



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: New York Community Bank
615 Merrick Ave
Westbury, NY 11590

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.

TABLE OF CONTENTS

	Section
General Information	1
Overview of Institution's Performance	2
Performance Context.....	3
Institution's Profile	
Assessment Area	
Performance Tests and Assessment Factors	4
Lending Test	
Investment Test	
Service Test	
Discrimination or Other Illegal Practices	
Process Factors	
Other Factors	
Glossary	5

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of New York Community Bank (“NYCB”) 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

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

Lending Test – "Outstanding"

- ❖ *Lending Activity:* The bank's lending levels reflect excellent responsiveness to assessment area credit needs. In 2001, NYCB originated 734 HMDA-reportable loans totaling \$597.3 million within the assessment area, increasing by number but decreasing by dollar volume to 955 loans for \$246.2 million in 2002. Of the 634 HMDA-reportable lenders within the bank's assessment area in 2002, NYCB ranked 54th with a market share of approximately 0.3%.

The bank is a market maker in modification, extension, and consolidation agreement ("MECA") loans. In 2001, NYCB extended 128 MECA loans totaling \$261.5 million within the assessment area, increasing dramatically to 760 loans for \$1.7 billion in 2002. This significant increase is due to mergers that brought the greater resources to the institution.

In 2001, NYCB originated 79 small business loans totaling \$11.7 million within the assessment area, dropping significantly to 21 loans for \$4.8 million in 2002. The bank offers but does not originate new small business loans such as lines of credit and business credit cards, but customers may apply for these products through NYCB to a third party that originates these loans.

- ❖ *Assessment Area Concentration:* NYCB made a substantial majority of its loans within the assessment area. The bank extended well over 95% of the number and dollar amount of its HMDA and MECA loans, and all of its small business loans within the assessment area in both 2001 and 2002.
- ❖ *Geographic Distribution of Loans:* The geographic distribution of loans reflects excellent dispersion among census tracts of different income levels, given the performance context. In 2001, NYCB extended 21.1% of the number and 36.5% of the dollar volume of its HMDA-reportable loans in LMI geographies, well above 13.2% and 12.3%, respectively, for the aggregate. While penetration rates decreased significantly in 2002, the bank's overall LMI lending for the evaluation period is considered strong. However, LMI penetration differed across mortgage products. While falling way below the aggregate's penetration rate for one-to-four family loans, NYCB outperformed the aggregate's LMI penetration for multifamily loans, its primary product.

Additionally, in 2001 the bank originated 28.2% by number and 31.7% by dollar volume of MECA loans in LMI areas within the assessment area, increasing in 2002 to 35.9% and 34.3%, respectively. The bank's LMI penetration rates compared reasonably well

with assessment area housing data, which indicated that 40.5% of renter-occupied housing units were in LMI areas.

NYCB's LMI penetration rates for small business loans were dramatically below the aggregate rates in 2001 and remained low in 2002.

- ❖ *Borrowers' Characteristics:* The distribution of borrowers reflects, given the product lines offered, excellent penetration among customers of different income levels and businesses of different sizes. In 2001, the bank extended 25.2% of its number of one-to-family loans to LMI individuals within the assessment area, well above 16.9% for the aggregate. The bank's LMI penetration rate increased to 28.4% in 2002.

In 2001, the bank extended all of its small business loans to businesses with gross annual revenues of \$1 million or less, dramatically exceeding aggregate performance in this category, but significantly trailed the aggregate in its lending penetration for loans in the amount of \$100 thousand or less. NYCB's small loan penetration worsened in 2002.

- ❖ *Community Development Lending:* The bank is leader in making community development loans. As of the evaluation date, NYCB had community development loans totaling \$918.9 million, of which \$285.5 million (31.1%) was new money. While neither innovative nor complex, the bank's volume of activity indicates excellent responsiveness to community needs.
- ❖ *Innovative and/or Flexible Lending Practices:* The bank makes limited use of innovative and/or flexible lending practices in serving assessment area credit needs.

Investment Test – “Outstanding”

- ❖ The bank has an excellent level of qualified investments, grants and donations for an institution of its size and capacity. Total qualified investments on evaluation date amounted to \$48.3 million, with new money totaling \$11.1 million or almost 23%.
- ❖ While NYCB's qualified investments are neither innovative nor complex, the volume of activity, and in particular the significant grant making by the foundation, shows a positive responsiveness to community needs.

Service Test – “High Satisfactory”

- ❖ The bank's delivery systems are accessible to essentially all portions of the assessment area. NYCB delivers banking services through a network of 91 branches within New York State, of which 15 (16.5%) branches were located in LMI areas and another 26 (28.6%) branches were located adjacent to LMI areas.
- ❖ The bank's record of opening and closing of branches has not adversely affected the accessibility of its delivery system, particularly to LMI geographies and/or individuals.

NYCB opened seven branches and closed three branches within the New York State assessment area during the evaluation period, none of which was in an LMI geography.

- ❖ The bank had 126 on-site ATMs as of the evaluation date, of which 20 (15.9%) were located in LMI areas and another 30 (23.8%) were located adjacent to LMI areas. In addition, the bank had eight off-site ATM locations. During the evaluation period, the bank established 12 new ATMs and closed five.
- ❖ The branches' regular business hours did not vary in a way that inconveniences certain portions of its assessment area. Most branches had Saturday and Sunday hours.
- ❖ NYCB offers various banking programs designed to expand services for traditionally underserved populations, such as student banking programs, in-store branches, and banking services for children and students.
- ❖ The bank provided a relatively high level of community development services during this evaluation period. Bank management, staff and members of the board of directors provide financial advice, technical assistance and participate in fund raising efforts that aid various community development organizations and programs that promote economic development opportunities and/or provide services to low-income families.

This on 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:

NYCB, formerly Queens County Savings Bank ("QCSB"), is a wholly owned subsidiary of New York Community Bancorp, Inc., which resulted from the merger of Queens County Bancorp, Inc and Haven Bancorp, Inc, effected on November 2000. QCSB was chartered as a mutual savings institution in 1858 and converted to stock form in 1993, changing to its current name on December 13, 2000.

New York Community Bancorp, Inc., with total assets of \$11.3 billion as of December 31, 2002, is the holding company for NYCB. It is the sixth largest thrift in the nation, based on its market capitalization at year-end 2002. The bank has expanded into new markets through its acquisition of several financial institutions, including its merger on July 31, 2001 with Richmond County Financial Corp, the holding company for Richmond County Savings Bank.

NYCB is a community-oriented financial institution offering a wide variety of financial products and services to meet the needs of the community it serves. NYCB serves its customers through a network of over 100 banking offices in New York City, Long Island, Westchester County and New Jersey. In New York State, the bank has 91 branches, 126 on-site automated teller machine ("ATMs") and eight off-site ATM locations. NYCB branches are concentrated primarily in Queens, Long Island, and Staten Island. In addition, NYCB has 16 branches in New Jersey.

The bank's core business is to attract deposits from its surrounding community and make loans that are secured on properties located throughout the counties falling within its assessment areas. The bank's presence is predominantly concentrated in Queens, Richmond, Suffolk and Nassau counties.

The following table illustrates a breakdown of the bank's loan portfolio as of December 31, 2002 and 2001, based on the Call Report.

TOTAL GROSS LOANS OUTSTANDING				
LOAN TYPE	12/31/2002		12/31/2001	
	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	268,937	4.9	1,415,654	26.2
Commercial Mortgage Loans	533,327	9.7	561,944	10.4
Multifamily Mortgages	4,494,332	81.8	3,255,167	60.2
Consumer Loans	15,415	0.3	21,041	0.4
Commercial & Industrial Loans	60,159	1.1	1,116	0.0
Construction Loans	117,013	2.1	152,366	2.8
Other Loans	6,977	0.1	3,089	0.0
Total Gross Loans	5,496,160	100.0	5,410,377	100.0

NYCB is primarily a multifamily mortgage lender. The above chart shows that the bank reported 81.8% of its loan portfolio in multi-family mortgages and 4.9% in 1-4 family residential mortgage loans.

The Bank offers a variety of loan products ranging from commercial and industrial loans to mortgages, which include government-sponsored loan products for small businesses and mortgages. The bank originates and holds in its loan portfolio multi-family and commercial real estate loans as well as a small number of commercial and industrial loans. In addition, NYCB originates (through a third party) one-to-four family real estate loans to hold in its portfolio for a maximum period of two weeks before it sells all the loans (including servicing rights) to the same third party. As of December 31, 2002 the bank had sold a total of approximately \$237 million. This strategy provides liquidity, which enhances the bank's capability to finance multifamily loans in LMI geographies.

According to the latest available comparative deposit data dated June 30, 2002, the bank obtained a market share of 1.1%, or almost \$4.7 billion out of \$417 billion inside its market, ranking NYCB 14th among 135 deposit-taking institutions in the New York State assessment area. On the same date, Queens and Richmond Counties provided about 80.6% of the bank's total deposits.

The bank faces competition from larger financial institutions, smaller community banks, mortgage bankers, finance companies, credit unions, insurance companies and brokerage firms located within the assessment area.

Examiners noted no legal or financial impediments at the institution that would adversely impact its ability to meet the credit needs of the assessment area.

Assessment Area:

NYCB's New York assessment area includes each of the five counties in New York City, Rockland and Westchester Counties, all in Metropolitan Statistical Area ("MSA") 5600 and Nassau and Suffolk Counties in MSA 5380. Excluding 80 zero-income census tracts, the assessment area has a total of 2,980 census tracts, of which 319 (10.7%) are low-income, 517 (17.3%) are moderate-income, 1,203 (40.4%) are middle-income and 941 (31.6%) are upper-income tracts.

The following chart shows a distribution of the census tracts within the bank's assessment area:

Distribution of Assessment Area Census Tracts by Income Level							
County	Zero	Low	Moderate	Middle	Upper	Total	LMI %
Bronx	15	126	65	88	61	355	53.8%
Kings	19	114	207	302	147	789	40.7%
New York	11	63	65	33	126	298	43.0%
Queens	17	7	80	331	238	673	12.9%
Richmond	4	4	2	25	66	101	5.9%
Rockland	2	-	1	4	35	42	2.4%
Westchester	2	2	18	35	163	220	9.1%
Nassau	3	1	20	180	66	270	7.8%
Suffolk	7	2	59	205	39	312	19.6%
Total	80	319	517	1,203	941	3,060	27.3%

According to the U.S. Census Bureau, the assessment area had a population of 11.1 million in 1990, increasing by about 900 thousand (8.1%) to approximately 12 million in 2000.

In 1990, there were 2.7 million families in the area, of which almost 630 thousand (23%) were low-income, 447 thousand (16.3%) were moderate-income, 555.9 thousand (20.3%) were middle-income and 1.1 million (40.4%) were upper-income families. Of the almost 1.1 million LMI families, about 513.5 thousand (46.7%) lived in LMI tracts and these families accounted for 65.8% of all families (780.2 thousand) that lived in LMI tracts. In 1990, the number of total households in the assessment area aggregated 4.1 million, of which 566.8 thousand (13.8%) lived below the poverty level.

There were 4.3 million housing units in the area, about 2.2 million (51.2%) of which were 1 to 4 family units and almost 2.1 million (48.8%) of which were multi-family units. Approximately 1.7 million (39.5%) of the housing units were owner-occupied and 183.6 thousand (10.8%) were in located in LMI tracts. A further 2.3 million (53.5%) were rental-occupied units, of which 929.2 thousand (40.4%) were located in LMI tracts. About 274.3 thousand (6.4%) of all housing units were vacant and/or boarded up.

In 1990, the weighted average median family income for the census tracts in the area was \$45.7 thousand and the weighted average median income for the MSA was \$41.2 thousand. In 2002, the HUD-estimated weighted average median family income in the MSA was \$66.6 thousand.

In 2001, New York State had a per capita personal income ("PCPI") of \$35.9 thousand, ranking the state fifth in the United States, representing 118% of the national average of \$30.4 thousand. The 2001 PCPI reflected an increase of 2.4% from 2000, while the 2000-2001 national increase was 2.2%. In 1991, the PCPI of New York State was \$23.8 thousand, ranking the state fourth in the United States. In 2001, the earnings of persons employed in New York State increased by 2.5% to \$514 billion, from \$501.7 billion in 2000. The 2000-2001 national change was 2.5%.

According to a Dun and Bradstreet survey, in 2002 there were 792 thousand businesses in

the bank's assessment area, of which 511.7 thousand (64.6%) had revenues of \$1.0 million or less. Almost 58 thousand (7.3%) had revenues of more than \$1.0 million and 222.3 thousand (28.1%) were businesses on which no revenues were reported. About 546 thousand (68.9%) businesses in the assessment area had fewer than 50 employees and 715.7 thousand (90.4%) operated from a single location.

Approximately 265.6 thousand (33.5%) firms were service providers, 126.9 thousand (16%) were in the retail trade, 66.3 thousand (8.4%) were in finance, insurance and real estate, 42.6 thousand (5.4%) were in construction and 41.5 thousand (5.2%) were in the wholesale trade.

Details of County Demographics

Bronx County: Census Tracts: Excluding 15 zero-income tracts, Bronx County has 340 census tracts, of which 126 (37.1) are low-income, 65 (19.1%) are moderate-income, 88 (25.9%) are middle-income and 61 (17.9%) are upper-income tracts.

Population: According to the U.S. Census Bureau, the Bronx had a population of approximately 1.2 million in 1990, increasing by about 100 thousand (8.3%) to 1.3 million in 2000. Of the 1990 population, about 139.5 thousand (11.6%) were over the age of 65 and 297.9 thousand (24.7%) were under the age of 16.

Families/Households: In 1990, there were almost 292 thousand families in the county, of which 113.2 thousand (38.8%) were low-income families, 52.3 thousand (17.9%) were moderate-income, 52.1 thousand (17.9%) were middle-income and 74.3 thousand (25.4%) were upper-income families. Of the total 165.5 thousand LMI families, 127.7 thousand (77.2%) lived in LMI tracts, thereby accounting for 72.2% of all the families (177 thousand) that lived in LMI tracts. There were almost 423.2 thousand households in the county, of which 114 thousand (26.9%) had incomes below the poverty level.

Housing Units: There were nearly 441 thousand housing units in the Bronx, of which 103.1 thousand (23.4%) were 1 to 4 family units, 329.2 thousand (74.7%) were multifamily units and 58 (0.01%) were mobile homes. Of all the housing units, 75.8 thousand were owner-occupied and 15.1 thousand (19.9%) of these were in LMI areas. Approximately 348.3 thousand were rental-occupied and 231.3 thousand (66.4%) of these were in LMI areas. There were 17.5 thousand (almost 4%) housing units that were vacant and/or boarded up. In 1990, the weighted average median housing value was nearly \$131 thousand and the weighted average median age of the housing was 38 years.

Median Family Income: In 1990, the weighted average median family income for the county was \$27.2 thousand and the weighted average census MSA median family income was \$37.5 thousand. The HUD-updated MSA weighted average median family income was \$62.8 thousand in 2002.

Per Capita Personal Income & Earnings by Place of Work: In 2001, Bronx County had a PCPI of about \$19.9 thousand, ranking the county 58th in the state, representing 55% of

the state average of \$35.9 thousand and 65% of the national average of \$30.4 thousand. The 2001 PCPI reflected a decrease of 1.9% from 2000 while the 2000-2001 state change was 2.4% and the national change was 2.2%. In 1991, the PCPI of Bronx County was \$15.6 thousand, ranking the county 48th in the state. In 2001, the earnings of persons employed in Bronx County increased by 5% to \$9.8 billion from \$9.3 billion and in 2000. The 2000-2001 state and national change were both 2.5%.

According to a Dun and Bradstreet survey, in 2002 there were 34.7 thousand businesses in Bronx County, of which 23.8 thousand (68.7%) had revenues of \$1.0 million or less. Almost 1.9 thousand (5.3%) had revenues of more than \$1.0 million and 9 thousand (26%) were businesses on which no revenues were reported. About 24.5 thousand (70.7%) businesses in the county had fewer than 50 employees and 31.6 thousand (91.3%) operated from a single location.

Approximately 11.4 thousand (33%) firms were service providers, 7.9 thousand (22.9%) were in the retail trade, 2.9 thousand (8.4%) were in finance, insurance and real estate, 1.7 thousand (4.9%) were in construction and 1.4 thousand (4.1%) were in the wholesale trade.

Unemployment Rates: According to the New York State Department of Labor, the county's average unemployment rates were 7.2% in 2001 and 9.3% in 2002. The county's average unemployment rates were well above both the state's average rates of 4.9% in 2001 and 6.1% in 2002 and the MSA's average unemployment rates of 5.6% in 2000 and 7.3% in 2002.

Empire Zones: Portions of the Bronx have been designated Empire Zones (EZ) by the State of New York, based on community economic distress. The Hunts Point and Port Morris neighborhoods are designated EZs. 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.

A portion of the South Bronx shares a designated Federal Empowerment Zone ("FEZ") with Harlem (part of New York County). This area receives financial and technical support from a multiple of federal agencies, including HUD, USDA, HHS, Treasury, Labor and Justice as well as from state and local governments. The program's purpose is to increase employment opportunities of the residents 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 FEZ.

Kings County ("Brooklyn"): *Census Tracts:* Excluding 19 zero-income tracts, the county has 770 census tracts, of which 114 (14.8%) are low-income, 207 (26.9%) are moderate-income, 302 (39.2%) are middle-income and 147 (19.1%) are upper-income.

Population: According to the U.S. Census Bureau, Kings County had a population of about 2.3 million in 1990, increasing to approximately 2.5 million in 2000, a difference of about

200 thousand, or nearly 8.7%. Of the 1990 population, nearly 287 thousand (12.5%) were over the age of 65 and 539.7 thousand (23.5%) were under the age of 16.

Families/Households: In 1990, there were almost 563.3 thousand families in the county, of which almost 182.3 thousand (32.4%) were low-income, 99.1 thousand (17.6%) were moderate-income, 106.6 thousand (nearly 19%) were middle-income and 174.9 thousand (31.1%) were upper-income families. Of the total 281.6 LMI families, 175.4 thousand (62.3%) lived in LMI tracts, accounting for 65.9% of the 266.1 thousand families that lived in LMI tracts. There were almost 827.7 thousand households in the county, of which about 178.1 thousand (21.5%) had incomes below the poverty level.

Housing Units: There were almost 873.7 thousand housing units in Kings County, of which about 404.7 thousand (46.3%) were 1-4 family units, about 455.7 thousand (52.2%) were multifamily units and 104 (0.01%) were mobile homes. Approximately 215.8 thousand (24.7%) housing units were owner-occupied, with 55.5 thousand (25.7%) of these located in LMI areas. About 612.4 thousand were rental occupied units, with 314.1 thousand (51.3%) of these located in LMI areas. Of all the housing units, 48.9 thousand (5.6%) were vacant and/or boarded up. In 1990, the weighted average median housing value was \$181.4 thousand and the weighted average median age of houses was 44 years.

Median Family Income: In 1990, the weighted average median family income for the county was \$31.5 thousand and the weighted average census MSA median family income was \$37.5 thousand. The HUD-updated weighted average MSA median family income was \$62.8 thousand in 2002.

Per Capita Personal Income & Earnings by Place of Work: In 2001, Kings County had a PCPI of \$24.8 thousand, ranking the county 31st in the state. The PCPI was 69% of the state average of \$35.9 thousand and 81% of the national average of \$30.4 thousand. The 2001 PCPI reflected a decrease of 0.8% from 2000 while the 2000-2001 state change was 2.4% and the national change was 2.2%. In 1991, the PCPI of Kings County was \$18.2 thousand, ranking the county 25th in the state. In 2001, the earnings of persons employed in Kings County decreased by 2.2% to \$18.7 billion, from \$19.1 billion in 2000. The 2000-2001 state and national change were both 2.5%.

According to a Dun and Bradstreet survey, in 2002 there were 99.6 thousand businesses in Kings County, of which 64.3 thousand (64.6%) had revenues of \$1 million or less. Almost 5.3 thousand (5.3%) had revenues of more than \$1 million and 30 thousand (30.1%) were businesses on which no revenues were reported. About 68.8 thousand (69.1%) businesses in the county had fewer than 50 employees and 92.9 thousand (93.2%) operated from a single location.

Approximately 31.4 thousand (31.5%) firms were service providers, 19.9 thousand (20%) were in the retail trade, seven thousand (7.1%) were in finance, insurance and real estate, 5.3 thousand (5.4%) were in the wholesale trade and 4.8 thousand (4.8%) were in construction.

Unemployment Rates: According to the New York State Department of Labor, the county's average unemployment rates were 6.7% in 2001 and 8.6% in 2002. The county's average unemployment rates were both above the state's average rates of 4.9% in 2001 and 6.1% in 2002 and the MSA's rates of 5.6% in 2001 and 7.3% in 2002.

Empire Zones: Portions of Kings County have been designated as EZs by the State of New York, based on community economic distress. The Brooklyn Navy Yard, Sunset Park and Red Hook neighborhoods are designated EZs. 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.

New York County ("Manhattan"): *Census Tracts:* Excluding 11 zero-income tracts, New York County has 287 census tracts, of which 63 (nearly 22%) are low-income, 65 (22.6%) are moderate-income, 33 (11.5%) are middle-income and 126 (43.9%) are upper-income tracts.

Population: According to the U.S. Census Bureau, New York County had a population of almost 1.5 million in 1990, which increased by 49.7 thousand or 3.3% to more than 1.5 million in 2000. About 198.2 thousand (13.3%) of the 1990 population were over the age of 65 and about 221.1 thousand (14.9%) were under the age of 16.

Families/Households: In 1990, there were about 305.4 thousand families in the county, of which about 88 thousand (28.8%) were low-income, almost 42.3 thousand (13.8%) were moderate-income, about 43.8 thousand (14.4%) were middle-income and almost 131.3 thousand (43%) were upper-income families. Of the total 130.2 thousand LMI families, 99.7 thousand (76.6%) lived in LMI tracts, accounting for 68.3% of the 145.9 thousand families that lived in LMI tracts. There were about 716.8 thousand households in the county, of which about 120.1 thousand (16.8%) had incomes below the poverty level.

Housing Units: There were 785.1 thousand housing units in New York County, of which about 22.6 thousand (2.9%) were 1 to 4 family units, and about 751.4 thousand (95.7%) were multifamily units. Of all the housing units, nearly 128 thousand (16.3%) were owner-occupied and about 12.4 thousand (9.7%) of these were located in LMI tracts. Approximately 588.4 thousand (nearly 75%) housing units were rental-occupied and 233.8 thousand (39.7%) of these were located in LMI tracts. About 71.2 thousand (9.1%) of all the units were vacant or boarded up. In 1990, the weighted average median housing value was \$212.4 thousand and the weighted average median age of the housing was 41 years.

Median Family Income: In 1990, the weighted average median family income for the county was \$48.6 thousand and the weighted average census MSA median family income was \$37.5 thousand. The HUD-updated weighted average MSA median family income was \$62.8 thousand in 2002.

Per Capita Personal Income & Earnings by Place of Work: In 2001, New York County had a PCPI of almost \$93 thousand, ranking the county first in the state, representing 259% of

the state average of \$35.9 thousand and 306% of the national average of \$30.4 thousand. The 2001 PCPI reflected a decrease of 3.9% from 2000 while the 2000-2001 state change was 2.4% and the national change was 2.2%. In 1991, the PCPI of New York was almost \$49 thousand, ranking the county first in the state. In 2001, the earnings of persons employed in New York increased by 2.4% to \$237.7 billion from \$232.2 billion in 2000. The 2000-2001 state and national change were both 2.5%.

According to a Dun and Bradstreet survey, in 2002 there were almost 211 thousand businesses in New York County, of which 136.7 thousand (64.8%) had revenues of \$1 million or less. Almost 23.9 thousand (11.3%) had revenues of more than \$1.0 million and 50.4 thousand (23.9%) were businesses on which no revenues were reported. About 149.5 thousand (70.9%) of all businesses in the county had fewer than 50 employees and 181.4 thousand (86%) operated from a single location.

Approximately 80.4 thousand (38.1%) firms were service providers, 30.6 thousand (14.5%) were in the retail trade, almost 23 thousand (10.9%) were in finance, insurance and real estate, 14.9 thousand (7.1%) were in the wholesale trade and 10.1 thousand (4.8%) were in manufacturing.

Unemployment Rates: According to the New York State Department of Labor, the county's average unemployment rates were 6.4% in 2001 and 8.2% in 2002. The county's average unemployment rates were above the state's average rates of 4.9% in 2001 and 6.1% in 2002 and the MSA's average unemployment rates of 5.6% in 2001 and 7.3% in 2002.

Empire Zones: The East Harlem neighborhood of New York County has been designated as an EZ by the State of New York, based on community economic distress. Firms located in this area 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.

A portion of New York County (Harlem) shares a designated FEZ with the South Bronx. This area receives financial and technical support from a multiple of federal agencies, including HUD, USDA, HHS, Treasury, Labor and Justice as well as from the state and local governments. The program's purposes is to increase the employment opportunities for residents 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 FEZ.

Liberty Zone: In an effort to boost reinvestment and help rebuild Lower Manhattan following the devastating terrorist attacks, federal legislation created the *Liberty Zone*. The zone covers most of the area south of Canal Street, East Broadway and Grand Streets, and the law gives specific federal tax benefits to businesses located in the zone.

Queens County: Census Tracts: Excluding 17 zero-income tracts, Queens County has 656 census tracts, of which 7 (1.1%) are low-income, 80 (12.2%) are moderate-income, 331 (50.4%) are middle-income and 238 (36.3%) are upper-income tracts.

Population: According to the U.S. Census Bureau, Queens County had a population of almost 2.0 million in 1990, increasing to approximately 2.2 million in 2000, a difference of about 200 thousand, or 10%. Of the 1990 population, about 286.2 thousand (14.3%) were over the age of 65 and about 400 thousand (20%) were under the age of 16.

Families/Households: In 1990, there were approximately 495.6 thousand families in the county, of which about 90.2 thousand (18.2%) were low-income, almost 81.5 thousand (16.4%) were moderate-income, 107.5 thousand (21.7%) were middle-income and about 216.4 thousand (43.7%) were upper-income families. Of about 171.7 thousand LMI families, nearly 41.9 thousand (24.4%) lived in LMI tracts, accounting for nearly 58% of the 72.3 thousand families that lived in LMI tracts. There were about 718.4 thousand households in the county, of which almost 77.9 thousand (10.8%) had incomes below the poverty level.

Housing Units: There were nearly 752.7 thousand housing units in Queens County, of which just over 426.3 thousand (56.6%) were 1 to 4 family units and nearly 311.8 thousand (41.4%) were multifamily units. Of all the housing units, 306.1 thousand (40.7%) were owner-occupied, with nearly 18 thousand (5.9%) of these located in LMI tracts. Just over 414 thousand (55%) were rental occupied units, with about 87.1 thousand (21%) of these situated in LMI tracts. Of all the housing units, almost 34 thousand (4.5%) were vacant and/or boarded up. In 1990, the weighted average median housing value was \$198.1 thousand and the weighted average median age of housing was 41 years.

Median Family Income: In 1990, the weighted average median family income for the county was \$41.1 thousand and the weighted average census MSA median family income was \$37.5 thousand. The HUD-updated weighted average MSA median family income was \$62.8 thousand in 2002.

Per Capita Personal Income & Earnings by Place of Work: In 2001, Queens County had a PCPI of \$28.9 thousand, ranking the county 16th in the state and representing 81% of the state average of \$35.9 thousand and 95% of the national average of \$30.4 thousand. The 2001 PCPI reflected a decrease of 3.2% from 2000 while the 2000-2001 state change was 2.4% and the national change was 2.2%. In 1991, the PCPI of Queens was \$22.2 thousand, ranking the county 11th in the state. In 2001, the earnings of persons employed in Queens County increased by 4.9% to \$23.9 billion from \$22.8 billion in 2000. The 2000-2001 state and national change were both 2.5%.

According to a Dun and Bradstreet survey, in 2002 there were 93.9 thousand businesses in Queens County, of which 59.5 thousand (63.4%) had revenues of \$1 million or less. Almost 5.5 thousand (5.9%) had revenues of more than \$1 million and 28.9 thousand (30.7%) were businesses on which no revenues were reported. About 62.4 thousand

(66.5%) of all businesses in the county had fewer than 50 employees and 86.8 thousand (92.5%) operated from a single location.

Approximately 27.6 thousand (29.4%) firms were service providers, 17.4 thousand (18.6%) were in the retail trade, 6.9 thousand (7.3%) were in finance, insurance and real estate, 5.8 thousand (6.2%) were in construction, 4.9 thousand (5.2%) were in transportation and communication and 4.5 thousand (4.8%) were in the wholesale trade.

Unemployment Rates: According to the New York State Department of Labor, the county's average unemployment rates were 4.9% in 2001 and 6.5% in 2002. The county's average unemployment rate equaled the state's rate in 2001 but was above 6.1% in 2002 for the state. The county's rates were below the MSA's average unemployment rates of 5.6% in 2001 and 7.3% in 2002.

Empire Zones: The Far Rockaway and South Jamaica neighborhoods within Queens County have been designated as EZs by the State of New York, based on community economic distress. 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.

Richmond County ("Staten Island"): *Census Tracts:* Excluding four zero-income tracts, the county has 97 census tracts, of which four (4.1%) are low-income, two (2.1%) are moderate-income, 25 (25.8%) are middle-income and 66 (68%) are upper-income tracts.

Population: According to the U.S. Census Bureau, the county had a population of approximately 379 thousand in 1990, increasing by about 64.7 thousand (17.1%) to 443.7 thousand in 2000. Of the 1990 population, about 41.9 thousand (11.1%) were over the age of 65 and 83.8 thousand (22.1%) were under the age of 16.

Families/Households: In 1990, there were almost 99.5 thousand families in the county, of which 13.1 thousand (13.2%) were low-income, 10.7 thousand (10.7%) were moderate-income, 18.4 thousand (18.5%) were middle-income and 57.3 thousand (57.6%) were upper-income families. Of the total 23.7 thousand LMI families, 3.8 thousand (16%) lived in LMI tracts, accounting for 67.9% of all the families (5.6 thousand) that lived in LMI tracts. There were almost 130.2 thousand households in the county, of which 10.9 thousand (8.4%) had incomes below the poverty level.

Housing Units: There were nearly 139.7 thousand housing units in the county, of which 115.5 thousand (82.7%) were 1 to 4 family units, 20.9 thousand (15%) were multifamily units and 186 (0.1%) were mobile homes. Of all the housing units, 83.1 thousand (59.5%) were owner-occupied and 1.7 thousand (2.1%) were in LMI areas. Of all the housing units, 47.4 thousand (33.9%) were rental-occupied and 6.2 thousand (13.1%) of these were in LMI areas. There were 9.6 thousand (6.9%) housing units that were vacant and/or boarded up. In 1990, the weighted average median housing value was nearly \$183.4 thousand and the weighted average median age of the housing was 28 years.

Median Family Income: In 1990, the weighted average median family income for the county was \$50.5 thousand and the weighted average census MSA median family income was \$37.5 thousand. The HUD-updated MSA weighted average median family income was \$62.8 thousand in 2002.

Per Capita Personal Income & Earnings by Place of Work: In 2001, Richmond County had a PCPI of \$32.2 thousand, ranking the county 9th in the state and representing 90% of the state average of \$35.9 and 106% of the national average of \$30.4 thousand. The 2001 PCPI reflected a decrease of 0.1% from 2000 while the 2000-2001 state change was 2.4% and the national change was 2.2%. In 1991, the PCPI of Richmond was \$23.5 thousand, ranking the county 7th in the state. In 2001, the earnings of persons employed in Richmond County increased by 2.9% to \$4 billion from \$ 3.9 in 2000. The 2000-2001 state and national change were both 2.5%.

According to a Dun and Bradstreet survey, in 2002 there were 20.4 thousand businesses in Richmond County, of which 12.8 thousand (62.9%) had revenues of \$1 million or less. A further 849 (4.2%) had revenues of more than \$1 million and 6.7 thousand (32.9%) were businesses on which no revenues were reported. About 13.5 thousand (66.3%) businesses in the county had fewer than 50 employees and 18.9 thousand (92.8%) operated from a single location.

Approximately 6.6 thousand (32.2%) firms were service providers, 3.3 thousand (16.2%) were in the retail trade, 1.8 thousand (8.6%) were in construction and 1.3 thousand (6.4%) were in finance, insurance and real estate.

Unemployment Rates: According to the New York Department of Labor, the county's average unemployment rates were 4.7% in 2001 and 6.5% in 2002. The county's average unemployment rates were below the state's average rate of 4.9% in 2001 but above the state's average rate of 6.1% in 2002, and it was below the MSA's average rates of 5.6% in 2001 and 7.3% in 2002.

Empire Zones: North and West Shore Empire Zones: This joint City and State program is designed to stimulate business growth in economically distressed areas by providing New York State Tax Credits and other local incentives to zone certified businesses. A local Zone Administrative Board made up of representatives from New York City agencies, local community, business and government officials are responsible for monitoring, evaluating and co-coordinating the incentives available under the EZ program. The Staten Island Economic Development Corporation (SIEDC) is the administering agency for both the North and West Shore EZ programs.

Staten Island's North Shore Empire Zone (EZ) was designated in July 1994. The EZ covers 1280 acres along the North Shore and supports commercial districts, maritime and industrial sites. Staten Island West Shore EZ was designated in August 2001 and covers 700 acres stretching along the West Shore in Mariners harbor, Chelsea, and Bloomfield sections of Staten Island. The commercial district supports over 400 businesses in the

area.

Rockland County: Census Tracts: Excluding two zero-income tracts, the county has 40 census tracts, of which one (2.5%) is moderate-income, four (10%) are middle-income and 35 (87.5%) are upper-income tracts. The county has no zero-income tracts.

Population: According to the U.S. Census Bureau, the county had a population of approximately 265.5 thousand in 1990, which increased by about 21.3 thousand (8%) to 286.8 thousand in 2000. Of the 1990 population, about 26.9 thousand (10.1%) were over the age of 65 and 61.1 thousand (23%) were under the age of 16.

Families/Households: In 1990, there were almost 67 thousand families in the county, of which 5.6 thousand (8.3%) were low-income, 5.9 thousand (8.8%) were moderate-income, 10.5 thousand (15.7%) were middle-income and 45 thousand (67.2%) were upper-income. Of the total 11.5 thousand LMI families, 415 (3.5%) lived in moderate-income tracts, accounting for 65.9% of all families (630) that lived in moderate-income tracts. There were almost 84.9 thousand households in the county, of which 4.9 thousand (5.8%) had incomes below the poverty level.

Housing Units: There were nearly 88.3 thousand housing units in the county, of which 71.4 thousand (80.9%) were 1 to 4 family units, 14.6 thousand (16.5%) were multifamily units and 1.1 (1.2%) were mobile homes. Of all the housing units, 61.2 thousand (69.3%) were owner-occupied and about 245 (0.4%) of these were in moderate-income areas. Of all the housing units, 23.7 thousand (26.8%) were rental-occupied and 365 (1.5%) of these were in moderate-income areas. Almost 3.5 thousand (4%) housing units were vacant and/or boarded up. In 1990, the weighted average median housing value was nearly \$209.3 thousand and the weighted average median age of the housing was 26 years.

Median Family Income: In 1990, the weighted average median family income for the county was \$61 thousand and the weighted average census MSA median family income was \$37.5 thousand. The HUD-updated MSA weighted average median family income was \$62.8 thousand in 2002.

Per Capita Personal Income & Earnings by Place of Work: In 2001, Rockland County had a PCPI of \$39.2 thousand, ranking the county fourth in the state, representing 109% of the state average of \$35.9 thousand and 129% of the national average of \$30.4 thousand. The 2001 PCPI reflected an increase of 1% from 2000 while the 2000-2001 state change was 2.4% and the national change was 2.2%. In 1991, the PCPI of Rockland was \$26.6 thousand, ranking the county fourth in the state. In 2001, the earnings of persons employed in Rockland County decreased by 0.2% to \$5.38 billion from \$5.37 billion. The 2000-2001 state and national change were both 2.5%.

According to a Dun and Bradstreet survey, in 2002 there were 23.3 thousand businesses in Rockland County, of which almost 15 thousand (64.4%) had revenues of \$1 million or less. About 1.2 thousand (5.2%) had revenues of more than \$1 million and 7.1 thousand (30.4%) were businesses on which no revenues were reported. About 15.8 thousand

(67.8%) businesses in the county had fewer than 50 employees and 21.3 thousand (91.7%) operated from a single location.

Approximately 8 thousand (34.5%) firms were service providers, 3.3 thousand (14%) were in the retail trade, 1.6 thousand (7%) were in finance, insurance and real estate, 1.6 thousand (6.7%) were in construction and 998 (4.3%) were in wholesale trade.

Unemployment Rates: According to the New York State Department of Labor, the county's average unemployment rates were 3.1% in 2001 and 3.9% in 2002. The county's average unemployment rates were below the state's average rates of 4.9% in 2001 and 6.1% in 2002. The county's rates were also below the average MSA unemployment rates of 5.6% in 2001 and 7.3% in 2002.

Westchester County: Census Tracts: Excluding two zero-income tracts, Westchester County has 218 census tracts, of which two (0.9%) are low-income, 18 (8.3%) are moderate-income, 35 (16%) are middle-income and 163 (74.8%) are upper-income.

Population: According to the U.S. Census Bureau, Westchester County had a population of almost 874.9 thousand in 1990, increasing to about 923.5 thousand in 2000, a difference of 48.6 thousand, or 5.6%. About 126.3 thousand (14.4%) of the 1990 population was over the age of 65 and about 168.7 thousand (19.3%) were under the age of 16.

Families/Households: In 1990, there were about 229.5 thousand families in the county, of which 24.5 thousand (10.7%) were low-income, 22.3 thousand (9.7%) were moderate-income, 35.7 thousand (15.6%) were middle-income and almost 147 thousand (64%) were upper-income. Of the 46.8 thousand LMI families, nearly 11.1 thousand (23.7%) lived in LMI tracts, accounting for 59.4% (18.7 thousand) of all the families that lived in LMI tracts. There were almost 319.7 households in the county, of which 21.9 thousand (6.9%) had incomes below the poverty level.

Housing Units: There were approximately 336.7 thousand housing units in Westchester County, 220.7 thousand (65.6%) of which were 1 to 4 family units and 110.8 thousand (32.9%) of which were multifamily units. Nearly 191 thousand (56.7%) housing units were owner-occupied, with 3.6 thousand (1.9%) of these were located in LMI tracts. A further 129.1 thousand (38.3%) were rental-occupied, with almost 24.2 thousand (18.7%) of these situated in LMI tracts. Of the total number of housing units, 17 thousand (5.1%) were vacant and/or boarded up. In 1990, the weighted average median housing value was \$264.2 thousand and the weighted average median age of the housing was 39 years.

Median Family Income: In 1990, the weighted average median family income for the county was \$64.1 thousand and the weighted average census MSA median family income was \$37.5 thousand. The HUD-updated weighted average MSA median family income was \$62.8 thousand in 2002.

Per Capita Personal Income & Earnings by Place of Work: In 2001, Westchester County had a PCPI of \$56.7 thousand, ranking the county second in the state and representing

158% of the state average of \$35.9 thousand and 186% of the national average of \$30.4 thousand. The 2001 PCPI reflected an increase of 2.4% from 2000. The 2000-2001 state change was 2.4% and the national change was 2.2%. In 1991, the PCPI of Westchester was \$34.4 thousand, ranking the county second in the state. In 2001, the earnings of persons employed in Westchester County increased by 6% to \$26.8 billion from \$25.3 billion in 2000. The 2000-2001 state and national change were both 2.5%.

According to a Dun and Bradstreet survey, in 2002 there were 72.4 thousand businesses in Westchester County, of which 48.6 thousand (67.1%) had revenues of \$1 million or less. About 4.8 thousand (6.6%) had revenues of more than \$1 million and 19 thousand (26.3%) were businesses on which no revenues were reported. About 51.5 thousand (71.1%) businesses had fewer than 50 employees and 65.4 thousand (90.3%) operated from a single location.

Approximately 26.2 thousand (36.2%) firms were service providers, 10.1 thousand (13.9%) were in the retail trade, 6.2 thousand (8.6%) were in finance, insurance and real estate and 5.1 thousand (7.1%) were in construction.

Unemployment Rates: According to the New York Department of Labor, the county's average unemployment rates were 3.4% in 2001 and 4.2% in 2002. The county's average unemployment rates were below the state's average unemployment rates of 4.9% in 2001 and 6.1% in 2002. The county's rates were also below the average MSA unemployment rates of 5.6% in 2001 and 7.3% in 2002

Empire Zones: The City of Yonkers in Westchester County has been designated an EZ by the State of New York, based on community economic distress. Firms located in this area 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.

Nassau County: *Census Tracts:* Excluding three zero-income tracts, the county has 267 census tracts, of which one (0.4%) is low-income, 20 (7.5%) are moderate-income, 180 (67.4%) are middle-income and 66 (24.7%) are upper-income tracts.

Population: According to the U.S. Census Bureau, the county had a population of almost 1.3 million in 1990, which increased by about 47.2 thousand (3.7%) to more than 1.3 million in 2000. Of the 1990 population, about 182.6 thousand (14.2%) were over the age of 65 and 247.6 thousand (19.2%) were under the age of 16.

Families/Households: In 1990, there were almost 346.8 thousand families in the county, of which 51.1 thousand (14.7%) were low-income, 60.8 thousand (17.6%) were moderate-income, 86.9 thousand (25.1%) were middle-income and 147.9 thousand (42.7%) were upper-income. Of the total 112 thousand LMI families, 14.5 thousand (13%) lived in LMI tracts, accounting for 55.1% of all the families (26.3 thousand) that lived in LMI tracts. There were almost 431.1 thousand households in the county, of which 18 thousand (4.2%) had incomes below the poverty level.

Housing Units: There were nearly 446.3 thousand housing units in the county, of which 394.2 thousand (88.3%) were 1 to 4 family units, 46.9 thousand (10.5%) were multifamily units and 282 (0.06%) were mobile homes. Of all the housing units, 347.2 thousand (77.8%) were owner-occupied and 18 thousand (5.2%) of these were in LMI areas. Of all the housing units, 84.4 thousand (18.9%) were rental occupied and 19.1 thousand (22.7%) of these were in LMI areas. There were 15.1 thousand (3.4%) housing units that were vacant and/or boarded up. In 1990, the weighted average median housing value was nearly \$237 thousand and the weighted average median age of the housing was 38 years.

Median Family Income: In 1990, the weighted average median family income for the county was \$63.6 thousand and the weighted average census MSA median family income was \$56.7 thousand. The HUD-updated MSA weighted average median family income was \$83 thousand in 2002.

Per Capita Personal Income & Earnings by Place of Work: In 2001, Nassau County had a PCPI of \$47.4 thousand, ranking the county third in the state and representing 132% of the state average of \$35.9 thousand and 156% of the national average of \$30.4 thousand. The 2001 PCPI reflected an increase of 2.2% from 2000 while the 2000-2001 state change was 2.4% and the national change was 2.2%. In 1991, the PCPI of Nassau was \$32.1 thousand, ranking the county third in the state. In 2001, the earnings of persons employed in Nassau County increased by 2.3% to \$32.7 billion from almost \$32 billion in 2000. The 2000-2001 state and national change were both 2.5%.

According to a Dun and Bradstreet survey, in 2002 there were 118 thousand businesses in Nassau County, of which 73.2 thousand (62%) had revenues of \$1 million or less. About 7.2 thousand (6.1%) had revenues of more than \$1 million and 37.7 thousand (31.9%) were businesses on which no revenues were reported. About 77.6 thousand (65.7%) businesses in the county had fewer than 50 employees and 108.7 thousand (92.1%) operated from a single location.

Approximately 37.7 thousand (32%) firms were service providers, 16.7 thousand (14.2%) were in the retail trade, 9.9 thousand (8.4%) were in finance, insurance and real estate, 6.9 thousand (5.9%) were in construction and 5.3 thousand (4.5%) were in the wholesale trade.

Unemployment Rates: According to the New York State Department of Labor, the county's average unemployment rates were 3.1% in 2001 and 4.1% in 2002. The county's unemployment rates were well below the state's average rates of 4.9% in 2001 and 6.1% in 2002. The county's rates were also below the average unemployment rates of the MSA of 3.3% in 2001 and 4.3% in 2002.

Suffolk County – Census Tracts: Excluding seven zero-income tracts, the county has 305 census tracts, of which two (0.7%) are low-income, 59 (19.3%) are moderate-income, 205 (67.2%) are middle-income and 39 (12.8%) are upper-income tracts.

Population: According to the U.S. Census Bureau, the county had a population of

approximately 1.3 million in 1990, which increased by about 97.5 thousand (7.4%) to 1.4 million in 2000. Of the 1990 population, about 141 thousand (10.7%) was over the age of 65 and 288.4 thousand (21.8%) were under the age of 16.

Families/Households: In 1990, there were almost 343.6 thousand families in the county, of which 61.9 thousand (18%) were low-income, 72.1 thousand (nearly 21%) were moderate-income, 94.7 thousand (27.6%) were middle-income and 114.9 thousand (33.4%) were upper-income. Of the total 134 thousand LMI families, 39 thousand (29.1%) lived in LMI tracts, accounting for 57.6% of all families (67.7 thousand) that lived in LMI tracts. There were almost 424.6 thousand households in the county, of which 21 thousand (5%) had incomes below the poverty level.

Housing Units: There were nearly 481.3 thousand housing units in the county, of which 438.9 thousand (91.2%) were 1 to 4 family units, 31.7 thousand (6.6%) were multifamily units and 5 thousand (1%) were mobile homes. Of all the housing units, 340.3 thousand (70.7%) were owner-occupied and 63.5 thousand (18.7%) of these were in LMI areas. Of all the housing units, 84.4 thousand (17.5%) were rental-occupied and 26.5 thousand (31.4%) of these were in LMI areas. There were 57.6 thousand (12%) housing units that were vacant and/or boarded up. In 1990, the weighted average median housing value was nearly \$178.4 thousand and the weighted average median age of the housing was 27 years.

Median Family Income: In 1990, the weighted average median family income for the county was \$54.7 thousand and the weighted average census MSA median family income was \$56.7 thousand. The HUD-updated MSA weighted average median family income was \$83 thousand in 2002.

Per Capita Personal Income & Earnings by Place of Work: In 2001, Suffolk County had a PCPI of \$36.1 thousand, ranking the county seventh in the state and representing 101% of the state average of \$35.9 thousand and 119% of the national average of \$30.4 thousand. The 2001 PCPI reflected an increase of 0.6% from 2000 while the 2000-2001 state change was 2.4% and the national change was 2.2%. In 1991, the PCPI of Nassau County was \$24.5 thousand, ranking the county sixth in the state. In 2001, the earnings of persons employed in Suffolk County increased by 1.9% to \$28.9 billion, from \$28.4 billion in 2000. The 2000-2001 state and national change were both 2.5%.

According to a Dun and Bradstreet survey, in 2002 there were 118.7 thousand businesses in Suffolk County, of which 77.8 thousand (65.5%) had revenues of \$1 million or less. About 7.4 thousand (6.3%) had revenues of more than \$1 million and 33.5 thousand (28.3%) were businesses on which no revenues were reported. About 82.4 thousand (69.4%) businesses in the county had fewer than 50 employees and 108.7 thousand (91.6%) operated from a single location.

Approximately 36.2 thousand (30.5%) firms were service providers, 17.7 thousand (14.9%) were in the retail trade, 11.5 thousand (9.7%) were in construction, 7.5 thousand (6.3%)

were in finance, insurance and real estate, 5.5 thousand (4.7%) were in the wholesale trade and almost 5 thousand (4.2%) were in manufacturing.

Unemployment Rates: According to the New York State Department of Labor, the county's average unemployment rates were 3.5% in 2001 and 4.4% in 2002. The county's unemployment rates were well below the state's average rates of 4.9% in 2001 and 6.1% in 2002. The county's rates were slightly above the average MSA unemployment rates of 3.3% in 2001 and 4.3% in 2002.

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

PERFORMANCE TESTS AND ASSESSMENT FACTORS

This performance evaluation is based on a review of NYCB’s lending, investment, and service activities within its assessment area during 2001 and 2002.

Statistics utilized in this evaluation were derived from various sources. In addition to loan information submitted by the bank, aggregate data for HMDA-reportable and small business loans were obtained from the Federal Financial Institutions Examination Council (“FFIEC”) and PCI Services, Inc. CRA Wiz©, an external vendor. Demographic data are from the 1990 U.S. Census data, with 2002 estimated income figures provided by the United States Department of Housing and Urban Development (“HUD”).

Examiners compared the bank’s HMDA-reportable and small business lending to the 2001 aggregate. The 2002 aggregate data was not available for purposes of this evaluation.

I. Lending Test: “Outstanding”

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

In the analysis of factors (1), (2), and (3) above, examiners primarily considered the bank’s HMDA-reportable and MECA data, with an emphasis on multifamily/MECA loans, NYCB’s primary product. While small business lending is discussed below, this product category represents a small proportion of NYCB’s business and was not given significant weight in this evaluation.

Lending Activity: “Outstanding”

The bank’s lending levels reflect excellent responsiveness to assessment area credit needs.

The following chart shows that the bank originated 2,677 HMDA-reportable, MECA and small business loans totaling almost \$2.8 billion within the assessment area during the evaluation period. By number of loans, HMDA-reportable lending dominated, representing 63.1% of the total, followed by MECAs at 33.2% and small business loans at 3.7%. On a dollar basis, MECA, HMDA and small business loans represented 69.1%, 30.3% and 0.6% of the total, respectively.

NYCB Total Loans						
Loan Type	2001		2002		Total	
	#	\$000's	#	\$000's	#	\$000's
HMDA	734	597,331	955	246,220	1,689	843,551
MECA	128	261,462	760	1,663,447	888	1,924,909
Small Business	79	11,732	21	4,821	100	16,553
TOTAL	941	870,525	1,736	1,914,488	2,677	2,785,013

HMDA-reportable Loans

In 2001, NYCB originated 734 HMDA-reportable loans totaling \$597.3 million within the assessment area. The number of loans increased in 2002 by 30.1% to 955, but dollar volume decreased by 58.8% to \$246.2 million. The changes may be partially attributable to an increase in 1-4 family lending, coupled with greater utilization of non-HMDA-reportable MECAs for purposes of extending credit on multifamily properties.

The following chart shows a distribution of the bank's HMDA-reportable originations for the evaluation period:

DISTRIBUTION OF HMDA REPORTABLE LOANS BY PURPOSE								
Loan Type	2001				2002			
	#	%	\$000's	%	#	%	\$000's	%
Home Purchase	207	28.2%	43,628	7.3%	230	24.1%	39,442	16.0%
Refinancing	268	36.5%	50,624	8.5%	640	67.0%	97,459	39.6%
Home Improvement	1	0.1%	649	0.1%	6	0.6%	5,154	2.1%
Multifamily	258	35.1%	502,430	84.1%	79	8.3%	104,165	42.3%
TOTAL	734	100.0%	597,331	100.0%	955	100.0%	246,220	100.0%

Of the 634 HMDA-reportable lenders within the bank's assessment area in 2002, NYCB ranked 54th, with a market share of almost 0.3%.

MECA Loans

In 2001, NYCB extended 128 MECA loans totaling \$261.5 million within the assessment area and in 2002, the number and dollar volume of loans increased about six-fold to 760 loans and \$1.7 billion, respectively. The bank is a market maker in MECA loans. This significant increase in volume is partially attributable to mergers that resulted in greater availability of resources. Market share data is not available for MECA loans.

Small Business Loans

In 2001, NYCB originated 79 small business loans totaling \$11.7 million within the assessment area. Both the number and dollar volume of small business loans declined in 2002, to 21 loans totaling \$4.8 million, respectively. The bank offers but does not originate new small business loans such as lines of credit and business credit cards. A third party originates these loans. Customers inquiring about these products apply through NYCB to the third party, who then originates these loans.

Assessment Area Concentration: "Outstanding"

NYCB made a substantial majority of its loans within the assessment area.

The chart below shows that the bank originated nearly all of its loans within the assessment area during the evaluation period.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$000's	%	\$000's	%	
HMDA										
2001	734	97.9%	16	2.1%	750	597,331	99.5%	3,126	0.5%	600,457
2002	955	98.0%	19	2.0%	974	246,220	98.9%	2,699	1.1%	248,919
Subtotal	1,689	98.0%	35	2.0%	1,724	843,551	99.3%	5,825	0.7%	849,376
MECA										
2001	128	97.7%	3	2.3%	131	261,462	97.3%	7,333	2.7%	268,795
2002	760	98.3%	13	1.7%	773	1,663,447	99.3%	11,958	0.7%	1,675,405
Subtotal	888	98.2%	16	1.8%	904	1,924,909	99.0%	19,291	1.0%	1,944,200
Small Business										
2001	79	100.0%	0	0.0%	79	11,732	100.0%	-	0.0%	11,732
2002	21	100.0%	0	0.0%	21	4,821	100.0%	-	-	4,821
Subtotal	100	100.0%	0	0.0%	100	16,553	100.0%	-	0.0%	16,553
Total	2,677	98.1%	51	1.9%	2,728	2,785,013	99.1%	25,116	0.9%	2,810,129

HMDA-reportable Loans

A significant majority of HMDA loans were made within the bank's assessment area during the evaluation period. In 2001, NYCB originated 750 thousand HMDA-reportable loans totaling \$600.5 million, of which 734 (97.9%) loans totaling \$597.3 million (99.5%) were within the assessment area. In 2002, the bank originated 974 HMDA-reportable loans totaling \$248.9 million, of which 955 (98%) loans totaling \$246.2 million (98.9%) were within the assessment area.

MECA Loans

A substantial majority of MECA loans were made in the assessment area during the evaluation period. In 2001, the bank extended 131 MECA loans totaling \$268.8 million, of which 128 (97.7%) loans totaling \$261.5 million (97.3%) were within the assessment area. In 2002, the bank originated 773 MECA loans totaling \$1.7 billion, of which 760 (98.3%) loans totaling \$1.6 billion (99.3%) were within the assessment area.

Small Business Loans

All of NYCB's small business loans were made within the bank's assessment area during the evaluation period. Assessment area originations totaled 79 small business loans totaling \$11.7 million in 2001, and 21 small business loans totaling \$4.8 million in 2002.

Geographic Distribution: “Outstanding”

The geographic distribution of loans reflects excellent dispersion among census tracts of different income levels, given the performance context. While LMI area penetration for one-to-four family loans was only marginally adequate, the bank’s multifamily and MECA lending combined to indicate outstanding overall performance in this category.

HMDA-reportable Loans (1-4 family and multifamily combined)

Of the 734 HMDA-reportable loans (1-4 family and multifamily combined) totaling \$597.3 million that the bank originated within the assessment area in 2001, NYCB extended 155 (21.1%) loans totaling \$217.9 million (36.5%) in LMI geographies, well above 13.2% and 12.3%, respectively, for the aggregate. In 2002, the bank extended 955 loans totaling \$246.2 million within the assessment area, of which 82 (8.6%) loans totaling \$53.9 million (21.9%) were in LMI geographies. Notwithstanding declines in LMI penetration between years of 47.1% by number and 75.3% by dollar volume, the bank’s overall performance for the period is considered strong.

Distribution of HMDA Reportable Loans By Geography Income Level								
2001								
Geography	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	45	6.1%	62,003	10.4%	4,845	1.8%	1,267,106	2.3%
Moderate	110	15.0%	155,924	26.1%	29,810	11.4%	5,512,894	10.0%
Middle	227	30.9%	123,362	20.7%	121,028	46.1%	21,302,942	38.8%
Upper	352	48.0%	256,042	42.9%	106,475	40.6%	26,760,834	48.7%
N/A	-	0.0%	-	0.0%	221	0.1%	62,436	0.1%
Total	734	100.0%	597,331	100.0%	262,379	100.0%	54,906,212	100.0%
2002								
Geography	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	21	2.2%	14,673	6.0%	-	-	-	-
Moderate	61	6.4%	39,212	15.9%	-	-	-	-
Middle	282	29.5%	67,598	27.5%	-	-	-	-
Upper	591	61.9%	124,737	50.7%	-	-	-	-
N/A	-	0.0%	-	0	-	-	-	-
Total	955	100.0%	246,220	100.0%	-	-	-	-

However, the bank’s performance differed significantly across product categories, reflecting excellent LMI penetration for multifamily and MECA loans, its primary products, but only marginally adequate LMI penetration for one-to-four family loans.

Multifamily Loans

The chart below shows that the bank originated 258 multifamily loans totaling \$502.4 million within the assessment area in 2001, of which 117 (45.4%) loans totaling almost \$213 million (42.4%) were in LMI geographies, compared with 44.6% and 35.3%, respectively, for the aggregate. In 2002, the bank originated 79 multifamily loans totaling \$104.2 million, of which 28 (48.1%) loans totaling \$48.9 million (47%) were in LMI geographies, reflecting continued strong LMI census tract penetration.

Distribution of Multifamily Loans By Geography Income Level								
2001								
Geography	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	44	17.1%	61,903	12.3%	431	15.1%	472,071	13.2%
Moderate	73	28.3%	151,078	30.1%	843	29.5%	793,877	22.1%
Middle	73	28.3%	96,635	19.2%	903	31.6%	914,886	25.5%
Upper	68	26.4%	192,814	38.4%	673	23.6%	1,383,980	38.6%
N/A	-	0.0%	-	0.0%	4	0.1%	21,240	0.6%
Total	258	100.0%	502,430	100.0%	2,854	100.0%	3,586,054	100.0%
2002								
Geography	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	14	17.7%	13,728	13.2%	-	-	-	-
Moderate	24	30.4%	35,214	33.8%	-	-	-	-
Middle	21	26.6%	26,063	25.0%	-	-	-	-
Upper	20	25.3%	29,160	28.0%	-	-	-	-
N/A	-	0.0%	-	0.0%	-	-	-	-
Total	79	100.0%	104,165	100.0%	-	-	-	-

HMDA Loans (one-to-four family only)

The geographic distribution of one-to-four family loans reflects marginally adequate dispersion throughout the assessment area. The chart below shows that in 2001, the bank extended 476 loans totaling \$94.9 million within the assessment area, of which 38 (8%) loans totaling \$4.9 million (5.2%) were extended in LMI areas, well below 12.9% and 10.7%, respectively, for the aggregate. In 2002, the bank extended 876 loans totaling \$142.1 million, of which 44 (5%) loans totaling \$4.9 million (3.5%) were in LMI areas within the assessment area.

Distribution of One-Four HMDA-Reportable Loans By Geography Income Level								
2001								
Geography	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	1	0.2%	100	0.1%	4,414	1.7%	795,035	1.5%
Moderate	37	7.8%	4,846	5.1%	28,967	11.2%	4,719,017	9.2%
Middle	154	32.4%	26,727	28.2%	120,125	46.3%	20,388,056	39.7%
Upper	284	59.7%	63,228	66.6%	105,802	40.8%	25,376,854	49.4%
N/A	-	0.0%	-	0.0%	217	0.1%	41,196	0.1%
Total	476	100.0%	94,901	100.0%	259,525	100.0%	51,320,158	100.0%
2002								
Geography	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	7	0.8%	945	0.7%	-	-	-	-
Moderate	37	4.2%	3,998	2.8%	-	-	-	-
Middle	261	29.8%	41,535	29.2%	-	-	-	-
Upper	571	65.2%	95,577	67.3%	-	-	-	-
N/A	-	0.0%	-	0.0%	-	-	-	-
Total	876	100.0%	142,055	100.0%	-	-	-	-

MECA Loans

The geographic distribution of MECA loans reflects excellent dispersion throughout the assessment area. In 2001, the bank originated 128 MECA loans totaling \$261.5 million within the assessment area, of which 36 (28.2%) loans totaling \$82.8 million (31.7%) were extended in LMI areas. In 2002, the bank extended 760 MECA loans totaling \$1.6 billion within the assessment area, of which 273 (35.9%) loans totaling \$570.6 million (34.3%) were made in LMI areas. The bank's LMI lending penetration compared reasonably well with assessment area housing data, which indicated that 40.5% of renter-occupied housing units were located in LMI census tracts.

NYCB Distribution of MECA Loans By Geography Income Level									
Geography	% of Renter Occupied Housing Units	2001				2002			
		#	%	\$000's	%	#	%	\$000's	%
Low	16.0%	7	5.5%	8,625	3.3%	86	11.3%	137,134	8.2%
Moderate	24.5%	29	22.7%	74,143	28.4%	187	24.6%	433,509	26.1%
Middle	33.3%	54	42.2%	99,533	38.1%	229	30.1%	540,432	32.5%
Upper	26.3%	38	29.7%	79,161	30.3%	258	33.9%	552,372	33.2%
Total	100.0%	128	100.0%	261,462	100.0%	760	100.0%	1,663,447	100.0%

Small Business Loans

The geographic distribution of small business loans reflects minimal dispersion throughout the assessment area. Of the 79 small business loans totaling \$11.7 million originated within the assessment area in 2001, NYCB made three (3.8%) loans totaling \$355 thousand (3%) in LMI geographies, well below 18.7% and 18.6%, respectively, for the aggregate. In 2002, the bank originated 21 business loans totaling \$4.8 million, of which one (4.8%) loan for \$40 thousand (0.8%) was made in an LMI geography.

Distribution of Small Business Loans By Geography Income Level								
2001								
Geography	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	-	0.0%	-	0.0%	10,568	4.1%	289,838	3.9%
Moderate	3	3.8%	355	3.0%	37,661	14.6%	1,093,649	14.7%
Middle	19	24.1%	3,140	26.8%	94,464	36.5%	2,393,824	32.1%
Upper	56	70.9%	8,187	69.8%	112,127	43.4%	3,484,209	46.7%
N/A	1	1.3%	50	0.4%	3,732	1.4%	195,705	2.6%
Total	79	100.0%	11,732	100.0%	258,552	100.0%	7,457,225	100.0%
2002								
Geography	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	-	0.0%	-	0.0%	-	-	-	-
Moderate	1	4.8%	40	0.8%	-	-	-	-
Middle	6	28.6%	1,393	28.9%	-	-	-	-
Upper	14	66.7%	3,388	70.3%	-	-	-	-
N/A	-	0.0%	-	0	-	-	-	-
Total	21	100.0%	4,821	100.0%	-	-	-	-

Distribution by Borrower Characteristics: "Outstanding"

The distribution of borrowers reflects, given the product lines offered, excellent penetration among customers of different income levels and businesses of different sizes.

HMDA-Reportable Loans

The analysis of borrower characteristics is based solely on NYCB's one-to-four family lending activity, since borrower income is not reported in connection with multifamily applications. Of the 476 loans originated in 2001, the bank extended 120 (25.2%) loans to LMI individuals within the assessment area, well above 16.9% for the aggregate. Of the 876 originations in 2002, the bank extended 249 (28.4%) loans to LMI individuals within the assessment area, reflecting even stronger performance.

Distribution of HMDA Reportable Loans By Borrower Income Level				
2001				
Borrower Income	Bank		Aggregate	
	#	%	#	%
Low	30	6.3%	8,788	3.3%
Moderate	90	18.9%	35,805	13.6%
Middle	127	26.7%	66,131	25.2%
Upper	217	45.6%	121,865	46.4%
N/A	12	2.5%	29,790	11.4%
Total	476	100.0%	262,379	100.0%
2002				
Geography	Bank		Aggregate	
	#	%	#	%
Low	66	7.5%	-	-
Moderate	183	20.9%	-	-
Middle	281	32.1%	-	-
Upper	341	38.9%	-	-
N/A	5	0.6%	-	-
Total	876	100.0%	-	-

Small Business Loans

In 2001, the bank extended all of its small business loans to businesses with gross annual gross revenues of \$1 million or less, compared with 46.3% by number and 85.9% by dollar volume for the aggregate. NYCB also extended all of its small business loans to businesses with annual gross revenue of \$1 million or less in 2002.

The following chart shows that in 2001, the bank originated 44 (55.7%) small business loans totaling \$2.6 million (22.2%) in amounts of \$100 thousand or less, well below 95.5% and 43.7%, respectively, for the aggregate. In 2002, NYCB originated 11 (52.4%) small business loans totaling \$483 thousand (10%) in amounts of \$100 thousand or less.

Distribution of Small Business Loans by Loan Size								
2001								
Loan Size (\$000's)	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
≤\$100	44	55.7%	2,608	22.2%	246,847	95.5%	3,260,529	43.7%
>\$100≤\$250	26	32.9%	3,631	30.9%	6,139	2.4%	1,135,833	15.2%
>\$250≤\$1,000	9	11.4%	5,493	46.8%	5,566	2.2%	3,060,863	41.0%
Total	79	100.0%	11,732	100.0%	258,552	100.0%	7,457,225	100.0%
2002								
Loan Size (\$000's)	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
≤\$100	11	52.4%	483	10.0%	-	-	-	-
>\$100≤\$250	3	14.3%	620	12.9%	-	-	-	-
>\$250≤\$1,000	7	33.3%	3,718	77.1%	-	-	-	-
Total	21	100.0%	4,821	100.0%	-	-	-	-

Community Development Loans: “Outstanding”

The bank is leader in making community development loans in its assessment area. Though its lending is neither innovative nor complex, the sheer volume of activity reflects excellent responsiveness to community needs. As of the evaluation date, NYCB had community development loans totaling \$918.9 million, of which \$285.5 million (31.1%) was new money.

Community Development Lending Summary (\$000's)										
MSA	Affordable Housing		Community Services		Economic Development		Revitalization/ Stabilization		Total	
	Commit't	New \$	Commit't	New \$	Commit't	New \$	Commit't	New \$	Commit't	New \$
5600	842,113	237,190	800	800	51,989	39,214	6,145	6,145	901,047	#####
5380	15,712				682	682		-	16,394	682
Multi-County	-	-			1,500	1,500	-	-	1,500	1,500
Total	857,825	237,190	800	800	54,171	41,396	6,145	6,145	918,941	#####

As of the evaluation date, the bank had 441 multifamily loans totaling \$906 million, from which a sample of 64 (14.5%) loans totaling almost \$96 million (10.6%) was taken and reviewed for community development consideration. The review indicated that substantially all loans were extended in LMI geographies within the assessment area.

The above chart shows that 93.4% of the bank’s community development lending supported affordable housing and 5.9% economic development initiatives. Substantially all of the bank’s community development initiatives were in MSA 5600 (New York).

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

The bank makes limited use of innovative and/or flexible lending practices in serving assessment area credit needs. NYCB on numerous occasions waived origination fees, interest rate floors (minimum), introduced a timely payment reward program and liberalized underwriting criteria such as loan-to-value limits to a large number of not-for-profit borrowing entities, including those involved in affordable housing, economic development, and social services.

The following is a list of the bank’s innovative and/or flexible mortgage products:

- ❖ **COOL 100%:** The term of this loan is 30 years, with a maximum loan-to-deposit ratio of 100%, minimum loan amount of \$40 thousand and maximum \$350 thousand, and maximum cash-out of \$100 thousand for debt consolidation, which can include paying off mortgages, liens, judgments, consumer debts, closing cost and prepaids.
- ❖ **Home Opener:** Thirty-year fixed rate for owner-occupied properties for debt consolidation only, which might include paying off mortgages, liens, collections, judgments, revolving installment, consumer debts, closing costs with maximum cash out of \$100 thousand.

- ❖ **Custom Finance - Non Warrantable Condos:** Thirty/fifteen-year financing with minimum loan amount of \$40 thousand and maximum of \$650 thousand, with loan-to-value ratios of 85%, 90% and 95%, and maximum cash out of \$100 thousand for owner-occupied properties.
- ❖ **SELPH (Streamlined Efforts with Less Paper & Hassle) Fixed and Arms:** Bank takes the stated income with full verification of assets for 15/30 year fixed or 7/1 year adjustable with 30-year amortization and 10/1 year with 30-year amortization. The minimum loan amount is \$40 thousand and loan-to-value ratio can vary from 60% to 90% depending upon type of property and occupancy.
- ❖ **SELPH Plus:** Bank accepts the stated income and assets for 15/30 year fixed rate, maximum loan-to-value ratio of 70%, maximum cash out of \$100 thousand after debts are paid for owner occupied properties.
- ❖ **Credit Solutions - Libor ARM:** 30-year six month London Interbank Offered Rates (“LIBOR”) adjustable rate mortgage (“Arm”) or 30-year, two-year fixed/6-month libor arm with the rate cap adjustments for owner occupied and primary residence properties.

Additionally, the bank has a *Timely Payment Rewards Program*, which provides an incentive to customers with past credit problems to improve their payment performance. Under this program, customers receive a one percent interest rate reduction after they have made 24 consecutive monthly payments without delinquency. Additionally, if a delinquency occurs in the first year, customers are eligible for a re-test on the third anniversary of the loan. In case of a delinquency between 13th and 24th month of the loan, the customer is eligible for a re-test on the fourth anniversary of the loan.

Following the September 11, 2001 terrorist attack, the bank assisted customers affected by the events by deferring their loan payments. The bank deferred the payments due from two commercial mortgages and twelve residential mortgages.

II. Investment Test: “Outstanding”

The Investment 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 innovation and/or complexity, their responsiveness to community development needs, and the degree to which the investments are not routinely provided by private investors.

The bank has an excellent level of qualified investments, grants and donations for an institution of its size and capacity. While neither innovative nor complex, NYCB’s investments, particularly the significant grant making activity by the foundation, reflect positive responsiveness to community needs.

Total qualified investments on the evaluation date amounted to \$48.3 million, with new money representing \$11.1 million or almost 23% of total investments. NYCB's qualified investments were primarily in support of affordable housing and new money investments were primarily in the form of targeted mortgage-backed securities issued by Federal Home Loan Mortgage Corporation ("FHLMC").

The Federal Home Bank of New York's Affordable Housing Program advances subsidized funds to member institutions for financing the purchase, construction, and/or rehabilitation of (1) owner occupied housing for LMI households; or (ii) rental housing, where at least 20% of the rental units will be occupied by, and affordable to, very low-income households for the remaining useful life of such housing or the mortgage term. NYCB pro rata share of this set-aside, based upon its percentage of ownership, was \$1.3 million.

Included in the qualified investment total were grants totaling almost \$136 thousand made by the bank and \$1.8 million by the Richmond County Foundation to various organizations and/or institutions engaged in providing varied services to LMI individuals or in LMI geographies.

In-kind Donations: The bank also supports its community through in-kind donations of space. Every year, the West Brighton branch in Staten Island makes its parking lot available for a Neighborhood Housing Services ("NHS") fair. This is a non-profit organization that works towards increasing and protecting investments in underserved LMI neighborhoods. Besides providing recreational facilities, the fair is used to educate the local population on NHS programs. Additionally, many of the bank's branches make their premises available for events like collections, sales and displays by and meetings of various community groups.

III. Service Test: "High Satisfactory"

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its 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.

As shown in the chart below, NYCB delivers banking services through a network of 91 branches within New York State, of which 15 (16.5%) branches were located in LMI areas and another 26 (28.6%) branches were located adjacent to LMI areas.

Distribution of Branches and ATMs as of December 31, 2002										
County	Total # of Branches	# of Branches in LMI Areas	% of Branches in LMI Areas	# of Branches Adjacent to LMI Areas	% of Branches Adjacent to LMI Areas	# of ATMs in Branches	# of ATMs in LMI Areas	% of ATMs in LMI Areas	# of ATMs Adjacent to LMI Areas	% of ATMs Adjacent to LMI Areas
Bronx	1	1	100.0%	0	0.0%	1	1	100.0%	0	0.0%
Kings	6	3	50.0%	3	50.0%	9	5	55.6%	4	44.4%
New York	1	1	100.0%	0	0.0%	1	1	100.0%	0	0.0%
Queens	25	4	16.0%	12	48.0%	36	6	16.7%	14	38.9%
Richmond	23	0	0.0%	2	8.7%	43	0	0.0%	4	9.3%
Westchester	4	1	25.0%	0	0.0%	4	1	25.0%	0	0.0%
Nassau	14	0	0.0%	5	35.7%	14	0	0.0%	5	35.7%
Suffolk	17	5	29.4%	4	23.5%	18	6	33.3%	3	16.7%
Total	91	15	16.5%	26	28.6%	126	20	15.9%	30	23.8%

As noted in the Performance Context, above, 28% of census tracts, comprising 29% of the population of the assessment area are considered LMI.

The bank's branch network includes 54 in-store branches, which enable the bank to reach the customers in a proactive manner and at their convenience. Branch locations include Pathmark, Shoprite and Genovese stores.

Record of opening and closing of branches:

The bank's record of opening and closing of branches has not adversely affected the accessibility of its delivery system, particularly to LMI geographies and/or individuals.

NYCB opened seven branches and closed three branches within the New York State assessment area during the evaluation period, none of which was in an LMI geography

Alternative Delivery Systems

The bank maintains a well dispersed ATM network as well as a large number of in-store branches, thereby affording greater access and convenience to the customers. Stand-alone ATMs are also located at colleges, hospitals and sports arena locations.

The bank had 126 on-site ATMs as of the evaluation period, of which 20 (15.9%) were located in LMI areas and another 30 (23.8%) were located adjacent to LMI areas. In addition, the bank had eight off-site ATM locations. During the evaluation period, the bank established 12 new ATMs and closed five.

NYCB has endeavored to increase the accessibility of its banking services by developing and providing its customers On-Line Banking, Bank by Phone, Bank by Mail and a widespread network of ATM machines. The bank's website advertises credit products for the community and is universally available. These programs provide constituents twenty-four hour accessibility to their accounts as well as banking services provided by the institution.

A toll free number has also been established where customers have immediate access to loan processors dealing with residential mortgages. This service can also be accessed through the On-Line Banking, Bank by Phone as well as through branches.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs:

NYCB's business hours and services are tailored to the convenience and needs of its assessment area. During weekdays some branches remained open until 6:00 or 7:00 pm and most were open on Saturdays with standard Saturday hours of 9:00 a.m. to 1:00 p.m., while some remained open until 3:00 pm or 4:00 pm. These branches also were open on Sundays from 9:00 a.m. to 1:00 p.m., with few exceptions.

Range of Services Provided

The bank utilizes several programs and techniques to expand access to services for LMI and other traditionally underserved populations, including the following.

Many of the bank's branches have multi lingual staff to provide better banking services and information to various communities.

The bank provides "Positively Free Checking" as well as "Basic Banking" products to the community. The Basic Checking Account has no minimum balance requirements and no limit on the number of transactions. This service is available to New York residents, only.

The bank also maintains IOLA accounts (Interest on Lawyers Accounts). These accounts indirectly support low-income people through assistance with civil legal matters like landlord tenant disputes, veterans' benefits and domestic violence. IOLA fund supports legal service divisions in the state as well as educational programs and publications through the bar association that support low-income people.

NYCB offers a student-banking program for students and staff at several local colleges and universities. Bank personnel visit schools periodically to promote financial literacy and offer products like free checking accounts. Group discussions have taken place on topics such as "debt management" and students have been educated on the use of direct deposit for financial aid. The bank also places ads in school newspapers at a large number of institutions including Queens College University, Queens Borough Community College, LaGuardia Community College, York College, College of Aeronautics at LaGuardia Airport, Interboro Institute, Saint Vincent's Catholic Medical Centre, Farmingdale University, Nassau Community College and College at Old Westbury. Three of these institutions are located in LMI areas and most have a significant population of LMI students.

Kids and Students Accounts: The bank has in place a program that allows customers to introduce banking services to children of all ages. The student accounts bring banking services to a largely under-banked population.

Community Development Services: “High Satisfactory”

The bank provides a relatively high level of community development services in its assessment area.

NYCB staff conduct financial and tax workshops, which introduce the bank’s services to the community and educate and assist residents in financial and tax matters.

The bank has in place a program that allows both customers as well as non-customers to pay utility bills at its branches. This program is available in about ten branches throughout Brooklyn and Queens and this service is particularly useful for LMI individuals who may not have a checking account.

During tax season some of the branches provide free space for volunteer tax preparation representatives of American Association of Retired People (“AARP”) and Volunteer Income Tax Assistance (“VITA”). The bank also provides furniture and space to AARP, VITA, and certified students from local colleges so that they can assist the needy residents of the community with their IRS and State tax paperwork.

The Greenvale branch conducted financial workshops for Momma’s Inc., a non-profit organization that caters to the needs and development of young distressed pregnant women.

Each fall, NYCB’s Woodhaven and Forest Parkway branches participate in a street fair sponsored by the Greater Woodhaven Development Corporation, a development corporation that works on commercial revitalization in the Woodhaven area. These branches set up street-side tables and display materials to educate people on the bank’s products and services.

Each year the bank sponsors many charitable programs for national, regional and local community groups. Employees are involved with various not-for-profit groups, including:

- NHS
- Chambers of Commerce
- AIDS Coalition
- Fund for the Advancement of Mental Health
- Salvation Army/Christmas Angel
- Family Service League of Suffolk County
- Queens Child Guidance
- National Association for the Advancement of Colored People
- Harbor Child Care
- King’s Bay Youth Organization
- Commercial Industrial Capital Corporation
- Community Agency for Senior Citizen
- Family Service League of Suffolk County

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.

Examiners noted no practices 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 December 31, 2001 indicates satisfactory 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.

NYCB ascertains the credit needs of its community through senior management, staff and board of directors' participation in and/or contacts with various professional organizations and government officials, including the following:

Latino Civic Association
Neighborhood Housing Services
Urban League
Port Richmond Board of Trade
Staten Island Economic Development Corporation
New York City Home Builders Association
Brooklyn, Queens and Staten Island Chambers of Commerce
Commercial Industrial Capital Corporation
Family Service League of Suffolk County
Portuguese American Citizenship Project

In addition, the bank has a community outreach representative who is responsible for ascertaining the needs of various community groups.

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.

NYCB has a regular program of advertising in local newspapers, journals and church bulletins. Advertisements are also displayed on buses, bus shelters, MTA railroad stations

and billboards. The bank also provides information about its financial products and services by using statement stuffers and messages, as well advertising in foreign language publications.

Publications used to advertise the bank's products include *Sing Tao Newspapers (Chinese)*, *the World Journal*, *Jewish Weekly*, *Luso Americano (Portuguese)*, *Resumen (Spanish)*, *Queens Gazette*, *Queens Tribune*, *Times Ledger*, *Long Island Business News*, *Suffolk Life*, *Staten Island Advance* and *Elmont Herald*.

The bank participates in the Federal Home Loan Bank's Affordable Housing Program, wherein member institutions work with local housing organizations to apply for funds to support initiatives serving LMI households.

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 has a CRA Committee that reviews the bank's activities at its quarterly meetings. The Committee includes the VP/Compliance/CRA Officer, the First VP/Budget Management & Regulatory Oversight, First SVP/Lending, SVP/Construction Lending, VP/Commercial Lending, EVP Lending, SVP/Retail Operations and First VP/Purchasing. The Real Estate and Mortgage Committee of the board of directors review the CRA committee's minutes

The directors also seek to identify CRA opportunities for the bank through their participation with various community organizations.

VI. 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.

Richmond County Savings Foundation ("Foundation"), an affiliate of NYCB, established a Victim Relief Fund to provide financial assistance to families of the September 11, 2001, victims. The Foundation gave \$2.2 million grants as follows:

- \$953 thousand was disbursed to 89 families in 2002.
- \$53 thousand was donated in 2002 to organizations providing support services to the communities.
- \$100 thousand was donated to six organizations providing support services to Victims' families and relief workers in 2001.

In addition, the Foundation approved and disbursed \$1.1 million in victim relief fund.

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.