



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: Sawyer Savings Bank

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Sawyer Savings Bank (“Sawyer”) prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2002.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low and moderate income areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) outstanding record of meeting community credit needs;
- (2) satisfactory record of meeting community credit needs;
- (3) needs to improve record of meeting community credit needs; and
- (4) substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Sawyer Savings Bank is rated "2" indicating a satisfactory record of helping to meet community credit needs. This rating is based on the following factors:

- **Loan-to-Deposit ("LTD") Ratio and Other Lending-Related Activities**

The bank's average LTD ratio for the eight consecutive quarters ended December 31, 2002 was 72.5%, and is considered reasonable. Enhancing credit availability in the assessment area, the bank committed \$254.6 thousand in community development loans and qualified investments.

- **Assessment Area Concentration**

The bank originated a majority of its HMDA type loans in the assessment area. In 2002 and 2001, approximately 73.5% and 78.8% of these loans were extended to borrowers within the assessment area.

- **Geographic Distribution**

The geographic distribution of the bank's HMDA type loans reflects a reasonable dispersion throughout the assessment area. During the evaluation period, the bank originated six HMDA type loans (2.7%) totaling \$521 thousand (2%) in the only moderate-income BNA in the assessment area. This is a satisfactory penetration rate considering that the moderate-income area accounts for 2.7% of all the BNAs in the assessment area.

- **Borrower Characteristics**

The distribution of lending among borrowers of different income levels is considered reasonable. During the evaluation period, the bank originated 23 HMDA type loans (10.4%) totaling \$1.6 million to LMI borrowers.

- **Response to Written Complaints Regarding CRA**

Neither the bank nor the New York State Banking Department has received any written complaints regarding the bank's CRA performance.

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

PERFORMANCE CONTEXT

Institution's Profile:

Sawyer, chartered in 1871, is a mutual savings bank whose head office is located in Saugerties in Ulster County. The bank has two branches in addition to the main office. The one located in Highland was opened in May 2001. The other branch originally located in Milton was moved to Marlboro in January 2003. All of the branches are full service offices. Sawyer also has a loan services department located in Saugerties.

The bank obtains all of its deposits in Ulster County. According to the Federal Deposit Insurance Corporation's ("FDIC") deposit market share report for June 30, 2002, the bank had a 5.5% market share of deposits, and was the seventh largest deposit-taking institution in the county out of 15 competing financial institutions.

On December 31, 2002, Sawyer reported total assets of \$143.9 million of which \$78.4 million (54.5%) were loans and \$57.1 million (39.7%) were investments. Deposits totaled \$105.8 million resulting in a loan to deposit ratio of approximately 74%. Equity capital totaled \$12.7 million and the bank's operations were profitable.

Sawyer offers the following types of credit products:

Conventional 1-4 family mortgages	Home equity loans
VA mortgages	Consumer loans
SONYMA mortgages	Commercial & Industrial loans
FHA mortgages	Loans secured by farmland
Commercial real estate mortgages	Construction & land loans
Multifamily real estate mortgages	Jumbo & non-conventional mortgages

Based on Schedule RC-C of the FDIC's Consolidated Reports of Condition, the following table shows Sawyer's loan portfolio as of December 31, 2002 and 2001:

LOAN PORTFOLIO COMPOSITION				
Loan Type	12/31/2002		12/31/2001	
	\$ (000's)	%	\$ (000's)	%
1-4 Family Residential Mortgages	49,079	61.7	46,651	64.3
Commercial Real Estate	10,198	12.8	8,665	11.9
Multifamily Mortgages	3,554	4.5	2,692	3.7
Construction & Land Loans	3,486	4.4	4,952	6.8
Consumer Loans	1,295	1.6	1,698	2.3
Commercial & Industrial	10,857	13.7	6,896	9.5
Secured by Farmland	1,017	1.3	1,016	1.5
Gross Loans	79,486	100.0	72,570	100.0

As shown above, Sawyer's primary business is real estate related lending, which accounted for more than 84% of the loan portfolio as of December 31, 2002. One-to-four

family residential mortgages accounted for 61.7% of the loan portfolio.

During this evaluation period, the bank originated 23 loans totaling \$2.1 million under the State of New York Mortgage Authority's ("SONYMA") Low Interest Rate Mortgage and Construction Incentive Programs. Sawyer also originated 15 Federal Housing Authority ("FHA") insured mortgage loans totaling \$1.4 million.

There are no financial or legal impediments noted that would adversely affect Sawyer's ability to satisfactorily meet the credit needs of its assessment area.

Assessment Area:

Sawyer's assessment area includes the 15 townships of Saugerties, Woodstock, Olive, Hurley, Ulster, Kingston, Esopus, Rosendale, Marbletown, Rochester, New Paltz, Highland, Marlborough, Plattekill and Gardiner which are all located in Ulster County.

The assessment area contains 37 BNAs, which includes one (2.7%) moderate-income area, 12 (32.4%) middle-income and 24 (64.9%) upper-income areas. There are no low-income areas in the assessment area.

According to the 1990 U.S. Census, the population of the assessment area was 134.4 thousand, with 3.7 thousand (2.7%) living in the moderate-income area.

There were 35 thousand families in the assessment area of which 8.5 thousand (24.3%) were LMI families. Four hundred and forty-four (5.2%) of the LMI families lived in the moderate-income BNA and they accounted for 51.1% of all the families (869) that lived in that area. There were also 7.2 thousand (20.7%) middle-income and 19.3 thousand (55%) upper-income families in the assessment area. There were 50.4 thousand households in the area of which 14 thousand (27.7%) were LMI households, including 4.2 thousand (8.4%) that had incomes below the poverty level.

In 1990, there were 57.4 thousand housing units in the assessment area, of which 82.6% (47.4 thousand) were 1-4 family dwellings, 8.78% (5 thousand) multifamily units and 7.5% (4.3 thousand) mobile homes. Owner-occupied units accounted for 60.6% (34.8 thousand) of all units, rental units 27.5% (15.8 thousand) and vacant units 11.9% (6.8 thousand). In 1990, the weighted average median housing value in the assessment area was \$116.6 thousand and the median housing age was 34 years. Of all the housing units, only 1.7 thousand (2.9%) were located in the only moderate area, and these included 1.3 thousand (79.7%) 1-4 family units. The median housing value in the moderate-income BNA was \$83.6 thousand and the median housing age was 51 years.

According to the 1990 Census, the weighted average MSA/Non-MSA median family income was \$31.5 thousand. The 2002 United States Department of Housing and Urban Development ("HUD") updated weighted average MSA/Non-MSA median family income was \$43.6 thousand.

According to the New York State Department of Labor, the average unemployment rate in Ulster County was 4.1% in 2002 and 3.5% in 2001. These rates were well below New York State's average unemployment rates of 6.1% and 4.9% in 2002 and 2001, respectively.

Parts of the city of Kingston and the town of Ulster have been designated an Empire Zone ("EZ") by New York State. Firms located in these areas may be eligible for assistance including various tax credits.

The assessment area appears reasonable based upon the location of the branches and the bank's lending pattern. There is no evidence that LMI areas have been arbitrarily excluded.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

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

The evaluation period covers calendar years 2001 and 2002. Sawyer is not a HMDA reporting institution since the bank does not maintain any offices in an MSA. Therefore, for the purpose of clarity in this CRA performance evaluation, the bank's home mortgage loans are referred to as "HMDA type." Performance under factors 2, 3 and 4 above is based on HMDA type loan data supplied by bank management. Since Sawyer is not part of the HMDA aggregate, comparisons to aggregate data will not be used in this report. Instead, the bank's performance under factors 1, 3 and 4 was compared to a similarly sized institution ("local peer") located in the assessment area.

Small business and consumer loans were not included in the evaluation because of the relatively low volume of these loan types.

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

Sawyer's average LTD for the eight consecutive quarters ended December 31, 2002 was 72.5%, and is considered reasonable given the bank's size and financial condition. This ratio is lower than the national peer group's average ratio of 80.9% but is higher than the average ratio of 59.3% for the local peer. These ratios were calculated from information shown in the bank's Uniform Bank Performance Report ("UBPR") prepared by the FDIC.

The bank enhanced its provision of credit in the assessment area with \$254.6 thousand in community development loans and qualified investments as follows:

Community Development Lending

Sawyer has a \$144 thousand line of credit to the New York Business Development Corporation ("NYBDC"). As of December 31, 2002, \$13.7 thousand was outstanding. The NYBDC is a privately owned entity created by New York State statute. The NYBDC is funded by commercial and savings banks through lines of credit, which are used to provide financing to small businesses located in New York State.

Qualified Investments

During the evaluation period, Sawyer's qualified investments totaled \$110.6 thousand.

In 1999, the bank made a \$100 thousand equity investment in Statewide Zone Capital Corporation of New York ("SZCC"), a privately owned loan fund. SZCC promotes the expansion and growth of businesses in New York State's Empire Zones, which are areas

targeted by New York State for economic development. The NYBDC manages the operations of SZCC.

During the evaluation period, Sawyer contributed \$10.6 thousand to the affordable housing program of the Federal Home Loan Bank of New York (“FHLBNY”). This amount represented Sawyer’s pro-rata share of the 10% of earnings the FHLBNY is required to use to fund its Affordable Housing Program (“AHP”). Under this program, the FHLBNY along with its members and not-for-profit community organizations help fund affordable housing initiatives in the region.

- **Proportion of Lending Within Assessment Area: “Satisfactory”**

During the evaluation period, Sawyer originated a majority of its HMDA type loans in the assessment area.

In 2001, the bank originated 137 HMDA type loans totaling \$15.5 million, of which 108 loans (78.8%) totaling \$12.1 million (78.4%) were made in the assessment area. In 2002, 155 loans were originated totaling \$19.3 million, of which 114 loans (73.5%) totaling \$13.3 million (68.9%) were made in the assessment area.

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

The geographic distribution of the bank’s HMDA type loans reflects a reasonable dispersion throughout the assessment area.

During the evaluation period, the bank originated six HMDA type loans (2.7%) totaling \$521 thousand (2%) in the moderate-income BNA. This is an adequate penetration rate considering that the moderate-income area accounts for 2.7% of the BNAs in the assessment area. The housing in that particular area accounts for 2.9% of the housing in the assessment area.

The following tables show the geographic distribution for the years 2001 and 2002.

Geographic Distribution of HMDA Type Loans - 2001								
Geography Income Level	Sawyer		Peer Bank		Sawyer		Peer Bank	
	#	%	#	%	\$ (000's)	%	\$ (000's)	%
Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Moderate	1	0.9	8	4.4	84	0.7	374	2.7
LMI Totals	1	0.9	8	4.4	84	0.7	374	2.7
Middle	48	44.5	63	34.6	4,684	38.6	4,855	34.9
Upper	59	54.6	111	61.0	7,358	60.7	8,669	62.4
Total	108	100.0	182	100.0	12,126	100.0	13,898	100.0

In 2001, the bank originated one HMDA type loan (0.9%) totaling \$84 thousand (0.7%), in the moderate-income area. The corresponding numbers for the local peer were eight loans

(4.4%) totaling \$374 thousand (2.7%). It should be noted that the local peer's assessment area included Ulster County in its entirety, which included two moderate-income BNAs compared to only one in Sawyer's assessment area.

Geographic Distribution of HMDA Type Loans - 2002				
Geography Income Level	Sawyer			
	#	%	\$ (000's)	%
Low	0	0.0	0	0.0
Moderate	5	4.4	437	3.3
LMI Totals	5	4.4	437	3.3
Middle	45	39.5	4,850	36.4
Upper	64	56.1	8,018	60.3
Total	114	100.0	13,305	100.0

During 2002, the bank originated five HMDA type loans (4.4%) totaling \$437 thousand (3.3%) in the moderate-income BNA. The corresponding percentages for the local peer were not available.

- **Borrower Distribution of Lending: "Satisfactory"**

Sawyer achieved a reasonable penetration among borrowers of different income levels. During the evaluation period, the bank originated 23 HMDA type loans (10.4%) totaling \$1.6 million to LMI borrowers.

The following tables show the distribution of HMDA type loans for 2001 and 2002 by borrower's income level.

Distribution of HMDA Type Loans by Borrower Income Level - 2001								
Borrower Income Level	Sawyer		Peer Bank		Sawyer		Peer Bank	
	#	%	#	%	\$ (000's)	%	\$ (000's)	%
Low	3	2.8	6	3.3	227	1.9	216	1.6
Moderate	12	11.1	19	10.4	833	6.9	926	6.7
LMI Totals	15	13.9	25	13.7	1,060	8.8	1,142	8.3
Middle	13	12.0	34	18.7	1,032	8.5	1,944	13.9
Upper	76	70.4	118	64.8	9,572	78.9	10,210	73.5
N/A	4	3.7	5	2.8	462	3.8	602	4.3
Total	108	100	182	100	12,126	100	13,898	100

In 2001, the bank originated 15 HMDA type loans (13.9%) totaling \$1.1 million to LMI borrowers. Sawyer's penetration rate was comparable with the local peer, which extended 25 HMDA type loans (13.7%) totaling \$1.1 million to LMI borrowers.

Distribution of HMDA Type Loans by Borrower Income Level - 2002				
Borrower Income Level	Sawyer			
	#	%	\$ (000's)	%
Low	1	0.9	36	0.3
Moderate	7	6.1	544	4.1
LMI Totals	8	7.0	580	4.4
Middle	28	24.5	2,381	17.9
Upper	76	66.7	10,145	76.2
N/A	2	1.8	199	1.5
Total	114	100	13,305	100

In 2002, Sawyer originated eight HMDA type loans (7%) totaling \$580 thousand to LMI borrowers. The corresponding percentage for the local peer was not available.

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

Neither Sawyer nor the New York State Banking Department received any written complaints with respect to the bank's CRA performance.

- **Discrimination or Other Illegal Practices**

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

No bank policies or practices were noted which served to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices.

Regulatory compliance examinations performed concurrently with this CRA evaluation indicate satisfactory compliance with the various anti-discriminatory statutes and other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

- **Process Factors**

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

Sawyer's Board of Trustees, officers and staff actively participate in a wide range of community-oriented activities. These include speaking on various aspects of finance and banking, participating in seminars, hosting an annual SONYMA First Time Home-buyers

seminar and attending meetings to discuss community needs.

Additionally, management actively seeks to forge relationships with government and private entities devoted to community development, and maintains contacts with government officials, proprietors of businesses and other professionals.

Furthermore, the bank is a member of the Ulster and Dutchess County Association of Realtors, the Ulster County Chamber of Commerce, the Mortgage Bankers Association, the Association of Professional Mortgage Women, and the Hudson Valley Builders Association.

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

In defining the bank as a community financial institution, the board and management of Sawyer have adopted marketing strategies designed to bring each assessment area resident into the financial mainstream of the communities served by the bank.

The direction of Sawyer's marketing strategy is based upon informed customer relationship management. The programs adapted to achieve this objective include giving financial and other support to community organizations, providing comprehensive customer relationship training to employees, and providing an appropriate and sufficient mix of competitive banking products, considering assessment area characteristics such as credit needs.

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

Sawyer's trustees participate in a wide range of community-oriented organizations. This involvement enables them to elicit from their customer base the information required to successfully develop and market products that are appropriate to the needs of the assessment area.

In addition to participation in the formulation of the institution's policies and reviewing its performance with respect to the CRA, the trustees review and approve the bank's CRA Statement annually.

- **Other Factors**

Sawyer and its staff actively participated in or donated money to numerous community organizations and events including, but not limited to, the following: United Way, United Cerebral Palsy, Children's Annex - Golf Tournament, Special Olympics, Lions Club, Various High School Scholarships, Boys & Girls Club and Lloyd Community Walk/Run.

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.

Demand-Adjusted Penetration Rate

The number of owner-occupied loans made by the institution (or aggregate as appropriate) in a geographic area per thousand owner-occupied housing units in that area. Mathematically, it is arrived at by dividing the number of owner-occupied housing units into the number of loans made and then multiplying by 1,000.

Demand-Adjusted Penetration Ratio

A ratio that depicts geographic penetration of loans by comparing demand-adjusted lending in LMI areas with non-LMI areas. Mathematically, it is arrived at by dividing the demand-adjusted penetration rate in non-LMI areas into the demand-adjusted penetration rate in LMI areas and then expressed as a percentage.

A ratio of 100% means that the institution (or aggregate as appropriate) made an equal number of loans proportionally in LMI and non-LMI areas. Less than 100 percent would indicate less lending in LMI areas on the same basis compared to non-LMI areas, whereas over 100 percent would indicate a greater level of lending in LMI areas versus non-LMI areas.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Loans to Small Businesses

Small business loans to businesses with gross annual revenues of \$1 million or less.

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 1990 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide nonmetropolitan median family income.

LMI Borrowers

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

LMI Individuals/Persons

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

Small Business Loans

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