



**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, 2006

**Institution:** Amalgamated Bank  
275 Seventh Avenue  
New York, NY 10001

**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 Amalgamated Bank (“Amalgamated”) 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 within New York State based on an evaluation conducted as of December 31, 2006.

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

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

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

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

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

## **OVERVIEW OF INSTITUTION'S PERFORMANCE**

### **Overall Rating**

Amalgamated is rated "1," indicating an outstanding record of helping to meet community credit needs.

### **Lending Test-** "High Satisfactory"

- Lending levels reflect adequate responsiveness to assessment area credit needs. During the evaluation period, Amalgamated originated or purchased 274 HMDA-reportable loans totaling \$101.9 million.
- Assessment Area Concentration: Amalgamated originated 80% of its loans within the assessment area during the evaluation period.
- Geographic Distribution of Loans: The geographic distribution of loans reflects good dispersion among census tracts of different income levels. Amalgamated's penetration rates for LMI areas were 24.6 % and 26.9% in 2005 and 2006, respectively.
- Distribution by Borrower Characteristics: Amalgamated's loan distribution based on borrower characteristics reflects an excellent penetration among individuals, of different income levels. Lending to LMI borrowers accounted for 33.3% and 21.6% of total loans in 2005 and 2006, respectively, compared to the peer's penetration rate of 8.6% and 5.9%.
- Amalgamated makes an extensive use of innovative and/or flexible lending practices in serving assessment area credit needs.
- Amalgamated's level of community development loans is excellent. Between evaluations, the bank's community development loans totaled approximately \$259.9 million, of which \$94.2 million or 36.2% is considered new money.

### **Investment Test** - "Outstanding"

- Amalgamated had a significant level of qualified community development investments. During the evaluation period, qualified investments, including grants, totaled \$21.4 million.

### **Service Test** - "Outstanding"

- Delivery systems are accessible to essentially all portions of Amalgamated's

assessment area.

- Amalgamated is a leader in providing community development services.
- Amalgamated offers an alternative basic banking account that is more beneficial to the consumer than mandated by New York State regulation.

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:

Amalgamated, a state-chartered bank licensed in 1923, is the only fully union-owned U.S. bank still in operation. As of December 31, 2006, Amalgamated operated six branches in New York County (including the main office), two in Bronx County and one in Queens. In addition, it has one branch each in New Jersey, California and Washington D.C. All of the branches offer a full line of individual and commercial banking services.

As per the Federal Deposit Insurance Corporation's ("FDIC") Consolidated Report of Condition (the Call Report) at December 31, 2006, Amalgamated reported total assets of \$4.5 billion, of which \$1.8 billion were net loans and lease finance receivables. It also reported total deposits of \$2.2 billion. According to the latest available comparative deposit data dated June 30, 2006, Amalgamated obtained a market share of 0.26%, or \$1.7 billion out of \$653.9 billion of deposits, ranking it 30th among 135 deposit-taking institutions in Bronx, Kings, Queens, New York, Nassau, Richmond, Rockland and Westchester Counties. New York provided approximately 88% of the bank's deposits.

The following is a summary of Amalgamated's lending portfolio, based on Schedule RC-C of the bank's December 31, 2004, December 31, 2005 and December 31, 2006 Call Reports:

<b>TOTAL GROSS LOANS OUTSTANDING</b>						
LOAN TYPE	12/31/2004		12/31/2005		12/31/2006	
	\$000	%	\$000	%	\$000	%
1-4 Residential Mortgage Loans	867,210	61.4	852,649	57.4	988,171	53.8
Commercial & Industrial Loans	200,486	14.2	201,049	13.5	331,155	18.0
Commercial Mortgage Loans	236,047	16.7	326,659	22.0	406,129	22.1
Multifamily Mortgages	97,456	6.9	95,318	6.4	102,429	5.6
Consumer Loans	9,578	0.7	9,617	0.6	9,608	0.5
Construction Loans	1,955	0.1	0	0.0	0	0.0
Other Loan	0	0.0	1,420	0.1	745	0.0
Total Gross Loans	1,412,732	100.0	1,486,712	100.0	1,838,237	100.0

Residential and commercial mortgages comprised the majority of Amalgamated's lending portfolio in 2004, 2005, and 2006.

Amalgamated received a rating of "1" reflecting an outstanding record for helping to meet community credit needs at its prior Performance Evaluation conducted by the New York State Banking Department as of December 31, 2004.

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

**Assessment Area:**

Amalgamated’s assessment area is composed of the Bronx, Kings, Queens, New York, Nassau, Richmond, Rockland and Westchester counties in their entirety. This area consists of 2,773 census tracts, 990 or 35.7% of which are considered to be low- and moderate-income census tracts.

The following chart illustrates the distribution of census tracts inside the assessment area:

Distribution of Assessment Area Census Tracts by Income Level							
County	Zero	Low	Moderate	Middle	Upper	Total	LMI %
Bronx	14	132	98	65	46	355	64.8
Kings	15	119	297	235	117	783	53.1
Queens	18	12	148	310	185	673	23.8
New York	9	60	59	24	144	296	40.2
Richmond	2	3	11	29	65	110	12.7
Nassau	8	2	20	178	69	277	7.9
Rockland	0	2	2	9	45	58	6.9
Westchester	4	4	21	39	153	221	11.3
Total	70	334	656	889	824	2,773	35.7

The table below shows the annual unemployment rates for the various counties within the assessment area.

Unemployment Rates Comparison								
	Bronx	Kings	Queens	New York	Richmond	Nassau	Rockland	Westchester
2005	7.5	6.2	5.2	5.0	5.2	4.0	4.1	3.7
2006	6.5	5.3	4.4	4.2	4.4	3.7	3.7	4.1
	New York City				New York State			
2005	5.7				5.0			
2006	4.9				4.5			

Please refer to the following charts for demographic information pertaining to each county within the assessment area:

- Chart #1 – Population and Income Characteristics by County
- Chart #2 – Housing Characteristics by County
- Chart #3 – Business Demographics by County
- Chart #4 – Standard Industrial Classification by County

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

**CHART # 1**

<b>ASSESSMENT AREA POPULATION AND INCOME CHARACTERISTICS BY COUNTY (2006)</b>																											
COUNTY	Total Population**		Age 65 and over		Age 16 and less		Median Family Income(MFI)	HUD MSA MFI	# of Households			# of HH below poverty level			Total Families		Low income		Moderate income		Middle income		Upper income		LMI families in LMI tracts		
	#	#	%	#	%	\$	\$	#	#	%	#	#	%	#	#	%	#	%	#	%	#	%	#	%	#	%	
BRONX	1,332,650	133,948	10.1	356,895	26.8	33,099	59,200	463,242	134,404	29.0	317,248	133,175	42.0	58,715	18.5	51,854	16.3	73,504	23.2	163,697	85.3						
KINGS	2,465,326	282,658	11.5	587,575	23.8	39,349	59,200	881,006	211,538	24.0	588,870	211,549	35.9	103,997	17.7	99,118	16.8	174,206	29.6	233,373	74.0						
NEW YORK	1,537,195	186,776	12.2	229,772	14.9	71,629	59,200	739,167	123,037	16.6	306,220	89,281	29.2	40,700	13.3	38,804	12.7	137,435	44.9	100,358	77.2						
QUEENS	2,229,379	283,042	12.7	453,930	20.4	49,815	59,200	782,646	110,462	14.1	542,804	123,580	22.8	94,780	17.5	108,206	19.9	216,238	39.8	84,937	38.9						
RICHMOND	443,728	51,433	11.6	100,675	22.7	64,545	59,200	156,416	15,815	10.1	114,667	17,182	15.0	13,876	12.1	20,679	18.0	62,930	54.9	5,893	19.0						
NASSAU	1,334,544	200,841	15.0	293,128	22.0	85,752	91,000	447,803	23,537	5.3	349,694	58,413	16.7	59,669	17.1	80,471	23.0	151,141	43.2	17,024	14.4						
ROCKLAND	286,753	33,853	11.8	72,084	25.1	79,882	59,200	92,744	6,955	7.5	71,741	8,154	11.4	6,852	9.6	10,431	14.5	46,304	64.5	2,145	14.3						
WESTCHESTER	923,459	128,964	14.0	207,207	22.4	89,228	59,200	337,486	28,554	8.5	237,010	30,205	12.7	24,729	10.4	33,274	14.0	148,802	62.8	14,189	25.8						
<b>TOTAL A/A*</b>	10,553,034	1,301,515	12.3	2,301,266	21.8	58,108	62,377	3,900,510	654,302	16.8	2,528,254	671,539	26.6	403,318	16.0	442,837	17.5	1,010,560	40.0	621,616	57.8						

\* Assessment Area \*\* In thousands

**CHART # 2**

<b>ASSESSMENT AREA HOUSING CHARACTERISTICS BY COUNTY</b>																			
<b>COUNTY</b>	Total Housing Units	1-4 family Units		Multifamily Units		Owner-Occupied Units (O-O)		O-O Units in Low-income Tracts		O-O Units in Mod-income Tracts		O-O Units in Mid-income Tracts		O-O Units in Upp-income Tracts		Rental Units		Vacant/ Boarded-up Units	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
<b>BRONX</b>	490,659	133,164	27.1	357,495	72.9	90,522	18.4	11,370	12.6	20,802	23.0	33,285	36.8	25,066	27.7	391,918	79.9	27,447	5.6
<b>KINGS</b>	930,866	456,744	49.1	474,122	50.9	238,290	25.6	13,368	5.6	77,659	32.6	92,885	39.0	54,378	22.8	670,996	72.1	50,139	5.4
<b>NEW YORK</b>	798,144	28,752	3.6	769,392	96.4	148,695	18.6	3,881	2.6	12,773	8.6	7,108	4.8	124,934	84.0	616,053	77.2	59,500	7.5
<b>QUEENS</b>	817,250	495,075	60.6	322,175	39.4	334,894	41.0	1,005	0.3	43,101	12.9	162,122	48.4	128,633	38.4	462,179	56.6	34,586	4.2
<b>RICHMOND</b>	163,993	141,348	86.2	22,645	13.8	99,732	60.8	489	0.5	3,790	3.8	18,391	18.4	77,063	77.3	59,962	36.6	7,652	4.7
<b>ROCKLAND</b>	94,973	79,015	83.2	15,958	16.8	66,461	70.0	598	0.9	479	0.7	5,569	8.4	59,815	90.0	27,349	28.8	2,298	2.4
<b>WESTCHESTER</b>	349,445	237,328	67.9	112,117	32.1	202,765	58.0	507	0.3	4,887	2.4	20,824	10.3	176,547	87.1	140,169	40.1	12,303	3.5
<b>NASSAU</b>	458,151	409,201	89.3	48,950	10.7	359,257	78.4	647	0.2	16,993	4.7	247,420	68.9	94,197	26.2	91,345	19.9	10,764	2.3
<b>TOTAL A/A*</b>	4,103,481	1,980,627	48.3	2,122,854	51.7	1,540,616	37.5	31,864	2.1	180,482	11.7	587,604	38.1	740,632	48.1	2,459,971	59.9	204,689	5.0

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**CHART # 3**

<b>BUSINESS DEMOGRAPHICS BY COUNTY (2006)</b>											
<b>COUNTY AND ASSESSMENT AREA(A/A)</b>	Number of Businesses	Businesses with Rev. of \$1 million or less		Businesses with Rev. of more than \$1 million		Businesses with no revenues reported		Businesses with less than 50 employees		Operating from a single location	
		#	%	#	%	#	%	#	%	#	%
<b>BRONX</b>	45,306	31,417	69.3	1,917	4.2	11,972	26.4	34,396	75.9	42,120	93.0
<b>KINGS</b>	125,490	86,183	68.7	5,548	4.4	33,759	26.9	93,751	74.7	118,603	94.5
<b>NEW YORK</b>	239,606	149,793	62.5	23,141	9.7	66,672	27.8	178,656	74.6	211,138	88.1
<b>QUEENS</b>	108,283	74,654	68.9	5,509	5.1	28,120	26.0	82,342	76.0	101,209	93.5
<b>WESTCHESTER</b>	85,919	59,201	68.9	4,912	5.7	21,806	25.4	66,518	77.4	78,747	91.7
<b>NASSAU</b>	131,503	89,999	68.4	7,506	5.7	33,998	25.9	100,231	76.2	122,174	92.9
<b>RICHMOND</b>	25,093	17,217	68.6	935	3.7	6,941	27.7	18,732	74.7	23,562	93.9
<b>ROCKLAND</b>	26,041	17,847	68.5	1,232	4.7	6,962	26.7	19,795	76.0	24,099	92.5
<b>Total A/A</b>	<b>787,241</b>	<b>526,311</b>	<b>66.9</b>	<b>50,700</b>	<b>6.4</b>	<b>210,230</b>	<b>26.7</b>	<b>594,421</b>	<b>75.5</b>	<b>721,652</b>	<b>91.7</b>

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CHART # 4

<b>AMALGAMATED BANK ASSESSMENT AREA STANDARD INDUSTRIAL CLASSIFICATION* BY COUNTY</b>																			
COUNTY	Establishment Total	Services		Retail Trade		Finance, Insurance and Real Estate		Wholesale Trade		Construction		Manufacturing		Transportation and Communication		Non-Classifiable Establishments		Other Establishments	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%		
KINGS	125,490	44,337	35.3	25,403	20.2	10,266	8.2	6,888	5.5	7,169	5.7	4,330	3.5	5,104	4.1	21,214	16.9	779	0.6
BRONX	45,306	16,703	36.9	10,601	23.4	3,897	8.6	1,819	4.0	2,693	5.9	1,049	2.3	1,838	4.1	6,347	14.0	359	0.8
NEW YORK	239,606	100,592	42.0	34,875	14.6	26,479	11.1	15,467	6.5	4,233	1.8	11,459	4.8	7,267	3.0	37,256	15.6	1,978	0.8
QUEENS	108,283	37,499	34.6	20,948	19.4	8,733	8.1	5,852	5.4	8,556	7.9	3,370	3.1	6,309	5.8	16,156	14.9	860	0.8
RICHMOND	25,093	9,089	36.2	4,024	16.0	2,081	8.3	887	3.5	2,656	10.6	494	2.0	1,023	4.1	4,464	17.8	375	1.5
WESTCHESTER	85,919	34,938	40.7	11,826	13.8	8,428	9.8	3,208	3.7	7,004	8.2	2,585	3.0	2,944	3.4	12,962	15.1	2,024	2.4
ROCKLAND	26,041	10,121	38.9	3,673	14.1	2,345	9.0	1,162	4.5	2,127	8.2	796	3.1	853	3.3	4,316	16.6	648	2.5
NASSAU	131,503	50,807	38.6	18,927	14.4	13,552	10.3	6,231	4.7	9,291	7.1	4,013	3.1	4,680	3.6	21,619	16.4	2,383	1.8
TOTAL A/A**	787,241	304,086	38.6	130,277	16.6	75,781	9.6	41,514	5.3	43,729	5.6	28,096	3.6	30,018	3.8	124,334	15.8	9,406	1.2

\*The Standard Industrial Classification codes are set by the Occupational Safety & Health Administration of the U.S. Department of Labor

\*\*Assessment Area

## **PERFORMANCE TESTS AND ASSESSMENT FACTORS**

*The bank's CRA performance is assessed by evaluating its lending, investment and service activities within its assessment area, and applies the lending, investment and service tests as provided for in Parts 76.8, 76.9 and 76.10 of the General Regulations of the Banking Board.*

This performance evaluation incorporates a review of Amalgamated's lending, investment and service activities within its assessment area during 2005 and 2006.

The Amalgamated's products considered for this evaluation include HMDA-reportable loan originations and purchases excluding multi-family loans. HMDA-reportable multi-family lending is not an integral product line and comprised less than 6% of Amalgamated's lending portfolio as of December 31, 2006. Consequently, this loan product was not included in the evaluation.

Amalgamated offers small business loans but the product line was offered on an accommodation basis. Amalgamated originated five small business loans over the evaluation period and consequently this loan product was not analyzed.

Statistics utilized in this public summary were derived from various sources. In addition to loan information submitted by Amalgamated, aggregate data for HMDA-reportable loans were obtained from the Federal Financial Institutions Examination Council ("FFIEC") and from PCI Corporation's CRA Wiz software. Demographic data are from the 2000 U.S. Censuses, with updated median income estimates provided by HUD.

### **I. Lending Test: "High Satisfactory"**

*The bank's lending performance was evaluated pursuant to the following criteria: (1) Lending Activity; (2) Assessment Area Lending; (3) Geographic Distribution of Lending (4) Distribution of Lending Based on the Borrower Characteristics; (5) Community Development Lending; and (6) Innovative and/or Flexible Lending Practices.*

#### **Lending Activity: "Low Satisfactory"**

Amalgamated's lending level reflects an adequate responsiveness to assessment area credit needs.

Amalgamated originated or purchased 274 HMDA reportable loans totaling \$101.9 million over the review period. Amalgamated's HMDA-reportable lending decreased 70.3% and 62.9% by loan number and dollar volume, respectively, from levels reported at the prior evaluation. Management stated that HMDA loans fluctuate from year-to-year based on Amalgamated's earnings, liquidity, cash-flow and portfolio. Amalgamated purchases its HMDA-reportable loans either on a "flow-through" or whole loan basis, depending on current and/or perceived future requirements of asset/liability management.

## Assessment Area Concentration – “High Satisfactory”

Amalgamated originated a high percentage of its loans within the assessment area.

The chart below summarizes the HMDA-reportable lending within the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$000	%	\$000	%	
HMDA										
2005	126	90.6	13	9.4	139	36,888	87.5	5,276	12.5	42,164
2006	93	68.9	42	31.1	135	41,707	69.8	18,053	30.2	59,760
Total	219	79.9	55	20.1	274	78,595	77.1	23,329	22.9	101,924

Amalgamated extended 79.9% (219) of its HMDA-reportable loans totaling \$78.6 million in its assessment area.

## Geographic Distribution: “High Satisfactory”

Amalgamated’s HMDA - reportable loans reflect good dispersion among census tracts of different income levels.

### HMDA-reportable loans

In 2005, Amalgamated originated 24.6% by number and 25.8% by dollar volume of its HMDA-reportable loans inside the New York assessment area compared to the aggregate’s penetration rates of 21% by number and 21% by dollar volume. In 2006, Amalgamated originated 26.9% by number and 21.8% by dollar volume compared to the aggregate’s penetration rates of 22.9% by number and 22.9% by dollar volume.

The following chart provides a summary of the geographic distribution of Amalgamated’s HMDA-reportable loans during the evaluation period.

Distribution of HMDA Reportable Loans by Geographic Income Level*								
2005								
Borrower Income Level	Bank				Aggregate			
	#	%	\$	%	#	%	\$	%
Low	4	3.2	1,332	3.6	10,420	4.3	3,728,605	4.5
Moderate	27	21.4	8,173	22.1	42,147	17.2	13,642,584	16.5
Middle	48	38.1	11,236	30.5	95,428	39.1	26,449,672	32.1
Upper	47	37.3	16,147	43.8	96,108	39.3	38,574,334	46.8
N/A	0	0.0	0	0.0	174	0.1	86,294	0.1
<b>Total</b>	<b>126</b>	<b>100.0</b>	<b>36,888</b>	<b>100.0</b>	<b>244,277</b>	<b>100.0</b>	<b>82,481,489</b>	<b>100.0</b>
2006								
Borrower Income Level	Bank				Aggregate			
	#	%	\$	%	#	%	\$	%
Low	4	4.3	1,285	3.1	10,912	4.8	4,145,210	5.2
Moderate	21	22.6	7,811	18.7	41,343	18.1	14,165,975	17.7
Middle	29	31.2	13,284	31.9	91,202	39.9	26,647,125	33.3
Upper	39	41.9	19,327	46.3	84,780	37.1	34,894,875	43.7
N/A	0	0.0	0	0.0	105	0.1	62,273	0.1
<b>Total</b>	<b>93</b>	<b>100.0</b>	<b>41,707</b>	<b>100.0</b>	<b>228,342</b>	<b>100.0</b>	<b>79,915,458</b>	<b>100.0</b>

\*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%, middle income is 80% to <120% and upper income is at least 120%.

### Distribution by Borrower Characteristics: “Outstanding”

The distribution of loans based on borrower characteristics, reflects an excellent penetration among individuals of different income levels.

In 2005, Amalgamated originated 125 HMDA-reportable loans, totaling \$36.9 million, inside its assessment area. Lending to LMI borrowers accounted for 33.6% by number and 21.1% by dollar volume compared to the aggregate’s ratios of 7.8% by number and 3.8% by dollar amount. In 2006, Amalgamated’s LMI penetration ratio decreased to 21.5% but remained higher than the aggregate ratio of 6.0%. Thus, Amalgamated outperformed the aggregate in both 2005 and 2006.

The following chart provides a summary of Amalgamated’s HMDA-reportable lending distribution and market aggregate’s performance in the assessment area during the evaluation:

Distribution of HMDA Reportable Loans by Borrower Income Level*								
2005								
Borrower Income Level	Bank				Aggregate			
	#	%	\$	%	#	%	\$	%
Low	11	8.7	1,763	4.8	2,709	1.1	320,749	0.4
Moderate	31	24.6	6,031	16.3	15,941	6.7	2,616,037	3.4
Middle	20	15.9	3,648	9.9	44,758	18.6	9,902,540	13.1
Upper	36	28.6	14,871	40.3	162,185	67.5	58,198,142	77.0
N/A	28	22.2	10,573	28.7	14,703	6.1	4,585,207	6.1
<b>Total</b>	<b>126</b>	<b>100.0</b>	<b>36,886</b>	<b>100.0</b>	<b>240,296</b>	<b>100.0</b>	<b>75,622,675</b>	<b>100.0</b>
2006								
Borrower Income Level	Bank				Aggregate			
	#	%	\$	%	#	%	\$	%
Low	18	19.4	9,578	23.0	2,281	1.0	291,824	0.4
Moderate	2	2.1	333	0.8	11,216	5.0	1,739,966	2.4
Middle	3	3.2	654	1.6	34,743	15.5	7,501,412	10.2
Upper	26	28.0	9,987	23.9	162,664	72.4	59,183,715	80.6
N/A	44	47.3	21,155	50.7	13,793	6.1	4,725,862	6.4
<b>Total</b>	<b>93</b>	<b>100.0</b>	<b>41,707</b>	<b>100.0</b>	<b>224,697</b>	<b>100.0</b>	<b>73,442,779</b>	<b>100.0</b>

\* 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%.

## Community Development Loans – “Outstanding”

Amalgamated's level of community development lending is excellent. Between evaluations, the bank's community development loans totaled approximately \$259.9 million, of which \$94.3 million or 36.3% is considered new money. Of the total, \$179.8 million, or 69.2% support affordable housing and \$80.1 million, or 30.8%, provide community development services.

The community development loans that support community services include loans to nursing homes, organizations that provide shelter and services to the mentally or physically handicapped, and organizations that provide needed services funded by Medicaid or government contracts.

Below are some examples of Amalgamated's community development loans:

- Two loans totaling \$9.5 million were extended to Elant at Brandywine, Inc., a not-for-profit New York Corporation. The proceeds of the loans were used to purchase the Brandywine Nursing Home.
- A \$2 million revolving line of credit to Mutual Redevelopment Houses, a New York corporation and owner and operator of a moderate-income cooperative housing complex located in Manhattan. Mutual is supervised by the New York City Department of Housing Preservation and Development.

- A \$3.5 million unsecured term loan to Cadman Towers, Inc. a cooperative housing corporation, organized pursuant to the Mitchell Lama laws of the State of New York. Cadman is subject to the regulatory jurisdiction of the United States Department of Housing and Urban Development, New York City Department of Housing Preservation and the New York City Housing Development Corporation.

### **Innovative and Flexible Lending Practices – “Outstanding”**

Amalgamated made extensive use of innovative and/or flexible lending practices in serving assessment area credit needs during the period under review.

Amalgamated has a special loan program, “Amalgamated Bank Housing Loan Program (“HLP”), that targets government-supervised multi-family housing companies providing homes to LMI families. HLP is designed to provide economically viable multi-family housing developments with an unsecured loan or mortgage that can be used for capital improvements or re-financing existing debt. The program is unique in the marketplace and has the following features:

- Unsecured loans and mortgage loans of \$100,000 to \$15 million
- Low cost financing
- No origination fees or points
- Pre-payment without penalty
- No fees, no appraisal and no engineering reports.

Approximately \$54.9 million in community development loans was extended through this program during the evaluation period. Some of the companies that received an HLP loan include East River Housing Corporation, Independence House Associates and David Chavis Apartments.

## **II. Investment Test: Outstanding**

*This 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 these investments are not routinely provided by private investors.*

Amalgamated continued to maintain an excellent level of qualified investments. As of the evaluation date, Amalgamated’s qualified investments, including grants of \$1.2 million totaled \$21.4 million, an approximately 10% increase from its level at the prior evaluation.

The following table details Amalgamated's qualified investments:

<b>Qualified Investments as of December 31, 2006</b>		
<b>Types</b>	<b>#</b>	<b>Amount</b>
Collateral Trust Note -Community Preservation Corp.	1	1,500,000
Access Capital Strategies Investments Fund, Inc.	1	10,000,000
National Federation of Community Development Credit Union	1	800,000
Certificates of Deposits -Community Capital Bank	1	99,925
Mortgage Backed Securities -FNMA Pool #515154	1	180,380
Mortgage Backed Securities -FNMA Pool #386635	1	7,667,998
<b>Sub Total</b>		<b>20,248,303</b>
Grants – 2005	54	497,102
Grants – 2006	39	658,048
<b>Sub-Total</b>		<b>1,155,150</b>
<b>TOTAL</b>		<b>21,403,453</b>

The following are some of Amalgamated's notable qualified investments during the evaluation period:

- **Community Preservation Corporation (“CPC”)** – Amalgamated committed to purchase \$1.5 million of collateralized trust notes issued by CPC. CPC is a lending consortium that makes construction and permanent loans for the creation, rehabilitation and preservation of affordable housing throughout the State of New York.
- **Access Capital Strategies Community Investment Fund** – In 1999, Amalgamated purchased a \$10 million share in this fund, which is still outstanding at this evaluation. This fund is an SEC registered, closed-end, mutual fund that invests solely in CRA-eligible investments such as affordable housing, commercial real estate in LMI areas, home mortgages in LMI areas, small business loans and student loans.

Amalgamated occasionally makes innovative or complex investments to support community development initiatives in its assessment area.

### **III. Service Test: “Outstanding”**

*The service test evaluates the bank's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of the bank's system for delivering retail banking services and the extent and innovativeness of its community development services.*

#### **Retail Banking Services: “High Satisfactory”**

## **Accessibility of Delivery Systems**

Amalgamated's delivery systems are accessible to essentially all portions of its assessment area. The bank operates nine full-service branches: two in Bronx County; six in New York County (Manhattan)); and one in Queens. The Harlem branch office is located in LMI area.

Amalgamated provides bank-by phone service via a toll free number through which customers can access information about their accounts and perform transactions such as balance inquiries and fund transfers. Customers can perform most routine transactions and pay bills online through the bank's website. Bank by mail service is also available through which customers can mail their deposits to Amalgamated's main office at 275 Seventh Avenue. Amalgamated is a member of the Allpoint ATM network that gives its customers free access to thousands of ATMs nationwide and in the New York area at retail locations like Duane Reade, Rite Aid and CVS pharmacies.

Amalgamated offers an alternative basic banking account in its Standard Personal Checking Account that has more favorable terms than is required by the New York banking regulations. The account features free checking with no minimum balance, no monthly maintenance fee, no "per check" charge, unlimited deposits and withdrawals, and an ATM Card or Amalgamated Cash Plus (Debit Card).

## **Record of opening and closing of branches:**

Amalgamated opened the Seventh Avenue branch in February 2005.

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

Amalgamated's business hours and services are tailored to the convenience and needs of its assessment area. During weekdays some branches remained open until 6:00 or 7:00 p.m. and most were open on Saturdays from 9:00 a.m. to 1:00 p.m. or 4:00 pm.

## **Community Development Services: "Outstanding"**

Amalgamated is a leader in providing community development services, which include the following:

- Amalgamated took a leadership role in providing funding for the "NHS City-wide Homeownership Center Union Program" which provides first-time homeownership opportunities to municipal employees, most of whom are low and moderate-income, residing in New York City in 2006. In 2005, Amalgamated opened an Affordable Housing Office at the headquarters of District Council 37 in Lower Manhattan. The program allows DC 37 members and all municipal workers, preference for 5% of the units in city-sponsored lotteries for affordable homes and apartments and, as first-time home buyers, they are also eligible for down payment assistance grants of up to 6% of the purchase price through the New York City Department of Housing, Preservation &

Development. The program also offers home-buyer training and education covering credit, budgeting, predatory lending, home maintenance and repair.

- Amalgamated partnered with a Queens-based educational institution to provide free MoneySense Financial Education Workshops. The workshops, held at Amalgamated's branches, schools and community centers, are available to both its customers and noncustomers and covers planning and budgeting, checking, savings and money market accounts; credit and investment counseling.
- Amalgamated staff participated in the Earned Income Tax Credit Program by volunteering to work with LMI individuals regarding EITC qualification and prepared tax returns at no cost. The program further encourages the unbanked EITC recipients to open checking/savings accounts.
- Amalgamated provides both technical assistance and grant support for ERDA (East River Development Alliance) "Building Wealth Academy" which focuses on adult financial education for New York City public housing residents living in Western Queens.
- Several senior Amalgamated officers are actively involved with various organizations in the community benefiting the LMI residents and neighborhoods of its assessment area which include the following:
  - ❖ South Bronx Overall Economic Development Corporation
  - ❖ Community Capital Resources
  - ❖ Bronx Initiative Corporation
  - ❖ Union Square Partnership
  - ❖ Coalition for Debtor Education
  - ❖ National Association of Drug Abuse Problems
  - ❖ Neighborhood Housing Services
  - ❖ 14<sup>th</sup> Street Local Development Council
  - ❖ Business Initiative Corporation

#### **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.**

There were no practices noted 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 and fair lending examinations, conducted concurrently with this evaluation, indicate satisfactory performance in terms of 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.**

Amalgamated ascertains the credit needs of its community by having its officers call on both existing and potential customers, attend meetings and functions, and maintain ongoing communication with unions, non-profit organizations, small business, ethnic and religious organizations, minority and women's groups and other civic organizations. These organizations include Neighborhood Housing Services of NYC, Inc. Asian Americans for Equality and Urban Financial Services Coalition.

**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.**

Amalgamated markets home mortgages through information materials at its branches, local community and group Banking on-site events, statement enclosures and limited media advertising. Amalgamated also conducts seminars, which are promoted through local community newspaper print advertising, as well as flyers distributed by its branches and by community organizations and other partners.

**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 CRA Planning Committee was established in late 2006 to co-ordinate and enhance managerial oversight and participation in Amalgamated's CRA efforts. The Planning Committee will be responsible for approving CRA goals, overseeing the development and implementation of CRA and Fair Lending policies and procedures, reviewing CRA activities, including outreach, marketing, lending, investment, service and administrative activities, and overseeing CRA compliance.

The Planning Committee consists of representatives from different areas of Amalgamated, which are directly responsible for carrying out the CRA responsibilities and meets throughout the year to discuss Amalgamated's CRA efforts and periodically prepares reports for Senior Management and the Compliance Committee of the Board of Directors.

**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.**

None noted.

## **GLOSSARY**

### **Aggregate**

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

### **Community Development**

The term “community development” is defined to mean:

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

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

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

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

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

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

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

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

### **Demand-Adjusted Penetration Rate**

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

### **Demand-Adjusted Penetration Ratio**

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

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

### **Home Mortgage Disclosure Act (“HMDA”)**

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

### **Loans to Small Businesses**

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

### **Low or Moderate Income (“LMI”) Geographies**

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

### **LMI Borrowers**

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

### **LMI Individuals/Persons**

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

### **Small Business Loans**

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