



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, 2002

Institution: Amalgamated Bank
11-15 Union Square
New York, NY 10003

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 Amalgamated Bank (“Amalgamated”) 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, 2002.

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

Overall Rating

Amalgamated is rated "1," indicating an outstanding record of helping to meet community credit needs, notwithstanding its low level of HMDA-reportable and small business lending volume.

Lending Test - High Satisfactory

- The bank's lending volume remains adequate, despite a low volume of HMDA-reportable and small business loan originations. Amalgamated made a high level of non-HMDA-reportable, unsecured loans to government supervised multifamily housing companies that provide housing to LMI families, thereby helping to meet community credit needs.
- Amalgamated originated a substantial majority of its HMDA-reportable and small business loans within the assessment area.
- The geographic distribution of the bank's lending reflects excellent penetration throughout the assessment area.
- The distribution by borrower characteristics reflects, given the products offered, good penetration among customers of different income levels and businesses of different sizes.
- The level of Amalgamated's community development lending was excellent, reflecting an outstanding volume of community development commitments and the bank's highly innovative Housing Loan Program.

Investment Test - Outstanding

- The bank has an excellent level of qualified community development investments and grants.

Service Test - Outstanding

- The bank's delivery systems are accessible to essentially all portions of the assessment area.
- The bank's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals.
- Services are tailored to the convenience and needs of the assessment area.

- The bank provides an excellent level of community development services in the assessment area.

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:

Amalgamated was originally chartered in 1923. The Union of Needletrades, Industrial and Textile Employees ("UNITE"), a labor union with members in the apparel, textile and other industries, owns 52.6%, local unions and joint boards of UNITE own 46.9% and the remaining Class A common stock is held by individuals.

The bank has a wholly owned real estate subsidiary, Amalgamated Real Estate Management Company ("AREMCO"). The bank also has a wholly owned Delaware subsidiary, Amdel, Inc. ("Amdel").

In April 2002, Amdel and Univest, a subsidiary of UNITE, formed a partnership, organized under the laws of the Republic of Ireland, to engage in investment-related transactions under the firm name of AmErin partners.

The bank operates six full service retail branches in New York State; three in New York County including its main office, two in The Bronx and one in Queens. In addition, the bank has a branch in Washington D.C. and one in Lyndhurst, New Jersey.

Amalgamated provides a full range of banking services to individual and corporate customers including unions and union related entities, consumers, health care institutions, philanthropic organizations, non-profit organizations, commercial real estate entities and small and middle market businesses. The bank competes with many other financial institutions in the New York City market, many of which have greater resources and larger branch systems.

The bank does not originate residential home mortgages, except on an accommodation basis. Amalgamated refers customers to General Motors Acceptance Corporation (GMAC) for these products. The bank purchases residential home mortgages primarily from GMAC and Country Wide Mortgage Company.

As of December 31, 2002, the bank reported total assets of nearly \$3.3 billion, with net loans accounting for \$619.4 million or nearly 18.8% of total assets. On the same date, total deposits were \$1.8 billion.

Ranked by total deposits, Amalgamated was the 26th largest bank in Metropolitan Statistical Area (MSA) 5600 (New York), with a market share of 0.44% as of June 30, 2002.¹

The bank offers a wide variety of lending products including:

- 1-4 family residential mortgages
- Commercial mortgages
- Multifamily mortgages

¹ MSA 5600 is comprised of eight counties; Amalgamated's assessment area includes all but Putnam County.

- Commercial and industrial loans
- Consumer loans

The following table illustrates the bank's total gross loans as of December 31, 2002 and December 31, 2001, respectively:

TOTAL GROSS LOANS OUTSTANDING				
Loan Type	12/31/2002		12/31/2001	
	\$000	%	\$000	%
1-4 Family Residential Mortgage Loans	292,185	46.7	393,482	54.2
Commercial Mortgage Loans	146,618	23.4	115,370	15.9
Multifamily Mortgages	36,336	5.8	52,017	7.2
Commercial & Industrial Loans	111,310	17.8	88,996	12.3
Consumer Loans	37,262	6.0	73,303	10.1
Other Loans	1,638	0.3	3,007	0.4
Total Gross Loans	625,349	100.0	726,175	100.0

Between evaluations, gross loans decreased by 13.4% to \$625.3 million from the \$721.7 million reported at December 31, 2000. The loan portfolio was comprised primarily of 1-4 family residential mortgages, 46.7% in 2002 and 54.2% in 2001.

The bank is a participating lender under the Small Business Administration's ("SBA's") 7(a) guaranteed loan program.

Amalgamated received a rating of "1" at its previous CRA Performance Evaluation by the New York State Banking Department as of December 31, 2000, reflecting an outstanding performance of helping to meet the credit needs of its New York State assessment area.

There are no legal or financial impediments that would prevent the bank from helping to meet the credit needs of the assessment area.

Assessment Area:

Amalgamated's delineated assessment area consists of seven of the eight counties (New York, Kings, Queens, The Bronx, Richmond, Westchester, and Rockland) in metropolitan statistical area ("MSA") 5600 (New York) and Nassau County in MSA 5380 (Nassau/Suffolk), in their entirety.

Excluding 73 zero-income census tracts, there are 2,675 tracts in the assessment area of which 317 (11.9%) are low-income tracts, 458 (17.1%) moderate-income, 998 (37.3%) middle-income and 902 (33.7%) upper-income tracts.

According to the 1990 U.S. Census, the population of the assessment area was 9.8 million, of which 1.3 million (13.3%) were over the age of 65 and 2 million (20.4%) were under the age of 16.

There were nearly 2.4 million families in the assessment area including 568.1 thousand (23.7%) low-income families, 374.9 thousand (15.6%) moderate, 461.2 thousand (19.2%) middle and 994.8 thousand (41.5%) upper-income families. Of the total 943 thousand LMI families, 474.5 thousand (50.3%) lived in LMI census tracts and these families accounted for 66.6% of all the families (712.5 thousand) that lived in LMI tracts.

There were nearly 3.7 million households in the area, of which nearly 1.5 million (40.5%) were LMI households. About 545.8 thousand (15%) of all households had income below the poverty level and 405.8 thousand (11%) received public assistance.

There were nearly 3.9 million housing units in the assessment area, of which almost 1.8 million (46%) were 1-4 family units, and 2 million (53%) are multifamily units. Approximately 1.4 million (36%) of the housing units were owner-occupied, 2.2 million (58%) were rental units and 216.7 thousand (5.6%) were vacant and/or boarded up. In 1990, the median home value in the assessment area was \$199.5 thousand while the median housing age was 40 years.

Based on the United States Department of Housing and Urban Development's ("HUD's") estimates, the median family income for the assessment area increased to \$64.8 thousand in 2002 from \$39.4 thousand reported in the 1990 census.

According to data from Dun and Bradstreet, in 2002 there were 673.3 thousand businesses in Amalgamated's assessment area, of which almost 434 thousand (64.5%) had revenues of \$1 million or less, 50.5 thousand (7.5%) had revenues of more than \$1 million and 188.8 thousand (28%) did not report revenues. About 463.6 thousand (68.9%) of all businesses in the assessment area had fewer than 50 employees and 607 thousand (90.2%) operated from a single location.

Nearly 229.4 thousand (34.1%) of all firms were service providers, 109.3 thousand (16.2%) were in retail trade, 58.8 thousand (8.7%) in finance, insurance and real estate, 35.9 thousand (5.3%) in wholesale trade, 31 thousand (4.6%) in construction, 24.4 thousand (3.6%) in manufacturing and 23.3 thousand (3.5%) in transportation and communication.

According to the New York State Department of Labor, the average unemployment rate for MSA 5600 was 7.3% in 2002 and 5.6 % in 2001 compared with 6.1% for New York State in 2002 and 4.9 % in 2001.

Based on the location of the bank's branches and lending patterns, the assessment area delineation is in conformance with the CRA regulation. There is no evidence that the bank arbitrarily excludes LMI areas.

PERFORMANCE TESTS AND ASSESSMENT FACTORS

The Banking Department assesses a large bank's CRA performance by evaluating its lending, investment and service activities, and applies the lending, investment and service tests, as provided in Parts 76.8, 76.9 and 76.10 of the General Regulations of the Banking Board in evaluating the performance of the institution.

This performance evaluation incorporates a review of Amalgamated's activities during 2001 and 2002 within its New York State assessment area. Products considered include HMDA-reportable and small business loans.

Statistical data utilized in this evaluation were derived from various sources. In addition to loan information submitted by the bank, aggregate data for HMDA-reportable loans were obtained from the Federal Financial Institutions Examination Council ("FFIEC") and PCI Services, Inc. CRA Wiz©, an external vendor. Peer lending comparisons were made utilizing 2001 aggregate data. 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.

I. Lending Test: High Satisfactory

The bank's lending performance was evaluated pursuant to the following criteria: (1) Lending Activity; (2) Assessment Area Lending; (3) Geographic Distribution; (4) Borrower Characteristics; (5) Community Development Lending; and (6) Flexible and/or innovative Lending Practices.

Lending Activity: "Low Satisfactory"

Amalgamated's lending volume remains adequate, notwithstanding the low volume of HMDA-reportable and small business loans. The bank has made a high level of unsecured loans, although not HMDA-reportable, to government supervised multifamily housing entities that provide housing to LMI families, thereby meeting community credit needs. Nonetheless, the bank is encouraged to address the weaknesses in HMDA-reportable and small business lending volume, going forward.

HMDA-Reportable Loans

The bank's HMDA-reportable lending declined by 290 loans (49.4%) and by \$17.8 million (26.4%) from levels reported at the previous evaluation.

In 2002, the number of HMDA-reportable loans declined 63.1% to 80 from 217 reported in 2001. The corresponding dollar volume decline was 59.5% to \$14.3 million from \$35.3 million. Refinance and home purchase loans accounted for most of the reduction, declining by 57 loans (75%) and 87 loans (63%), respectively.

Small Business Loans

In 2002, the bank originated three small business loans totaling \$350 thousand, and in 2001, it made three loans totaling \$260 thousand.

Assessment Area Lending: “Outstanding”

The table below indicates that the bank made nearly all of its HMDA-reportable and small business loans within the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Category or Type	Number of Loans					Dollar Volume (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA										
2001	217	97.3%	6	2.7%	223	35,275	98.3%	610	1.7%	35,885
2002	80	98.8%	1	1.2%	81	14,323	99.0%	138	1.0%	14,461
Total HMDA	297	97.7%	7	2.3%	304	49,598	98.5%	748	1.5%	50,346
Small Business										
2001	3	100.0%	0	0.0%	3	260	100.0%	0	0.0%	260
2002	3	100.0%	0	0.0%	3	350	100.0%	0	0.0%	350
Total SmBus	6	100.0%	0	0.0%	6	610	100.0%	0	0.0%	610
Total	303	97.7%	7	2.3%	310	50,208	98.5%	748	1.5%	50,956

HMDA-Reportable Loans

At nearly 100% by both number and dollar volume, Amalgamated originated a substantial majority of HMDA-reportable loans within the assessment area.

Small Business Loans

In both 2001 and 2002, the bank originated 100% of its small business loans within the assessment area.

Geographic Distribution: “Outstanding”

The geographic distribution of the bank’s lending reflects excellent penetration throughout the assessment area.

HMDA-Reportable Loans

As shown in the table below, in 2001, the bank originated 217 HMDA-reportable loans totaling \$35.3 million within the assessment area. Of this total, 48 loans (22.2%) totaling \$7.4 million (21%) were in LMI census tracts. These LMI penetration rates were significantly higher than the corresponding 10.7% and 10.9% LMI penetration rates achieved by the aggregate.

In 2002, of the 80 HMDA-reportable loans totaling \$14.3 million originated by Amalgamated within the assessment area, 10 loans (12.5%) totaling nearly \$1.8 million (12.3%) were in LMI geographies. While reflecting a decline from the prior year, the bank's LMI penetration rates remained well above the corresponding 10.5% and 10.7% rates achieved by the aggregate.

The following table shows a distribution of HMDA-reportable loans according to geography income level:

Distribution of HMDA-Reportable Loans By Geography Income Level								
2001								
Geography	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	14	6.5%	1,920	5.4%	4,770	2.5%	1,257,990	2.9%
Moderate	34	15.7%	5,520	15.6%	15,892	8.2%	3,479,430	8.0%
Middle	80	36.9%	12,456	35.3%	74,526	38.4%	13,716,747	31.6%
Upper	89	41.0%	15,379	43.6%	98,491	50.8%	24,951,710	57.4%
N/A	-	0.0%	-	0.0%	179	0.1%	56,991	0.1%
Total	217	100.0%	35,275	100.0%	193,858	100.0%	43,462,868	100.0%
2002								
Geography	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	2	2.5%	295	2.1%	6,532	2.6%	1,821,813	2.9%
Moderate	8	10.0%	1,468	10.2%	20,024	7.9%	4,920,330	7.8%
Middle	40	50.0%	6,739	47.1%	93,569	37.1%	19,076,945	30.2%
Upper	30	37.5%	5,821	40.6%	131,647	52.2%	37,386,603	59.1%
N/A	-	0.0%	-	0.0%	255	0.1%	65,231	0.1%
Total	80	100.0%	14,323	100.0%	252,027	100.0%	63,270,922	100.0%

Because of the limited number of small business loans originated by the bank during the evaluation period, an analysis of the geographic distribution of these loans is omitted.

Borrower Characteristics: "High Satisfactory"

The distribution of loans by borrower characteristics reflects, given the products offered, good penetration among customers of different income levels and businesses of different sizes.

HMDA-Reportable loans

In 2001, of the bank's HMDA-reportable loans originated within the assessment area, 62 loans (28.6%) totaling \$7.1 million (20.3%) were extended to LMI borrowers, significantly exceeding the corresponding rates of 13.6% by number and 7% by dollar volume achieved by the aggregate. In 2002, the bank's level of lending to LMI borrowers declined to 11 HMDA-reportable loans (13.8%) or \$1.4 million (9.8%). However, this level still compares favorably to corresponding aggregate penetration rates of 14.6% and 7.6%.

The table below details the distribution by borrower characteristics of bank and aggregate HMDA-reportable loans for 2001 and 2002:

Distribution of HMDA-Reportable Loans By Borrower Income Level								
2001								
Borrower Income	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	14	6.5	1,324	3.8	4,890	2.5	440,769	1.0
Moderate	48	22.1	5,808	16.5	21,543	11.1	2,603,284	6.0
Middle	64	29.5	10,230	29.0	45,056	23.2	7,036,241	16.2
Upper	91	41.9	17,913	50.8	99,422	51.3	25,649,500	59.0
N/A	-	0.0	-	0.0	22,947	11.8	7,733,074	17.8
Total	217	100.0	35,275	100.0	193,858	100.0	43,462,868	100.0
2002								
Borrower Income	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	1	1.3	7	0.0	6,678	2.6	661,280	1.0
Moderate	10	12.5	1,405	9.8	30,153	12.0	4,149,333	6.6
Middle	24	30.0	4,216	29.4	58,887	23.4	10,306,072	16.3
Upper	45	56.3	8,695	60.7	128,257	50.9	38,137,140	60.3
N/A	-	0.0	-	0.0	28,052	11.1	10,017,097	15.8
Total	80	100.0	14,323	100.0	252,027	100.0	63,270,922	100.0

Small Business Loans

The bank made all of its small business loans to businesses with annual revenue of less than or equal to \$1 million. However, less weight is accorded due to limited volume.

Community Development Loans: "Outstanding"

The level of Amalgamated's community development lending was excellent, reflecting an outstanding volume of community development commitments and the bank's highly innovative Housing Loan Program. The bank also provides financing to community service facilities. During the evaluation period, community development commitments totaled \$105 million, including \$35.2 million outstanding from the prior evaluation. New initiatives amounted to \$61.7 million, or 58.8%, of the total.

Of the \$105 million in community development loans, \$69.3 million, or 66%, support affordable housing, including secured and unsecured loans extended under Amalgamated's loan programs for governmentally supervised LMI multifamily housing. These programs make funds available for building owners to refinance existing debt or to make capital improvements.

Furthermore, \$35.7 million, or 34.8%, of community development loans support community services, including nursing homes, organizations that provide shelter and services to the mentally or physically handicapped, and organizations that provide needed services funded by Medicaid or government contracts.

Flexible and/or Innovative Lending Practices: “High Satisfactory”

Amalgamated uses innovative and flexible lending practices in serving assessment area credit needs. The bank provides unsecured loans for government-supervised low-moderate- and middle-income multifamily apartments and cooperatives through its innovative Housing Loan Program. Borrowers use these loans for a variety of purposes including: capital improvements, emergency projects, planned projects with incomplete funding and refinancing of existing debt. Some of the funds have gone toward new windows, elevators, boilers, medical centers and repairing of driveways and garages. The Housing Loan Program offers flexible credit guidelines including:

- Accommodating repayment terms
- No points
- No application fees
- No prepayment penalties

As of this evaluation date, there was \$28.9 million committed and outstanding under the Housing Loan Program.

II. Investment Test: - Outstanding

This test evaluates the bank's record of helping to meet the needs of its assessment area through qualified investments. Qualified investments are evaluated based on their dollar volume, their level or degree of innovativeness and/or complexity, their responsiveness to community development needs, and the degree to which these investments are not routinely provided by private investors.

The bank's level of community development investments demonstrates an excellent responsiveness to credit and community economic development needs. Qualified investments total \$34.6 million, of which \$1 million are grants. Of the total, \$2.1 million represents new money.

The following are some of the notable qualified investments the bank made during the evaluation period:

- **FNMA Pool** - In 1996, the bank invested \$31.9 million in FNMA CRA-targeted mortgage backed securities, of which \$20.9 million is outstanding as of this evaluation.
- **Access Capital Strategies Community Investment Fund** - In 1999, the bank purchased a \$10 million share in this fund, which is still outstanding at this evaluation. This fund is an SEC registered, closed-end, mutual fund that invests solely in CRA-eligible investments such as affordable housing, commercial real estate in LMI areas, home mortgages in LMI areas, small business loans and student loans.

- **Community Preservation Corporation (“CPC”)** - In 1999, the bank renewed a \$1.5 million commitment to purchase collateralized trust notes issued by CPC, of which \$1.2 is outstanding. CPC is a lending consortium that makes construction and permanent loans for the creation, rehabilitation and preservation of affordable housing throughout the State of New York.

CPC's bank sponsors provide secured financing, under revolving bank lines of credit, for housing construction and rehabilitation, as well as permanent financing through purchases of collateral trust notes backed by CPC mortgages.

- **National Federation of Community Development Credit Unions (“NFCDCU”)** - In 2000, the bank made a commitment to invest \$2 million in certificates of deposits with NFCDCU, a not-for-profit organization that works to revitalize neighborhoods by bringing community development credit union (“CDCU”) services to communities in need and strengthening the management and financial base of existing CDCUs. Through the New York Community Financial Network, the NFCDCU serves both low-income and minority communities in the metropolitan New York Area and New York State. Of this commitment, \$1 million was funded during this evaluation.

The following are some of the notable qualified grants the bank made during the evaluation period:

- **Federal Home Loan Bank of New York (“FHLB-NY”)** - During this evaluation period, the bank contributed \$435.3 thousand, which represents the bank’s pro-rata share of 10% of the FHLB-NY’s earnings that goes toward funding the FHLB-NY’s Affordable Housing Program.
- **Neighborhood Housing Services of New York (“NHS”)** - The bank made \$341.3 thousand in grants to NHS during the evaluation period. NHS is a nonprofit organization that develops and rehabilitates affordable housing. The organization also promotes investment in underserved and declining New York City neighborhoods through a broad range of lending, development/rehabilitation and homebuyer education and counseling initiatives.

III. Service Test: “Outstanding”

The service test evaluates a banking institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of a banking institution's systems for delivering both retail banking and community development services.

Retail Banking Services: “High Satisfactory”

Accessibility of Delivery Systems

The bank’s delivery systems are accessible to essentially all portions of the assessment area. The bank operates six full-service branches; two are located Bronx County, three in

New York County and one in Queens County. None of the six banking offices is located in a LMI area; however, three, or 50%, are adjacent to LMI census tracts.

To augment its relatively small network of branches, the bank offers the following alternative delivery systems, which are readily available to all portions of the assessment area:

- Bank-by-Phone - customers may conduct Bank-by-Phone transactions in their accounts on business days from 7:30 A.M to 7:30 P.M. Eastern Time, and on weekends and holidays, 24 hours a day.
- Bank-By-Mail - The bank provides customers with self-addressed envelopes to facilitate banking-by-mail.
- 24-Hour ATMs - This service is available at all branches, except the Flushing office where the ATM is only available during normal branch banking hours. In addition, the bank has installed two ATMs in nursing homes and plans to install more.
- “AB Access” PC Banking - This service is available to commercial customers and health care facilities (nursing homes).
- PC Access - This alternative delivery system provides “PC” access to handle the accounts of nursing home residents.
- Automatic Direct Deposit - This alternative delivery system allows for automatic direct deposit of social security benefits, government and military pensions, payroll, dividends and income tax refunds.
- Direct Payment Program - Through this program, customers can have their accounts automatically debited for club dues, insurance, mortgage, loan and utility payments.
- Internet Banking - Amalgamated Online gives customers 24-hour access to their accounts via the Internet.
- Multi-lingual services are available at all branches.

Amalgamated offers an account more favorable than that required by the General Regulations of the Banking Board – Part 9, “Basic Banking Accounts.” The bank’s *Standard Personal Checking Account* features free checking with no minimum balance, no monthly maintenance fee, no “per check” charge, unlimited deposits and withdrawals, and ATM Card or Amalgamated Cash Plus (Debit) Card.

Changes In Branch Locations

The bank’s record of opening and closing of branches has not adversely affected the

accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals. During the evaluation period, the bank did not close or open any branches in the assessment area; however, the branch located at 1710 Broadway, was relocated to 1745 Broadway, New York County.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services and business hours are tailored to the convenience and needs of the assessment area. The business hours of the bank are 8:30 A.M. to 3:30 P.M., Monday through Friday. Additionally, the bank offers Saturday hours, 9:00 A.M. to 1:00 P.M. at the 23rd Street branch in Manhattan (New York County) and the two branches in The Bronx.

Community Development Services: “Outstanding”

The bank provides an excellent level of community development services in the assessment area. These services include:

- Amalgamated is the largest annual sponsor of NHS, a not-for-profit citywide organization that works to increase and protect investment in underserved minority/LMI neighborhoods. In addition, the bank helped NHS to expand its Homeownership Program to Local 1199 of the National Health and Human Service Employees Union through its funding of two homeownership counselors. These counselors work to educate LMI first time homebuyers on the fundamentals of purchasing a home and assist them in obtaining financing. Through its Home Buyers Club and one-on-one counseling, NHS has helped to prepare residents for homeownership, and has packaged and closed numerous first mortgage loans.
- The bank has an extensive program that is geared specifically to the needs of the nursing home industry. As a member of the New York Association of Homes and Services for the Aging and the American College of Health Care Administrators, the bank provides credit, cash management and regulatory reporting services to over 200 nursing homes and health related facilities, the majority of whose residents benefit from Medicare and Medicaid.
- The senior vice president who heads the Housing Loan Program is a board member of the Business Resource & Investment Service Center, Inc. (“BRISC”). BRISC is part of the Upper Manhattan Empowerment Zone Development Corporation and serves the small business community in upper Manhattan by providing loans, technical assistance, and specialized counseling to small business owners and entrepreneurs interested in expansion, relocation and start-up efforts.
- Bank personnel are actively involved with various organizations in the community, including the following:
 - o NHS - Advisory Board Member
 - o NHS - Resource Development Committee Member

- o NHS - Citywide Loan Committee Member
- o National Association of Drug Abuse Problems - Director and Executive Committee Member
- o New York City Childcare Technical Assistance Center Advisory Group Member
- o 14th Street Business Improvement District & 14th Street Local Development Council - Director

In addition, officers of the bank are members of civic, charitable, and minority organizations, including New York Urban League, Colony House of South Brooklyn and New York City Chamber of Commerce.

IV. 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 bank.

Evidence of prohibited discriminatory or other illegal credit practices.

The most recent regulatory compliance examination, conducted concurrently with this evaluation, indicates a satisfactory performance in terms of adherence to antidiscrimination or other applicable laws and regulations. No evidence of prohibited discrimination or other illegal credit practices was noted.

V. 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 ascertains the credit needs of its community by having the officers of the bank call on both existing and potential customers, attend meetings and functions, and maintain ongoing communication with unions, nonprofit organizations, small businesses, ethnic and religious organizations, minority and women's groups and other civic organizations.

Bank officers regularly attend community-based initiatives sponsored by the New York State Banking Department, including Adopt a Childcare Center and establishing a technical assistance center for Early Education and Childcare programs.

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 uses print media to advertise and inform members of the community of its products and services, including the New York Daily News, Newsday and Villager Newspaper, New York Amsterdam News and El Diario.

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.

Board members are committed to and participate in the bank's CRA activities. All of the bank's directors are labor union leaders and also serve as directors of many not-for-profit organizations.

VI. 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.

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.

Small Business Loans

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