



**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, 2002

**Institution:** The Bank of Greene County  
302 Main Street  
P.O. Box 470  
Catskill, NY 12414

**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 The Bank of Greene County (“BGC”) 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 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

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

- ❖ ***Loan-to-Deposit Ratio and Other Lending-Related Activities:*** BGC's loan-to-deposit ("LTD") ratio is reasonable, given its size, financial condition and assessment area credit needs. The bank's average LTD ratio for 11 quarters ending December 31, 2002, was 70.8%, well below the national peer average of 82.3%.

Enhancing the availability of credit in its assessment area, BGC provided community development loans and investments totaling over \$3 million.

- ❖ ***Assessment Area Concentration:*** BGC originated a majority of the total number and dollar volume of its residential mortgage, small business and consumer loans in its assessment area, exhibiting satisfactory responsiveness to the credit needs of its community.

For residential loans, assessment area originations comprised 66.2% by number and 65.3% by dollar volume of the total in 2001, increasing to 73.7% and 74.7%, respectively, in 2002. Additionally, the bank originated all of its small business loans in the assessment area in 2001, and 94.3% by number and 93.9% by dollar volume in the assessment area in 2002. Assessment area concentrations for consumer loans were 91.1% by number and 90.2% by dollar volume in 2001, and 89.7% and 88.9%, respectively, in 2002.

- ❖ ***Geographic Distribution of Lending:*** The geographic distribution of BGC's residential mortgage, small business and consumer loans reflects excellent dispersion throughout the assessment area. During the evaluation period, the bank made one residential loan in an upper-income census tract. The remainder of its residential, as well as its small business and consumer loans, were extended in middle-income census tracts.
- ❖ ***Borrower Distribution of Lending:*** BGC's distribution of borrowers reflects excellent penetration among individuals of different income levels and businesses of different sizes. In 2001, the bank originated 18.2% of the number and 14.3% of the dollar volume of its residential mortgage loans to LMI individuals. LMI penetration based on the number of loans increased slightly, while decreasing for dollar volume, in 2002. Additionally, during the evaluation period the bank made all but one of its small business loans to small businesses with gross annual revenues of \$1 million or less.
- ❖ ***Services:*** To further enhance the credit availability in the assessment area, BGC provided technical assistance to community development organizations and actively participated in public programs.

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:**

BGC was established in 1889 as The Building and Loan Association of Catskill. In 1974, the bank changed to a New York State chartered mutual savings bank, under the name Greene County Savings Bank. In 1998, the bank converted to the mutual holding company form of ownership, with the bank changing its name to The Bank of Greene County. As part of the conversion, the bank established The Bank of Greene County Foundation (the "Foundation"), a tax-exempt charitable entity, which complements the bank's community activities and facilitates centralized management of the bank's charitable activities.

BGC is a wholly owned subsidiary of Greene County Bancorp, Inc. ("Bancorp"), a Delaware corporation serving as a mid-tier stock holding company. Bancorp is, in turn, a majority-owned subsidiary of Green County Bancorp MHC ("MHC").

As of December 31, 2002, the bank reported total assets of \$232.1 million, with net loans accounting for \$131.5 million, or 56.7% of total assets. For the same period, total deposits were \$198.3 million, resulting in a loan-to-deposit ratio of 66.3%.

According to the June 30, 2002 comparative deposit data provided by the Federal Deposit Insurance Corporation (FDIC), ranked by number of branches and total deposits, BGC was the largest bank in Greene County, with five branches and 27.5% of the deposit market share.

The bank operates six full service branches and an operation center in Greene County and southern Albany County, New York. The bank is primarily engaged in the business of attracting deposits from customers within its market area and investing those funds primarily in loans and securities.

The bank offers a wide variety of financial services to meet the needs of the communities it serves, including 1-4 family residential mortgages, commercial mortgages, multifamily mortgages, construction loans, commercial and industrial loans and consumer loans.

The following table illustrates the bank's loan portfolio, based on Schedule RC-C of the Consolidated Reports of Condition and Income ("Call Reports"), as of December 31, 2000, 2001 and 2002:

<b>TOTAL GROSS LOANS OUTSTANDING</b>						
LOAN TYPE	12/31/2000		12/31/2001		12/31/2002	
	\$000's	%	\$000's	%	\$000's	%
1-4 Residential Mortgage Loans	87,000	84.5	98,931	81.6	107,100	80.8
Commercial Mortgage Loans	5,491	5.3	6,490	5.3	10,410	7.9
Multifamily Mortgages	480	0.5	715	0.6	766	0.6
Construction Loans	1,638	1.6	4,548	3.7	2,561	1.9
Consumer Loans	6,427	6.2	6,571	5.4	5,519	4.2
Commercial & Industrial Loans	1,499	1.5	3,246	2.7	4,632	3.5
Obligations of states & municipalities	467	0.5	811	0.7	1,594	1.2
<b>Total Gross Loans</b>	<b>103,002</b>	<b>100.0</b>	<b>121,312</b>	<b>100.0</b>	<b>132,582</b>	<b>100.0</b>

Between evaluations, the bank's loan portfolio increased by 34.4% to \$132.6 million, from \$98.6 million reported at the prior CRA evaluation date (March 31, 2000). The bank is primarily a real estate lender, with real estate-related loans accounting for \$120.8 million (91.1%) of the loan portfolio on December 31, 2002, reflecting the bank's business focus. The loan portfolio was comprised primarily of residential mortgages (80.8%).

The bank received a rating of "1," reflecting outstanding performance in helping to meet the credit needs of its community at its prior Performance Evaluation conducted by the New York State Banking Department as of March 31, 2000.

Examiners noted no legal or financial impediments that prevent the bank from helping to meet the credit needs of the assessment area.

**Assessment Area:**

The assessment area includes all of Greene County, and the Townships of Westerlo, Rensselaerville, and Coeymans in rural, southern Albany County.

Excluding one zero-income census tract, there are 14 census tracts in the bank's assessment area, of which 13 (92.9%) are middle-income and one (7.1%) is an upper-income tract. There are no LMI census tracts in the assessment area.

According to the 1990 U.S. Census, the total population of the assessment area was 58.2 thousand of which 8.8 thousand (15.0%) were over the age of 65 and 12.5 thousand (21.5%) were under the age of 16.

There were 15.4 thousand families in the assessment area, of which 2.5 thousand (16.3%) were low-income, 2.9 thousand (19.0%) were moderate-income, 3.9 thousand (25.4%) were middle-income and 6.1 thousand (39.3%) were upper-income families. Of the total 5.4 thousand LMI families, 5.3 thousand (98.2%) lived in middle-income census tracts, accounting for 36.5% of all families (14.5 thousand) that lived in middle-income tracts.

There were 21.5 thousand households in the assessment area, of which about 2.2 thousand (10.0%) had incomes below the poverty level and 1.2 thousand (5.0%) received public assistance.

There were 30.9 thousand housing units in the assessment area, of which 25.1 thousand (80.0%) were 1 to 4 family units and almost 1.6 thousand (5.0%) were multi-family units. About 15.8 thousand (50.0%) of the housing units were owner-occupied, 5.8 thousand (18.0%) were rental-occupied and 9.5 thousand (30.7%) were vacant and/or boarded up. In 1990, the median home value in the assessment area was \$94.3 thousand and the median age of the units was 29 years.

Based on estimates by the U.S. Department of Housing and Urban Development (“HUD”), the median family income for the assessment area increased to almost \$46.8 thousand in 2002, from \$33.6 thousand reported for 1990 census.

According to a Dun and Bradstreet survey, in 2001 there were 3.7 thousand businesses in the BGC’s assessment area, of which 2.8 thousand (75.1%) had revenues of \$1 million or less. In addition, 126 (3.4%) businesses had revenues of more than \$1 million and 794 (21.5%) were businesses on which no revenues were reported. About 2.9 thousand (77.6%) businesses in the assessment area had fewer than 50 employees and 3.3 thousand (90.3%) operated from a single location.

Approximately 1.2 thousand (33.6%) firms were service providers, 725 (19.7%) were in retail trade, 335 (9.1%) were in construction and 219 (5.9%) were in finance, insurance and real estate. In addition, 504 (13.7%) firms were non-classifiable establishments.

According to the New York Department of Labor, the average unemployment rate for Greene County was 4.4% in 2001 and 4.5 % in 2002 compared with 4.9% and 6.1 %, respectively, for the state.

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

## **PERFORMANCE STANDARDS AND ASSESSMENT FACTORS**

*BGC's CRA performance was evaluated under the small bank performance criteria, which include the following: (1) Loan-to-Deposit Ratio and other Lending-Related Activities; (2) Assessment Area Concentration; (3) Geographic Distribution of Loans; (4) Distribution by Borrower Characteristics; and (5) Action Taken in Response to Written Complaints Regarding CRA. Based on information provided by the bank, community development loans, qualified investments, community development services and retail services were also considered.*

The assessment period includes calendar years 2001 and 2002. Since the bank is not a HMDA reporter, examiners considered the bank's residential, small business and consumer lending as reflected in the Loan Application Register ("LAR") provided by the bank.

The demographic data referred to in this report was from the 1990 U.S. Census, with the estimated median family income figures for 2002 provided by HUD.

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

The bank's loan-to-deposit ("LTD") ratio is reasonable given the bank's size, financial condition and assessment area credit needs.

Based on the Uniform Bank Performance Report ("UBPR"), the bank's average LTD ratio for 11 quarters ending December 31, 2002 was 70.8%, well below the national peer average of 82.3%.

To enhance the availability of credit in the bank's assessment area, BGC provided community development loans totaling nearly \$2.6 million and qualified investments totaling almost \$300 thousand, including \$62.7 thousand in non-recoverable grants, on the evaluation date. A brief description of community development loans and qualified investments follows:

### **Community Development Loans**

*Heart of Catskill Association ("Association"):* – In July 2002, BGC made a \$2 million commitment in financing to the Association for the purchase and renovation of Main Street commercial property. The commitment is available to businesses located on Main Street and will be granted at BGC's low residential interest rate.

*Community Preservation Corporation ("CPC"):* – In December 2002, the bank committed to lend CPC \$550 thousand to purchase three buildings on Catskill's Main Street that were scheduled for demolition. As of the evaluation date, the bank had not yet disbursed any of the funds, since CPC was still in the process of acquiring the properties. 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.

Additionally, between evaluations, CPC's revolving line of credit with BGC increased to \$225 thousand.

### Qualified Investments

*CPC*: - The bank has a \$224.6 thousand equity investment in CPC, a lending consortium that makes construction and permanent loans for the creation, rehabilitation and preservation of affordable housing throughout the State of New York.

*New York Business Development Corporation ("NYBDC")*: - The bank has a \$12.4 thousand equity investment in NYBDC. The NYBDC is a privately-owned entity created by New York State statute and funded by commercial and savings banks under lines of credit that are utilized to provide a broad range of financing to small and mid-sized businesses located in New York State.

The bank's Charitable Foundation, established in 1998 as part of the bank's mutual-to-stock conversion, made 27 qualified grants totaling \$62.7 thousand to non-profit organizations that provide affordable housing, revitalization and community services.

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

The LAR indicates that BGC originated a majority of its total number and dollar volume of its residential mortgage, small business and consumer loans in the assessment area, exhibiting satisfactory responsiveness to the credit needs of its community.

### Residential Mortgage Loans

In 2001, the bank originated 414 residential mortgage loans totaling \$33.1 million, of which 274 loans (66.2%) totaling \$21.6 million (65.3%) were in the assessment area. In 2002, the bank's residential mortgage lending increased slightly to 430 loans (\$32.4 million), of which 317 loans (73.7%) totaling \$24.2 million (74.7%) were within the assessment area. The total for this evaluation period was 591 residential mortgage loans totaling \$45.8 million in the assessment area. These figures represent a 2.6% increase in number and a 26.5% increase in dollar volume from the level reported at the prior evaluation (for calendar years 1998 and 1999).

### Small Business Loans

In 2001, BGC originated all of its 16 small business loans totaling \$425 thousand in the assessment area. In 2002, the bank's volume of small business loan originations more than doubled to 35 loans (\$3.3 million), of which 33 loans (94.3%) totaling \$3.1 million (93.9%) were in the assessment area.

## Consumer Loans

In 2001, the bank made 1,002 consumer loans totaling \$8.2 million, of which 913 (91.1%) loans totaling \$7.4 million (90.2%) were within the assessment area. In 2002, while the total number of consumer loan originations decreased by 50.6% to 495 loans and the dollar volume decreased by 56.1% to \$3.6 million, the assessment area concentration decreased only slightly, to 444 (89.7%) loans totaling \$3.2 million (88.9%).

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

The geographic distribution of BGC’s residential mortgage, small business and consumer loans reflects excellent dispersion throughout the assessment area.

Excluding one zero-income census tract, the bank’s assessment area has 13 middle-income tracts and one upper-income tract. There are no LMI geographies in the assessment area.

## Residential Mortgage Lending

The geographic distribution of BGC’s residential mortgage loans reflects excellent penetration through out the assessment area. As the table below indicates, the bank originated 99.6% and 100.0% of its assessment area residential mortgage loans in middle-income census tracts in 2001 and 2002, respectively. The bank’s middle-income concentrations are consistent with the 99.0% ratios attained in both 1998 and 1999. Additionally, the bank’s lending concentration in middle-income tracts exceeds the 93.6% concentration of the assessment area’s owner-occupied housing units in middle-income tracts.

<b>Distribution of Residential Mortgage Loans By Geography Income Level</b>										
<b>Geography</b>	<b>Owner-Occupied Housing Units</b>		<b>2001</b>				<b>2002</b>			
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>
Middle	14,763	93.6	273	99.6	21,605	99.8	317	100.0	24,233	100.0
Upper	1,010	6.4	1	0.4	40	0.2	0	0.0	0	0.0
N/A	-	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>15,773</b>	<b>100.0</b>	<b>274</b>	<b>100.0</b>	<b>21,645</b>	<b>100.0</b>	<b>317</b>	<b>100.0</b>	<b>24,233</b>	<b>100.0</b>

## Small Business Loans

The table below shows that the BGC’ s geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. In 2001 and 2002, the bank extended all of its assessment area small business loans in middle-income geographies.

Distribution of Small Business Loans By Geography Income Level								
Geography	2001				2002			
	#	%	\$000's	%	#	%	\$000's	%
Middle	16	100.0	425	100.0	33	100.0	3,127	100.0
Upper	0	0.0	-	0.0	-	0.0	-	0.0
N/A	0	0.0	-	0.0	-	0.0	-	0.0
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>425</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>3,127</b>	<b>100.0</b>

### Consumer Loans

The data also reveals excellent geographic distribution of consumer loans. The table below shows that in 2001 and 2002, the bank made all of its assessment area consumer loans in middle-income geographies. BGC's lending concentration in middle-income tracts exceeds the proportion of the assessment area families (94.2%) that live in middle-income tracts.

Distribution of Consumer Loans By Geography Income Level								
Geography	2001				2002			
	#	%	\$000's	%	#	%	\$000's	%
Middle	913	100.0	7,438	100.0	444	100.0	3,244	100.0
Upper	0	0.0	-	0.0	-	0.0	-	0.0
N/A	0	0.0	-	0.0	-	0.0	-	0.0
<b>Total</b>	<b>913</b>	<b>100.0</b>	<b>7,438</b>	<b>100.0</b>	<b>444</b>	<b>100.0</b>	<b>3,244</b>	<b>100.0</b>

- **Borrower Distribution of Lending - "Outstanding"**

BGC's distribution of borrowers reflects excellent penetration among individuals of different income levels and businesses of different sizes.

### Residential Mortgage Loans

As shown in the table below, the bank's distribution of loans reflects excellent penetration among individuals of different income levels, including LMI borrowers.

Distribution of Residential Loans By Borrower Income Level										
Income Level	Total Households in Assessment Area		2001				2002			
	#	%	#	%	\$000's	%	#	%	\$000's	%
Low	4,636	21.5	14	5.1	841	3.9	12	3.8	400	1.7
Moderate	3,364	15.6	36	13.1	2,259	10.4	46	14.5	2,460	10.2
Middle	4,492	20.8	51	18.6	3,003	13.9	64	20.2	4,127	17.0
Upper	9,055	42.0	173	63.1	15,542	71.8	193	60.9	16,921	69.8
N/A	-	-	0	0.0	-	0.0	2	0.6	325	1.3
<b>Total</b>	<b>21,547</b>	<b>100.0</b>	<b>274</b>	<b>100.0</b>	<b>21,645</b>	<b>100.0</b>	<b>317</b>	<b>100.0</b>	<b>24,233</b>	<b>100.0</b>

In 2001, of the 274 residential loans (\$21.6 million) the bank originated in its assessment area, 50 (18.2%) loans totaling \$3.1 million (14.3%) were extended to LMI individuals. In 2002, the number of loan originations increased to 317 (\$24.2 million), of which 58 (18.3%) loans totaling nearly \$2.9 million (11.9%) were made to LMI individuals. The bank performed better during this evaluation period than the prior evaluation when it made 12.2% by number and 7.7% by dollar volume in 1998 and 15.4% and 9.8%, respectively, in 1999 to LMI individuals. As noted in the Performance Context above, approximately 37.1% of households in the assessment area were LMI households.

### Small Business Loans

The table below indicates that in 2001, the bank originated 93.8% of the number and 76.5% of the dollar volume of its assessment area small business loans to small businesses with annual revenues of \$1 million or less. In 2002, BGC made all of its loans to small businesses.

<b>Distribution of Small Business Loans by Gross Annual Revenue of the Businesses</b>								
Gross Annual Revenue \$000's	2001				2002			
	#	%	\$000's	%	#	%	\$000's	%
≤\$1,000	15	93.8	325	76.5	33	100.0	3,127	100.0
>\$1,000	1	6.3	100	23.5	0	0.0	0	0.0
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>425</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>3,127</b>	<b>100.0</b>

The distribution of small business loans among different loan sizes reflected in the table below shows that the bank has a strong record of meeting the credit needs of small- and medium-sized businesses. In 2001, all of BGC's small business loan originations in the assessment area were in loan amounts of \$100 thousand or less. In 2002, the bank's number ratio decreased to 81.8% and its dollar volume ratio decreased to 36.0%. However, the bank's absolute number of loans in the smallest loan size category increased by 68.8% while absolute dollar volume increased by 164.9% from prior year levels.

<b>Distribution of Small Business Loans By Loan Sizes</b>								
Loan Size \$000's	2001				2002			
	<b>Bank</b>				<b>Bank</b>			
	#	%	\$000's	%	#	%	\$000's	%
≤\$100	16	100.0	425	100.0	27	81.8	1,126	36.0
>\$100≤\$250	0	-	0	-	1	3.0	150	4.8
>\$250≤\$1,000	0	-		-	5	15.2	1,851	59.2
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>425</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>3,127</b>	<b>100.0</b>

### 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 with respect to the bank's CRA performance.

- **Services**

BCG enhances credit availability in its assessment area by providing an array of retail and community development services.

Retail Banking Services

The bank provides a wide array of products and services through an operations center and six branches. These services include the following:

- Totally Free Checking Account – an alternative to the Basic Banking account.
- Bank by mail services, available at every branch.
- Direct deposit by Automated Clearing House (“ACH”) and deposit by mail from small companies that do not have ACH capabilities.
- Wire transfer services.
- Visa card used at point of sale transactions; has global acceptance, unmatched convenience and no-fee purchasing power.
- Internet Banking that offers customers the opportunity to view accounts and make transfers between accounts.
- Electronic Banking Services available 24 hours a day, 7 days a week.

ATMs are available at all branches.

Community Development Services

Representatives of the bank actively participate in public programs, including the seventh Greene County Micro-Enterprise Assistance Program training session on business finance. The bank also participated in “Meet the Lender” conference offered by the Catskill Mountain Housing Development Corporation.

- **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.**

Examiners noted no practices 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 dated August 7, 2000 indicates satisfactory adherence to anti-discrimination or other applicable laws and regulations. No evidence of prohibited discrimination 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.**

To ascertain the credit needs of its community, the BGC has established ongoing relationships with various community groups and government officials. For example, the bank works closely and proactively with Catskill Mountain Housing Development Corporation, an organization formed to make affordable housing available to elderly and LMI individuals. This organization administers Federal and State grants to assist homebuyers with down payments and closing costs for the purchase of their first home.

In addition, bank representatives actively participate in public programs and have contacts with non-profit and community groups. A mortgage officer visits all realtors in the bank's service area on a monthly basis to update them on products offered by the bank. This loan officer also will also meet with clients at night or on weekends at any branch or at the client's home.

Directors and Officers belong to various community organizations, including the Greene County Chamber of Commerce, Greenville Chamber of Commerce, Town of Hunter Planning Board, Common Ground Dispute Resolution, Greene County Quantum Loan Committee, Economic Development Advisory Committee, Greene County Industrial Development Agency, Catskill Chamber of Commerce and Heart of Catskill Association.

**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 BGC uses various media in Greene County, including newspapers, radio and television to market its products. In addition, the bank includes statement stuffers to advise customers of its loan products.

The bank also inserts loan brochures in the local newspapers to advertise its products to non-customers. In addition, the bank did a direct mailing of a loan special to all homes in Greene County.

**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 bank maintains a CRA statement and lending policy, which the board reviews and approves annually. In addition, the board continually monitors and assesses the bank's compliance with CRA. Each month the board reviews all mortgage and consumer loans

originated by the bank, including the borrowers' names, the communities in which the borrowers reside, the amounts of the loans, and the office that originated the loans. Additionally, annually and semi-annually, the bank provides the board with a lender market share report for all lenders in the lending area. This report helps the board to ascertain the credit needs of its community.

Members of the board are businesspeople from all areas of the county and are involved in activities designed to develop, enhance and improve local communities.

- **Other Factors**

**Other factors that in the judgement of the Superintendent and Banking Board, bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.**

The bank has developed a program for loans to municipalities and fire protection districts for the purchase of fire fighting equipment and facilities. The bank made over \$2 million in loans at low rates and reasonable terms during the evaluation period.

The Bank of Greene County also made grants and donations totaling \$42.8 thousand to other non-profit organizations in the assessment area.

Additionally, the bank received several awards during the evaluation period, including the following:

- The Greene County Economic Development Office presented the bank with its Greene Diamond Award for the bank's overall economic contribution to the county;
- The Greene County Legislature presented the bank with its Economic Development Recognition Award for the bank's contribution to the economic health of the county; and
- The Heart of Catskill Association, a local business and community organization, named the bank "Business of the Year."

## 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.