	1	3	30	1	2	3	170	2
TOTALS	38	100	4,282	100	68	100	8,106	100

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

The bank demonstrated poor lending penetration among borrowers of different income levels, but reasonable lending penetration among businesses of different sizes.

HMDA Loans

Woori’s HMDA lending distribution reflects poor penetration among LMI borrowers

As the charts below indicate, in 2000, the bank originated 7.5% of its total HMDA-reportable loans to LMI borrowers but none of these were within the assessment area. In 2001, the bank did not have any LMI borrowers.

Table 6

Residential Real Estate Loans - Year 2000 - by Borrower Income Level*								
Borrower Income Level	Total Lending				Assessment Area Lending			
	Applics.		Originations		Applics.		Originations	
	#	%	#	%	#	%	#	%
Low	-	0.0	-	0.0	-	0.0	-	0.0
Moderate	3	7.3	3	7.5	2	6.9	2	6.9
Middle	9	22.0	9	22.5	5	17.2	5	17.2
Upper	28	68.3	28	70.0	22	75.9	22	75.9
N/A	1	2.4	-	0.0	-	0.0	-	0.0
Total	41	100.0	40	100.0	29	100.0	29	100.0

Table 7

Residential Real Estate Loans - Year 2001 - by Borrower Income Level*								
Borrower	Total Lending				Assessment Area Lending			
Income	Applics.		Originations		Applics.		Originations	
Level	#	%	#	%	#	%	#	%
Low	-	0.0	-	0.0	-	0.0	-	0.0
Moderate	2	5.0	2	5.0	-	0.0	-	0.0
Middle	6	15.0	6	15.0	5	19.2	5	19.2
Upper	32	80.0	32	80.0	21	80.8	21	80.8
N/A	-	0.0	-	0.0	-	0.0	-	0.0
Total	40	100.0	40	100.0	26	100.0	26	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%.

Small Business Loans

The distribution of small business loans reflects a reasonable penetration to businesses of different sizes

A majority of the bank's small business loans originated during the evaluation period were extended in original amounts of \$100 thousand or less and to businesses with gross annual revenues of less than \$1 million.

The below table provides a summary of small business loans (according to loan size) that Woori extended within the assessment area in 2000 and 2001, respectively:

Table 8

SMALL BUSINESS LOANS								
Loan Amount	As of 12/31/2000				As of 12/31/2001			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	27	71	1,067	25	52	76	1,920	24
\$100,001 to \$250,000	6	16	1,317	31	8	12	1,589	20
\$250,001 to \$500,000	5	13	1,898	44	8	12	4,597	56
\$500,001 to \$1,000,000	0	0	0	0	0	0	0	0
Over \$1,000,000	0	0	0	0	0	0	0	0
TOTALS	38	100	4,282	100	68	100	8,106	100

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

Neither the bank nor the New York State Banking Department has received any written complaints concerning the bank's CRA performance or other related matters.

- **Discrimination or Other Illegal Practices**

There were no discriminatory or other illegal practices noted. The most recent regulatory compliance examination, conducted concurrently with this evaluation, indicates satisfactory adherence to anti-discriminatory laws and regulations.

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

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

Evidence of prohibited discriminatory or other illegal credit practices.

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

- **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 maintains an open line of communication with various community organizations and community groups that represent a broad spectrum of the bank's local community. At these meetings the bank seeks to understand the developing needs of the local community and how these needs may be addressed through the bank's products and services.

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

The bank's marketing program is primarily directed towards the Asian/Korean community. The bank advertised its products and services through several Korean community publications including The Korea Times, Korea Journal and The Korea Central Daily News. The bank also uses Korean cable television and radio and the internet to advertise its products and services.

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 meets on a monthly basis with the bank's senior management to review the bank's operation and CRA performance and lending activities. The board of directors participates in formulating and approving any changes to the bank's CRA program. The CRA officer is responsible for monitoring the bank's CRA program and reports to the board of directors on a monthly basis concerning any change that may affect the bank's CRA program.

- **Other Factors**

Other factors that in the judgment 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.

During 2000, the bank made grants and donations to various non-profit-organization totaling \$16 thousand. Grants and donations for 2001 totaled \$13.5 thousand.

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.

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.

LMI Penetration Rate

A number that depicts the percentage of a bank’s total loans extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans to LMI geographies or borrowers.

Small Business Loans

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