



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, 2005

Institution: Alpine Capital Bank
680 Fifth Avenue, 15th Floor
New York, NY 10019

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 Alpine Capital Bank ("Alpine") 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, 2005.

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

Alpine 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:*** Alpine's LTD ratio is considered reasonable given its age, size, financial condition and the credit needs of its assessment area. While its average LTD ratio was well below the peer's 83.3%, it increased significantly to 49.1% from 24.4% at the previous evaluation.
- ***Assessment Area Concentration:*** Alpine extended a majority of its HMDA-reportable and small business loans inside the assessment area. Of the total HMDA-reportable loans originated by Alpine during the evaluation period, 64.9% were extended inside the assessment area. Of the eight small business loans originated by Alpine, six loans were made inside the assessment area during the evaluation period.
- ***Geographic Distribution of Loans:*** The geographic distribution of loans reflects marginally reasonable dispersion among census tracts of different income levels. In 2004, Alpine's LMI penetration rate of 20.8% was significantly above the aggregate's 12.6% LMI penetration rate. However, Alpine did not extend any HMDA-reportable loans in LMI areas in 2005.
- ***Distribution by Borrowers Characteristics:*** Alpine's lending distribution in the assessment area reflects a very poor penetration among individuals of different income levels and businesses of different revenue sizes. Alpine did not extend any of its HMDA-reportable loans to LMI borrowers during the evaluation period. During the evaluation period, Alpine extended one out of six small business loans to businesses with gross annual revenues of \$1 million or less during the evaluation period.
- Neither Alpine nor the New York State Banking Department received any complaints with respect to its CRA performance during the evaluation period.

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 2000, Alpine is a private commercial bank located in New York County. Currently, Alpine operates one full-service banking office midtown Manhattan. During the evaluation period, Alpine did not open or close any branches.

As per the Federal Deposit Insurance Corporation's ("FDIC") Consolidated Report of Condition ("Call Report") as of December 31, 2005, Alpine reported total assets of \$185.7 million, of which \$90.1 million were net loans and lease finance receivables. It also reported total deposits of \$157.4 million, resulting in a loan-to-deposit ratio of 57.3%. According to the comparative deposit data dated June 30, 2005, Alpine obtained a market share of 0.04% or \$160.2 million out of \$384.2 billion inside its market, ranking it 47th among other 94 deposit-taking institutions in the assessment area.

The following is a summary of Alpine's lending portfolio, based on its Schedule RC-C of Call Reports as of December 31, 2003, December 31, 2004 and December 31, 2005:

TOTAL GROSS LOANS OUTSTANDING						
LOAN TYPE	2003		2004		2005	
	\$000	%	\$000	%	\$000	%
1-4 Residential Mortgage Loans	21,870	42.8	33,279	43.0	38,859	42.4
Commercial & Industrial Loans	3,382	6.6	2,837	3.7	4,411	4.8
Commercial Mortgage Loans	15,195	29.7	21,460	27.7	23,942	26.1
Multifamily Mortgages	2,400	4.7	2,525	3.3	4,193	4.6
Consumer Loans	3,971	7.8	10,972	14.2	10,920	11.9
Construction Loans	4,267	8.4	6,268	8.1	9,337	10.2
Other Loans	6	0.0	0	0.0	0	0.0
Total Gross Loans	51,091	100.0	77,341	100.0	91,662	100.0

As illustrated in the above chart, Alpine is primarily a residential real estate lender, with 42.4% of its loan portfolio in 1-4 residential mortgage loans.

Alpine does not participate in any government guaranteed or sponsored loan programs.

Alpine received a rating of "3," indicating a need to improve its record of helping to meet community credit needs, at its prior Performance Evaluation conducted by the New York State Banking Department on December 31, 2003.

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

Assessment Area:

Alpine's assessment area is comprised of New York County in its entirety, which is one of the eight counties in New York State that are in Metropolitan Division ("MD 35644"). According to the 2000 US Census, there are 296 census tracts in New York County, of which 60 (20.3%) are low-income, 59 (19.9%) are moderate-income, 24 (8.1%) are middle-income, 144 (48.7%) are upper-income and 9 (3.0%) are zero-income tracts.

Distribution of Assessment Area Census Tracts by Income Level							
County	Zero	Low	Moderate	Middle	Upper	Total	LMI %
New York	9	60	59	24	144	296	40.2

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

Details of Assessment Area:

Population: According to the 2000 US Census, the assessment area had a total population of 1.5 million people, including approximately 739 thousand households and 306 thousand families. Of the total families, 29.2% were low-income and 13.3% were moderate-income. Approximately 12.7% were middle-income and 44.9% were upper-income families. Across the county, 77.2% of all LMI families resided in LMI census tracts. Of all households, 5% received public assistance and 17% had income below poverty level. The weighted average of median family income was \$71,629.

Housing Information: Substantial majority (96%) of the housing units were multifamily units. Owner occupied units accounted for 19% of all housing units compared to 74% for rental and 7% for vacant housing units. The median housing value in LMI tracts was \$256 thousand and \$211 thousand, respectively, while the average was \$345 thousand.

Unemployment Rates: According to the New York State Department of Labor, New York County's average unemployment rate was 6.2% and 5.1% respectively for 2004 and 2005. These rates were above the state's average rate of 5.8% and 5.0% for the same years.

Business Demographic Data: According to the 2005 Business Geodemographic Data, there were 229 thousand businesses in New York County, of which 99.7% were of non-farm. Service providers and retail traders were the two major industries, consisted of 41.9% and 14.8% of all businesses. More than 58% of companies had annual revenues less than \$1 million and about 74% employed fewer than 50 workers. A substantial majority (87.4%) of firms operates from one location.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

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

The assessment period included calendar years 2004 and 2005. Examiners considered HMDA-reportable and Small business lending in evaluating factors (2), (3) and (4), as noted above. HMDA-reportable lending received greater emphasis since Alpine is primarily a residential real estate lender.

Alpine is a HMDA reporter. The demographic data referred to in this report was obtained from the 2000 U.S. Census, with the updated median family income figures provided by HUD.

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

Alpine's LTD ratio is reasonable considering its age size, financial condition and the credit needs of the assessment area. During the evaluation period, Alpine originated \$86 million loans, of which \$44 million were sold. Alpine's LTD ratio would have been higher, had these loans remained in the books.

Alpine's average LTD ratio for the prior eight quarters since the prior evaluation ending December 31, 2003 was 49.1%, which is well below the peer's average of 83.3%. However, the average LTD has significantly improved from the prior evaluation's average of 24.24%. It should be noted that Alpine has only been in existence for six years.

The table below shows Alpine's LTD ratios in comparison with that of the peer for the eight quarters since the prior evaluation:

Loan-to-Deposit Ratios									
	2004	2004	2004	2004	2005	2005	2005	2005	Average
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	LTD
Bank	38.19	39.62	49.54	52.32	56.78	50.18	48.95	57.25	49.10
Peer	81.56	82.78	83.42	83.90	83.99	83.73	83.73	83.33	83.31

The peer group includes all Federal Deposit Insurance Corporation ("FDIC") insured commercial banks having assets between \$100 million and \$300 million in a metro area with two or fewer full service offices. These ratios were from Uniform Bank Performance Report ("UBPR") prepared by FDIC.

Community Development Loans and Qualified Investments:

Alpine enhanced the availability of credit in its assessment area with community development loans and qualified investments totaling \$3.5 million. This total consists of the \$2.3 million outstanding from prior evaluation period and a credit given for a loan in the amount of \$1.2 million loan that was not recognized previously.

The following are some examples of community development loans:

A Private Real Estate Company – Alpine made a loan for \$1.2 million loan to this company. As of the evaluation date, the loan had an outstanding balance of \$1.1 million. The purpose of the loan was to refinance property improvement and closing costs. The subject property is currently being developed into an affordable housing building with 100 residential units in a low income area.

Prep for Prep (“Prep”) – During the prior evaluation period, Alpine extended a term-loan and a letter of credit totaling \$2 million to this borrower. As of this evaluation period, the outstanding balance was \$1.3 million. Prep is a not-for-profit organization that provides free training to talented students from financially underprivileged families in New York City. Each summer Alpine employs a student from Prep as a nine-week intern. The intern obtains views of various aspects of the bank’s operations through this program.

Targeted Mortgage Backed Security (“MBS”) - During the prior evaluation period, Alpine invested \$250 thousand in this MBS, with an outstanding balance of \$123 thousand as of December 31, 2005. The investment helps to provide affordable housing to LMI families in New York City.

• **Assessment Area Concentration: “Satisfactory”**

Alpine originated majority of its loans within the assessment area. During the evaluation period, of the total HMDA-reportable and small business loans, 64.9% and 66.7%, respectively were made within the assessment area.

HMDA-reportable loans

The number of HMDA-reportable loan originations within the assessment area decreased 40% in 2005 from 15 loans in 2004. However, the level of loan originations inside the assessment area increased to 64.9% during the evaluation from 49.0% at the prior evaluation period.

Small Business Loans

During the evaluation period, Alpine originated 75.0% out of eight small business loans totaling \$2.8 million (75.9%) within the assessment area. From 2004 to 2005, the number of loan increased to four from two. Small business loans were not analyzed at the prior evaluation period.

The following table summarizes Alpine's distribution of loans inside and outside its assessment area:

Distribution of Loans Inside and Outside of the Assessment Area										
Year	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA Reportable Loans										
2004	15	78.9	4	21.1	19	22,163	89.6	2,560	10.4	24,723
2005	9	50.0	9	50.0	18	15,383	55.5	12,313	44.5	27,696
Subtotal	24	64.9	13	35.1	37	37,546	71.6	14,873	28.4	52,419
Small Business Loans										
2004	2	66.7	1	33.3	3	1,700	77.3	500	22.7	2,200
2005	4	80.0	1	20.0	5	1,133	73.9	400	26.1	1,533
Subtotal	6	75.0	2	25.0	8	2,833	75.9	900	24.1	3,733
Total	30	66.7	15	33.3	45	40,379	71.9	15,773	28.1	56,152

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

Alpine's geographic distribution of loans was marginally reasonable among census tracts of different income levels. This was an upgrade from a “Needs to Improve” rating at the prior evaluation. However, Alpine's performance was considered marginal due to the limited number of loans extended in LMI areas.

HMDA Loans

The geographic distribution of HMDA related loans reflects a marginally reasonable dispersion among census tracts of different income levels.

In 2004, Alpine extended five out of 24 HMDA-reportable loans to LMI geographies. Alpine's LMI penetration rate of 20.8% was well above the aggregate's 12.6% and the 11.2% owner occupied housing units in LMI geographies. Additionally, LMI penetration rate improved significantly from 8.3% at the prior evaluation. However, Alpine did not extend any HMDA-reportable loans in LMI geographies in 2005. Aggregate data for 2005 was not available.

The following chart provides a summary of Alpine's HMDA- related lending distribution during the evaluation period. For comparison purpose, the distribution of owner occupied housing units is also provided.

Distribution of HMDA-reportable Loans by Geographic Income Level*									
2004									
Geography Income Level	Bank				Owner- occupied Units %	Aggregate			
	#	%	\$000	%		#	%	\$000	%
Low	3	20.0	1,290	5.8	2.6	998	4.2	603,789	4.4
Moderate	2	13.3	483	2.2	8.6	2,002	8.4	1,051,630	7.7
LMI Total	5	33.3	1,773	8.0	11.2	3,000	12.5	1,655,419	12.1
Middle	2	13.3	2,600	11.7	4.8	1,097	4.6	666,486	4.9
Upper	8	53.3	17,790	80.3	84.0	19,749	82.5	11,267,024	82.4
N/A						89	0.4	85,717	0.6
Total	15	100.0	22,163	100.0	100.0	23,935	100.0	13,674,646	100.0
2005									
Geography Income Level	Bank				Owner- occupied Units %	Aggregate			
	#	%	\$000	%		#	%	\$000	%
Low	0	-	0		2.6	N/A	N/A	N/A	N/A
Moderate	0	-	0		8.6	N/A	N/A	N/A	N/A
LMI Total	0	0.0	0	0.0	11.2	N/A	N/A	N/A	N/A
Middle	1	11.1	1,200	7.8	4.8	N/A	N/A	N/A	N/A
Upper	7	77.8	6,983	45.4	84.0	N/A	N/A	N/A	N/A
N/A	1	11.1	7,200	46.8		N/A	N/A	N/A	N/A
Total	9	100.0	15,383	100.0	100.0	N/A	N/A	N/A	N/A

* Geography income level is based upon 2000 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% of the MSA median income, middle-income is 80% to <120% and upper-income is at least 120%.

Small Business Loans

Alpine's geographic distribution of small business loans reflects marginally reasonable dispersion among census tracts of different income levels, because the lending volume was low.

In 2004, Alpine originated two small business loans, all of which were made in upper-income census tracts. In 2005, of the four small business loans originated by Alpine, one was extended in moderate-income areas. During the evaluation period, of the six small business loans, one loan was extended in moderate-income areas and none in low-income areas.

- **Distribution by Borrower Characteristics: “Substantial Noncompliance”**

The distribution of loans based on borrower characteristics reflects very poor penetration among individuals of different income levels and businesses of different sizes. However, this was mitigated by the significant level of community development loans to nonprofit financial intermediaries and realtors, which provide affordable housing and community services to LMI individuals.

HMDA-reportable loans

Alpine’s HMDA-related lending distribution based on borrower characteristics reflects very poor penetration among individuals of different income levels. During the evaluation period, Alpine did not make any loans to LMI or middle-income borrowers while the aggregate had an LMI penetration rate of 2.7% in 2004.

The following chart provides a summary of Alpine’s HMDA lending distribution during the evaluation period:

Distribution of HMDA-reportable Loans by Borrower Income Level*								
2004								
Borrower Income Level	Bank				Aggregate			
	#	%	\$000	%	#	%	\$000	%
Low	0	0.0	0	0.0	74	0.3	8,312	0.1
Moderate	0	0.0	0	0.0	553	2.4	68,932	0.5
Middle	0	0.0	0	0.0	1,820	7.8	311,567	2.3
Upper	12	80.0	17,073	77.0	19,036	81.7	9,567,382	70.4
N/A	3	20.0	5,090	23.0	2,452	10.5	3,718,453	27.3
Total	15	100.0	22,163	100.0	23,308	100.0	13,597,402	100.0
2005								
Borrower Income Level	Bank				Aggregate			
	#	%	\$000	%	#	%	\$000	%
Low	0	0.0	0	0.0	N/A	N/A	N/A	N/A
Moderate	0	0.0	0	0.0	N/A	N/A	N/A	N/A
Middle	0	0.0	0	0.0	N/A	N/A	N/A	N/A
Upper	9	100.0	15,383	100.0	N/A	N/A	N/A	N/A
N/A	0	0.0	0	0.0	N/A	N/A	N/A	N/A
Total	9	100.0	15,383	100.0	N/A	N/A	N/A	N/A

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

Small Business Loans

Alpine's small business lending distribution based on borrower characteristics, reflects a poor penetration among businesses of different sizes. During the evaluation period, Alpine extended one loan, out of six small business loans to enterprises with gross annual revenues of \$1 million or less. This is below the 60% businesses with revenues of this size in the assessment area. Aggregate data was not available.

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

Since the latest CRA evaluation on December 31, 2003, neither Alpine nor the New York State Banking Department has received any written complaints regarding its CRA performance.

- **Discrimination and other Illegal Practices**

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

There were no practices intended to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices.

The most recent regulatory compliance and fair lending examinations conducted concurrently with this evaluation indicate satisfactory adherence to anti-discrimination 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.

Alpine ascertains the credit needs of its community primarily through memberships in certain community development organizations, such as the Federal Home Loan Bank of New York and New York Business Development Corporation.

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.

Alpine contacted numerous community organizations for referral of potential LMI borrowers. In addition, Alpine purchased a mailing list of LMI homeowners in its assessment area that will be used to market its products. Finally, Alpine continues to reach out to the community through mortgage brokers.

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 of directors reviews and approves Alpine's CRA policy and program. Also, CRA-self assessment report is presented to the board annually.

- **Other Factors**

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

Alpine's president is a member of the Associates Council of Prep for Prep.

At the end of 2005, Alpine launched a special consumer loan program. Under this program, borrowers obtain consumer loans, despite their income and consumer credit ratings, that are not normally provided by other financial institutions. As a result, the bank extended one loan for \$5 thousand in 2005.

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:

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- 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;

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- ❖ 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 2000 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.