



**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:** September 30, 2006

**Institution:** Deutsche Bank Trust Company Americas  
60 Wall Street  
New York, NY 10005-2858

**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 Deutsche Bank Trust Company Americas (“DBTCA”) 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 September 30, 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 (“LMI”) areas, consistent with safe and sound operations.

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

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

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

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

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

### **Overall Rating**

Deutsche Bank Trust Company Americas is rated "1," indicating an outstanding record of helping to meet community credit needs.

- DBTCA has an excellent level of community development activity and often takes a leadership role in many programs that promote affordable housing, community service, economic development and revitalization and stabilization of LMI geographies.
- During the evaluation period, DBTCA's community development portfolio totaled \$240.5 million, of which \$153.1 million was new money. The bank's community development portfolio increased by 26.0% since the prior Performance Evaluation.
- DBTCA's community development loans included originations made through community development intermediaries, as well as loan participations that require complex underwriting and monitoring. During the evaluation period, DBTCA's community development loans totaled \$150.4 million, of which 61.8% was new money.
- DBTCA's qualified investments, including grants, totaled \$90.1 million, of which \$60.1 million was new money. The bank's qualified investments increased significantly by 80.6% compared to the prior evaluation. Grants provided to various community organizations totaled \$11.5 million, which is a 25% increase compared to the prior evaluation.
- DBTCA provided a high level of community development services in its assessment area. The bank has taken leadership position and collaborated with nonprofit organizations in providing technical assistance on financial matters, advisory services and initiating programs and awards that respond to community development needs.

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.

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## **PERFORMANCE CONTEXT**

### **Institution's Profile:**

Originally chartered in March 1903 as Bankers Trust Company, the subject institution was renamed Deutsche Bank Trust Company Americas in April 2002 following a merger. DBTCA is a wholly owned subsidiary of Deutsche Bank Trust Corporation ("DB Corp"), a bank holding company based in New York City. In turn, DB Corp is a wholly owned subsidiary of Taunus Corporation, a U.S. bank holding company owned by Deutsche Bank AG of Frankfurt, Germany.

DBTCA is a wholesale commercial bank that focuses primarily on providing global institutional services. As a wholesale bank, DBTCA is not in the business of originating or purchasing residential mortgage, housing rehabilitation, home improvement, small business or small farm loans to retail customers, except as an accommodation to its existing clients. Accordingly, on August 18, 1997, the Federal Reserve Bank of New York approved DBTCA's request to be designated a wholesale institution for CRA purposes.

DBTCA has not opened or closed any branches since the prior Performance Evaluation.

On its Consolidated Report of Condition ("Call Report") as of September 30, 2006, the bank reported total assets of 38.8 billion, of which \$6.5 billion were net loans. Total domestic deposits were \$11.6 billion.

DBTCA has a very broad national community development program that is not limited to New York State.

At its prior Performance Evaluation conducted by the New York State Banking Department as of September 30, 2004, the bank was rated "1," reflecting an outstanding record of helping to meet community credit needs.

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

### **Assessment Area:**

DBTCA's assessment area is the City of New York, and includes the following five counties: Bronx, Kings (Brooklyn), New York (Manhattan), Queens and Richmond (Staten Island). This area consists of 2,217 census tracts, of which 939 or 42.3% are LMI tracts.

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Assessment Area - Distribution by Census Tracts												
County	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Bronx	132	37.2	98	27.6	65	18.3	46	13.0	14	3.9	355	100
Kings	119	15.2	297	37.9	235	30.0	117	14.9	15	1.9	783	100
New York	60	20.3	59	19.9	24	8.1	144	48.7	9	3.0	296	100
Queens	12	1.8	148	22.0	310	46.1	185	27.5	18	2.7	673	100
Richmond	3	2.7	11	10.0	29	26.4	65	59.1	2	1.8	110	100
<b>Total</b>	<b>326</b>	<b>14.7</b>	<b>613</b>	<b>27.6</b>	<b>663</b>	<b>29.9</b>	<b>557</b>	<b>25.1</b>	<b>58</b>	<b>2.6</b>	<b>2,217</b>	<b>100</b>

The assessment area appears reasonable and there is no evidence to suggest that LMI areas have been arbitrarily excluded.

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## **PERFORMANCE TEST AND ASSESSMENT FACTORS**

*The Banking Department evaluates the CRA performance of wholesale banks pursuant to the “community development test” as provided for in Part 76.11 of the General Regulations of the Banking Board. Performance criteria includes (1) the number and amount of community development loans, qualified investments or community development services; (2) the use of innovative or complex qualified investments, community development loans, or community development services and the extent to which the investments are not routinely provided by private investors; and (3) the banking institution’s responsiveness to credit and community development needs. This evaluation covers the period from October 1, 2004 through September 30, 2006.*

### **I. Community Development Test**

DBTCA participates in community development initiatives primarily by working with intermediaries that serve its assessment area and often takes a leadership role in the creation and development of such projects.

As of September 30, 2006, the bank’s community development loans and qualified investments totaled \$240.5 million, of which 63.7% was new money. The community development portfolio increased by \$49.5 million or 26.0%, since the prior performance evaluation. During the same period, the bank’s assets increased by 17.6%, to \$38.8 billion.

The bank’s community development activities demonstrate an excellent responsiveness the credit and community development needs of its assessment area. DBTCA’s portfolio of community development loans and investments was comprised as follows:

<b>Community Development Portfolio as of September 30, 2006</b>				
<b>Type</b>	<b>Commitment Amount (\$ millions)</b>	<b>%</b>	<b>New Money Amount (\$ millions)</b>	<b>%</b>
Affordable Housing	214.8	89.3	141.3	92.3
Community Service	6.6	2.7	6.4	4.2
Economic Development	17.7	7.4	4.0	2.6
Revitalization/Stabilization	1.4	0.6	1.4	0.9
<b>Total</b>	<b>240.5</b>	<b>100.0</b>	<b>153.1</b>	<b>100.0</b>

Below are brief descriptions of the bank’s community development activities:

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- **Community Development Lending**

During the evaluation period, DBTCA had community development loans totaling \$150.4 million, of which \$93 million represented new money. The bank's portfolio of community development loans increased approximately 6.6% compared to the previous evaluation's total of \$141.1 million.

DBTCA's community development loans include originations made through community development intermediaries in the assessment area, as well as loan participations that require complex underwriting and monitoring.

The following are examples of the bank's community development lending activity:

- The bank committed to a \$7.6 million participation in a \$35.6 million construction loan for the creation of affordable housing. The project is a 93-unit condominium complex located in Harlem. The location is in a LMI census tract and is being developed under the auspices of the New York City Department of Housing Preservation and Development ("HPD") Cornerstone II Program.
- The bank committed to a \$10 million participation in a \$72 million secured tax credit bridge loan to an organization formed to invest in low-income multifamily residential housing. As part of a government incentive to rehabilitate and develop affordable rental housing, Congress created the Low Income Housing Tax Credit ("LIHTC"). Tax credit investors invest as limited partners in return for tax credits and standard real estate deductions.
- The bank committed to a \$20 million participation in a \$200 million revolving credit to the New York City Acquisition Fund, which was developed to provide financing for the acquisition and predevelopment of land that will ultimately be developed as affordable housing.
- The bank committed to a \$12 million participation in a \$75 million tax credit bridge loan to the New York Equity Fund, which is a joint venture of the National Equity Fund and The Enterprise Social Investment Corporation. The Funds purpose is to channel corporate equity investment, through the syndication of LIHTCs, into the renovation of low-income housing in New York City.
- The bank committed to a \$7.5 million participation in a \$50 million loan to bridge the borrower's installments of equity into local limited partnerships with developers of affordable housing under the LIHTC program. The borrower's investments are made primarily in urban inner-city neighborhoods working to overcome difficult socioeconomic conditions. There are five New York properties totaling \$49.5 million included in this financing.

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- **Qualified Investments**

During the evaluation period, the bank's qualified investments totaled \$90.1 million, of which \$60.1 million was new money. Total qualified investments increased significantly by 80.6% over the prior evaluation's total of \$49.9 million.

DBTCA's qualified investments consist primarily of LIHTCs, which support affordable housing. The bank makes extensive use of innovative and complex investments and exhibits excellent responsiveness to community development needs.

Listed below are examples of the bank's qualified investments:

- DBTCA made a \$7 million investment in a limited partnership organized to invest in other limited partnerships or limited liability companies that will own and operate apartment complexes expected to qualify for the LIHTC provided for in Section 42 of the Internal Revenue Code.
- DBTCA made a \$5 million investment in a \$75 million LIHTC investment fund. The fund is a limited liability company, which invests in affordable housing for low-income residents. Among the projects is a \$2.5 million project consisting of 20 low-income townhouses in New York State.
- DBTCA made a \$9 million investment in a LIHTC investment fund. The investment in this fund will provide equity for the construction and rehabilitation of affordable housing for low-income residents in New York City.
- DBTCA made a \$7.0 million investment in an institutional tax credit fund. The fund is a limited partnership organized to invest in affordable housing, primarily through the acquisition of partnership interests that own low-income multifamily residential complexes expected to qualify for the LIHTC.
- During the evaluation period, DBTCA provided grants aggregating \$11.5 million to various community development organizations. The activities supported by these grants were as follows: \$4.3 million (37.4%) for community services, \$3.1 million (27.0%) for economic development and \$4.1 million (35.6%) for affordable housing.

- **Community Development Services**

DBTCA provided a high level of community services to benefit LMI communities in its assessment area. The bank has taken a leadership position in initiating programs that are responsive to the needs of the community through its Community Development Finance Group ("CDFG") and Deutsche Bank Americas Foundation ("DBAF"). It also collaborates with a number of nonprofit organizations whose programs specifically engage corporate volunteers to deliver their services to various community service agencies.

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Examples of the bank's extensive community development service efforts are provided below:

- *Housing First!* – CDFG's managing director played a key role in convening other affordable housing advocates to launch the Housing First! informational campaign. Housing First! endeavored to place the issue of affordable housing alongside issues such as safety and education.
- *New York City Financial Network Action Consortium ("NYCFNAC")* – The primary objective of NYCFNAC's Volunteer Income Tax Assistance project is to encourage the 230 thousand households in New York City that are eligible for the Earned Income Tax Credit ("EITC") program to file a tax return and claim the credit. These households, by not claiming their eligible tax credits, collectively forgo almost \$500 million in tax refunds each year. The bank's employees volunteer in the program to assist families in preparing their tax returns and filing EITC claims.
- *Neighborhood Opportunities Fund ("NOF")* – The fund, created largely through DBTCA's leadership, helps foster an emerging class of high-performing community development corporations ("CDCs"). These CDCs work to develop new approaches for the creation of affordable housing in neighborhoods where there is both a critical need and an opportunity to define new approaches and reach new partners. CDFG's managing director serves as the chairperson of the NOF.
- *Low Income Investment Fund ("LIIF")* – CDFG's vice president serves on this entity's Advisory Panel to guide the growth and deployment of the fund. LIIF is a national nonprofit community development lender, who approached the bank with a new program called the New York Child Care Seed Fund. The program helps childcare providers build or expand daycare facilities using a combination of technical assistance and private financing.
- *Myrtle Avenue Revitalization Program ("MARP")* – CDFG's managing director serves as an active member on the MARP board, helping to build relationships for the organization with the private sector, and advising on programs and projects. MARP was formed by residents of Fort Greene, Brooklyn, merchants and Pratt Institute in an effort to bring vitality to this long-neglected shopping corridor, located in an LMI community.
- *New Horizons: A Training and Career Development Program* – The bank serves on the Advisory Board and the Working Committee of "The New York City Financial Services Partnership for Youth." Bank employees volunteer as facilitators of the New Horizons workshop and conduct mock interviews to give real life experience to students. The program is a "transition-to-work" training module targeting under-employed youth for teller and administrative jobs in the financial services industry.
- *"I Have a Dream"* – is a DBTCA summer internship program, that targets minority and/or economically disadvantaged students. The program provides an opportunity for

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professional and personal development through a balanced eight-week work and education program. The bank works with Academy of Finance, Bedford Stuyvesant “I Have a Dream,” Prep for Prep, and Minds Matter to select candidates for the program.

## **II. 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 examination conducted concurrently with this assessment revealed a satisfactory performance in terms of adherence to anti-discrimination or other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

## **III. Other 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.**

Members of the bank’s CDFG and DBAF meet regularly with representatives of nonprofit organizations, elected officials and government representatives in order to review performance of grants and investments, and to coordinate the delivery of services. In addition, the staff hosts and attends conferences and workshops to ascertain the needs of distressed communities.

### **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.**

DBTCA’s efforts to make the community aware of its credit products are based on the bank’s profile as a wholesale financial institution without retail products or retail branches. The bank utilizes its *Community Focus* newsletter and an annual *Corporate Social Responsibility Report* in communicating its activities to community leaders. Additionally, marketing takes place through ongoing dialogue with community-based organizations.

### **The extent of participation by the banking institution’s board of directors in formulating the banking institution’s policies and reviewing its performance with**

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**respect to the purposes of the Community Reinvestment Act.**

The Board of Directors has established a Committee on Public Responsibility and Concern (“PRC”), which is charged with overseeing the bank’s CRA compliance. Deutsch Bank Americas’ CEO chairs both the PRC and the Community Reinvestment Committee (“CRC”). CRC, made up of senior executive management of the bank, provides regular guidance and oversight to the CRA program. Both committees meet twice per year.

**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 noted.

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## GLOSSARY

### 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;

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- 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.

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### **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 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 the U.S. Department of Housing and Urban Development (“HUD”).

### **Wholesale Institution**

The term “wholesale institution” means a banking institution that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale banking institution by the appropriate Federal regulatory authority is in effect. When evaluating a wholesale institution’s CRA performance, the Banking Department looks primarily at its record of helping to meet the credit needs of its assessment are through community development lending, qualified investments and community development services.