



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, 2009

Institution: Alpine Capital Bank
680 Fifth Ave, 7th Floor
New York, New York 10019

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

	Section
General Information	1
Overview of Institution's Performance	2
Performance Context	3
Institution Profile	
Assessment Area	
Demographic & Economic Data	
Community Information	
Performance Standards and Assessment Factors	4
Loan-to-Deposit Analysis and Other	
Lending-Related Activities	
Assessment Area Concentration	
Distribution by Borrowers Characteristics	
Geographic Distribution of Loans	
Action Taken in Response to Written Complaints	
With Respect to CRA	
Additional Factors	
Glossary	5

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act ("CRA") performance of Alpine Capital Bank ("Alpine") prepared by the New York State Banking Department. The evaluation represents the Banking Department's current assessment and rating of the institution's CRA performance based on an evaluation conducted as of December 31, 2009.

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 76.3 and detailed in Section 76.12. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

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

OVERVIEW OF INSTITUTION'S PERFORMANCE

Alpine was evaluated according to the small bank performance criteria pursuant to Part 76.12 of the General Regulations of the Banking Board. This assessment period included calendar years 2006, 2007, 2008 and 2009. Alpine is rated "2," indicating an **"Satisfactory"** record of helping to meet community credit needs. Alpine received a rating of "2," reflecting a "Satisfactory" record of helping to meet community credit needs at its **prior** Performance Evaluation conducted by the New York State Banking Department as of December 31, 2005.

This rating is based on the following factors:

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

Alpine's average LTD ratio was reasonable considering its size, business strategy, financial condition, aggregate and peer group activity. Alpine's average LTD ratio for the current evaluation period ending December 31, 2009 was 57.6%. The ratio ranged from 42.5% in June of 2007 to 72.0% in September of 2009. The LTD ratio was well below the peer's average of 85.0%. However, the LTD ratio improved from the prior evaluation's average of 49.1%. In addition, Alpine enhanced the availability of credit in its assessment area with community development loans and qualified investments totaling \$2.1 million.

- **Assessment Area Concentration:** "Satisfactory"

During the evaluation period, HMDA-reportable, small business and MECA loans totaled 66.3% by number, and 78.3% by dollar value of all Alpine loans made within the assessment area. This level of lending constitutes a satisfactory record of lending within Alpine's assessment area.

- **Distribution by Borrowers Characteristics:** "Satisfactory"

In light of the institution's size and the peer group activity, the distribution of loans to individuals of different income levels and businesses of different revenue sizes was considered reasonable.

Alpine's lending performance of its HMDA-reportable loans was poor. However, Alpine's lending to businesses of different revenue sizes was excellent. Alpine's small business loan penetration ratios exceeded the levels achieved by the peer aggregates.

- **Geographic Distribution of Loans:** "Needs to Improve"

The distribution of loans based on lending in census tracts of varying income levels demonstrated a poor penetration rate of lending among LMI geographies.

During the current evaluation period, Alpine did not originate any HMDA-reportable loans from LMI census tracts. For the MECA loans, the percentage of the refinanced loans from LMI geographies was less than 50% for both number of loans and dollars lent. However, the small business loan lending among LMI geographies was reasonable.

- **Action Taken in Response to Written Complaints With Respect to CRA:**
“Satisfactory”

Since the latest CRA evaluation as of December 31, 2005, neither Alpine nor the New York State Banking Department has received any written complaints regarding Alpine’s CRA performance.

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 Profile:

Chartered in 2000, Alpine Capital Bank (Alpine) is a commercial bank located in New York County. It provides banking services to a client base of high-net worth individuals, their families and businesses. Currently Alpine operates one full-service banking office in midtown Manhattan and does not own any ATMs. Alpine offers an array of banking products and services. Deposit products include checking and savings accounts. The bank also offers various services related to these accounts, such as domestic funds transfers, foreign currency fund transfers, ATM cards, internet banking, direct deposit, and Automatic Clearing House debits and credits. Credit products offered at Alpine include personal loans, fixed and adjustable rate mortgages, business loans, business lines of credit, commercial mortgages, and letters of credit. During the evaluation period, Alpine did not open or close any branches.

According to the Consolidated Report of Condition (the Call Report) as of December 31, 2009 filed with the Federal Deposit Insurance Corporation ("FDIC"), Alpine reported total assets of \$208.4 million, of which \$121.2 million were net loans and lease finance receivables. It also reported total deposits of \$173.7 million resulting in a loan-to-deposit ratio of 69.8%. According to the latest available comparative deposit data as of June 30, 2010 Alpine obtained a market share of 0.04% or \$198.7 million out of \$538 billion inside its market, ranking it 61st among 107 deposit-taking institutions in the assessment area.

The following is a summary of the bank's loan portfolio, based on Schedule RC-C of the bank's December 31, 2006, 2007, 2008 *and* 2009's Call Reports:

Loan Type	2006		2007		2008		2009	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage	44,003	47.2	43,783	42.1	60,372	47.4	46,547	37.3
Commercial & Industrial Loans	4,199	4.5	7,979	7.7	7,919	6.2	8,586	6.9
Commercial Mortgage Loans	21,042	22.6	21,405	20.6	32,841	25.8	45,152	36.2
Multifamily Mortgages	2,342	2.5	3,000	2.9	3,000	2.4	2,975	2.4
Consumer Loans	8,086	8.7	13,495	13.0	11,343	8.9	7,938	6.4
Agricultural Loans	0	0.0	0	0.0	0	0.0	0	0.0
Construction Loans	11,118	11.9	7,674	7.4	2,096	1.6	3,994	3.2
Obligations of States & Municipa	0	0.0	0	0.0	0	0.0	0	0.0
Other Loans	2,418	2.6	6,592	6.3	9,844	7.7	9,681	7.8
Lease financing		0.0	0	0.0	0	0.0	0	0.0
Total Gross Loans	93,208		103,928		127,415		124,873	

As illustrated in the above chart, the greater part of Alpine's loan portfolio were made up of 1-4 family residential mortgages, which represented on average of 43.5% of its loan portfolio over the evaluation period. Commercial lending (commercial and industrial, commercial mortgages and multifamily mortgages) represented the second largest amount of total gross loans outstanding. During the past four years, commercial lending activities increased from 29.6% of total gross loans outstanding on December 31, 2006 to 45.5% of total gross loans outstanding as of December 31, 2009. On average, consumer loans constituted about 9.3% of the total loan portfolio for the same period.

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:

The bank's assessment area is comprised of all the census tracts in Bronx, Kings and New York Counties. Bronx, Kings and New York Counties are located within Metropolitan Division ("MD") #35644, which is a subset of Metropolitan Statistical Area ("MSA") # 35620, which is the New York-Newark-Edison, New York, New Jersey and Pennsylvania MSA. On April 19, 2007, Alpine enlarged its assessment to include all of the above counties. Previously, the assessment area consisted solely of New York County.

There are 1,434 census tracts in the area, of which 311 are low-income, 454 are moderate-income, 324 are middle-income, 307 are upper-income and 38 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	14	132	98	65	46	355	64.8
Kings	15	119	297	235	117	783	53.1
New Yorik	9	60	59	24	144	296	40.2
Total	38	311	454	324	307	1,434	53.3

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

Demographic & Economic Data

The assessment area had a population of 5,335 thousand during the examination period. About 11.3% of the population were over the age of 65 and 22.0% were under the age of 16.

Of the 1,212,338 families in the assessment area, 35.8% were low-income, 16.8%

were moderate-income, 15.7% were middle-income and 31.8% were upper-income families. There were 2,083,415 households in the assessment area, of which 22.5% had income below the poverty level and 9.1% were on public assistance.

The MSA median family income within the assessment area was \$45.9 thousand. The U.S. Department of Housing and Urban Development (“HUD”) estimated median family income for the area was \$64.8 thousand in 2009.

There were 2,219,669 housing units within the assessment area, of which 27.8% were one- to four-family units, and 72.1% were multifamily units. Twenty-two percent of the housing units were owner-occupied, while 72.3% were rental units. Of the 477,507 owner-occupied housing units, 23.3% were in moderate-income geographies while 27.9% were in middle-income tracts. The median age of the housing stock was 60 years and the median home value in the assessment area was \$258.2 thousand.

There were 497,435 non-farm businesses in the assessment area. Of all the businesses in the assessment area, 73.1% were businesses with reported revenues of less than or equal to \$1 million, 6.2% reported revenues of more than \$1 million and 20.7% did not report their revenues. Of the total businesses in the assessment area, 80.8% were businesses with less than fifty employees while 93.0% operated from a single location. The largest industries in the area were services (44.4 %), followed by retail trade (16.5%) and finance, insurance & real estate (10.0%), while 12.3% of businesses in the assessment area were not classified.

Statistics on Pre-foreclosure Filings, Modifications or Foreclosures

The 2009 Mortgage Foreclosure Law approved on December 15, 2009 requires that a pre-foreclosure notice be sent, at least 90 days before the lender commences legal action against all borrowers with home loans. Based on the 90-day pre-foreclosure notices mailed between February 13, 2010 and August 31, 2010 published on October 7, 2010, involving 134,000 borrowers, Kings County had 11,037 borrowers or 8.2% of the total pre-foreclosure notices sent by lenders in NYS. Bronx County had 4,639 borrowers or 3.5% of total borrowers. New York County had 2,980 borrowers or 2.2% of total borrowers. In summary, the New York City region received the greatest number of notices (38,460 notices.)

NYS DOL unemployment rates

According to the New York State Department of Labor, the average unemployment rate for New York State has escalated from 4.6%% in 2006 to 8.4% in 2009. The unemployment rates in 2006 and 2007 were relatively lower at 4.6% and 4.5%, respectively. Unemployment rates in Kings and Bronx counties were consistently above state averages. The unemployment rates in New York County also increased significantly, and surpassed the statewide rate for the first time in the evaluation period. These unemployment rates are directly tied to the economic recession.

Assessment Area Unemployment Rate				
	Statewide	Bronx	Kings	New York
2006	4.6%	6.70%	5.40%	4.30%
2007	4.5%	6.60%	5.30%	4.20%
2008	5.3%	7.30%	5.80%	4.70%
2009	8.4%	12.20%	10.10%	8.50%

Community Information

NYSBD contacted a nonprofit community development financial institution and its parent organization to discuss community needs. The organization was established in 1997 and provides affordable loans, comprehensive training and technical assistance to small businesses and entrepreneurs. The parent organization is dedicated to the provision of affordable housing and services to low- and moderate-income immigrants in New York City.

Affordable small business loans were identified as a primary community credit need by the organization. While there are banks that offer lending programs targeted towards women, small businesses and minorities, the need is still great. Funding is getting more difficult for financial intermediaries; this limits their ability to provide lending to the community. The organization recognizes the concerns a bank may have regarding lending in the current market, but is willing to work with banks to reduce risk and help banks make profitable loans in the assessment area.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

Alpine was evaluated under the small banking institution's performance standards in accordance with Parts 76.7 and 76.12 of the General Regulations of the Banking Board. Alpine's performance was evaluated according to the small bank performance criteria, which consists of the lending test including (1) loan-to-deposit ratio and other lending-related activities; (2) assessment area concentration; (3) distribution by borrower characteristics; (4) geographic distribution of loans; and (5) action taken in response to written complaints regarding CRA. The following factors were also considered in assessing the bank's record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications, evidence of prohibited discriminatory or other illegal credit practices; record of opening and closing offices and providing services at offices; and process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

Statistics employed in this evaluation were derived from various sources. Bank-specific information was submitted by the bank both as part of the examination process and on its Call Report submitted to the Federal Deposit Insurance Corporation ("FDIC"). Aggregate lending data were obtained from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data were obtained from the FDIC. Loan-to-deposit ratios were calculated from information shown in the bank's Uniform Bank Performance Report ("UBPR") as submitted to the FDIC.

The demographic data referred to in this report were derived from the 2000 U.S. Census and the U.S. Department of Housing and Urban Development ("HUD"). Business demographic data used in this report provide information on US businesses, enhanced by Dun & Bradstreet reports and updated annually. Unemployment data were obtained from the New York State Department of Labor.

The assessment period included calendar years 2006, 2007, 2008 and 2009.

Examiners considered Alpine's HMDA-reportable, MECA and small business loans in evaluating factors (2), (3) and (4) of the lending test as noted above.

Small business aggregate data are shown for comparative purposes. Alpine is not required to report this data and as such it is not included in the aggregate data. As Alpine did not make any small farm loans, all analyses were based on small business lending only.

HMDA-reportable and small business loan data evaluated in this performance evaluation represented actual originations.

At the request of Alpine, home mortgage loan modification, extension, and consolidation agreements (MECAs) were evaluated.

Alpine received a rating of “2,” reflecting a “Satisfactory” record of helping to meet community credit needs at its **prior** Performance Evaluation conducted by the New York State Banking Department as of December 31, 2005.

Current CRA Rating: “Satisfactory”

Loan-to-Deposit (LTD) Ratio and other Lending-Related Activities: “Satisfactory”

Alpine’s average LTD ratio was reasonable considering its size, business strategy, financial condition, aggregate and peer group activity.

Alpine’s average LTD ratio for the current evaluation period ending December 31, 2009 was 57.6%. The ratio ranged from 42.5% in June of 2007 to 72.0% in September of 2009. The LTD ratio was well below the peer’s average of 85.0%. However, the LTD ratio improved from the prior evaluation’s average of 49.1%. In addition, Alpine enhanced the availability of credit in its assessment area with community development loans and qualified investments totaling \$2.1 million.

Community Development loans and Qualified Investments:

Alpine enhanced the availability of credit in its assessment area with community development loans and a qualified investment totaling \$2.1 million.

Listed below are the community development loans and investments:

Prep for Prep (“Prep”) - Alpine continued to carry a term-loan and a letter of credit totaling \$1.9 million to this borrower. Prep is a not-for-profit organization that provides free training to talented students from financially underprivileged families in New York City. In addition, Alpine continued its tradition of hiring summer interns through the Prep organization. The interns were initiated into all aspects of banking. During the evaluation period, Alpine also expanded the number of interns hired from 1-2 students per summer to 2-3 students per summer.

New York Business Development Corporation (“NYBDC”) - Alpine continued to provide an unsecured revolving line of credit in the amount of \$197 thousand to NYBDC. NYBDC is a privately owned financial organization founded to provide loans to small businesses across New York State that are not eligible for traditional financing and to minority and women-owned businesses.

Targeted Mortgage Backed Security (“MBS”) – In 2002 Alpine Invested \$250 thousand in MBS that were targeted to LMI individuals. As of the evaluation date, total MBS had an outstanding balance of \$41 thousand. The investment helped to provide affordable housing to LMI families in New York City.

Assessment Area Concentration: “Satisfactory”

During the evaluation period, HMDA-reportable, small business and MECA loans totaled 66.3% by number, and 78.3% by dollar value of all Alpine loans made within the assessment area. This level of lending constitutes a satisfactory record of lending within Alpine’s assessment area.

HMDA-Reportable Loans: “Satisfactory”

During the evaluation period, Alpine originated 59.0% by number, and 72.8% by dollar value of its HMDA-reportable loans within the assessment area. This level of lending constitutes a satisfactory record of lending within Alpine’s assessment area.

MECA Loans: “Outstanding”

During the evaluation period, Alpine refinanced 81.3% by number, and 97.9% by dollar value of its MECA loans within the assessment area. This level of lending constitutes an “Outstanding” record of lending within Alpine’s assessment area.

Small Business Loans: “Satisfactory”

During the evaluation period, Alpine originated 67.4% by number, and 61.5% by dollar value of its small business loans within the assessment area. This level of lending constitutes a satisfactory record of lending within Alpine’s assessment area.

The following table shows the percentages of Alpines’ HMDA-reportable loans, MECA loans and small business loans made inside and outside of the assessment area:

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2006	7	53.8%	6	46.2%	13	12,023	64.4%	6,650	35.6%	18,673
2007	5	50.0%	5	50.0%	10	9,460	72.5%	3,582	27.5%	13,042
2008	9	75.0%	3	25.0%	12	23,582	78.8%	6,330	21.2%	29,912
2009	2	50.0%	2	50.0%	4	1,333	62.2%	810	37.8%	2,143
Subtotal	23	59.0%	16	41.0%	39	46,398	72.8%	17,372	27.2%	63,770
MECA										
2006	1	33.3%	2	66.7%	3	2,750	85.7%	460	14.3%	3,210
2007	2	66.7%	1	33.3%	3	7,300	96.0%	303	4.0%	7,603
2008	3	100.0%	-	0.0%	3	9,925	100.0%	-	0.0%	9,925
2009	7	100.0%	-	0.0%	7	15,215	100.0%	-	0.0%	15,215
Subtotal	13	81.3%	3	18.8%	16	35,190	97.9%	763	2.1%	35,953
Small Business										
2006	12	75.0%	4	25.0%	16	6,253	80.1%	1,550	19.9%	7,803
2007	7	53.8%	6	46.2%	13	2,660	45.1%	3,235	54.9%	5,895
2008	6	85.7%	1	14.3%	7	2,446	73.1%	900	26.9%	3,346
2009	4	57.1%	3	42.9%	7	1,534	39.0%	2,400	61.0%	3,934
Subtotal	29	67.4%	14	32.6%	43	12,893	61.5%	8,085	38.5%	20,978
Grand Total	65	66.3%	33	33.7%	98	94,481	78.3%	26,220	21.7%	120,701

Distribution by Borrower Characteristics: “Satisfactory”

In light of the institution’s size and the peer group activity, the distribution of loans to individuals of different income levels and businesses of different revenue sizes was considered reasonable.

Alpine’s lending performance of its HMDA-reportable loans was poor. However, Alpine’s lending to businesses of different revenue sizes was excellent. Alpine’s small business loan penetration ratios exceeded the levels achieved by the peer aggregates.

HMDA-Reportable Loans: “Satisfactory”

For HMDA-reportable loans, Alpine’s lending penetration ratio was 4.3%. The ratio was considerably lower than the demographics. However, as housing costs are high in the assessment area relative to income levels, the aggregate’s lending penetration ratio is also significantly lower than the demographics. Alpine’s penetration rate is close to the aggregate’s LMI penetration ratio of 5.4%.

The following chart provides a summary of the HMDA-reportable lending distribution based on borrower income.

Distribution of HMDA-Reportable Lending by Borrower Income									
2006									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	14.3%	123	1.0%	596	0.8%	90,249	0.3%	35.8%
Moderate	0	0.0%	0	0.0%	3,001	4.0%	437,750	1.5%	16.8%
LMI	1	14.3%	123	1.0%	3,597	4.8%	527,999	1.8%	52.6%
Middle	0	0.0%	0	0.0%	8,338	11.1%	1,768,621	6.1%	15.6%
Upper	4	57.1%	5,400	44.9%	58,113	77.3%	24,513,115	85.1%	31.8%
Unknown	2	28.6%	6,500	54.1%	5,100	6.8%	1,988,546	6.9%	0.0%
Total	7		12,023		75,148		28,798,281		100.0%
2007									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	407	0.7%	57,119	0.2%	35.8%
Moderate	0	0.0%	0	0.0%	2,151	3.6%	293,387	1.1%	16.8%
LMI	0	0.0%	0	0.0%	2,558	4.3%	350,506	1.3%	52.6%
Middle	0	0.0%	0	0.0%	6,218	10.5%	1,323,528	5.0%	15.6%
Upper	3	60.0%	4,900	51.8%	46,624	78.8%	22,842,961	86.3%	12.8%
Unknown	2	40.0%	4,560	48.2%	3,788	6.4%	1,939,447	7.3%	0.0%
Total	5		9,460		59,188		26,456,442		100.0%
2008									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	439	1.2%	59,077	0.3%	35.8%
Moderate	0	0.0%	0	0.0%	1,998	5.5%	300,598	1.7%	16.8%
LMI	0	0.0%	0	0.0%	2,437	6.7%	359,675	2.0%	52.6%
Middle	0	0.0%	0	0.0%	5,255	14.4%	1,236,843	7.0%	15.6%
Upper	8	88.9%	21,732	92.2%	27,396	75.0%	15,005,746	85.0%	31.8%
Unknown	1	11.1%	1,850	7.8%	1,424	3.9%	1,050,288	5.9%	0.0%
Total	9		23,582		36,512		17,652,552		100.0%
2009									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	452	1.2%	128,325	0.8%	35.8%
Moderate	0	0.0%	0	0.0%	2,140	5.6%	367,096	2.3%	16.8%
LMI	0	0.0%	0	0.0%	2,592	6.8%	495,421	3.1%	52.6%
Middle	1	0.0%	333	0.0%	5,789	15.2%	1,435,026	9.0%	15.6%
Upper	1	100.0%	1,000	100.0%	27,803	73.2%	13,117,251	82.5%	31.8%
Unknown	0	0.0%	0	0.0%	1,777	4.7%	853,458	5.4%	0.0%
Total	2		1,333		37,961	0.0%	15,901,156		100.0%
GRAND TOTAL									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	4.3%	123	0.3%		0.9%		0.4%	
Moderate	0	0.0%	0	0.0%		4.4%		1.6%	
LMI	1	4.3%	123	0.3%	11,184	5.4%	1,733,601	2.0%	
Middle	1	4.3%	333	0.7%		12.3%		6.5%	
Upper	16	69.6%	33,032	71.2%		76.6%		85.0%	
Unknown	5	21.7%	12,910	27.8%		5.8%		6.6%	
Total	23		46,398						

MECA Loans: "Not Rated"

Alpine only made 13 MECA loans during the evaluation period, none of which were to LMI borrowers. Although aggregate data for MECAs are not available, for all HMDA-reportable lending, as noted above, during the evaluation period, only 5% of lending went to LMI borrowers. Given the small number of MECAs, coupled with the low aggregate lending penetration ratio, parity with the aggregate ratio would still yield less than one loan. Therefore, this factor was not rated.

Distribution of MECA Loans by Borrower Income					
2006					
Borrower	Bank				Fam. Dem.
Income	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	35.8%
Moderate	0	0.0%	0	0.0%	16.8%
LMI	0	0.0%	0	0.0%	52.6%
Middle	0	0.0%	0	0.0%	15.6%
Upper	1	100.0%	2,750	100.0%	31.8%
Unknown	0	0.0%	0	0.0%	0.0%
Total	1	100.0%	2,750	100.0%	100.0%
2007					
Borrower	Bank				Fam. Dem.
Income	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	35.8%
Moderate	0	0.0%	0	0.0%	16.8%
LMI	0	0.0%	0	0.0%	52.6%
Middle	0	0.0%	0	0.0%	15.6%
Upper	1	50.0%	1,800	24.7%	31.8%
Unknown	1	50.0%	5,500	75.3%	0.0%
Total	2	100.0%	7,300	100.0%	100.0%
2008					
Borrower	Bank				Fam. Dem.
Income	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	35.8%
Moderate	0	0.0%	0	0.0%	16.8%
LMI	0	0.0%	0	0.0%	52.6%
Middle	0	0.0%	0	0.0%	15.6%
Upper	2	66.7%	5,425	54.7%	31.8%
Unknown	1	33.3%	4,500	45.3%	0.0%
Total	3	100.0%	9,925	100.0%	100.0%
2009					
Borrower	Bank				Fam. Dem.
Income	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	35.8%
Moderate	0	0.0%	0	0.0%	16.8%
LMI	0	0.0%	0	0.0%	52.6%
Middle	0	0.0%	0	0.0%	15.6%
Upper	6	85.7%	13,215	86.9%	31.8%
Unknown	1	14.3%	2,000	13.1%	0.0%
Total	7	100.0%	15,215	100.0%	100.0%
GRAND TOTAL					
Borrower	Bank				Fam. Dem.
Income	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	35.8%
Moderate	0	0.0%	0	0.0%	16.8%
LMI	0	0.0%	0	0.0%	52.6%
Middle	0	0.0%	0	0.0%	15.6%
Upper	10	76.9%	23,190	65.9%	31.8%
Unknown	3	23.1%	12,000	34.1%	0.0%
Total	13	100.0%	35,190	100.0%	100.0%

.Small Business Loans: “Outstanding”

The distribution of small business loans based on the revenue size of the business demonstrated an excellent rate of lending among businesses of different revenue sizes.

During the evaluation period, Alpine made 58.6% by number of loans and 59.3% by dollar value of its loans to businesses with revenues less than \$1.0 million. Alpine outperformed the market aggregate in 2006, 2007 and 2008. The 2009 market aggregate data were not available for comparison. Alpine achieved small business loans penetration ratios of 41.7%, 57.1% and 100.0% by number, and 52.8%, 54.9% and 100.0% by dollar value in 2006, 2007 and 2008 respectively. These ratios were well above the corresponding small business loans penetration ratios of 28.5%, 30.2%, and 19.6% by number and 36.3%, 37.2% and 26.5% by dollar value in 2006, 2007 and 2008 respectively, achieved by the market aggregate.

The following chart provides a summary of the Alpine's small business lending distribution based on revenue size during the evaluation period:

Distribution of Small Business Lending by Revenue Size of Business									
2006									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	5	41.7%	3,300	52.8%	78,176	28.5%	1,914,731	36.3%	65.1%
Rev. > \$1MM	7	58.3%	2,953	47.2%					7.5%
Rev. Unknown	-	0.0%	-	0.0%					27.4%
Total	12		6,253		274,468		5,281,773		100.0%
2007									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	4	57.1%	1,460	54.9%	86,430	30.2%	2,107,564	37.2%	67.7%
Rev. > \$1MM	2	28.6%	1,100	41.4%					7.2%
Rev. Unknown	1	14.3%	100	3.8%					25.1%
Total	7		2,660		286,203		5,664,618		100.0%
2008									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	6	100.0%	2,446	100.0%	45,206	19.6%	1,340,484	26.5%	66.3%
Rev. > \$1MM	-	0.0%	-	0.0%					6.5%
Rev. Unknown	-	0.0%	-	0.0%					27.2%
Total	6		2,446		230,729		5,052,304		100.0%
2009									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	2	50.0%	434	28.3%	Not Available				73.1%
Rev. > \$1MM	2	50.0%	1,100	71.7%					6.2%
Rev. Unknown	-	0.0%	-	0.0%					20.7%
Total	4		1,534						100.0%
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	17	58.6%	7,640	59.3%		0.0%		33.5%	
Rev. > \$1MM	11	37.9%	5,153	40.0%					
Rev. Unknown	1	3.4%	100	0.8%					
Total	29		12,893						

Geographic Distribution of Loans: “Needs to Improve”

The distribution of loans based on lending in census tracts of varying income levels demonstrated a poor penetration rate of lending among LMI geographies.

During the current evaluation period, Alpine did not originate any HMDA-reportable loans from LMI census tracts. For the MECA loans, the percentage of the refinanced loans from LMI geographies was less than 50% for both number of loans and dollars lent. However, the small business loan lending among LMI geographies was reasonable.

HMDA-Reportable: “Substantial Noncompliance”

During the evaluation period, Alpine made 23 HMDA-reportable loans, but did not originate any HMDA-reportable loans in LMI geographies. In contrast, the aggregate made 35.3% by number and 30.8% by dollar value of its loans in LMI census tracts.

The following chart provides a summary of the Alpine’s HMDA-reportable lending distribution based on the income level of the geography.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2006									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	9,299	11.9%	3,624,769	10.7%	6.0%
Moderate	0	0.0%	0	0.0%	23,900	30.7%	8,900,285	26.2%	23.3%
LMI	0	0.0%	0	0.0%	33,199	42.6%	12,525,054	36.8%	29.3%
Middle	0	0.0%	0	0.0%	19,956	25.6%	6,918,247	20.3%	27.9%
Upper	7	100.0%	12,023	100.0%	24,654	31.7%	14,537,610	42.7%	42.8%
Unknown	0	0.0%	0	0.0%	50	0.1%	49,964	0.1%	0.0%
Total	7		12,023		77,859		34,030,875		100.0%
2007									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	6,098	9.9%	3,279,720	10.1%	6.0%
Moderate	0	0.0%	0	0.0%	16,455	26.7%	7,327,382	22.6%	23.3%
LMI	0	0.0%	0	0.0%	22,553	36.6%	10,607,102	32.7%	29.3%
Middle	1	20.0%	3,500	37.0%	14,718	23.9%	5,603,201	17.3%	27.9%
Upper	4	80.0%	5,960	63.0%	24,375	39.5%	16,157,808	49.8%	42.8%
Unknown	0	0.0%	0	0.0%	52	0.1%	85,781	0.3%	0.0%
Total	5		9,460		61,698		32,453,892		100.0%
2008									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	3,238	8.4%	1,891,970	8.6%	6.0%
Moderate	0	0.0%	0	0.0%	8,882	23.1%	4,052,641	18.5%	23.3%
LMI	0	0.0%	0	0.0%	12,120	31.6%	5,944,611	27.2%	29.3%
Middle	0	0.0%	0	0.0%	8,671	22.6%	3,496,494	16.0%	27.9%
Upper	8	88.9%	21,732	92.2%	17,552	45.7%	12,346,058	56.4%	42.8%
Unknown	1	11.1%	1,850	7.8%	58	0.2%	105,894	0.5%	0.0%
Total	9		23,582		38,401		21,893,057		100.0%
2009									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2,092	5.3%	943,576	5.3%	6.0%
Moderate	0	0.0%	0	0.0%	6,673	17.1%	2,767,503	15.4%	23.3%
LMI	0	0.0%	0	0.0%	8,765	22.4%	3,711,079	20.7%	29.3%
Middle	1	0.0%	333	0.0%	8,091	20.7%	2,804,011	15.6%	27.9%
Upper	1	0.0%	1,000	0.0%	22,181	56.7%	11,363,320	63.4%	42.8%
Unknown	0	0.0%	0	0.0%	83	0.2%	39,257	0.2%	0.0%
Total	2	0.0%	1,333	0.0%	39,120		17,917,667		100.0%
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%		9.5%		9.2%	
Moderate	0	0.0%	0	0.0%		25.8%		21.7%	
LMI	0	0.0%	0	0.0%		35.3%		30.8%	
Middle	2	8.7%	3,833	8.3%		23.7%		17.7%	
Upper	20	87.0%	40,715	87.8%		40.9%		51.2%	
Unknown	1	4.3%	1,850	4.0%		0.1%		0.3%	
Total	23		46,398						

MECA Loans: “Satisfactory”

The distribution of MECA loans based on the income level of the geography demonstrated a reasonable penetration rate of lending in LMI geographies.

During the evaluation period, Alpine refinanced a total of 13 MECA loans, including three loans in LMI geographies. This represented penetration 23.1% by number and 35.4% by dollar value. Although aggregate data for MECAs are not available, for all HMDA-reportable lending, as noted above, during the evaluation period, 35% of lending was made in LMI census tracts.

The following chart provides a summary of the Alpine’s MECA loans distribution based on the income level of the geography.

Distribution of MECA Loans by Geographic Income of the Census Tract					
2006					
Geographic Income	Bank				OO HU
	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	6.0%
Moderate	0	0.0%	0	0.0%	23.3%
LMI	0	0.0%	0	0.0%	29.3%
Middle	0	0.0%	0	0.0%	27.9%
Upper	1	100.0%	2,750	100.0%	42.8%
Unknown	0	0.0%	0	0.0%	0.0%
Total	1	100.0%	2,750	100.0%	100.0%
2007					
Geographic Income	Bank				OO HU
	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	6.0%
Moderate	1	50.0%	5,500	75.3%	23.3%
LMI	1	50.0%	0	0.0%	29.3%
Middle	0	0.0%	0	0.0%	27.9%
Upper	1	50.0%	1,800	24.7%	42.8%
Unknown		0.0%		0.0%	0.0%
Total	2	100.0%	7,300	100.0%	100.0%
2008					
Geographic Income	Bank				OO HU
	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	6.0%
Moderate	1	33.3%	3,475	35.0%	23.3%
LMI	1	33.3%	0	0.0%	29.3%
Middle	0	0.0%	0	0.0%	27.9%
Upper	2	66.7%	6,450	65.0%	42.8%
Unknown		0.0%		0.0%	0.0%
Total	3	100.0%	9,925	100.0%	100.0%
2009					
Geographic Income	Bank				OO HU
	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	6.0%
Moderate	1	14.3%	3,475	22.8%	23.3%
LMI	1	14.3%	0	0.0%	29.3%
Middle	0	0.0%	0	0.0%	27.9%
Upper	6	85.7%	11,740	77.2%	42.8%
Unknown	0	0.0%	0	0.0%	0.0%
Total	7	100.0%	15,215	100.0%	100.0%
GRAND TOTAL					
Geographic Income	Bank				OO HU
	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	6.0%
Moderate	3	23.1%	12,450	35.4%	23.3%
LMI	3	23.1%	12,450	35.4%	29.3%
Middle	-	0.0%	-	0.0%	27.9%
Upper	10	76.9%	22,740	64.6%	42.8%
Unknown	-	0.0%	-	0.0%	0.0%
Total	13	100.0%	35,190	100.0%	100.0%

Small Business Loans: "Satisfactory"

The distribution of small business loans based on the income level of the geography of the business demonstrated a reasonable penetration rate of lending.

Alpine's lending performance in LMI geographies improved over the evaluation period. In 2006 and 2007, based on number of loans, Alpine had LMI geography penetration ratios of 25.0% and 14.3%, respectively, underperforming the aggregate. The aggregate reported 30.7% and 33.3% in 2006 and 2007, respectively. But in 2008, Alpine's ratios improved to 33.3% by number and 61.3% by dollar value, and were comparable to the ratios achieved by the aggregate. (The aggregate reported 33.8% by number and 29.9% by dollar value, respectively in 2008.) The 2009 aggregate data were not available for comparison. On average, Alpine's LMI penetration ratios were 24.1% (number) and 44.2% (dollar value) compared to the aggregate's 32.4% (number) and 30.3% (dollar value), respectively.

The following chart provides a summary of the Alpine's small business lending distribution based on the income level of the geography.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2006									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	25.0%	2,700	100.0%	7,437	9.5%	212,772	11.1%	11.5%
Moderate	0	0.0%	0	0.0%	16,597	21.2%	363,650	19.0%	20.6%
LMI	3	25.0%	2,700	100.0%	24,034	30.7%	576,422	30.1%	32.1%
Middle	0	0.0%	0	0.0%	14,463	18.5%	327,627	17.1%	15.3%
Upper	9	75.0%	0	0.0%	39,020	49.9%	988,112	51.6%	51.2%
Unknown	0	0.0%	0	0.0%	659	0.8%	22,570	1.2%	1.4%
Total	12		2,700		78,176		1,914,731		
2007									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	14.3%	500	18.8%	8,926	10.3%	216,812	10.3%	11.6%
Moderate	0	0.0%	0	0.0%	19,813	22.9%	429,258	20.4%	20.6%
LMI	1	14.3%	500	18.8%	28,739	33.3%	646,070	30.7%	32.2%
Middle	0	0.0%	0	0.0%	16,919	19.6%	358,505	17.0%	15.3%
Upper	6	85.7%	2,160	81.2%	40,183	46.5%	1,075,516	51.0%	12.8%
Unknown	0	0.0%	0	0.0%	589	0.7%	27,473	1.3%	1.4%
Total	7		2,660		86,430		2,107,564		
2008									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	33.3%	1,500	61.3%	4,876	10.8%	143,354	10.7%	11.9%
Moderate	0	0.0%	0	0.0%	10,382	23.0%	257,703	19.2%	20.8%
LMI	2	33.3%	1,500	61.3%	15,258	33.8%	401,057	29.9%	32.7%
Middle	0	0.0%	0	0.0%	8,694	19.2%	247,013	18.4%	15.4%
Upper	3	50.0%	800	32.7%	20,937	46.3%	675,478	50.4%	50.5%
Unknown	1	16.7%	146	6.0%	317	0.7%	16,936	1.3%	1.4%
Total	6		2,446		45,206		1,340,484		
2009									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	25.0%	1,000	65.2%	Not Available				11.8%
Moderate	0	0.0%	0	0.0%					20.8%
LMI	1	25.0%	1,000	65.2%					32.6%
Middle	0	0.0%	0	0.0%					15.3%
Upper	2	50.0%	500	32.6%					50.7%
Unknown	1	25.0%	34	2.2%					1.4%
Total	4		1,534						
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	7	24.1%	5,700	61.0%		10.1%		10.7%	
Moderate	0	0.0%	0	0.0%		22.3%		19.6%	
LMI	7	24.1%	5,700	61.0%	58,034	32.4%	1,623,549	30.3%	
Middle	0	0.0%	0	0.0%		19.1%		17.4%	
Upper	20	69.0%	3,460	37.0%		47.7%		51.1%	
Unknown	2	6.9%	180	1.9%		0.7%		1.2%	
Total	29		9,340						

Action Taken In Response to Written Complaints With Respect to CRA: "Satisfactory"

Since the latest CRA evaluation as of December 31, 2005, neither Alpine nor the New York State Banking Department has received any written complaints regarding Alpine's CRA performance.

Additional Factors

The extent of participation by the banking institution's board of directors or board of 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 reviewed and approved Alpine's CRA policy and program. Also, on an annual basis, the bank's CRA-self assessment report was presented to the board.

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

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

Evidence of prohibited discriminatory or other illegal credit practices.

NYSBD noted no evidence of prohibited discriminatory or other illegal practices.

Record of opening and closing offices and providing services at offices

No branches were closed or opened during the evaluation period.

Distribution of Branches within the Assessment Area							
County	N/A	Low	Moderate	Middle	Upper	Total	LMI
	#	#	#	#	#	#	%
New York					1	1	0%
Total	-	-	-	-	1	1	0%

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.

In the ordinary course of business, Alpine directors met with community groups, business and real estate groups, and local officials and businessmen. Through these meetings, Alpine was able to obtain information about the community, proposed projects, and areas of need. Alpine also ascertained the credit needs of

its community through memberships in community development organizations, such as the Federal Home Loan Bank of New York and New York Business Development Corporation.

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

Alpine did not advertise its products and services. New clients came from referrals from existing clients, a network of mortgage brokers or meetings attended in the ordinary course of business.

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

As a result of Alpine's membership in the Federal Home Loan Bank of New York (FHLBNY), Alpine contributed \$9.3 thousand during the evaluation period from its' FHLBNY's earnings to help support the FHLBNY's Affordable Housing Program.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

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.

Income Level

The income level of the person, family or household is based on the income of person, family or household. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Loans to Small Businesses

Small business loans to businesses with gross annual revenues (“GAR”) of \$1 million or less (“< = \$ 1MM”).

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

Individuals or persons 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 in LMI geographies or to LMI borrowers.

Small Business Loans

Loans to businesses with original amounts of \leq \$1MM.