



**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:** Gotham Bank of New York  
1412 Broadway  
New York, NY 10018-3337

**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 Gotham Bank of New York ("Gotham") prepared by the New York State Banking Department. The evaluation represents the Banking Department's current assessment and rating of the institution's CRA performance based on an evaluation conducted as of December 31, 2007 for the prior two calendar years.

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**

Gotham Bank is rated "2," indicating a "Satisfactory" record of helping to meet community credit needs. This rating is based on the following factors:

- ***Loan-to-Deposit ("LTD") Ratio and Other Lending-Related Activities:*** The bank's LTD ratio is considered reasonable in light of the bank's size, financial condition and the credit needs of its assessment area. The bank's average LTD ratio for the twelve quarters ending December 31, 2007 was 57%. While this was below the peer group's average of 84%, Gotham's ratio has improved from the 45.1% during the prior evaluation period. In addition, Gotham enhanced the availability of credit in its assessment area with community development loans.
- ***Assessment Area Concentration:*** The bank extended a majority of its small business loans within its assessment area.

The bank extended 72.9% by number and 57.5% by dollar volume of its small business loans in the assessment area during the evaluation period.

- ***Geographic Distribution of Loans:*** The bank's geographic distribution of loans reflects a weak dispersion among census tracts of different income levels. During the prior two evaluation periods, Gotham did not make any small business loans in LMI areas. Gotham made only one loan in a moderate-income area in 2006 and two in 2007.

Gotham's level of lending to businesses in LMI areas in its assessment area trails the demographic as well. In 2007, the bank made only .6% of its loans in moderate-income tracts even though 4.1% of total businesses were located in LMI areas.

- ***Distribution by Borrowers Characteristics:*** The bank's lending distribution of small business loans based on borrower's characteristics was considered reasonable.
- The New York State Banking Department did not receive any complaints with respect to Gotham's 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 1980, Gotham is a commercial bank with a single location in midtown Manhattan. It is a member of the Federal Reserve Bank and an FDIC insured bank. The bank's primary focus is to finance small to medium-sized businesses and to offer a variety of deposit products. Lending activity is concentrated on manufacturers, wholesalers and importers in the garment, fur, carpet and jewelry industries. Gotham does not offer consumer loans.

Gotham does not have a holding company and did not open or close any branches during the evaluation period. The bank does not have any off-site or onsite ATMs.

The Call Report reflects total assets of \$283 million as of December 31, 2007, and \$204 million as of December 31, 2006. As of December 31, 2007, Gotham reported total deposits of \$236 million and \$114 million in net loans.

According to the latest available Deposit Market Share Report as of June 30, 2007, Gotham has a deposit market share of .05% and ranked 50<sup>th</sup> among 97 deposit-taking institutions inside its assessment area.

The following is a summary of the bank's loan portfolio based on Schedule RC-C of the Call Report:

LOAN TYPE	12/31/2007		12/31/2006		12/31/2005	
	\$*	%	\$*	%	\$*	%
Commercial & Industrial Loans	82,877	71	84,938	70	93,375	77
Commercial Mortgage Loans	28,038	25	32,416	27	26,218	21
1-4 Residential Mortgage Loans	3,883	3	3,042	2	834	1
Construction Loans	1,300	1	1,300	1	1,300	1
Total Gross Loans	116,098	100	121,696	100	121,727	100

\* In thousands.

As illustrated in the table above, Gotham primarily made commercial and industrial loans and commercial mortgages. As of December 31, 2007, these two categories combined represented 96% of the loan portfolio. Construction and 1-4 family residential mortgages accounted for only 1% and 3% of total loans, respectively.

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

Gotham received a rating of "3", at its prior CRA performance evaluation conducted by the New York State Banking Department as of December 31, 2004, indicating a "needs-to-improve" record of helping to meet community credit needs.

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As of October 10, 2006, Gotham's CRA performance was rated "Satisfactory" by the Federal Reserve Bank of New York.

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

**Assessment Area:**

As of December 31, 2007, Gotham's assessment area is comprised of the southern portion of Manhattan below 86<sup>th</sup> street. The assessment area has 162 census tracts of which 28 are LMI, 14 are middle-income, 118 are upper-income and 2 are zero-income tracts.

<b>Distribution of Assessment Area Census Tracts by Income Level</b>							
<b>County</b>	<b>Zero</b>	<b>Low</b>	<b>Moderate</b>	<b>Middle</b>	<b>Upper</b>	<b>Total</b>	<b>LMI %</b>
New York	2	13	15	14	118	162	17.3%

**Details of Assessment Area:**

According to the U.S. Census 2000 data, the bank's assessment area had a population of 811 thousand. Of this population, 106 thousand people were over 65 years of age and 79 thousand were under 16.

Of the 448 thousand households in the assessment area, 26 thousand (16%) were low-income, 32 thousand (15%) were moderate-income, 40 thousand (13%) were middle-income, and 350 thousand (56%) were upper-income.

Of the 150 thousand families in the assessment area, 17 thousand (11%) were low-income, 15 thousand (10%) were moderate-income, 11 thousand (8%) were middle-income, 107 thousand (71%) were upper-income.

Median family annual income was \$101 thousand.

This assessment area had 348 thousand wage/salary earners, while 82 thousand individuals were on social security, 10 thousand were on public assistance and 49 thousand lived below the poverty level.

Of the 487 thousand total housing units in the assessment area, only 16 thousand were 1-4 family units and 471 thousand were multifamily. Owner-occupied units totaled 114 thousand, tenant-occupied rental units totaled 334 thousand and vacant units totaled 39 thousand.

Of the 114 thousand owner-occupied units, 1.5 thousand (1%) were in low-income tracts, 3.8 thousand (3%) were in moderate-income tracts, 5.3 thousand (5%) were in middle-income and 103 thousand (91%) were in upper-income tracts.

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In 2007, there were approximately 217 thousand businesses in the assessment area. One hundred forty thousand (64%), of these businesses had revenues less than a million dollars, 22 thousand (10%), had revenues greater than one million dollars, and 55 thousand (25%), did not report their revenues. Of the total businesses in the assessment area, 167 thousand (77%), had less than 50 employees, while 6 thousand (3%), had more than 49 employees and 44 thousand (20%), did not report this data.

The assessment area appears reasonable based upon the location of the bank's single office and its lending patterns. There was no evidence that LMI areas had been arbitrarily excluded.

In 2007, the major industries in New York County were the service sector (consisting of 42% of total businesses), non-classified types (15%), retail trade (14%), and finance, insurance & real estate (12%).

### **Unemployment Rates**

The following chart reflects non-seasonally adjusted unemployment rates for the assessment area from the New York State Department of Labor:

According to the following chart, unemployment rates for all of New York State were higher than Manhattan County.

<b>LOCATION</b>	<b>2006 Unemployment Rate</b>	<b>2007 Unemployment Rate</b>
New York County	4.3%	4.4%
New York State	4.6%	4.5%

Gotham Savings Bank  
2007 CRA Examination Report

CHART # 1

<b>ASSESSMENT AREA POPULATION AND INCOME CHARACTERISTICS BY COUNTY</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	
		#	%	#	%				#	%		#	%	#	%	#	%	#	%	#	%
NEW YORK	811	106	13	79	10	101	60	448	49	11	150	26	16	32	15	40	13	350	56	28	17
TOTAL A/A*	811	106	13	79	10	101	60	448	49	11	150	26	16	32	15	40	13	350	56	28	17

**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>NEW YORK</b>	487	16	3	470	97	114	23	27	1	34	3	43	5	383	91	334	69	39	8
<b>TOTAL A/A*</b>	487	16	3	470	97	114	23	27	1	34	3	43	5	383	91	334	69	39	8

\* Assessment Area

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**CHART # 3**

<b>BUSINESS DEMOGRAPHICS BY COUNTY</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		Bussinesses with no revenues reported		Businesses with less than 50 employees		Operating from a single location	
		#	%	#	%	#	%	#	%	#	%
<b>NEW YORK</b>	217	140	64	22	10	55	25	167	77	193	89
<b>Total A/A</b>	217	140	64	22	10	55	25	167	77	193	89

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## **PERFORMANCE STANDARDS AND ASSESSMENT FACTORS**

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

The assessment period included calendar years 2005 through 2007. Examiners considered Gotham's small business lending for 2006 and 2007 in evaluating factors (2), (3) and (4), as noted above because Gotham had very few HMDA-reportable loans during this period.

The demographic data referred to in this report was obtained from the 2000 U.S. Census, with the updated median family income figures provided by the U.S. Department of Housing & Urban Development ("HUD").

- **Loan-to-Deposit ("LTD") Ratio Analysis and other Lending-Related Activities: "Satisfactory"**

Gotham's LTD ratio is reasonable considering its size, financial condition and the credit needs of the assessment area.

The bank's average LTD ratio for the twelve quarters ending December 31, 2007, was 57%, which was lower than the peer group's average LTD of 84%. The peer group consists of 285 banks in urban areas with total assets ranging from \$100 - 300 million with less than three locations. These ratios were calculated from information shown in the bank's Uniform Bank Performance Report ("UBPR") prepared by the Federal Deposit Insurance Corporation ("FDIC"). As shown in the table below, the peer group's ratios is generally constant with a slight increase over time. While the bank's LTD ratios fluctuates from quarter to quarter.

<b>Loan-to-Deposit Ratios</b>													
	2005 (Q1)	2005 (Q2)	2005 (Q3)	2005 (Q4)	2006 (Q1)	2006 (Q2)	2006 (Q3)	2006 (Q4)	2007 (Q1)	2007 (Q2)	2007 (Q3)	2007 (Q4)	Average LTD
Gotham	56	60	59	41	60	56	64	67	59	64	55	48	57
Peer	84	83	83	83	84	85	85	85	84	85	86	86	84

Although lower than the peer level, Gotham's average LTD ratio has improved from 45.1% at prior evaluation period. In addition, Gotham enhanced the availability of credit in its assessment area with community development loans totaling \$656 thousand, of which \$250 thousand was new money.

The bank had the following community development loans:

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**330 West 36 Street Hotel:** an 8-story 101-room hotel leased for 15 years to a not-for-profit housing corporation named Praxis Housing Initiative, Inc. Praxis is a social services agency with the mission to provide housing and supportive services to the homeless. This loan was originated in 1999 in the amount of \$1.1 million, for the purpose of purchasing the hotel. The loan has an outstanding balance of \$406 thousand as of 12/31/2007.

**New York Business Development Corp:** The bank extended a line of credit (originating in 2005), for \$250,000 to help this entity make loans to assist new and growing small businesses across the State of NY.

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

The bank originated a majority of its loans within its assessment area as the following chart reflects:

Loan Category or Type	Number of Loans					Dollars in Loans (000)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Small Business										
2006	360	73.3	131	26.7	491	51,856	56.8	39,395	43.2	91,251
2007	319	72.5	121	27.5	440	50,176	58.2	35,998	41.8	86,174
<b>Totals</b>	<b>679</b>	<b>72.9</b>	<b>252</b>	<b>27.1</b>	<b>931</b>	<b>102,032</b>	<b>57.5</b>	<b>75,393</b>	<b>42.5</b>	<b>177,425</b>

In 2006 and 2007, Gotham originated 931 business loans totaling \$177 million. Gotham’s lending within its assessment area amounted to 679 loans, which represented 72.9% of the total number of loans and \$102 million (57.5%) of the total dollar volume.

Comparing 2006 with 2007, Gotham’s small business lending within the assessment area decreased slightly by number of loans but increased in dollar volume.

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

**Small Business Loans**

The bank’s geographic distribution of small business loans reflects a poor dispersion among census tracts of different income levels.

The two prior reports issued by the New York State Banking Department and the Federal Reserve Bank of New York identified no small business loans in LMI areas during the reporting periods. The bank’s performance has not substantially improved.

The following chart provides a summary of the geographic distribution of Gotham’s small business lending within its assessment area during the current evaluation period:

Distribution of Small Business Loans by Geography Income Level						
2006						
Geography	Bank				Distribution of Total Businesses	
	#	%	\$	%	Number	%
Low	-	-	-	-	6,426	3.1
Moderate	1	0.3	265	0.5	9,028	4.3
Middle	6	1.7	1,330	2.6	15,651	7.5
Upper	342	95.0	47,897	92.4	172,869	83.0
N/A	11	3.0	2,364	4.5	4,304	2.1
<b>Total</b>	<b>360</b>	<b>100.0</b>	<b>51,856</b>	<b>100.0</b>	<b>208,278</b>	<b>100.0</b>
2007						
Geography	Bank				Distribution of Total Businesses	
	#	%	\$	%	Number	%
Low	-	-	-	-	6,392	3%
Moderate	2	0.6	175	0.3	8,995	4.1%
Middle	11	3.5	2,285	4.6	16,349	7.5%
Upper	299	93.7	46,234	92.1	180,369	83.2%
N/A	7	2.2	1,482	3.0	4,782	2.2%
<b>Total</b>	<b>319</b>	<b>100.0</b>	<b>50,176</b>	<b>100.0</b>	<b>216,887</b>	<b>100.0%</b>

In 2006, Gotham made one small business loan in a moderate-income area. This represented only .3% of all of Gotham’s small business loans in LMI areas. Given that 4.3% of all of the businesses in the assessment area were in LMI areas, this level of lending is poor.

In 2007, two loans totaling \$175 thousand were made in a moderate-income area. The LMI penetration ratio was only .6% despite the fact that 4.1% of the assessment area businesses were in LMI areas.

- **Distribution by Borrower Characteristics: “Satisfactory”**

#### Small Business Loans

The bank’s small business lending distribution based on borrower characteristics reflects a reasonable penetration among businesses of different sizes.

The following chart provides a summary of the bank’s small business lending distribution based on borrower revenues during the evaluation period:

Distribution of Small Business Loans by Revenues								
2006								
Revenues	Bank				Aggregate			
	#	%	\$	%	#	%	\$	%
<= \$1 million	88	24.4	4,115	7.9	36,104	25.2	985,379	33.7
Loan Size								
<=\$100K	231	64.2	10,053	19.4	139,351	97.4	1,543,211	52.7
>\$100K & <=\$250K	68	18.9	12,505	24.1	1,984	1.4	361,223	12.3
>\$250K & <=\$1mil	61	16.9	29,298	56.5	1,765	1.2	1,023,053	34.9
>\$1mil	0	0.0	-	0.0	-	0.0	-	0.0
<b>Total</b>	<b>360</b>	<b>100.0</b>	<b>51,856</b>	<b>100.0</b>	<b>143,100</b>	<b>100.0</b>	<b>2,927,487</b>	<b>100.0</b>
2007								
Revenues	Bank				Aggregate			
	#	%	\$	%	#	%	\$	%
<= \$1 million	63	19.7	4,000	8.0				
Loan Size								
<=\$100K	188	58.9	8,560	17.1	Not Available			
>\$100K & <=\$250K	71	22.3	11,593	23.1				
>\$250K & <=\$1mil	60	18.8	30,023	59.8				
>\$1mil	-	0.0	-	0.0				
<b>Total</b>	<b>319</b>	<b>100.0</b>	<b>50,176</b>	<b>100.0</b>				

In 2006, 64.2% of Gotham's loans (by number of loans) were under \$100 thousand. Of the 360 small business loans originated in 2006, 18.9% were between \$100 and \$250 thousand and 16.9% between \$250 thousand and a million dollars.

In 2007, 58.9% of Gotham's loans were under \$100 thousand by number of loans. Of the 319 loans originated in Gotham's assessment area in 2007, 22.3% were between \$100 and \$250 thousand and 18.8% between \$250 thousand and a million dollars.

In 2006, the aggregate made 25.2% of their loans to small businesses with revenues less than a million dollars while Gotham made 24.4%. Gotham is not part of the aggregate since they are not a reporter of small business loans. However, based on the size of the loans made by Gotham, its distribution of small business loans is adequate.

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

Since the last CRA evaluation conducted as of December 31, 2004, there have been no 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 examination conducted indicated satisfactory adherence to 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.**

During the examination period, SVP Frank Puccio was on the board of directors of the Fashion Center District Management Association, Inc. He was actively involved with the Business Improvement District which is a neighborhood not-for-profit organization with a mission to enhance economic development of the garment district by repairing sidewalks, eliminating graffiti and obtaining proper sanitation.

**The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution.**

None. Gotham does not advertise in the newspaper, radio or television.

**The extent of participation by the banking institution's board of directors/trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.**

The board of directors approves the CRA Policy annually. Additionally, the board of directors is informed of the CRA rating and regulators concerns in completed "Evaluations." The Board appoints the CRA Officer on a yearly basis.

- **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.**

The bank's SVP - Ray Leone is the bank's liaison with the Needlers Foundation, a philanthropic organization founded by garment center executives to benefit children in need. Gotham pays for the advertisement of the Needlers annual dinner dance. The money raised goes to a local hospital for sick and needy children in the assessment area.

## GLOSSARY

### Aggregate

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

### Community Development

The term “community development” is defined to mean:

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

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

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

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

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

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

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

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

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

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

### **Loans to Small Businesses**

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

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

Those census tracts or block numbering areas (“BNAs”), where according to the 2000 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

### **LMI Borrowers**

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

### **LMI Individuals/Persons**

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

### **LMI Penetration Rate**

A number that depicts the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans to LMI geographies or borrowers.

**Small Business Loans**

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