



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

One State Street Plaza
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2002

Institution: Wyoming County Bank
55 North Main Street
Warsaw, NY 14569

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 Wyoming County Bank (“WCB”) 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

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

- **Lending Test - "Outstanding"**

- The level of lending reflects excellent responsiveness to community credit needs. During the evaluation period, the bank originated a combined total of 10,492 HMDA-reportable, small business/small farm and consumer loans aggregating \$426.3 million.
- The assessment area concentration is excellent, with a substantial majority of loans originated within the assessment area. The bank originated 83.3% of its HMDA-reportable loans, approximately 82% of small business and small farms loans, and 80.4% of its consumer loans in the assessment area.
- The geographic distribution of HMDA-reportable, small business/small farm and consumer loans reflects excellent penetration throughout the assessment area.
 - In 2001, the bank originated 10.8% of its HMDA loans in moderate-income census tracts within the assessment area, well above the aggregate's penetration rate. Moderate-income tract penetration increased in 2002, to 12.2%.
 - During 2001, the bank extended 11.1% of small business and small farms loans in moderate-income tracts, exceeding the aggregate's penetration rate. However, during 2002, moderate-income tract penetration declined to 8.9%.
 - During 2001, 10.1% of the bank's consumer loans were made in moderate-income tracts. Moderate-income tract penetration declined in 2002, to 7.8%.
- Lending distribution based on borrower characteristics reflects excellent penetration among individuals of different income levels and businesses of different sizes.
 - WCB extended approximately 25% of its HMDA-reportable loans to LMI borrowers during the evaluation period. The bank's LMI penetration slightly trailed the corresponding aggregate percentage for 2001.
 - WCB extended approximately 82% of its small business/small farm loans to firms with gross annual revenues of less than \$1 million. Further, over 80% of the loans extended in the assessment area were in amounts less than or equal to \$100 thousand.
 - WCB extended close to 46% of its consumer loans to LMI borrowers during the

evaluation period.

- The bank offers a number of innovative or flexible loan products providing varying terms and conditions designed to meet the needs of the assessment area. These include, among others, the Homework's Mortgage Program, ALT 97, the Wyoming County Community Action ("WCCA") Car Loan Financing Program, and New York State Energy Research Development Agency ("NYSERDA") programs.
- The bank demonstrated leadership in making community development loans, which were focused on promoting economic development and affordable housing. During the evaluation period, WCB committed nine loans totaling \$16.8 million, of which seven, totaling \$11.1 million, were in the assessment area.

- **Investment Test - "Low Satisfactory"**

WCB's qualified investments and grants totaled \$1.4 million, representing a significant decline from the \$2.3 million reported at the prior evaluation. The investments were comprised of 11 municipal bonds, totaling \$938 thousand, which were primarily targeted to municipalities located in LMI geographies in the assessment area.

- **Service Test - "Outstanding"**

- WCB's retail delivery systems and services show excellent responsiveness to the needs of the assessment area. The bank has 29% of its branches and 27% of its ATMs located in or adjacent to LMI areas. The bank has various alternative methods of delivering its broad range of products and services. Business hours and services are reasonably tailored to the convenience and needs of the assessment area. The bank did not close any branches during the evaluation period. One branch was opened and three were acquired from affiliates.
- The bank offers a wide range of special services such as free cashing of government checks for all clients and non-clients, free checking accounts for senior citizens, Basic Banking accounts with free unlimited ATM usage and free checking with any direct deposit arrangement. An additional 47 ATMs of sister banks (National Bank of Geneva, Bath National Bank and First Tier Bank & Trust) are available to WCB customers free of charge.
- WCB customers have free access to ATMs located at Summit Credit Union of Monroe County, Tops Friendly Market and Wilson Farms in Erie and Niagara Counties.

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:

Chartered in 1851, WCB is a commercial bank with its main office in Warsaw, New York. The bank operates 16 full service branches, with one branch located in Cattaraugus County, two in Erie County, three in Genesee County, four in Livingston County and six in Wyoming County. In addition, WCB has a limited service branch at Keshequa High School, Livingston County. Based on aggregate deposit data as of June 30, 2002, the bank ranked first in Wyoming County, with 48.7% of total deposits, and first in Livingston County, with a 30.6% market share in that county.

WCB is a wholly owned subsidiary of Financial Institutions, Inc. ("FII"), a bank holding company with total assets of \$2.1 billion as of December 31, 2002. FII owns four commercial banks: WCB, National Bank of Geneva ("NBG"), First Tier Bank & Trust and Bath National Bank. In addition, FII incorporated two financial services subsidiaries, the Burke Group, Inc. and the FI Group, Inc. Further, in February 2001, the company formed FISL Statutory Trust to accommodate the private placement of \$16.2 million in capital securities. During 2002, FII completed a geographical realignment of its subsidiary banks, which resulted in the merger of its subsidiary, the former Pavilion State Bank, into NBG, and the subsequent transfer of branches between NBG and WCB. WCB received three branches.

The bank's competitors include smaller community banks, larger financial institutions, mortgage bankers, credit unions, insurance companies and other financial services companies. Although opportunities to make CRA-qualified investments in the assessment area are limited because of the demographic composition of the area, such investments are available on a broader regional basis.

As of December 31, 2002, WCB's Consolidated Report of Condition and Income shows total assets of \$675 million, gross loans of \$486 million (72% of total assets) and securities investments of \$164 million (24.3% of total assets). The bank had total deposits of \$567 million and equity capital of \$47 million. The bank's net income was \$9.8 million for the 12 months ended December 31, 2002. The net loan-to-deposit ratio of 84.4% for the bank on the evaluation date was above its peer group ratio of 82.5%. WCB reported 29.4% of its loan portfolio in residential real estate, 23.7% in commercial real estate, 21.2% in agricultural loans, 15.7% in commercial loans and 9.7% in consumer loans.

The bank offers a wide variety of loan products including residential and commercial mortgages, agricultural loans, commercial and industrial loans, and consumer loans. The following table illustrates a breakdown of the bank's loan portfolio as of December 31, 2001 and 2002:

TOTAL GROSS LOANS OUTSTANDING				
LOAN TYPE	12/31/2001		12/31/2002	
	\$ ('000)	%	\$ ('000)	%
Residential Mortgage Loans	118,091	30.4	142,986	29.4
Commercial Mortgage Loans	87,609	22.5	115,271	23.7
Agricultural Loans	84,141	21.7	102,700	21.2
Commercial & Industrial Loans	53,890	13.9	76,399	15.7
Consumer Loans	42,311	10.9	46,842	9.7
Other Loans	2,510	0.6	1,659	0.3
Total Gross Loans	388,552	100.0	485,857	100.0

Examiners noted no financial or legal impediments that restrict WCB from helping to meet the credit, investment and service needs of the assessment area.

Assessment Area:

WCB's assessment area is comprised of Genesee, Livingston and Wyoming Counties in their entirety, and portions of the following four counties:

Allegany County: Portion consists of one middle-income census tract which includes the Houghton CDP, Hume Town, Centerville Town, Fillmore Village, Rushford Town and Caneadea.

Cattaraugus County: Portion consists of two middle-income census tracts which includes Freedom Town, Farmersville town, Yorkshire Town, Lime Lake-Mac, Yorkshire CDP, Delevan Village, Lime Lake-Machias CDP, Yorkshire Town and Machia.

Erie County: Portion consists of eight upper- and four middle-income census tracts which includes Williamsville Village, Amherst Town, Aurora Town, Billington Heights CDP, Aurora Town, East Aurora Village, Harris Hill CDP, Clarence Town, Wales Town, Holland Town, Holland CDP and Sardinia Town.

Steuben County: Portion consists of two middle-income census tracts which includes Wayland Town, Wayland Village, Dansville Town and Fremont Town.

The assessment area consists of 57 census tracts, of which six (10%) are considered moderate-income, 42 (74%) are middle-income and nine (16%) are upper-income. Genesee and Livingston Counties each contain three moderate-income census tracts. There are no low-income census tracts in the assessment area. The assessment area appears reasonable based upon the location of branches and lending patterns. There is no evidence that LMI areas were arbitrarily excluded.

Demographics:

In 1990, the bank's assessment area had a population of approximately 239 thousand. The weighted-average median family income for the area was \$37.2 thousand and the weighted average of the MSA/non-MSAs median family income was \$36.8 thousand. The weighted average of the MSA/non-MSAs updated median family income was \$50.9 thousand in 2002. There were 90.5 thousand housing units in 1990, of which 84% were 1-4 family structures, 5.7% were multifamily units and 8.6% were mobile homes. Approximately 7.5% of the total housing units were vacant, 22.8% were renter-occupied, and 69.7% were owner-occupied. As of 1990, the weighted-average median housing value was \$70 thousand.

In 1990, there were 62 thousand families in the area of which 36.6% (22.7 thousand) were LMI, 26.4% (16.4 thousand) were middle-income and 37% (22.9 thousand) were upper-income. There were 83.7 thousand households in the assessment area, of which 7.8% had income below the poverty level. Eleven percent (2.6 thousand) of the LMI families lived in LMI census tracts, accounting for 56% of all families that lived in LMI census tracts.

The U.S. Department of Commerce's Bureau of Economic Analysis reported that in the year 2002, there were 15,805 businesses in the assessment area. These included 1,232 farms and 14,573 non-farm businesses. Among the non-farm businesses, the service sector dominated, with 5,455 businesses representing 34.5% of total businesses, followed by the retail trade sector, with 2,701 businesses representing 17.1% of the total, and non-classified establishments, with 2,088 businesses representing 13.2% of the total. There were 11,815 businesses with revenues of less than \$1 million.

Wyoming County had an estimated population of 43.4 thousand in 2000. This figure reflects a 2.2% increase from the 1990 Census. Wyoming County has 11 census tracts, none of which are LMI. Thirty-six percent of all families in the county were LMI. In 1999, 8.4% of the population had incomes below the poverty level. The 2002 estimated median family income for the county is \$43.6 thousand. In 2000, 12.2% of the population was over the age of 65 and 24.1% was under 18 years of age. There were 16.9 thousand housing units, of which 76.7% were owner-occupied. The median housing value was \$74 thousand. The 2002 unemployment rate was 6.2%, which was higher than the New York State average unemployment rate of 5.9%.

Livingston County had an estimated population of 64.3 thousand in 2000. This figure reflects a 3.1% increase from the 1990 Census. Livingston County has 14 census tracts, 21% of which are LMI. Forty-three percent of all families in the county were LMI. In 1999, 10.4% of the population had incomes below the poverty level. The 2002 estimated median family income for the county is \$54.9 thousand. In 2000, 11.4% of the population was over the age of 65 and 23.4% was under the age of 18. There were 24 thousand housing units in Livingston County, of which 74.5% were owner-occupied. The median housing value was \$88.8 thousand. The unemployment rate was 6.4% in 2002, which was higher than the New York State average of 5.9%.

Genesee County had an estimated population of 60.4 thousand in 2000. This figure reflects a 0.5% increase from the 1990 Census. Genesee County has 15 census tracts, 20% of which are LMI. Forty-four percent of all families who lived in the county were LMI. In 1999, 7.6% of the population was below the poverty level. The 2002 estimated median family income for the county is \$54.9 thousand. In 2000, 14.3% of the population was over the age of 65 and 26.1% was under the age of 18. There were 24.2 thousand housing units in Genesee County, of which 73% were owner-occupied. The median housing value was \$83.2 thousand. The unemployment rate was 6.6% in 2002, which was higher than the New York State average rate of 5.9%.

PERFORMANCE TESTS AND ASSESSMENT FACTORS

This performance evaluation is based on a review of WCB's lending, investment and service activities within the assessment area during 2001 and 2002.

Statistics utilized in this evaluation were derived primarily from WCB's HMDA-reportable, small business, small farm and consumer loan information, which were submitted by the bank.

Aggregate data for HMDA-reportable, small business and small farm loans was obtained from the Federal Financial Institutions Examination Council ("FFIEC") and PCI Services, Inc. CRA Wiz©, an external vendor. Demographic data utilized is from 1990 U.S. Census and the HUD estimated median family income for 2002. Deposit data was derived from the FDIC's website.

Comparisons of the bank's HMDA-reportable, small business and small farm loans are based upon 2001 aggregate data. Aggregate data for 2002 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) Assessment Area Concentration; (3) Geographic Distribution of Loans; (4) Borrower Characteristics; (5) Community Development Lending; and (6) Innovative or Flexible Lending Practices. Residential mortgages, small business, small farm, consumer and community development loans were reviewed for this evaluation.

Lending Activity: "Outstanding"

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

According to the 2001 market share report for HMDA-reportable lending, the bank ranked third out of 215 lenders in the assessment area, with a 5.8% market share of the number of loans originated. WCB's market share based on dollar volume was 4.2% and the bank's average HMDA loan size was \$53 thousand. Based on the combined market share reports for the number of HMDA loans originated in Genesee, Livingston and Wyoming counties, the bank ranked first out of 163 lenders, with a market share of 11.4%. For dollar volume, WCB captured 8.7% of this market and ranked second. The average loan size for the three-county area was \$52 thousand.

According to the market share report for small business/small farm lending in 2001, the bank ranked seventh out of 84 lenders, based on the number of loans originated in the assessment area. Based on dollar volume, WCB ranked third, with a market share of 8.9%. The bank's average small business/small farm loan size was \$84 thousand. When market share data for small business/small farm lending in Genesee, Livingston and Wyoming Counties was combined, the bank ranked first among 47 lenders, with a 25.4% market share based on number of loans and a 38.6% market share based on dollar volume. WCB is a leading lender

in these counties, with an average loan size of \$72 thousand.

While the number of consumer loans originated in the assessment area declined to about 2,400 loans per year, from an average of 2,600 loans per year at the prior evaluation, the dollar volume has increased substantially. Consumer loan originations totaled more than \$32 million and \$43 million in 2001 and 2002, respectively. This compares to \$29 million in 1999 and \$24 million in 2000.

Proportion of Lending Within Assessment Area: “Outstanding”

The bank originated a substantial majority of its HMDA-reportable, small business, small farm and consumer loans within the assessment area. During the evaluation period, WCB originated a total of 10,492 HMDA-reportable, consumer, small business and small farm loans totaling \$426.3 million, of which 8,527 loans (81.3%) totaling \$322.2 million (75.6%) were made within the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Dollars (millions)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$
HMDA –2001	619	83.1	126	16.9	745	32.5	80.6	7.9	19.4	40.4
HMDA –2002	662	83.5	131	16.5	793	33.8	78.6	9.2	21.4	43.0
HMDA –Total	1,281	83.3	257	16.7	1,538	66.3	79.6	17.1	20.4	83.4
Small Business & Small Farm –2001	1,117	82.3	241	17.7	1,358	84.3	74.0	29.7	26.0	114.0
Small Business & Small Farm –2002	1,241	81.8	277	18.2	1,518	95.7	71.6	38.0	28.4	133.7
Small Business & Small Farm -Total	2,358	82.0	518	18.0	2,876	180.0	72.7	67.7	27.3	247.7
Consumer –2001	2,434	78.8	654	21.2	3,088	32.3	75.9	10.2	24.1	42.5
Consumer –2002	2,454	82.1	536	17.9	2,990	43.5	82.5	9.2	17.5	52.7
Consumer -Total	4,888	80.4	1,190	19.6	6,078	75.8	79.6	19.4	20.4	95.2
Grand Total	8,527	81.3	1,965	18.7	10,492	322.1	75.6	104.2	24.4	426.3

HMDA Loans

A noteworthy number of HMDA-reportable loans were made within the bank’s assessment area. In 2001, WCB originated 745 HMDA-reportable loans totaling \$40.4 million, of which 619 (83.1%) loans in the amount of \$32.5 million (80.6%) were within the assessment area. In 2002, WCB originated 793 HMDA-reportable loans totaling \$43 million, of which 662 (83.5%) loans totaling \$33.8 million (78.6%) were made in the assessment area. The bank’s

assessment area concentration was relatively unchanged over the two-year assessment period.

Small Business & Small Farm Loans

A substantial number of small business and small farm loans were made within the bank's assessment area. In 2001, the bank originated 1,358 small business and small farm loans in the amount of \$114 million, of which 1,117 (82.3%) loans totaling \$84.3 million (74%) were made within the assessment area. During 2002, the bank extended 1,518 small business and small farm loans totaling \$133.7 million, of which 1,241 (81.8%) loans in the amount of \$95.7 million (71.6%) were extended within the assessment area. The bank's assessment area concentration was relatively consistent over the two-year period.

Small Farm Loans

Distribution of Small Farm Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Dollars (millions)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$
Small Farm –2001	352	88.0	48	12.0	400	26.2	89.3	3.1	10.7	29.3
Small Farm -2002	419	86.6	65	13.4	484	32.6	84.6	5.9	15.4	38.5
Total	771	87.2	113	12.8	884	58.8	86.6	9.0	13.4	67.8

A substantial majority of small farm loans were extended within the assessment area. In 2001, WCB originated 352 (88%) small farm loans totaling \$26.2 million (89.3%) in the assessment area. In 2002, the bank extended 419 (86.6%) small farm loans totaling \$32.6 million (84.6%) within the assessment area.

Consumer Loans

A significant percentage of consumer loans were made within the bank's assessment area. In 2001, the bank originated 3,088 consumer loans in the amount of \$42.6 million, of which 2,434 (78.8%) loans for \$32.3 million (75.9%) were made within the assessment area. During 2002, the bank extended 2,454 (82.1%) consumer loans totaling \$43.5 million (82.5%) in the assessment area. The assessment area concentration reported for 2002 reflects increases of more than three percentage points, based on the number of loans originated, and six percentage points, based on their corresponding dollar volume.

Geographic Distribution: “Outstanding”

Given the bank's size and performance context, the geographic distribution of WCB's HMDA-reportable, small business/small farm and consumer loans reflects excellent penetration throughout the assessment area.

HMDA Loans

For the year 2001, the bank's proportion of lending in LMI tracts within the assessment area was well above the aggregate. In 2001, the bank originated 67 (10.8%) loans in the sum of \$2.6 million (7.9%) in moderate-income census tracts, compared with the aggregate's LMI penetration rates of 5.5% based on number and 3.3% based on dollar volume. During 2002, the institution originated and/or purchased 81 (12.2%) HMDA-reportable loans totaling \$3.4 million (10.1%) in moderate-income tracts, reflecting continued strong performance.

Small Business and Small Farm Loans

Geographic Distribution of Small Business and Small Farm Loans - 2001 & 2002												
Tract Income Level	2001				2002				Total			
	#	%	\$MM	%	#	%	\$MM	%	#	%	\$MM	%
Moderate	124	11.1	11.3	13.4	111	8.9	11.3	11.8	235	10.0	22.6	12.6
Middle	953	85.3	68.5	81.3	1,078	86.9	80.4	84.0	2,031	86.1	148.9	82.7
Upper	40	3.6	4.5	5.3	52	4.2	4.0	4.2	92	3.9	8.5	4.7
Total	1,117	100	84.3	100	1,241	100	95.7	100	2,358	100	180.0	100

Comparative Geographic Distribution of Small Business and Small Farm Loans for 2001				
Tract Income Level	% By Number Volume		% By Dollar Volume	
	Bank	Aggregate	Bank	Aggregate
Moderate	11.1	8.4	13.4	10.5
Middle	85.3	65.5	81.3	59.0
Upper	3.6	26.1	5.3	30.5
Total	100	100	100	100

As shown in the tables above, in 2001 the bank made 124 (11.1%) small business and small farm loans totaling \$11.3 million (13.4%) in moderate-income tracts. The bank's lending penetration in moderate-income geographies was approximately 30% above the aggregate's penetration rate for both number and dollar volume. During 2002, 111 (8.9%) loans totaling \$11.3 million (11.8%) were originated in moderate income tracts, reflecting a decline.

Consumer Loans

Geographic Distribution of Consumer Loans - 2001 & 2002												
Tract Income Level	2001				2002				Total			
	#	%	\$MM	%	#	%	\$MM	%	#	%	\$MM	%
Moderate	246	10.1	2.3	7.1	191	7.8	2.8	6.3	437	8.9	5.1	6.6
Middle	2,117	87.0	28.6	88.5	2,178	88.7	38.7	89.0	4,295	87.9	67.3	88.8
Upper	71	2.9	1.4	4.4	85	3.5	2.0	4.7	156	3.2	3.4	4.6
Total	2,434	100	32.3	100	2,454	100	43.5	100	4,888	100	75.8	100

In 2001 WCB originated 10.1% (246) of its number and 7.1%(\$2.3 million) of its dollar volume of assessment area loans in moderate-income tracts. LMI penetration diminished in 2002, with 7.8% (191) of the number and 6.3%(\$2.8 million) of the dollar volume of loans extended in moderate-income tracts.

Borrower Characteristics: “Outstanding”

WCB’s distribution of loans according to borrower characteristics reflects excellent penetration among individuals of different income levels and businesses of different revenue size.

HMDA Loans

In 2001 the bank originated 38 (6.1%) loans totaling \$790 thousand (2.4%) to low-income individuals in its assessment area, slightly above 5.7% and 2.8%, respectively, for the aggregate. Moderate income borrowers obtained 118 (19.1%) loans totaling \$4.1 million (12.6%), comparable to the aggregate’s penetration rates of 19.9%, based on number, and 13.6%, based on dollar volume. In 2002 WCB extended 39 (5.9%) loans in the amount of \$922 thousand (2.7%) to low-income borrowers and 126 (19.0%) loans totaling \$4.9 million (14.6%) to moderate-income borrowers, demonstrating similar performance.

Small Business and Small Farm Loans

During the evaluation period, WCB extended 1,930 assessment area loans (81.8%) in the amount of \$111.6 million (62.0%) to firms and farms with annual revenues of less than \$1 million.

Small Business and Small Farm Loans In Assessment Area – 2001 & 2002										
	Revenues Less Than \$1 Million				Revenues More Than \$1 Million				Total	
	#	%	\$MM	%	#	%	\$MM	%	#	\$MM
2001 - S.B.	624		34.1		141		23.9		765	58.0
2001 - S.F.	298		17.8		54		8.5		352	26.3
Subtotal	922	82.5	51.9	61.5	195	17.5	32.4	38.5	1,117	84.3
2002 - S.B.	673		39.0		149		24.1		822	63.1
2002 - S.F.	335		20.7		84		11.9		419	32.6
Subtotal	1,008	81.2	59.7	62.4	233	18.8	36.0	37.6	1,241	95.7
Total	1,930	81.8	111.6	62.0	428	18.2	68.4	38.0	2,358	180.0

During 2001, small businesses and farms with gross annual revenues of \$1 million or less within the assessment area received 922 loans (82.5%) totaling \$51.9 million (61.5%). Small farm loans constituted approximately one-third of the number and dollar volume of loans originated. During 2002, the bank extended 1,008 loans totaling \$59.7 million to business firms and farms with gross annual revenues of \$1 million or less. Small farms continued to

receive roughly one-third of the loans.

Distribution of Loans by Loan Size

Year	Loans = \$100M			Loans > \$100M but = \$250M			Loans > \$250M but = \$1MM			Total Small Business/Farm Loans in Assessment Area	
	#	%	\$MM	#	%	\$MM	#	%	\$MM	#	\$MM
2001	908	81	30.4	134	12	22.7	75	7	31.2	1,117	84.3
2002	994	80	33.1	164	13	28.3	83	7	34.3	1,241	95.7
Total	1,902	81	63.5	298	12	51.0	158	7	65.5	2,358	180.0

Lending distribution based on loan size was strong and relatively unchanged during the two-year period. During 2001, the bank originated 908 small business/small farm loans in amounts of less than or equal to \$100 thousand, comprising 81% of originations and \$30.4 million in dollar volume. The bank extended 134 loans ranging in size from \$101 thousand to \$250 thousand, accounting for 12% of originations and \$22.7 million in dollar volume. Seventy-five loans (\$31.2 million) were extended in amounts of more than \$250 thousand and less than \$1 million, representing 7% of originations. During 2002, the bank extended 994 (80%) loans totaling \$33.1 million in amounts equal to or less than \$100 thousand, 164(13%) loans totaling \$28.3 million in the range of \$101 thousand to \$250 thousand, and 83 loans exceeding \$250 thousand but less than \$1 million, representing 7% of the loans and \$34.3 million in dollar volume.

Consumer Loans

The distribution of consumer loans, given the product lines offered, reflects excellent penetration among borrowers of different income levels.

Distribution of Consumer Loans by Borrower's Income Level - 2001 & 2002												
Borrower Income Level	2001				2002				Total			
	#	%	\$MM	%	#	%	\$MM	%	#	%	\$MM	%
Low	512	21.0	2.9	9.0	490	20.0	3.3	7.6	1,002	20.5	6.2	8.2
Moderate	629	25.8	5.9	18.3	614	25.0	7.4	17.0	1,243	25.4	13.3	17.5
Middle	543	22.3	7.2	22.3	600	24.4	10.7	24.6	1,143	23.4	17.9	23.6
Upper	578	23.8	15.0	46.4	628	25.6	21.3	49.0	1,206	24.7	36.3	47.9
N/A	172	7.1	1.3	4.0	122	5.0	0.8	1.8	294	6.0	2.1	2.8
Total	2,434	100	32.3	100	2,454	100	43.5	100	4,888	100	75.8	100

The borrower profile analysis of consumer loans revealed that during 2001 the bank extended 1,141 loans (46.8%) to LMI borrowers in the assessment area, representing \$8.8 million or 27.3% of assessment area lending. During 2002, WCB extended 1,104 loans (45%) in the amount of \$10.7 million (24.6%) to LMI borrowers.

Innovative/Flexible Lending Practices: “High Satisfactory”

The bank developed or participated in a number of mortgage, small business, small farm and consumer loan programs. These loan products offer varying terms and conditions geared to meet the needs of LMI borrowers and small farm/business owners.

Homework’s Mortgage Program - Six loans totaling \$390 thousand were extended. This program is primarily designed to assist first-time homebuyers, with low down payments and paperwork reduction. For single-family residential property, underwriting guidelines allow financing of up to 97% of the appraised value, or the sale price, whichever is less.

ALT 97 - Two loans totaling \$218 thousand were granted. This product allows a 3% down payment. These mortgages are sold to Freddie Mac with servicing retained by the bank.

Private Mortgage Insurance - The bank originated 196 loans totaling \$18.9 million. This product gives customers with less than the traditional 20% down payment the opportunity to purchase a home with reduced cash requirements.

Adjustable rate mortgage program - Thirteen loans totaling \$1.5 million were extended. Designed for borrowers who need more flexible underwriting criteria, this product offers fixed rate loans for a specified time period, with an adjustable rate later on. These mortgages are not sold to the secondary market.

Wyoming County Community Action (“WCCA”) Car Loan Financing Program - The bank participates in this program through guaranteed used car loans to welfare recipients. The program targets those welfare recipients who are currently undergoing a transition from welfare, through workfare, to self-sufficiency. Five loans totaling \$8 thousand were originated.

Genesee Valley Rural Preservation Council, Inc. (“GVRPC”) - The bank participated in this program by extending two loans totaling \$78 thousand.

New York State Energy Research Development Agency (NYSERDA)- The bank extended 82 loans totaling \$911 thousand. This loan program makes available low cost loans for energy related improvements by providing for a rate reduction of 4.5% from the prevailing rate for such consumer, or commercial loans of \$500 thousand or less.

WCB’s participation in government insured, guaranteed or subsidized loan programs for housing, small business or small farms includes:

- Originating 11 FHA loans totaling \$898 thousand.
- Extending 66 Small Business Administration (“SBA”) loans totaling \$6.1 million.
- Extending 17 FSA loans totaling \$3.3 million.

- One United States Department of Agriculture (“USDA”) loan in the amount of \$750 thousand.
- Originating 18 loans totaling \$6 million under the New York State Linked Deposit Program (“NYSLDP”). The bank participates in this program, which helps commercial customers by providing reduced rate loans for business expansion. The NYSLDP allows banks to reduce their rates by two percentage points on loans linked to deposits of New York State funds.

Community Development Lending: “Outstanding”

The bank demonstrated leadership in making community development loans. Lending is focused on entities engaged in promoting economic development and affordable housing.

During the evaluation period, the bank made nine loan commitments totaling \$16.8 million for community development purposes. New money accounted for \$10.6 million. Seven of these loan commitments totaling \$11.1 million were within the assessment area. As of the evaluation date, \$13.2 million in community development loans was outstanding, including \$5.7 million extended outside the assessment area.

Economic Development Loans

Dairy Knoll Farms - \$2.85 Million

The loan is for an expansion project, which includes plans to build a free stall barn to hold 600 cows and a new milking facility with a double 14 herringbone parlor expandable to a double 20. Plans include a sand bedding system with settling basins and an earthen lagoon. The project will generate employment opportunities.

Sweeteners Plus, Inc. - \$3 Million

This company processes and refines natural sugars, which it sells to food and beverage manufacturers. The company also maintains a trucking operation. The company employs 70 people. The purpose of the loan was to replace existing equipment.

David M. and Valerie S. Pankow- \$1.4 Million

The borrowers own and operate a large dairy operation. The funds were used to purchase cattle and make capital improvements and purchases, which promote employment and economic development.

Danielewicz Dairy Farms, Inc. - \$3.8 Million

Borrowers plan to take advantage of a computerized AFI-Milk system, which allows for more efficient dairy herd management. They also plan a new milking center and to increase the

herd by 300 cows. The loan will provide employment opportunities and promote economic development.

Affordable Housing Loans

Green Acres Mobile Home Park, Inc. - \$2.5 Million

This is a mobile home park with rents of \$195 per month for singlewide mobile homes and \$205 for doublewide homes. These rates are lower than the typical lot rents, which range from \$230 to \$250 in the surrounding area. Many tenants receive public assistance whereby their rents are paid directly by social services.

G. W. Apartments: - \$3.2 Million

This is a 74-unit senior citizen housing apartment complex. Each of these apartments is handicapped accessible and air-conditioned. Common areas include lounge areas, game rooms and four laundry facilities. Transportation is readily available to the residents. Rents are reasonable, with many apartments available at less than \$600 per month.

II. Investment Test: “Low Satisfactory”

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

The level of community development investments and grants is adequate, considering the limited opportunities and competition in the assessment area. During the evaluation period, qualified investments and grants totaled \$1.3 million. WCB's qualified investments are comprised primarily of 11 municipal bonds totaling \$938 thousand, which are targeted to municipalities located in LMI census tracts. The investment level at this evaluation was well below the \$2.3 million (in municipal bonds) reported at the last evaluation. Management attributes the decline to the completion of various projects and the lack of opportunities for new investments. The bank has not invested in any statewide or regional programs that serve its assessment area.

On the other hand, grants/donations increased significantly to \$362 thousand. The increase reflects the bank's continued efforts to address the needs of its community.

The Federal Home Loan Bank of New York's (FHLBNY) Affordable Housing Program advances subsidized funds to member institutions for financing the purchase, construction, and/or rehabilitation of (i) 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. The FHLBNY funds this program through a 10% set-aside of its annual income. For 2001 and 2002, based on its percentage of ownership, WCB's pro-rata share of this set-aside was \$15 thousand for each year.

III. Service Test: "Outstanding"

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

Retails Services: "Outstanding"

Accessibility of Service

WCB has 17 retail branches, including 16 full service and one limited service location. As shown on the chart below, 29% of the branches are located in or adjacent to LMI areas. Three branches are located in LMI geographies and two are adjacent to LMI geographies. The bank has 15 ATMs. All branches have ATMs except the West Batavia, North Java, Pavilion and Wyoming branches. ATMs can be accessed 24 hours a day, seven days a week. There are three non-deposit taking ATMs. These are located at Wyoming County Community Hospital in Warsaw, SUNY Geneseo location (book store) and the Shurfine grocery store in Livonia.

Distribution Of Wyoming County Bank's Branches & ATMs									
County	Total # Of Branches	# of Branches In LMI Areas	# of Branches Adjacent to LMI Areas	% of Branches in or adjacent To LMI Areas	# of Branches With ATMs	# of Off-site ATM Locations	Total # of ATM Locations	# of ATM Locations in or adjacent to LMI Areas	% of ATM Locations in or adjacent to LMI Areas
Allegany	0	0	0	0%	0	0	0	0	0%
Cattaraugus	1	0	0	0%	1		1	0	0%
Erie	2	0	0	0%	2	0	2	0	0%
Genesee	3	0	2	67%	1		1	1	100%
Livingston	5	3	0	60%	4	2	6	3	50%
Steuben	0	0	0	0%	0	0	0	0	0%
Wyoming	6	0	0	0%	4	1	5	0	0%
Total	17	3	2	29%	12	3	15	4	27%

Record of Opening and Closing of Branch Offices

The bank opened a branch in January 2002 at 650 Main Street, East Aurora in Erie County. In September 2002, upon the acquisition of Pavilion State Bank by National Bank of Geneva, three branches of Pavilion State Bank were taken over by WCB. The bank did not close any branches during the evaluation period.

Reasonableness of Business Hours and Services

WCB's business hours and services are reasonably tailored to the convenience and needs of the assessment area. Management has enhanced the service capability of its branch network by adopting an adequate level of extra hours, apart from normal banking hours of 9:00 am to 3:00 pm. All full service branches have extended hours at least one day per week. Five are open on Saturdays. Branches open on Saturdays include the Dansville branch, which is located in an LMI area, and the Batavia West branch, which is located adjacent to an LMI area. Additionally, the bank operates a mobile branch in the Keshequa Central School, which is located in an LMI geography in Nunda. The mobile branch is open on Fridays from 11:00 am to 3:00 pm when school is in session.

Alternate Delivery Systems

WCB's alternative methods of delivering services include, but are not limited to, the following:

- Internet Banking
- Touch Tone Banking
- Net Express Bill Payor, which allow customers to pay bills to anyone in the U.S.
- Debit Cards, which allow access to the NYCE, CIRRUS, PULSE, Discover and MasterCard networks.

Innovative and Flexible Services

The bank offers the following:

- Wyoming bank customers may make deposits and withdrawals from all National Bank of Geneva, Bath National Bank and First Tier Bank & Trust branches, as the parent Financial Institutions, Inc. also owns these banks. An additional 47 ATMs of these sister banks are available to Wyoming County Bank customers free of charge.
- WCB customers have free ATM access to Summit Credit Union of Monroe County. Beginning in 2002, WCB customers were also able to use ATMs owned by Tops Friendly Market and Wilson Farms in Erie and Niagara County, free of charge.
- Free cashing of government checks for all clients and non-clients.
- Free checking accounts for senior citizens, including first order of checks for free.
- Basic banking account with free unlimited ATM usage.
- Any direct deposit entitles the customer to free checking.
- Student checking accounts with unlimited ATM usage, no minimum balance requirement

and no monthly service charge.

Community Development Services – “Outstanding”

WCB board of directors, management and staff continually provide financial advice, technical assistance and fund raising efforts to various community organizations and programs that promote economic opportunities and/or provide services to low income families.

Management and employees are board or committee members of various non-profit organizations such as the Wyoming County Chamber of Commerce, Livingston County Business and Educational Council, Geneseo College Foundation, Salvation Army, Business Education Council, Peers Helping Peers, Bishop Sheen Housing Foundation, Wyoming Foundation, Dansville Business Association, and other civic and non-profit organizations. Inmates of the Wyoming County Jail were given advice and counseling regarding employment prospects, banking and investment ideas.

The bank hosts school tours throughout the year. Bank personnel provide guidance regarding employment opportunities, financial matters and security information.

The bank sponsored the Genesee Council on the Arts, Arts in Education program in Livingston County. This program is designed to expose students to core academic subject matter at the elementary level and in special education through the use of music, art and drama. The Mt. Morris and Keshequa Central Schools located in LMI geographies benefit from this program.

Various branches from time to time host car washes to benefit local charities.

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 that were intended to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices.

The most recent regulatory compliance report dated March 29, 2002 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.

The bank utilizes various outreach methods to assess the credit needs of its communities and convey awareness of its credit products and services. The bank ascertains the credit needs of its community through regular contact and involvement of board members, officers and employees with local business people, farmers, local government and school officials, local not-for-profit organizations and the general public. The marketing department regularly conducts market surveys for rates, services, and product offerings by their competitors. These surveys assure that services and products offered are needed and provided at fair prices.

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.

WCB has an aggressive marketing department that advertises on local radio stations, television, newspapers and other publications. The bank has various statement stuffers that outline products, services, business hours, branch locations and the ATM network. Innovative products to encourage first time homebuyers and small farm loans are offered. Staff members work actively with community groups. Lobby posters and displays are also used to promote interest and inquiries from customers, and include descriptions of the types of consumer loans and mortgages offered by the bank.

The bank offer coupons to be used for application/appraisal fee reductions.

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 board's participation in CRA activities includes the annual review of the CRA report and performance. The board appointed CRA Committee also monitors CRA activity through quarterly meetings with the CRA Officer. In addition, board and advisory board members consist of individuals who are all active in the community.

VI. Other Factors

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

The bank hosted, in co-operation with the local Cornell Co-operative Extension in Wyoming and Livingston Counties, seminars on estate/succession planning/trust to agriculture related and family owned businesses. The bank sponsored a farmer/neighbor day in co-operation with Livingston County Chamber of Commerce, which helps bring awareness of agricultural businesses' contribution to the area. Every year, the bank sponsors small business-related

seminars through the Wyoming and Livingston County chambers, which include topics like marketing and business development, financial management and tax implications. Every year, the bank hosts four informational meetings for school and government officials and financial managers. Topics include lending, leveraging, current market conditions and rate environment.

CHARTS FOR REPORTING OF HMDA STATISTICS

Residential Real Estate Loans - Year 2001- by Borrower Income Level*										
Borrower	Total Lending				Assessment Area Lending				Aggregate**	
Income	Applics	#	Originations		Applics.		Originations		Originations	
Level		%	#	%	#	%	#	%	#	%
Low	85	8.5	46	6.2	69	8.6	38	6.1	419	5.7
Moderate	213	21.3	142	19.1	171	21.2	118	19.1	1,457	19.9
Middle	298	29.7	228	30.6	236	29.2	185	29.9	2,064	28.3
Upper	393	39.2	316	42.4	318	39.4	265	42.8	3,101	42.4
N/A	13	1.3	13	1.7	13	1.6	13	2.1	267	3.7
Total	1,002	100.0	745	100.0	807	100.0	619	100.0	7,308	100.0

* Borrower income level is based upon the Department of Housing and Urban Development's annual estimate of median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.

** The term "Aggregate" refers to loans originated in the bank's assessment area by all HMDA reporting lenders.

Residential Real Estate Loans- year 2001- by Geographic Income Level*										
Geo	Total Lending				Assessment Area Lending				Aggregate	
Income	Applics.		Originations		Applics.		Originations		Originations	
Level	#	%	#	%	#	%	#	%	#	%
Low	1	0.1								
Moderate	101	10.1	72	9.7	88	10.9	67	10.8	400	5.5
Middle	805	80.3	609	81.7	691	85.6	530	85.6	4,931	67.5
Upper	95	9.5	64	8.6	28	3.5	22	3.6	1,977	27.0
N/A										
Total	1,002	100.0	745	100.0	807	100.0	619	100.0	7,308	100.0

* Geography income level is based upon 1990 Census data on median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.

Residential Real Estate Loans- Year 2002- by Borrower Income Level*								
Borrower	Total Lending				Assessment Area Lending			
Income	Applics.		Originations		Applics.		Originations	
Level	#	%	#	%	#	%	#	%
Low	99	9.0	43	5.4	81	9.2	39	5.9
Moderate	234	21.4	153	19.3	188	21.2	126	19.0
Middle	333	30.4	256	32.3	277	31.3	222	33.5
Upper	416	38.0	330	41.6	330	37.2	266	40.2
N/A	13	1.2	11	1.4	10	1.1	9	1.4
Total	1,095	100.0	793	100.0	886	100.0	662	100.0

* Borrower income level is based upon the Department of Housing and Urban Development's annual estimate of median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.

Residential Real Estate Loans- Year 2002- by Geography Income Level*								
Geography	Total Lending				Assessment Area Lending			
Income	Applics.		Originations		Applics.		Originations	
Level	#	%	#	%	#	%	#	%
Low	1	0.1						
Moderate	128	11.7	96	12.1	104	11.7	81	12.2
Middle	860	78.5	616	77.7	747	84.3	552	83.4
Upper	106	9.7	81	10.2	35	4.0	29	4.4
N/A								
Total	1,095	100.0	793	100.0	886	100.0	662	100.0

* Geography income level is based upon 1990 Census data on median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.

GLOSSARY

Aggregate

The cumulative lending by all HMDA or small business/small farm 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.