NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION
One State Street
New York, NY 10004

PUBLIC SUMMARY
OFF-SITE EVALUATION

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Date of Evaluation: December 31, 2004

Institution: Gotham Bank of New York
1412 Broadway
New York, NY 10018

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

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GENERAL INFORMATION

This document is an off-site evaluation of the Community Reinvestment Act ("CRA") performance of Gotham Bank of New York ("Gotham") 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, 2004.

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 of small banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Section 76.12. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

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

OVERVIEW OF INSTITUTION'S PERFORMANCE

Gotham is rated "3," indicating a "needs-to-improve" 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:*** "Needs-to-Improve"

  The bank's LTD ratio is considered less than reasonable in light of the bank's size, financial condition and the credit needs of its assessment area. The bank's LTD ratio, at 27.6% for the quarter ended December 31, 2004, was less than one-third of the peers' ratio of 84.2%. Furthermore, the bank's average LTD ratio for the 10 preceding consecutive quarters was 45.1%, which was significantly below the peer group's LTD ratio of 80.7% but slightly above its own LTD ratio of 41.1% for six consecutive quarters ended on the previous evaluation date.

  The bank has enhanced the availability of credit in its assessment area with community development loans totaling $942 thousand and through a qualified investment of $77 thousand.

- ***Assessment Area Concentration***: "Satisfactory"

  The bank originated a majority of small business loans within its assessment area.

  In 2004, of total 414 small business loans for $77.1 million originated by the bank, 308 loans (74.4%) for $38.7 million (50.2%) were originated within its assessment area.

  In 2003, of 380 small business loans for $67.0 million originated by the bank, 271 loans (71.3%) for $34.9 million (52.2%) were originated in its assessment area.

- ***Geographic Distribution of Loans****:* "Needs-to-Improve"

  The bank's geographic distribution of small business loans reflects poor dispersion throughout the assessment area. Not a single loan was originated in LMI geographies either in 2003 or in 2004.

  For each year within the evaluation period, the bank originated nine loans for $2.2 million each in middle-income geographies and more than 96.0% of the loans were originated in upper-income tracts.

- ***Distribution by Borrowers Characteristics**:* "Satisfactory"

  Gotham's distribution of small business loans on the borrowers' characteristics is considered reasonable.

  During the evaluation period, 57.9% of the loans or 15.6% by dollar value were less than $100 thousand, 20.3% or 18.4% respectively were more than $100 thousand but less than $250 thousand and 21.8% or 66.0% respectively were more than $250 thousand but less than $1 million. There were no loans over $1 million.

- Neither the bank nor the New York State Banking Department received any complaints with respect to its CRA performance during the evaluation period.

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

PERFORMANCE CONTEXT

Institution's Profile:

Chartered in 1980, Gotham is a community commercial bank operating from a single location in midtown Manhattan. It is a member of the Federal Reserve Bank and is an FDIC insured institution. The bank primarily offers short-term secured and unsecured financing to small to medium-sized businesses, primarily within the local community, and offers a range of deposit products. Lending activity is concentrated on manufacturers, wholesalers and importers in the garment, fur, carpet and jewelry industries. Gotham's products and services to the public do not include residential loans.

Gotham did not open or close a branch during the evaluation period.

As per Consolidated Report of Condition and Income as of December 31, 2004, the bank reported total assets of $363.5 million, of which, $94.4 million (26.0%) were in loans. It also reported total deposits of $342.5 million, resulting in a loan-to-deposit (LTD) ratio of 27.6%. According to the latest available Deposit Market Share Report as of June 30, 2004, Gotham captured a market share of 0.04% or $148.5 million out of $344.0 billion in its assessment area, ranking 51st among 94 institutions.

The following is a summary of the bank's lending portfolio, based on Schedule RC-C of the Call Report on December 31, 2004, 2003 and 2002:

TOTAL GROSS LOANS OUTSTANDING						
	12/31/2004		12/31/2003		12/31/2002	
LOAN TYPE	$*	%	$*	%	$*	%
Commercial & Industrial Loans	72,603	75.0	56,835	80.5	51,334	75.2
Commercial Mortgage Loans	20,610	21.3	11,944	16.9	15,631	22.9
Construction & Land Developoment	2,200	2.3	1,260	1.8	250	0.4
1-4 Residential Mortgage Loans	1,332	1.4	568	0.8	1,075	1.6
Total Gross Loans	96,745	100.0	70,607	100.0	68,290	100.0

* In thousands.

As illustrated in the above chart, the bank's loan mix has remained the same over the years and is comprised largely of commercial and industrial loans, and to a lesser extent, commercial mortgages. On the evaluation date, these two categories combined represented 96.3% of the loan portfolio. Construction and 1-4 family residential mortgages accounted for only 2.3% and 1.4%, respectively, of total loans.

The bank does not participate in any government insured, guaranteed or subsidized loan programs.

The bank received a rating of "2" at its prior CRA performance evaluation conducted by the Banking Department as of June 30, 2002, reflecting a satisfactory record of helping to meet community credit needs.

There are no known financial or legal impediments that impacted the bank's ability to meet the credit needs of its community.

Assessment Area:

The bank's assessment area has not changed since the prior evaluation. It encompasses the lower two-thirds of Manhattan (New York County), bounded by 86th Street on the north, Battery Park to the south and East and Hudson rivers to the East and West respectively.

The make-up of bank's assessment area is given below:

Assessment Area Make-up 2003			**2004**	
Geography	# of tracts	% of total	# of tracts	% of total
Low-Income	9	5.6	13	8.0
Moderate-Income	16	9.9	15	9.3
Middle-Income	16	9.9	14	8.6
Upper-Income	118	72.8	117	72.2
Zero-Income	3	1.8	3	1.9
Total:	162	100.0	162	100.0

The numbers and percentages of the businesses located in each income-tract are given below:

Business Demographics 2003			**2004**	
	Count	% of total	Count	% of total
Low-Income	3,969	2.0	6,169	3.2
Moderate-Income	9,627	4.9	7,801	4.0
Middle-Income	13,358	6.9	14,205	7.3
Upper-Income	162,409	83.5	160,578	82.8
Zero-Income	5,252	2.7	5,264	2.7
Total:	194,615	100.0	194,017	100.0

According to the 2000 census data, the bank's assessment area had a population of 802.9 thousand. Of these, 105.5 thousand (13.1%) were over the age of 65 and 77.9 thousand (9.7%) were below the age of 16.

Of 148 thousand families, 24.6 thousand (16.6%) were low-income, 13.5 thousand (9.1%) were moderate-income, 15.5 thousand (10.5%) were middle-income, 94.3 thousand (63.7%) were upper-income families. Of 148 thousand families in the assessment area, 20.6 thousand (13.9%) LMI families lived in the LMI geography.

Of 443.8 thousand households in the assessment area, 344.2 thousand (77.6%) were wage/salary earners, 80.8 thousand (18.2%) were on social security, 9.5 thousand (2.1%) on public assistance and 48.3 thousand (10.9%) were living below the poverty level.

Of the 482.5 thousand housing units in the assessment area, 15.9 thousand (3.3%) were 1-4 family units and 466.4 thousand (96.7%) were multifamily units, of which 111.5 thousand (23.1%) were owner occupied, 332.1 thousand (68.8%) were rental occupied and 38.9 thousand (8.1%) were vacant.

The weighted average median housing value was $381.1 thousand. The weighted average median family income was $100.6 thousand and the HUD updated MSA median family income was $51.9 thousand in 2003 and $57.0 thousand in 2004.

In 2003, there were approximately 195.1 thousand business units in the assessment area, of which 113.7 thousand (58.3%) had annual revenues of $1 million or less, 22.4 thousand (11.5%) had revenues of over $1 million and 58.9 thousand (30.2%) did not report their revenue information. Of these business units, 143.6 thousand (73.6%) had less than 50 employees, 6.7 thousand (3.4%) had more than 50 employees and 44.8 thousand (23.0%) did not report employee information. Of these businesses, 41.1% were in services; 14.3% were in retail trade; 13.8% were in non-classified establishments; 11.3% were in finance, insurance and real estate, and 7.8% were in wholesale trade.

In 2004, there were 194.5 thousand business units in the assessment area, of which 114.9 thousand (59.1%) had annual revenues of $1 million or less, 22.1 thousand (11.3%) had revenues of over $1 million, and 57.5 thousand (29.5%) did not report revenue information. Of these business units, 144.8 thousand (74.4%) had less than 50 employees, 6.5 thousand (3.4%) had more than 50 employees and 43.2 thousand (22.2%) did not report employee information. Of these businesses, 42.3% were in services; 14.4% were in retail trade; 12.2% were in non-classified establishments; 11.6% were in finance, insurance and real estate, and 7.8% were in wholesale trade.

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

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

Gotham's performance was evaluated according to the small bank performance criteria, which include the following: (1) loan-to-deposit (LTD) ratio and other lending-related activities; (2) assessment area concentration; (3) geographic distribution of lending; (4) distribution of lending according to borrower characteristics; and (5) action taken in response to written complaints regarding CRA.

This evaluation covered the period from July 1, 2002 – December 31, 2004. The bank's primary product, small business lending, was the primary focus of the review in evaluating factors (2), (3) and (4), as noted above.

The bank is not a HMDA reporter and as a small bank is not required to report government monitoring information on its small business loans, therefore, comparative peer data is not available.

The demographic data referred to in this report was obtained from the 2000 U.S. Census.

- **Loan-to-Deposit Ratio and other Lending-Related Activities: "Needs- to- Improve"**

For the quarter ended December 31, 2004, Gotham's LTD ratio at 27.6%, was less than one-third of the peer's 84.2%. The bank's average LTD ratio for the previous 10 consecutive quarters from the evaluation date at 45.1%, although significantly below the peer average of 80.7% for the same period, was marginally better than the prior evaluation's average of 41.1%. Gotham's LTD ratio was almost 50% (reasonable) in five out of 10 quarters of the assessment period; however, as a result of deposit growth in the last quarter of the evaluation period, the overall average LTD declined as the bank could not generate sufficient loans to off-set deposits.

The following table shows a 10 quarter comparative LTD ratio for the bank, versus the peer group:

Loan-to-Deposit Ratios

	2002 (Q3)	2002 (Q4)	2003 (Q1)	2003 (Q2)	2003 (Q3)	2003 (Q4)	2004 (Q1)	2004 (Q2)	2004 (Q3)	2004 (Q4)	Aver.* LTD
Bank	52.3	35.0	46.7	46.1	49.6	33.4	49.7	56.7	54.5	27.6	45.1
Peer	79.5	78.8	78.5	78.2	79.0	80.9	81.7	82.9	83.5	84.2	80.7

* Average

Community Development Loans:

The bank enhanced the availability of credit in its assessment area with community development loans totaling $942.6 thousand. Details are as follows:

1) Academy Studio Associates, LLC: The bank committed a four year term loan for $1 million to this entity. Originally matured October 15, 1996, the loan was extended to October 15, 2005. As of the evaluation date, the outstanding balance was $70.3

thousand. Loan proceeds were disbursed against a mortgage on a building operating as a single room occupancy (SRO) facility. The building is leased to a not-for-profit housing development corporation with a mission of providing safe and secure housing and supportive services for families in need, and single individuals with special needs such as those diagnosed with HIV/AIDS. Funding for this project is from grants through HUD.

2) 330 West 36 Street Hotel: The bank originated a term loan for $1.1 million to the borrower on January 14, 1999, and as of the evaluation date $622.2 thousand was outstanding. The subject property is leased to a non-profit housing corporation that operates single room occupancy (SRO) facility.

3) New York Business Development Corporation ("NYBDC"): The bank originated $250 thousand line of credit on August 1, 2003 to this entity. The facility carries an outstanding balance of $23.4 thousand as of the evaluation date. The NYBDC is a privately owned corporation funded by New York commercial and savings banks through lines of credit. Typically, NYBDC loans are priced at LIBOR and are utilized to provide a broad range of financing from small to mid-sized businesses located in the State of New York.

Qualified Investments:

Credit availability was enhanced further in the assessment area by maintaining a $77 thousand certificate of deposit with Community Capital Bank (CCB) located in Brooklyn. CCB is a New York State chartered FDIC insured commercial bank specializing in affordable housing and small business lending initiatives in New York City.

- **<u>Assessment Area Concentration</u>: "Satisfactory"**

The bank originated a majority of its commercial loans within its assessment area as detailed in the table below. During the evaluation period, the bank's assessment area concentration was 72.9% and 51.1% by dollar volume compared with 65.0% and 51.0% respectively during the prior 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
	#	%	#	%		$	%	$	%	
Small Business (2003)	271	71.3	109	28.7	380	34,937	52.2	32,034	47.8	66,971
Small Business (2004)	308	74.4	106	25.6	414	38,673	50.2	38,407	49.8	77,080
Total	**579**	**72.9**	**215**	**27.1**	**794**	**73,610**	**51.1**	**70,441**	**48.9**	**144,051**

- **<u>Geographic Distribution of Loans</u>: "Needs-to-Improve"**

Small Business Loans:

The bank's geographic distribution of small business loans reflects poor dispersion among census tracts of different income levels. The following chart provides a summary of the bank's small business loan distribution during the evaluation period:

Distribution of Small Business Loans by Geographic Income Level								
Geography	**Bank**							
Income Level	#	%	$(000)	%				
Low	0	0.0	0	0.0				
Moderate	0	0.0	0	0.0				
Middle	9	3.3	2,398	6.9				
Upper	261	96.3	31,939	91.4				
NA	1	0.4	600	1.7				
Total	271	100.0	34,937	100.0				
Geography	**Bank**							
Income Level	#	%	$(000)	%				
Low	0	0.0	0	0.0				
Moderate	0	0.0	0	0.0				
Middle	9	2.9	2,130	5.5				
Upper	298	96.8	35,943	92.9				
NA	1	0.3	600	1.6				
Total	308	100.0	38,673	100.0				

In 2003, 271 small business loans for $34.9 million were originated by the bank in its assessment area; however, none was originated in the LMI areas. Nine loans (3.3%) for $2.4 million were originated in middle-income areas, 261 loans (96.3%) for $31.9 million were originated in the upper-income area and in the case of one loan (0.4%) for $600 thousand (1.7%), track information was unavailable.

In 2004, of total 308 small business loans for $38.7 million originated by the bank in its assessment area, not a single loan was originated in LMI geographies. Nine loans (2.9%) for $2.1 million were originated in the middle-income geography, and 298 loans (96.8%) for $35.9 million were originated in the upper-income geography. In case of one loan (0.3%) for $600 thousand (1.6%), track information was unavailable.

Gotham's geographical distribution of commercial loans has deteriorated since the prior evaluation. While 9.3% and 3.4% of the loans by number and dollar volume respectively were originated in LMI geographies during the prior evaluation period, not a single loan was originated in the LMI geography during this evaluation, despite the fact that approximately 7% of businesses in the bank's assessment area are located in LMI areas.

- **<u>Distribution by Borrower Characteristics</u>: "Satisfactory"**

The distribution of small business loans originated by Gotham, based on loan size[1], is reasonable. During the evaluation period, 57.9% of the loans or 15.6% by dollar value were less than $100 thousand, 20.3% or 18.4% respectively were more than $100 thousand but less than $250 thousand and 21.8% or 66.0% respectively were more than $250 thousand but less than $1 million. There were no loans over $1 million, which correlates with the bank's performance context.

In 2004, there was an overall increase in lending in each of the categories mentioned above. The details of different loan amount groups are given in the table below:

Distribution of loans by borrower characteristics for 2003 and 2004 (in thousands dollars)								
Year	>0 and <=100		>100 and <=250		>250 and <=1000		Total	
	#	Amount	#	Amount	#	Amount	#	Amount
2003	220	10,822	75	12,047	85	44,102	380	66,971
2004	240	11,565	86	14,496	88	51,019	414	77,080
Total	460	22,447	161	26,543	173	95,121	794	144,051

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

Since the latest CRA evaluation as of June 30, 2002, neither the bank nor the New York State Banking Department has received any written complaints regarding the bank's CRA performance.

- **<u>Discrimination and other Illegal Practices</u>**

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 examination conducted concurrently with this evaluation indicates satisfactory adherence to anti-discrimination and other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

[1] Includes all small business loans originated by the bank, not just those within the assessment area. Therefore these loan amounts will not reconcile with loan amounts mentioned throughout the report.

- **<u>Process Factors</u>**

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.

None.

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.

None.

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.

Management reported that it relies on the expertise of the board of directors on an ongoing basis and seeks their counsel regarding the CRA statement, loan transactions and letters of credit. The directors are available for guidance to the management daily, if necessary.

- **<u>Other Factors</u>**

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

None.

GLOSSARY

Aggregate

The cumulative lending by all HMDA-reporting lenders in the same geographic area under evaluation.

Community Development

The term "community development" is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income ("LMI") individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration ("SBA") Development Company or Small Business Investment Company programs, or have gross annual incomes of $1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3), above.

A "community development loan" is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income ("LMI") persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A "qualified investment" is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A "community development service" is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM "Training Machines" available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
- ❖ Serving on a loan review committee;
- ❖ Developing loan application and underwriting standards;
- ❖ Developing loan processing systems;
- ❖ Developing secondary market vehicles or programs;

- ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
- ❖ Furnishing financial services training for staff and management;
- ❖ Contributing accounting/bookkeeping services; and
- ❖ Assisting in fund raising, including soliciting or arranging investments.

Home Mortgage Disclosure Act ("HMDA")

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

Loans to Small Businesses

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

Low or Moderate Income ("LMI") Geographies

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

LMI Borrowers

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

LMI Individuals/Persons

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

LMI Penetration Rate

A number that depicts the percentage of a bank's total loans (for a particular product) that was 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.