



**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, 2007

**Institution:** Atlas Savings & Loan Association  
689 5<sup>th</sup> Avenue  
Brooklyn, NY 11215

**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 Atlas Savings & Loan Association ("Atlas") 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, 2007.

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.

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## OVERVIEW OF INSTITUTION'S PERFORMANCE

Atlas is rated "3," indicating a "Needs to Improve" record of helping to meet community credit needs. This rating is based on the following factors:

- **Loan-to-Deposit ("LTD") Ratio and Other Lending-Related Activities:** Atlas' LTD ratio is less than reasonable considering its size, financial condition and the credit needs of the assessment area. Its average LTD ratio for twelve consecutive quarters ending December 31, 2006 was 32.1%.
- **Assessment Area Concentration:** Atlas extended a majority of its HMDA-related loans outside its assessment area.
- **Geographic Distribution of Loans:** The geographic distribution of Atlas' HMDA-related loans reflected a poor dispersion throughout its assessment area. Given the small number of loans originated inside its assessment area, Atlas' LMI penetration rate is not meaningful.
- **Distribution by Borrowers Characteristics** The distribution of Atlas' HMDA-related loans reflected a poor penetration among individuals of different income including the LMI borrowers. Of the total HMDA-related loans originated inside its assessment area, Atlas extended one loan to low-income borrower and none to moderate-income borrower.
- Neither Atlas 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.

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## PERFORMANCE CONTEXT

### Institution's Profile:

Chartered in 1900, Atlas has a single office in Brooklyn where it operates a full-service banking office equipped with a 24-hour automated teller machine (ATM). It provides traditional banking products and services to consumers. In addition to its regular banking hours, Atlas provides extended hours of service on Mondays and opens for business from 9:00 A.M. to 1:00 P.M. on Saturdays

Atlas has not opened or closed any branches during the evaluation period.

As per the Thrift Financial Report as of December 31, 2007, Atlas reported total assets of \$59.6 million, comprised of \$16.4 million (27.4%) in loans, \$26.9 million (45.2%) in cash and investments, \$14.4 million (24.2%) in mortgage backed securities and \$1.9 million (3.2%) in other assets. Total deposits for the same period amounted to \$41.4 million resulting in an LTD of 39.5%

According to the comparative deposit data compiled by the FDIC as of June 30, 2007, Atlas obtained a market share of 0.14% or \$44.2 million out of \$32.4 billion inside its market, ranking it 30th among 41 deposit-taking institutions.

Atlas competes against larger institutions with more resources and more branches inside its assessment area. The three largest banks inside the assessment area, with 104 branches, had combined deposits of more than \$14.4 billion with a market share of 44.2%.

In 2005, Atlas ranked 241 out of 373 HMDA-reporting lenders within its assessment area. This ranking reflects a market share of 0.01% based on five loans originated with an average loan size of \$298 thousand. In 2006, Atlas ranked 266 out of 392 HMDA-reporting lenders in its assessment area obtaining a 0.04% market share based on four loans originated with an average loan size of \$158 thousand.

The following is a summary of Atlas' loan portfolio based on quarterly call reports submitted to the Office of Thrift Supervision covering consolidated reports of condition as of years ending 2005, 2006 and 2007.

<b>GROSS LOANS OUTSTANDING</b>						
LOAN TYPE	2005		2006		2007	
	\$000	%	\$000	%	\$000	%
1-4 Residential Mortgage Loans	11,231	83.8	13,714	92.9	15,349	94.0
Commercial Mortgage Loans	693	5.2	0	0.0	0	0.0
Mutifamily Mortgages	1,476	11.0	1,041	7.1	980	6.0
Total Gross Loans	13,400	100.0	14,755	100.0	16,329	100.0

As depicted in the above chart, Atlas is primarily a residential mortgage lender, with 94.0% of its loan portfolio in 1-4 family residential mortgage loans and 6.0% in multifamily mortgage loans.

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

Atlas received a rating of “2,” reflecting a satisfactory record of helping to meet community credit needs at its prior CRA Performance Evaluation conducted by the New York State Banking Department as of January 1, 2005.

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

**Assessment Area:**

Atlas’ assessment area has not changed since the prior evaluation period. The assessment area consists of Kings County in its entirety with 783 census tracts, which includes 119 (15.2%) low-income tracts; 297 (37.9%) moderate-income tracts; 235 (30.1%) middle-income tracts; 117(14.9%) upper-income tracts and 15 (1.9%) zero-income tracts.

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

**Details of Assessment Area:**

*Population:* According to the 2000 U.S. Census Bureau, the assessment area had a population of 2.5 million. About 11.5% of the population was over the age of 65 and 23.8% was under the age of 16.

*Families/Households:* The assessment area contained 588.9 thousand families including 211.5 thousand (35.9%) low-income, 104 thousand (17.7%) moderate-income, 99.1 thousand (16.8%) middle-income and 174.2 thousand (29.6%) upper-income families. Of the 881.0 thousand households in the assessment area, 211.5 thousand (24.0%) lived below the poverty level. Of the 315.5 thousand LMI families living in the assessment area, 233.4 thousand (74.0%) reside in LMI geographies.

*Income:* According to the 2000 Census, the weighted average median family income within the assessment area was \$39.3 thousand. The U.S. Department of Housing and Urban Development’s (“HUD”) updated MSA median family income was \$59.5 thousand.

*Housing:* There were 930.8 thousand housing units within the assessment area, including 456.7 thousand (49.1%) one- to four-family units and 474.1 thousand (50.9%) multifamily units. A majority (69.0%) of the area’s housing units were rental-occupied, while 25.6% units were owner-occupied. The median housing price in the assessment area was \$235.7 thousand. Within the assessment area, 38.2% of owner-occupied housing units were in LMI areas, while 39.0% were in middle-income areas and 22.8% were in upper-income areas.

*Businesses:* There were 93.5 thousand businesses in the assessment area. Of the total

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businesses, 70.9% were businesses with reported revenues of less than or equal to \$1 million, 4.3% with reported revenues of more than \$1 million and 24.8% did not report their revenues. Of all the businesses in the assessment area, 95.1% operated from a single location. The largest industries in the area were service providers (34.7%), followed by retail trade companies (20.2%) and finance, insurance & real estate (8.3%), while non-classified establishments accounted for 17.5% of the businesses in the assessment area.

*Unemployment Rate:* According to the U.S. Department of Labor, Bureau of Labor Statistics, Kings County's average unemployment rate was 6.2% in 2005, 5.4% in 2006 and 5.5% in 2007. These rates were unfavorable when compared with the New York State's average unemployment rates of 5.0%, 4.6% and 4.5% in 2005, 2006 and 2007, respectively.

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## **PERFORMANCE STANDARDS AND ASSESSMENT FACTORS**

*Atlas' 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 evaluation period covers calendar years 2005, 2006 and 2007. Examiners used the HMDA-related loans of Atlas in evaluating factors (2), (3) and (4), as noted above.

Aggregate data for HMDA-reportable loans was obtained from FFIEC and PCI Services, Inc.'s CRA Wiz<sup>®</sup>, an external vendor. The demographic data referred to in this report was obtained from the 2000 U.S. Census, with updated median family income figures provided by HUD.

- **Loan-to-deposit Ratio Analysis: "Needs-to-Improve"**

Atlas' LTD ratio is less than reasonable considering its size, financial condition and the credit needs of its assessment area.

Atlas' average LTD ratio for the twelve consecutive quarters ending December 31, 2007, was 32.1%. This ratio continued to be less than reasonable despite the increase from the prior evaluation's average of 22.6%. The improved LTD ratio was primarily due to a steady increase in net loans and a decrease in deposits. There is no peer group ratio available for Atlas because of the lack of other similarly situated savings and loan associations that could constitute a peer group.

Please refer to the following table for additional information regarding Atlas' LTD ratios:

<b>Loan-to-Deposit Ratios</b>													
	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>Aver.*</b>
	<b>(Q1)</b>	<b>(Q2)</b>	<b>(Q3)</b>	<b>(Q4)</b>	<b>(Q1)</b>	<b>(Q2)</b>	<b>(Q3)</b>	<b>(Q4)</b>	<b>(Q1)</b>	<b>(Q2)</b>	<b>(Q3)</b>	<b>(Q4)</b>	<b>LTD</b>
Atlas	26.8	26.4	28.7	29.2	32	33.6	32.9	33.1	31.7	34.2	36.9	39.5	32.1

\* Average

- **Assessment Area Concentration: "Needs to Improve"**

Atlas originated less than majority of its HMDA-related loans outside its assessment area. During the evaluation period, Atlas' loan originations inside the assessment area decreased 140%, to 15 loans totaling \$3.4 million from 36 loans at the prior evaluation.

Of the 34 HMDA-related loans originated by Atlas, 44.1% in number and 36.3% in dollar amount were made inside its assessment area.

The following table shows the distribution of Atlas' HMDA-related loans extended inside and outside of the assessment area during the evaluation period:

<b>Distribution of Loans Inside and Outside of the Assessment Area</b>										
<b>Loan Type</b>	<b>Number of Loans</b>					<b>Loans in Dollars (in thousands)</b>				
	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
HMDA-Reportable										
2005	5	45.5	6	54.5	11	1,489	49.0	1,548	51.0	3,037
2006	4	30.8	9	69.2	13	632	19.5	2,601	80.5	3,233
2007	6	60.0	4	40.0	10	1,302	41.4	1,846	58.6	3,148
<b>Total</b>	<b>15</b>	<b>44.1</b>	<b>19</b>	<b>55.9</b>	<b>34</b>	<b>3,423</b>	<b>36.3</b>	<b>5,995</b>	<b>63.7</b>	<b>9,418</b>

- **Geographic Distribution of Loans: “Needs to Improve”**

The geographic distribution of Atlas' HMDA-related loans reflected a poor penetration among census tracts of different income levels. During the evaluation period, Atlas did not originate any loan in low-income geographies and originated nine loans in moderate-income geographies. While Atlas' penetration rates in moderate-income geographies is good and well above the aggregate's penetration rates, they do not carry much weight given the small number of loan originations inside its assessment area.

The following table summarizes the geographic distribution of Atlas' HMDA-reportable loans:

Distribution of HMDA-reportable Loans by Geographic Income Level*									
		2005							
Geography	%Owner Occupied	Bank				Aggregate			
Income Level		#	%	\$000	%	#	%	\$000	%
Low	5.6	0	0.0	0	0.0	5,127	11.6	1,678,601	11.5
Moderate	32.6	4	80.0	1,189	79.9	17,110	38.9	5,780,808	39.6
Middle	39.0	0	0.0	0	0.0	13,889	31.6	4,305,939	29.5
Upper	22.8	1	20.0	300	20.1	7,871	17.9	2,828,807	19.4
NA	0.0	0	0.0	0	0.0	18	0.0	16,919	0.1
<b>Total</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>1,489</b>	<b>100.0</b>	<b>44,015</b>	<b>100.0</b>	<b>14,611,074</b>	<b>100.0</b>
		2006							
Geography	%Owner Occupied	Bank				Aggregate			
Income Level		#	%	\$000	%	#	%	\$000	%
Low	5.6	0	0.0	0	0.0	5,202	12.4	1,813,107	12.1
Moderate	32.6	2	50.0	250	39.6	16,860	40.2	6,071,235	40.6
Middle	39.0	1	25.0	310	49.1	12,990	31.0	4,392,279	29.4
Upper	22.8	1	25.0	72	11.4	6,844	16.3	2,661,306	17.8
NA	0.0	0	0.0	0	0.0	11	0.0	3,961	0.0
<b>Total</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>632</b>	<b>100.0</b>	<b>41,907</b>	<b>100.0</b>	<b>14,941,888</b>	<b>100.0</b>
		2007							
Geography	%Owner Occupied	Bank				Aggregate			
Income Level		#	%	\$000	%				
Low	5.6	0	0.0	0	0.0				
Moderate	32.6	3	50.0	534	41.0				
Middle	39.0	0	0.0	0	0.0				
Upper	22.8	3	50.0	768	59.0				
NA	0.0	0	0.0	0	0.0				
<b>Total</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>1,302</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% of the MSA median income, middle-income is 80% to <120% and upper-income is at least 120%.

- **Distribution by Borrower Characteristics: “Needs to Improve”**

The distribution of Atlas’ HMDA-related loans inside its assessment area based on borrower characteristics continued to reflect a poor penetration among individuals of different income levels. During the evaluation period, of the 15 HMDA-related loans originated inside the assessment area, Atlas extended one loan to low-income borrowers and none to moderate-income borrowers.

In 2005 & 2006, Atlas did not extend any loans to LMI borrowers while the aggregate’s LMI penetration ratios were 6.4% and 4.9%, respectively for the same period. In 2007, one loan was extended to a low-income borrower and none to any moderate-income borrower.

The following table depicts the distribution of Atlas’ HMDA-related loans based on borrower’s income level:

Distribution of HMDA-reportable Loans by Borrower Income Level*									
		2005							
Borrower	% of Families	Bank				Aggregate			
Income Level		#	%	\$000	%	#	%	\$000	%
Low	35.9	0	0.0		0.0	435	1.0	57,268	0.4
Moderate	17.7	0	0.0		0.0	2,384	5.4	387,831	2.7
Middle	16.8	1	20.0	175	11.8	6,618	15.0	1,507,821	10.3
Upper	29.6	2	40.0	513	34.5	29,969	68.1	10,271,211	70.3
NA	0.0	2	40.0	801	53.8	4,609	10.5	2,386,943	16.3
<b>Total</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>1,489</b>	<b>100.0</b>	<b>44,015</b>	<b>100.0</b>	<b>14,611,074</b>	<b>100.0</b>
		2006							
Borrower	% of Families	Bank				Aggregate			
Income Level		#	%	\$000	%	#	%	\$000	%
Low	35.9	0	0.0		0.0	364	0.9	53,506	0.4
Moderate	17.7	0	0.0		0.0	1,680	4.0	270,670	1.8
Middle	16.8	0	0.0		0.0	4,873	11.6	1,107,642	7.4
Upper	29.6	3	75.0	322	50.9	30,543	72.9	11,151,609	74.6
NA	0.0	1	25.0	310	49.1	4,446	10.6	2,358,461	15.8
<b>Total</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>632</b>	<b>100.0</b>	<b>41,906</b>	<b>100.0</b>	<b>14,941,888</b>	<b>100.0</b>
		2007							
Borrower	% of Families	Bank				Aggregate			
Income Level		#	%	\$000	%				
Low	35.9	1	16.7	10	0.8				
Moderate	17.7	0	0.0	0	0.0				
Middle	16.8	2	33.3	277	21.3				
Upper	29.6	2	33.3	755	58.0				
NA	0.0	1	16.7	260	20.0				
<b>Total</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>1,302</b>	<b>100.0</b>				

\* Borrower income level is based upon HUD's annual estimate of median family income ("MFI") figures 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%.

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

Since the latest CRA evaluation conducted as of January 1, 2005, neither Atlas nor the New York State Banking Department has received any written complaints regarding the bank's 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**

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

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## **Evidence of prohibited discriminatory or other illegal credit practices**

The most recent regulatory compliance and fair lending examinations conducted concurrently with this evaluation indicated 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.**

Atlas ascertains the credit needs of its community through the involvement and membership of its officers and directors in various community organizations such as Independent Community Bankers Association, America's Community Bankers and BayRidge Real Estate Board.

**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**

Atlas advertises its product and credit services in the local newspapers circulated in Brooklyn, local businessmen's journal, school journals and various church bulletins, such as Polish American World.

**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**

Atlas's board of directors reviews its CRA program on a regular basis to ensure that the needs of the community are addressed. In 2006, Atlas's board of directors revised and approved the CRA statement.

- **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**

None noted.

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## **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

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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.