



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

One State Street Plaza  
New York, NY 10004

**PUBLIC SUMMARY**

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

**Date of Evaluation:** January 1, 2002

**Institution:** Genesee Regional Bank  
3380 Monroe Avenue  
Rochester, New York 14618

**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 Genesee Regional Bank (“GRB”) 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 January 1, 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

Genesee Regional Bank (GRB) is rated "2", indicating a satisfactory record of helping to meet community credit needs. This rating is based on the following factors:

- *Loan-to-Deposit (LTD) Ratio* - GRB's average LTD ratio for the five quarters ending December 31, 2001 was 89.4%, well above the peer group average ratio of 70.4% for the same period. This ratio is considered more than reasonable, given the bank's size, financial condition and assessment area credit needs.
- *Proportion of Lending Within Assessment Area* -The bank extended a substantial majority of its small business loans, both in number and in dollar volume, within its assessment area. Of the total number, 69% and 96% were granted in the assessment area in 2000 and 2001, respectively.
- *Borrower Distribution of Lending* – The distribution of small business loans in the assessment area reflects reasonable penetration among businesses of different sizes. For the two-year evaluation period, the bank made 68.8% of its loans in origination amounts of \$100 thousand or less, 15.6% of its loans in amounts of more than \$100 thousand but less than \$250 thousand, and 15.6% of its loans for more than \$250 thousand to \$1 million.
- *Geographic Distribution of Lending* - The distribution of small business loans according to census tract income reflects poor dispersion throughout the assessment area. GRB's LMI area lending included only two loans (9.0%) for 71 thousand (2.6%) in 2000 and three loans (13.1%) for \$291 thousand (8.6%) in 2001. GRB's LMI penetration for the current two-year evaluation period was less than 50% of the penetration rate achieved for the prior evaluation period. Moreover, both the business demographic data and the performance of the aggregate in the assessment area suggest that additional opportunities exist to lend in LMI areas.
- *Response to Written CRA Complaints* - Neither the bank nor the New York State Banking Department has received any written complaints concerning the bank's CRA performance.

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**

GRB was originally chartered on August 8, 1985 as Lyndon Guaranty Bank of New York. In April 2000, the bank changed its name to Genesee Regional Bank. The bank is a commercial bank located in Greece, a northern suburb of the City of Rochester in Monroe County, New York. It was founded as a limited service bank and was originally a wholly owned subsidiary of ITT Consumer Financial Corporation (ITTFC). In May 1996, two private investors purchased the bank from ITTFC and later received regulatory approval for it to become a full service bank.

On December 31, 2001, the bank's total assets amounted to \$47.8 million, of which \$40.7 million, or 85.1%, represented loans to various type of borrowers. Total gross loans of \$40.7 million consisted of the following: \$12.0 million (29.6%) in commercial & industrial loans; \$11.2 million (27.6%) in consumer loans; \$10.6 million (25.9%) in commercial mortgages; \$4.8 million (11.8%) in residential and multifamily mortgages; and \$2.1 million (5.1%) in construction loans. The bank's total deposits as of the same date amounted to \$44.1 million, or 92.3% of total liabilities and equity.

The bank underwrites an insignificant number of residential and multifamily mortgages. The bulk of applications, mostly residential mortgages, are referred to and underwritten by a non-affiliated mortgage company. Commercial lending, including small business loans, continues to be the focus of the institution's lending program. The following chart provides a summary of the bank's lending operations:

<b>TOTAL GROSS LOANS OUTSTANDING</b>				
<b>LOAN TYPE</b>	<b>12/31/2001</b>		<b>12/31/2000</b>	
	<b>\$ ('000)</b>	<b>%</b>	<b>\$ ('000)</b>	<b>%</b>
Commercial & Industrial Loans	12,045	29.6	10,1236	28.4
Consumer Loans	11,231	27.6	11,139	31.2
Commercial Mortgages	10,546	25.9	8,681	24.3
Construction Loans	2,062	5.1	1,191	3.3
Residential Mortgages	2,869	7.0	2,347	6.6
Multifamily Mortgages	1,975	4.8	2,212	6.2
<b>Total Gross Loans</b>	<b>40,728</b>	<b>100.0</b>	<b>35,693</b>	<b>100.0</b>

GRB is a participating lender in the *Small Business Administration (SBA) guaranteed loan program*. The bank originated one SBA loan for \$30 thousand during the evaluation period. The bank also participates in the *New York Business Development Corporation's (NYBDC) loan fund*. NYBDC is a privately owned entity created by New York State statute and funded by commercial and savings bank 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.

Since the prior CRA evaluation, GRB has completely changed its senior management team and has concentrated more on lending to small businesses. Currently, the bank has four banking offices, all located in the Rochester area and performing full service community banking functions. The branch offices are located in Pittsford, Greece, downtown Rochester, and in East Rochester. Three of the offices were opened during this evaluation period. The Pittsford and downtown Rochester offices were opened in 2000 and the East Rochester office in 2001.

According to the June 30, 2001 "Market Share Report of Deposits of all FDIC-Insured Institutions", the bank ranked 10<sup>th</sup> among the 16 banks operating in Monroe county, based on its share of deposits generated within the assessment area".

The bank competes with small and large regional and national banks in its assessment area. The large banks include Key Bank, Charter One, Citibank, Chase, HSBC, M&T, and Fleet.

GRB was awarded a rating of "2" at its last CRA Performance Evaluation by the New York State Banking Department on September 30, 2000, reflecting a satisfactory record of helping to meet community credit needs.

### **Assessment Area**

GRB's assessment area is comprised of Monroe County, in its entirety. Located in the Finger Lake Region of central New York, the county is bordered by Lake Ontario to the north, Wayne County to the east, Ontario and Livingston Counties to the south, and Genesee and Orleans Counties to the west.

Monroe County is part of the Rochester Metropolitan Statistical Area (MSA) #6840, and based on the 1990 U.S. census, had a population of 714 thousand. The county has 184 census tracts, of which 32 (17.%) are low-income; 32 (17%) are moderate-income. 75 (41%) are middle income, 41 (23%) are upper income and four (2%) are zero income tracts. The annually adjusted median family income figures for the Rochester MSA for 2000, and 2001 were \$52,400, and \$54,900 respectively.

Major employers headquartered in the Rochester area include Kodak, Xerox, Bausch and Lomb, the University of Rochester, and Wegman's Food Markets. For the year 2001, the unemployment rate in Monroe County was 4.3%, below the New York State unemployment rate of 4.9%.

According PCI Services Inc. Business Demographic Data, in 2001 there were 33.0 thousand businesses in Monroe County, of which 29.0 thousand (86.3%) had revenues of \$1.0 million or less. About 3.2 thousand (9.4%) had revenues of more than \$1.0 million and 1.5 thousand (4.4%) were businesses on which no revenues were reported. About 5.2 thousand of the small businesses were located in LMI tracts. Approximately 91.8% (31.0 thousand) of all the businesses in the county had fewer than 50 employees and 80.7% (27.2 thousand) operated from a single location.

About 46.4% (15.6 thousand) of all firms were service providers, 18.0% (6.1 thousand) were in the retail trade, 9.0% (3.0 thousand) were in construction, 8.6% (2.9 thousand) were in finance, insurance and real estate, 5.8% (2.0 thousand) were in the wholesale trade and 5.5% (1.8 thousand) were in manufacturing.

Portions of Monroe County have been designated as an Empire Zone (EZ) by the State of New York, based on community economic distress. Parts of the City of Rochester have been designated EZ. Firms located in these areas may be eligible for assistance including various tax credits, such as wage tax credits, investment tax credits, zone capital credits, sales tax refunds, real property tax abatements, technical assistance and utility rate savings.

The U.S. Department of Housing and Urban Development (HUD) has designated portions of the City of Rochester as a Renewal Community (RC). This area receives financial and technical support from various federal agencies as well as from state and local governments. The program seeks to increase the employment opportunities of the residences through job training and economic development, to create new jobs and retain current jobs as well as programs for affordable housing, education and childcare. Various federal tax benefits and other assistance are available to businesses that open or employ residents in a RC.

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

## **PERFORMANCE STANDARDS AND ASSESSMENT FACTORS**

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

The analysis described in this report is based on small business loans directly submitted by the bank to the New York State Banking Department. GRB provided data only on small business loans to borrowers with revenues of less than \$1 million. The bank had an insignificant number of HMDA-reportable loans for the evaluation period and did not submit any data on consumer loans.

The demographic data appearing in this report was obtained from the 1990 U.S. Census while the bank's loan data were taken from Call Reports of various dates. PCI Services Inc. provided the business demographic data for 2000 and 2001. Since, as a small bank, GRB is not required to report its small business lending to the Federal Financial Institutions Examination Council (FFIEC), it is not technically part of the small business "aggregate." Accordingly, the small business aggregate is provided for informational purposes only.

### **Loan-to-Deposit Analysis: "Outstanding"**

The LTD ratio is more than reasonable given the bank's size, resources, capabilities, and the economic conditions of the assessment area. The average LTD ratio for the five consecutive quarters ending on December 31, 2001 was 89.4%, well above the 70.3% average ratio for the peer group. Over the course of this period, GRB's ratios have ranged from a low of 88.5% to a high of 91.1%.

### **Proportion of Lending Within Assessment Area: "Outstanding"**

GRB extended a substantial majority of its small business loans within the assessment area, both in number and dollar volume. However, GRB's underwriting of small business loans and residential mortgages has slowed substantially. The bank currently refers mortgage loan applicants to an independent mortgage banker. For the two-year evaluation period, GRB's total small business origination represented 56.6% of total commercial & industrial loans, or 16.7% of total gross loans.

GRB granted 32 small business loans in 2000 and 24 small business loans in 2001, for a total of 56 small business loans aggregating \$6.8 million, to borrowers with gross annual revenues of less than \$1 million. Of this total, the bank extended 22 loans (69%) in 2000 and 23 loans (96%) in 2001 in its assessment area, for a total of 45 loans (80%) aggregating \$6.1 million (90%). The remaining 11 loans (19.6%) totaling \$653 thousand (10%) were extended outside the assessment area. The improved assessment area concentration in 2001 resulted entirely from a decrease in lending outside of the assessment area.

<b>SMALL BUSINESS LOANS – LENDING WITHIN THE ASSESSMENT AREA</b>				
<b>AREA OF LENDING</b>	<b>2000</b>		<b>2001</b>	
	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>
Lending Within the Assessment Area	22	2,769	23	3,370
Overall Lending	32	3,341	24	3,451
% of Lending in the Assessment Area	69%	83%	96%	98%

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

Since borrower revenue information was not available for purposes of this assessment, examiners used loan size as a surrogate for determining the bank’s lending penetration among businesses of different sizes. GRB’s small business loan distribution according to loan size is considered reasonable. As noted above, the evaluation is based only on small business loans to borrowers with revenues of less than \$1 million.

In 2000, the bank extended 15 (68.2%) loans in origination amounts of \$100 thousand or less, four (18.2%) loans in amounts more than \$100 thousand but less than \$250 thousand, and three loans (13.6%) in amounts more than \$250 thousand but less than \$1 million. In 2001, lending in the smallest loan size category increased slightly to 16 loans (70.0%), while GRB extended three loans (13.0%) in amounts more than \$100 thousand but less than \$250 thousand, and four loans (17.4%) in amounts more than \$250 thousand but less than \$1 million.

<b>DISTRIBUTION OF SMALL BUSINESS LOANS BY LOAN SIZE</b>								
<b>Loan Type:</b>	<b>&lt; \$100 M*</b>		<b>&gt; Than \$100M but &lt; Than \$250M</b>		<b>&gt; Than \$250M but &lt; Than \$1MM**</b>		<b>Total</b>	
	<b>#</b>	<b>Amount</b>	<b>#</b>	<b>Amount</b>	<b>#</b>	<b>Amount</b>	<b>#</b>	<b>Amount</b>
Year 2000	15	759	4	610	3	1,400	22	2,769
Year 2001	16	720	3	600	4	2,050	23	3,370
Total	31	1,479	7	1,210	7	3,450	45	6,139

\*M = Thousand \*\*MM = Million

### **Geographic Distribution of Lending: “Needs to Improve”**

The dispersion of GRB’s small business loans throughout the assessment area is poor, given the size of the bank, the number of branches and the total number of loans originated during the period under evaluation.

For the two-year evaluation period, GRB achieved an LMI penetration rate of 11.1%, less than 50% of the 26.2%(16 loans) penetration rate achieved during the prior evaluation period. Moreover, as noted in the *Performance Context*, according to the 2001 Business

Demographic Data produced by PCI Services Inc., approximately 5.2 thousand (17.9%) of the 29 thousand small businesses (annual revenues of less than \$1 million) in the bank's assessment area were located in LMI tracts.

The following chart provides a summary of the bank's lending dispersion, according to census tract income:

GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS												
	Year 2000				Year 2001				Total for 2000 & 2001			
	#	#(%)	\$(M*)	\$(%)	#	#(%)	\$(M*)	\$(%)	#	#(%)	\$(M*)	\$(%)
Low	0	0.0%	0	0.0%	2	8.7%	270	8.0%	2	4.4%	270	4.4%
Mod	2	9.0%	71	2.6%	1	4.4%	21	0.6%	3	6.7%	92	1.5%
Middle	10	45.5%	1,516	54.7%	17	73.9%	2,854	84.7%	27	60.0%	4,370	71.2%
Upper	10	45.5%	1,182	42.7%	3	13.0%	225	6.7%	13	28.9%	1,407	22.9%
Total	22	100.0%	2,769	100.0%	23	100.0%	3,370	100.0%	45	100.0%	6,139	100.0%

In 2000, the bank made no small business loans in low-income tracts and only two loans (9.0%) totaling \$71 thousand (2.6%) in moderate-income tracts. In 2001, the bank granted two loans (8.7%) totaling \$270 thousand (8.0%) in low-income tracts and one loan (4.4%) for \$21 thousand (0.6%) in a moderate-income tract.

In 2000, the small business aggregate extended 16.8% by number and 19.2% by dollar volume of its loans in LMI areas. The 2001 percentages were 16.9% and 19.8%, respectively. While GRB should not technically be measured against the aggregate, since as a small bank it is not part of the aggregate, these figures, together with the business demographic data and the bank's past performance suggest that additional opportunities exist to lend in LMI tracts.

### **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.

### **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 bank.

#### **Evidence of prohibited discriminatory or other illegal credit practices.**

The most recent regulatory compliance examination, conducted concurrently with this evaluation, found satisfactory adherence to anti-discrimination or other applicable laws and

regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

### **Process Factors**

**Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.**

Senior officers of the bank maintain ongoing contact with members of the community and various civic and non-profit organizations to ascertain the needs of areas in which the bank is located. Contacts were made and services extended to various groups and organizations, including but not limited to Family Resource Centers of Rochester, Continuing Developmental Services, Inc., Presbyterian Residence Center Corporation, Hill Haven Nursing Home, Catholic Family Center, Valley Manor Senior Apartments, Small Business Council, Webster Chamber of Commerce, Advent House and Greater Rochester Interfaith Health.

**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 is currently exploring a NYS program called "NYSERDA" – New York State Energy Research and Development Authority to help LMI households. Under this program, the state pays a subsidy to the contractor to reduce the amount of the loan based on the borrower's income and household size. The state, subject to certain income restrictions, will pay the contractor up to \$5.0 thousand if the borrower installs in his or her residence energy efficient home improvements.

**The extent of participation by the banking institution's board of directors in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.**

The board of directors oversees and monitors all matters related to CRA. CRA matters are discussed during regular board meetings, the frequency of which is mandated by the banking law.

### **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.**

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 non-metropolitan median family income.

### **LMI Borrowers**

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In the case where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

### **LMI Individuals/Persons**

Those individuals, whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

### **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.