



**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
FINANCIAL FRAUDS AND CONSUMER PROTECTION DIVISION**

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: June 30, 2013

Institution: First Central Savings Bank
70 Glen Street
Glen Cove, NY 11542

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 Department of Financial Services 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 First Central Savings Bank (“FCSB”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This evaluation represents the Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of June 30, 2013.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services 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 Superintendent implements Section 28-b and further requires that the 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 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 in 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 (“Evaluation”) be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York 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

DFS evaluated FCSB according to the intermediate small bank performance criteria of Part 76.7 and Part 76.12 of the General Regulations of the Superintendent. This assessment period included calendar years 2008, 2009, 2010, 2011, 2012 and six months ended June 30, 2013. FCSB is rated "2," indicating a "**Satisfactory**" record of helping to meet community credit needs. The satisfactory rating was made largely based on FCSB's community development lending and investing activities.

Lending Test: "Satisfactory"

FCSB's HMDA-reportable and small business lending activities were reasonable in light of its size, business strategy, aggregate and peer group activity and demographics, and certain regulatory requirements imposed on FCSB that restricted its asset growth and loan concentrations.

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

FCSB's average loan-to-deposit ratio for the evaluation period was 80.1%, or 5.6% lower than the ratio of its peer group. DFS considered, however, certain regulatory requirements that affected the amount and type of lending that FCSB could engage in and deemed the level of lending activity to be reasonable.

- **Assessment Area Concentration:** "Outstanding"

FCSB originated 97.2% by number, and 96.3% by dollar value of its HMDA-reportable and small business loans within the assessment area. This substantial majority of lending inside of its assessment area is an outstanding record of lending.

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

While the distribution of small business loans to businesses with revenues of \$1 million or less compared favorably with aggregate levels and business demographics, FCSB needs to improve its rate of lending to low- and moderate-income ("LMI") borrowers on one- to four-family homes.

- **Geographic Distribution of Loans:** "Satisfactory"

The distribution of small business loans based on census tract income level demonstrated a reasonable rate of lending to LMI census tracts; DFS focused on FCSB's lending in 2008 and 2009 (which constituted 94.5% of total HMDA-reportable loans made during the evaluation period).

- **Action Taken in Response to Written Complaints With Respect to CRA: N/A**

Since the latest CRA evaluation as of December 31, 2007, neither FCSB nor DFS received any written complaints regarding FCSB's CRA performance.

Community Development Test (Loans, Investments, Services): "Satisfactory"

FCSB's community development performance demonstrated reasonable responsiveness to the community development needs of its assessment area through its community development loans and investments considering FCSB's capacity, financial condition, business strategy and the need and availability of such opportunities for community development in its assessment area.

During the evaluation period, FCSB originated \$29.7 million community development loans and made \$6.4 million in community development investments, which were reasonable levels of community development lending and investing for an intermediate small bank.

FCSB needs to improve the level of its community development services.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and Part 76 of the General Regulations of the Superintendent.

PERFORMANCE CONTEXT

Institution Profile:

FCSB was chartered by DFS in March 1999 and is a privately-owned savings bank. In August 2005, FCSB relocated its main office from Whitestone, Queens County to Glen Cove in Nassau County. FCSB has nine banking offices, eight located in Queens County and one in Nassau County. FCSB has no parent company. The only subsidiary, FCOR, LLC, is used to hold and sell assets acquired through foreclosure.

FCSB operates as a community bank providing traditional, community-oriented services to individuals and businesses in Queens and Nassau Counties.

Per FCSB's Consolidated Report of Condition (the "Call Report") as of June 30, 2013, filed with the Federal Deposit Insurance Corporation ("FDIC"), FCSB reported total assets of \$531.5 million, of which \$297.8 million were net loans and lease financing receivables. It also reported total deposits of \$479.9 million, resulting in a loan-to-deposit ratio of 62.1%. According to the latest available comparative deposit data as of June 30, 2013, FCSB maintained a market share of 0.05%, or \$479.9 million in a market of \$954 billion, ranking it 60th among 122 deposit-taking institutions in FCSB's assessment area: Bronx, Kings, New York, Queens, Richmond, Nassau and Suffolk counties.

The following is a summary of FCSB's loan portfolio, based on Schedule RC-C of FCSB's Call Reports as of December 31, 2008, 2009, 2010, 2011 and 2012 and June 30, 2013:

TOTAL GROSS LOANS OUTSTANDING						
Loan Type	2008		2009		2010	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	112,661	19.1	102,248	17.6	83,441	16.7
Commercial & Industrial Loans	49,537	8.4	49,783	8.6	37,860	7.6
Commercial Mortgage Loans	278,229	47.2	288,590	49.8	265,714	53.1
Multifamily Mortgages	97,078	16.5	100,874	17.4	89,156	17.8
Consumer Loans	17,522	3.0	11,889	2.1	8,536	1.7
Construction Loans	34,907	5.9	26,079	4.5	14,773	2.9
Other Loans	0	0.0	0	0.0	1,332	0.3
Total Gross Loans	589,934	100.0	579,463	100.0	500,812	100.0

TOTAL GROSS LOANS OUTSTANDING						
Loan Type	2011		2012		6/30/2013	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	75,755	17.8	63,947	19.8	55,362	17.8
Commercial & Industrial Loans	27,543	6.5	26,622	8.3	47,346	15.2
Commercial Mortgage Loans	229,908	54.0	166,152	51.6	162,926	52.3
Multifamily Mortgages	73,305	17.2	54,796	17.0	39,767	12.8
Consumer Loans	8,717	2.0	3,394	1.1	880	0.3
Construction Loans	9,206	2.2	6,925	2.1	5,029	1.6
Other Loans	1,406	0.3	378	0.1	354	0.1
Total Gross Loans	425,840	100.0	322,214	100.0	311,664	100.0

As illustrated in the above chart, FCSB is primarily a commercial lender, with 69.1% of its loan portfolio in commercial mortgage loans, construction loans and commercial and industrial loans as of June 30, 2013. FCSB also had 30.6% of its portfolio in 1-4 family residential and multi-family mortgages.

FCSB operates nine banking offices inside its assessment area, of which two are located in LMI census tracts. It operates 10 ATMs that are free of surcharges for its customers. FCSB is also a member of the "All-Points" network of ATMs, and FCSB customers may access those ATMs surcharge free. There are over 300 participating ATMs within FCSB's assessment area.

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

Assessment Area:

FCSB's assessment area is comprised of seven counties: Bronx, Kings, Queens, New York, Richmond, Nassau and Suffolk.

There are 2,775 census tracts in the area, of which 305 are low-income, 674 are moderate-income, 1,008 are middle-income, 715 are upper-income and 73 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	10	129	101	64	35	339	67.8
Kings	13	108	269	234	137	761	49.5
Queens	26	16	134	303	190	669	22.4
New York	12	37	65	23	151	288	35.4
Richmond	3	2	9	30	67	111	9.9
Nassau	8	9	26	157	84	284	12.3
Suffolk	1	4	70	197	51	323	22.9
Total	73	305	674	1,008	715	2,775	35.3

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

Demographic & Economic Data

Population, Income and Housing Demographics

The assessment area had a population of 11.01 million during the examination period. About 12.4% of the population were over the age of 65 and 19.5% were under the age of 16.

Of the 2.6 million families in the assessment area, 26.8% were low-income, 17.3% were moderate-income, 18.7% were middle-income and 37.2% were upper-income families. There were 4.0 million households in the assessment area, of which 15.2% had income below the poverty level and 3.5% were on public assistance.

The weighted average median family income in the assessment area was \$76,872.

There were 4.4 million housing units within the assessment area, which is almost equally divided between one- to four-family units (52.0%), and of multifamily units (48.0%). Rental occupied units represented 50.6% of total housing units, while 40.5% were owner occupied. Total rental units were 53.2%

Of the 2.2 million rental-occupied housing units, 51.9% were in LMI census tracts while 48.1% were in middle- and upper-income census tracts. Weighted average monthly gross rent was \$1,146.

Of the 1.8 million owner-occupied housing units, 18.2% were in LMI census tracts while 81.8% were in middle- and upper-income census tracts. The median age of the housing stock was 66 years and the median home value in the assessment area was \$520,646.

Business Demographics

There were 924,849 non-farm businesses in the assessment area. Of these, 73.3% were businesses with reported revenues of less than or equal to \$1 million, 5.3% reported revenues of more than \$1 million and 21.4% did not report their revenues. Of all the businesses in the assessment area, 79.9% were businesses with less than fifty employees while 93.9% operated from a single location. The largest industries in the area were in services (45.0%), followed by retail trade (14.4%) and finance, insurance and real estate (8.5%), and a portion (13.3%) of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State for the last five years was 7.8%. Nassau, Suffolk, New York

and Richmond have 5-year unemployment rates lower than statewide average while Bronx, Kings and Queens Counties showed higher than statewide average.

Assessment Area Unemployment Rate								
	Statewide	Bronx	Kings	New York	Queens	Nassau	Suffolk	Richmond
2008	5.4	7.4	5.9	4.8	4.9	4.7	5.0	5.0
2009	8.4	11.9	9.8	8.4	8.3	7.0	7.4	8.1
2010	8.6	12.8	10.3	8.1	8.7	7.1	7.7	8.8
2011	8.3	12.4	9.8	7.5	8.1	6.8	7.5	8.3
2012	8.5	12.7	9.9	7.7	8.3	7.1	7.6	8.5
Ave (5 yrs.)	7.8	11.4	9.1	7.3	7.7	6.5	7.0	7.7
2013*	7.9	11.9	9.5	7.3	7.8	6.4	6.8	7.8

* 8 months average

Community Information

The CRA evaluation included interviews with:

- Three community development advocates/non-profit organizations which help provide affordable housing and other related needs on behalf of New York City's low- and moderate-income residents and communities; and
- One non-profit organization and one community development corporation that promote community revitalization, economic development and provide technical assistance to small business owners in the Long Island region.

Community contacts indicated that real estate market meltdown created a high level of need for affordable housing particularly for low income households in both New York City and on Long Island. Many owner households became renter households, a significant shift that placed greater pressure on an already expensive and tight rental market for lower cost rental homes.¹ Therefore, rent among the low income neighborhoods kept increasing and families spent more than half of their income on rent.

Additionally, the Federal Reserve Bank of New York conducted an online poll conducted of 950 firms located in FEMA-declared disaster areas affected by Superstorm Sandy. After one year, 9 out of 10 of these firms continued to have financial needs, primarily of \$100,000 or less to cover operating expenses or to reposition their business.²

1 "Challenges for Affordable Housing in a New Era of Scarcity, published by the Community Development Department of the Federal Reserve Bank of San Francisco, Spring 2013.

2 Released on April 21, 2014, the report, Superstorm Sandy: Update from Businesses in Affected Areas, published by the Federal Reserve Bank of New York.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

DFS evaluated FCSB under the intermediate small banking institution's performance standards in accordance with Parts 76.7 and 76.12 of the General Regulations of the Superintendent, which consists of the lending test and the community development test.

The lending test includes:

- 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 community development test includes:

- Community development lending;*
- Community development investments;*
- Community development services;*
- Innovative or complex practices; and*
- Responsiveness to community development needs.*

The following factors were also considered in assessing FCSB's record of performance:

- 1. Extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;*
- 2. Any practices intended to discourage credit applications,*
- 3. Evidence of prohibited discriminatory or other illegal credit practices;*
- 4. Record of opening and closing offices and providing services at offices; and*
- 5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.*

Statistics employed in this evaluation were derived from various sources. FCSB submitted information both as part of the examination process and on its Call Reports submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS calculated loan-to-deposit ratios from information shown in the Bank's Uniform Bank Performance Report submitted to the FDIC.

DFS derived the demographic data referred to in this report from the 2000 and 2010 U.S. Censuses and the U.S. Department of Housing and Urban Development. Business demographic data used in this report are based on Dun & Bradstreet reports, which are updated annually. Unemployment data were obtained from the New York State Department of Labor. Some non-specific bank data are only available on a countywide basis, and were used even where the institution's assessment area includes partial counties.

The assessment period included calendar years 2008, 2009, 2010, 2011, 2012 and the six months ended June 30, 2013.

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

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

At its **prior** Performance Evaluation as of December 31, 2007, DFS assigned FCSB a rating of "2", reflecting a "Satisfactory" record of helping to meet community credit needs.

Current CRA Rating: "Satisfactory"

Lending Test: "Satisfactory"

FCSB's HMDA-reportable and small business lending activities were reasonable in light of its size, business strategy, aggregate and peer group activity, the demographics of the assessment area, and the consent order¹ that restricted FCSB's asset growth and loan concentrations.

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

Average loan-to-deposit ratio was 80.1% or 5.6% lower than the peer average of 85.7%. However, considering the consent order that restricted the amount and type of lending that FCSB can engage in, the level of lending activity is reasonable.

The chart below shows FCSB's LTD ratios in comparison with the peer group's² ratios for the 22 quarters since the prior evaluation.

Loan-to-Deposit Ratios																							
	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	Avg. -22 Quarters
Bank	94.4	94.6	89.4	90.5	91.7	91.3	90.6	91.0	89.3	87.3	86.5	82.7	81.7	83.2	76.9	73.0	66.4	61.6	61.1	59.9	56.8	62.1	80.1
Peer	93.7	94.8	95.7	96.7	92.4	90.9	88.7	87.6	85.7	84.1	82.7	82.2	81.6	80.9	80.0	80.4	80.7	81.2	81.7	81.9	80.8	82.0	85.7

Assessment Area Concentration: "Outstanding"

FCSB originated 97.2% by number, and 96.3% by dollar value of its HMDA-reportable and small business loans within the assessment area. This majority of lending inside of its assessment area is an excellent record of lending.

1 FCSB was subject to parallel Consent Orders issued by the FDIC and DFS, dated February 17, 2010 and June 25, 2012.

2 FCSB's peer group is 102 representing insured savings banks having assets between \$300 million and \$1 billion.

Due to the consent order's restriction, the majority (94.5%) of the total amount of HMDA-reportable loans was made in 2008 and 2009, and only 5.5% were made during the last three and a half years of the current evaluation period. The same trend in small business lending was noted with the majority (79.7%) of the loans was made from 2008 through 2010.

HMDA-Reportable Loans:

FCSB originated 98% by number, and 95.7% by dollar value of its loans inside the assessment area, demonstrating an excellent record of lending within the assessment area.

Small Business Loans:

FCSB originated 96.8% by number, and 97.1% by dollar value of its small business loans inside the assessment area, demonstrating an excellent record of lending within the assessment area.

The following table shows the percentages of FCSB's HMDA-reportable and small business loans originated 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										
2008	69	97.2%	2	2.8%	71	65,941	94.9%	3,550	5.1%	69,491
2009	20	100.0%	-	0.0%	20	10,772	100.0%	-	0.0%	10,772
2010	2	100.0%	-	0.0%	2	222	100.0%	-	0.0%	222
2011	3	100.0%	-	0.0%	3	1,460	100.0%	-	0.0%	1,460
2012	1	100.0%	-	0.0%	1	2,100	100.0%	-	0.0%	2,100
6/30/2013	2	100.0%	-	0.0%	2	673	100.0%	-	0.0%	673
Subtotal	97	98.0%	2	2.0%	99	81,168	95.8%	3,550	4.2%	84,718
Small Business										
2008	64	95.5%	3	4.5%	67	21,385	95.7%	963	4.3%	22,348
2009	43	100.0%	-	0.0%	43	12,979	100.0%	-	0.0%	12,979
2010	40	97.6%	1	2.4%	41	9,518	99.0%	100	1.0%	9,618
2011	11	91.7%	1	8.3%	12	2,596	95.6%	120	4.4%	2,716
2012	15	100.0%	-	0.0%	15	5,429	100.0%	-	0.0%	5,429
6/30/2013	7	87.5%	1	12.5%	8	3,121	86.6%	485	13.4%	3,606
Subtotal	180	96.8%	6	3.2%	186	55,028	97.1%	1,668	2.9%	56,696
Grand Total	277	97.2%	8	2.8%	285	136,196	96.3%	5,218	3.7%	141,414

Distribution by Borrower Characteristics: “Satisfactory”

The distribution of small business loans to businesses with revenue size of \$1 million or less compared favorably with both the distribution achieved by the aggregate in the assessment area and business demographics, but FCSB needs to improve its rate of lending to LMI borrowers.

HMDA-Reportable (1-4 family) Loans:

FCSB’s rate of lending on 1-4 family loans demonstrated a poor level of lending to LMI borrowers.

As FCSB made a total of only 8 loans for the three-and-a half year period from 2010 to June 2013, the analysis focused only on FCSB’s HMDA lending in 2008 and 2009.

There were only two loans to LMI borrowers during the evaluation period, and lending levels to LMI borrowers did not compare favorably with aggregate levels, nor with family demographics in the assessment area.

The following charts provide a summary of the HMDA-reportable (1-4 family) lending distribution based on borrower income.

Distribution of HMDA (1-4 family) Lending by Borrower Income									
2008									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	2.4%	234	1.4%	2,714	2.6%	337,349	0.9%	27.2%
Moderate	0	0.0%	0	0.0%	12,184	11.6%	2,264,065	5.9%	17.2%
LMI	1	2.4%	234	1.4%	14,898	14.2%	2,601,414	6.7%	44.5%
Middle	9	22.0%	1,489	8.9%	24,804	23.6%	6,164,288	15.9%	19.0%
Upper	31	75.6%	15,023	89.7%	62,157	59.1%	28,032,264	72.4%	36.5%
Unknown	0	0.0%	0	0.0%	3,368	3.2%	1,900,754	4.9%	0.0%
Total	41		16,746		105,227		38,698,720		
2009									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	3,706	3.2%	646,978	1.6%	27.2%
Moderate	1	7.1%	120	2.2%	15,919	13.6%	3,287,007	8.3%	17.2%
LMI	1	7.1%	120	2.2%	19,625	16.8%	3,933,985	10.0%	44.5%
Middle	1	7.1%	300	5.4%	28,962	24.8%	7,592,192	19.2%	19.0%
Upper	12	85.7%	5,112	92.4%	61,513	52.7%	25,585,580	64.7%	36.5%
Unknown	0	0.0%	0	0.0%	6,589	5.6%	2,407,280	6.1%	0.0%
Total	14		5,532		116,689		39,519,037		
GRAND TOTAL									
Borrower	Bank				Aggregate				
Income	#	%	\$000's	%	#	%	\$000's	%	
Low	1	1.8%	234	1.1%		2.9%		1.3%	
Moderate	1	1.8%	120	0.5%		12.7%		7.1%	
LMI	2	3.6%	354	1.6%		15.6%		8.4%	
Middle	10	18.2%	1,789	8.0%		24.2%		17.6%	
Upper	43	78.2%	20,135	90.4%		55.7%		68.5%	
Unknown	0	0.0%	0	0.0%		4.5%		5.5%	
Total	55		22,278						

Small Business Loans:

The distribution of small business loans based on the revenue size³ of business demonstrated an excellent rate of lending to businesses and individuals with revenues of \$1 million or less.

Although FCSB did not report its small business lending, the average rate of lending to businesses with revenues of \$1 million or less at 86% by number and 84.2% by dollar value compared favorably with aggregate levels of 25.2% and 37.9%, respectively.

The following charts provide a summary of the distribution of FCSB's small business lending based on the revenue size of business borrowers during the evaluation period.

³ For distribution of small business lending by revenue size, analysis was performed on a sample of 36 loans selected at random throughout the evaluation period. Number and dollar volume of loans were then extrapolated from the resulting percentages and are not actual results.

Distribution of Small Business Lending by Revenue Size of Business									
2008									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	56	87.5%	18,377	85.9%	100,776	20.9%	2,837,921	27.8%	67.8%
Rev. > \$1MM	8	12.5%	3,008	14.1%					5.7%
Rev. Unknown	-	0.0%	-	0.0%					26.5%
Total	64		21,385		482,547		10,213,725		100.0%
2009									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	38	87.5%	11,717	90.3%	36,036	16.8%	1,303,983	25.8%	76.4%
Rev. > \$1MM	5	12.5%	1,262	9.7%					5.5%
Rev. Unknown	-	0.0%	-	0.0%					18.1%
Total	43		12,979		215,125		5,755,665		100.0%
2010									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	31	77.8%	5,296	55.6%	33,503	17.3%	1,159,364	28.5%	76.7%
Rev. > \$1MM	9	22.2%	4,222	44.4%					5.3%
Rev. Unknown	-	0.0%	-	0.0%					18.0%
Total	40		9,518		193,328		5,321,486		100.0%
2011									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	11	100%	2,596	100%	82,200	33.4%	1,635,189	25.8%	66.8%
Rev. > \$1MM	-	0.0%	-	0.0%					3.7%
Rev. Unknown	-	0.0%	-	0.0%					29.5%
Total	11		2,596		245,807		6,332,592		100.0%
2012									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	10	66.7%	5,216	96.1%	98,351	38.8%	1,985,520	28.5%	72.3%
Rev. > \$1MM	5	33.3%	213	3.9%					4.9%
Rev. Unknown		0.0%		0.0%					22.9%
Total	15		5,429		253,606		6,969,410		100.0%
6/30/2013									
Rev. Size	Bank				Data not available				Bus.Dem.
	#	%	\$000's	%					%
Rev. <= \$1MM	7	100%	3,121	100%					73.3%
Rev. > \$1MM		0.0%		0.0%					5.3%
Rev. Unknown		0.0%		0.0%					21.4%
Total	7		3,121		100.0%				
GRAND TOTAL									
Rev. Size	Bank				Aggregate				
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	153	84.9%	46,323	84.2%		25.2%		37.9%	
Rev. > \$1MM	27	15.1%	8,705	15.8%					
Rev. Unknown	-	0.0%	-	0.0%					
Total	180		55,028						

Geographic Distribution of Loans: "Satisfactory"

The distribution of HMDA reportable and small business loans based on lending in census tracts of varying income levels demonstrated a reasonable rate of lending. Due to the restrictions in the consent order, DFS based its evaluation on the level of HMDA reportable lending in 2008 and 2009, which constituted 94.5% of total HMDA-reportable loans made during the evaluation period. This was a reasonable level of lending in LMI census tracts.

HMDA-Reportable Loans:

The distribution of HMDA-reportable loans based on the income level of the geography demonstrated an overall reasonable rate of lending in LMI geographies. During 2008 and 2009, FCSB made 18.0% by number and 26.1% by dollar value of its HMDA-reportable loans in LMI census tracts, which was comparable with aggregate levels. Due to the consent order restriction, in succeeding years from 2010 to the first six months in 2013, there were only 8 loans made in the assessment area. Therefore, the analysis of this component focused on FCSB's HMDA loans made in 2008 and 2009 only.

The following charts provide a summary of FCSB'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									
2008									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	5.8%	2,541	3.9%	3,619	3.4%	2,001,872	4.6%	1.9%
Moderate	11	15.9%	16,974	25.7%	19,103	17.8%	7,063,160	16.1%	15.1%
LMI	15	21.7%	19,515	29.6%	22,722	21.1%	9,065,032	20.6%	17.0%
Middle	11	15.9%	9,444	14.3%	48,373	45.0%	15,809,167	36.0%	48.6%
Upper	43	62.3%	36,982	56.1%	36,428	33.9%	18,981,831	43.2%	34.5%
Unknown	0	0.0%	0	0.0%	75	0.1%	114,606	0.3%	0.0%
Total	69	100%	65,941		107,598	100%	43,970,636	100%	100%
2009									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2,275	1.9%	996,874	2.4%	1.9%
Moderate	1	5.0%	540	5.0%	15,328	13.0%	5,183,786	12.3%	15.1%
LMI	1	5.0%	540	5.0%	17,603	14.9%	6,180,660	14.7%	17.0%
Middle	15	75.0%	6,733	62.5%	54,337	45.9%	16,221,670	38.6%	48.6%
Upper	4	20.0%	3,499	32.5%	46,278	39.1%	19,581,733	46.6%	34.5%
Unknown	0	0.0%	0	0.0%	101	0.1%	47,004	0.1%	0.0%
Total	20	100%	10,772	100%	118,319	100%	42,031,067	100%	100%
GRAND TOTAL									
Borrower	Bank				Aggregate				
Income	#	%	\$000's	%	#	%	\$000's	%	
Low	4	4.5%	2,541	3.3%		2.6%		3.5%	
Moderate	12	13.5%	17,514	22.8%		15.2%		14.2%	
LMI	16	18.0%	20,055	26.1%		17.8%		17.7%	
Middle	26	29.2%	16,177	21.1%		45.5%		37.2%	
Upper	47	52.8%	40,481	52.8%		36.6%		44.8%	
Unknown	0	0.0%	0	0.0%		0.1%		0.2%	
Total	89	100%	76,713	100%		100%		100%	

Small Business Loans:

FCSB originated 28.9% by number and 25.51% by dollar value in LMI census tracts, which compared favorably with the levels of lending in LMI census tracts by the aggregate of 20.9% and 20.6%, respectively. This level of distribution of small business loans into LMI census tracts was reasonable.

The following charts provide a summary of FCSB'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

2008									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	6.3%	2,270	10.6%	21,408	4.4%	444,560	4.4%	6.6%
Moderate	15	23.4%	3,051	14.3%	80,232	16.6%	1,645,387	16.1%	19.0%
LMI	19	29.7%	5,321	24.9%	101,640	21.1%	2,089,947	20.5%	25.6%
Middle	25	39.1%	8,846	41.4%	176,206	36.5%	3,588,625	35.1%	34.6%
Upper	20	31.3%	7,218	33.8%	201,429	41.7%	4,399,371	43.1%	38.9%
Unknown	0	0.0%	0	0.0%	3,272	0.7%	135,782	1.3%	0.9%
Total	64		21,385		482,547		10,213,725		100.0%
2009									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	4.7%	678	5.2%	9,925	4.6%	243,829	4.2%	6.6%
Moderate	13	30.2%	3,889	30.0%	34,833	16.2%	970,368	16.9%	19.0%
LMI	15	34.9%	4,567	35.2%	44,758	20.8%	1,214,197	21.1%	25.6%
Middle	15	34.9%	4,657	35.9%	75,389	35.0%	1,983,402	34.5%	34.6%
Upper	13	30.2%	3,755	28.9%	93,333	43.4%	2,481,356	43.1%	38.9%
Unknown	0	0.0%	0	0.0%	1,645	0.8%	76,710	1.3%	0.9%
Total	43		12,979		215,125		5,755,665		100.0%
2010									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	2.5%	80	0.8%	8,006	4.1%	237,427	4.5%	6.3%
Moderate	8	20.0%	1,157	12.2%	29,553	15.3%	821,739	15.4%	18.7%
LMI	9	22.5%	1,237	13.0%	37,559	19.4%	1,059,166	19.9%	25.0%
Middle	15	37.5%	2,444	25.7%	66,439	34.4%	1,838,197	34.5%	35.0%
Upper	15	37.5%	5,790	60.8%	87,499	45.3%	2,328,139	43.7%	39.1%
Unknown	1	2.5%	47	0.5%	1,831	0.9%	95,984	1.8%	0.9%
Total	40		9,518		193,328		5,321,486		100.0%
2011									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	11,486	4.7%	264,198	4.2%	6.4%
Moderate	4	36.4%	1,177	45.3%	40,324	16.4%	978,805	15.5%	19.3%
LMI	4	36.4%	1,177	45.3%	51,810	21.1%	1,243,003	19.6%	25.7%
Middle	5	45.5%	1,231	47.4%	85,345	34.7%	2,127,917	33.6%	35.4%
Upper	2	18.2%	188	7.2%	106,460	43.3%	2,864,420	45.2%	37.9%
Unknown	0	0.0%	0	0.0%	2,192	0.9%	97,252	1.5%	1.0%
Total	11		2,596		245,807		6,332,592		100.0%

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2012									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	14,269	5.6%	398,909	5.7%	6.9%
Moderate	5	33.3%	1,705	31.4%	40,528	16.0%	1,110,800	15.9%	18.7%
LMI	5	33.3%	1,705	31.4%	54,797	21.6%	1,509,709	21.7%	25.6%
Middle	4	26.7%	691	12.7%	84,444	33.3%	2,348,940	33.7%	34.1%
Upper	6	40.0%	3,033	55.9%	107,915	42.6%	2,833,430	40.7%	38.0%
Unknown	0	0.0%	0	0.0%	6,450	2.5%	277,331	4.0%	2.3%
Total	15		5,429		253,606		6,969,410		100.0%
6/30/2013									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%					6.8%
Moderate	0	0.0%	0	0.0%					18.6%
LMI	0	0.0%	0	0.0%					25.4%
Middle	3	42.9%	1,101	35.3%					33.8%
Upper	3	42.9%	1,020	32.7%					38.5%
Unknown	1	14.3%	1,000	32.0%					2.3%
Total	7		3,121						100.0%
GRAND TOTAL									
Geographic	Bank				Aggregate				
Income	#	%	\$000's	%	#	%	\$000's	%	
Low	7	3.9%	3,028	5.5%		4.7%		4.6%	
Moderate	45	25.0%	10,979	20.0%		16.2%		16.0%	
LMI	52	28.9%	14,007	25.5%		20.9%		20.6%	
Middle	67	37.2%	18,970	34.5%		35.1%		34.4%	
Upper	59	32.8%	21,004	38.2%		42.9%		43.1%	
Unknown	2	1.1%	1,047	1.9%		1.1%		2.0%	
Total	180		55,028						

Data not available

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

Neither FCSB nor DFS received any written complaints regarding FCSB's CRA performance since the last CRA evaluation.

Community Development Test: "Satisfactory"

FCSB's community development performance demonstrated reasonable responsiveness to the community development needs of its assessment area through its community development loans and investments, considering FCSB's capacity, financial condition, business strategy and the need and availability of such opportunities for community development in its assessment area.

During the evaluation period, FCSB originated \$29.7 million of community development loans. FCSB also made \$6.4 million in community development investments.

A more detailed description of FCSB’s community development activity follows:

Community Development Lending: “Outstanding”

FCSB originated \$29.7 million in new community development loans during the evaluation period. The annualized ratio of qualified community development loans to total assets was 1.02%, demonstrating an excellent level of community development lending over the course of the evaluation period.⁴

Of the total qualified community development loans, 66.7% were used for economic development; 23.7% for affordable housing and 9.6% for community services.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	4	7,040		
Economic Development	11	19,849		
Community Services	2	2,850		
Other (Revitalize & Stabilize)				
Total	17	29,739	0	0

Below are highlights of FCSB’s community development lending.

- FCSB extended \$19.8 million or 66.7% of total community development loans in the form of loans for taxi medallions. These loans facilitate transportation in the five boroughs of New York City and immediate neighboring suburbs and provide jobs to LMI individuals such as drivers and mechanics.
- FCSB extended \$7.04 million in four loans secured by multi-family rental properties, located in LMI census tracts in Bronx and New York counties. All or a majority of the apartment units have rents equal to or lower than their respective county’s fair market rent and are affordable for LMI individuals.

Community Development Investments: “Satisfactory”

During the evaluation period, FCSB made \$6.4 million in new community development investments, demonstrating a reasonable level of community development investments

⁴ For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit. However, the level of lending is reviewed across the time period of the exam.

over the course of the evaluation period. FCSB made a few grants⁵ ranging from \$100 to \$2,500 for various purposes totaling \$13,500.

- FCSB made a \$6 million equity investment in a Community Development Financial Institutions Fund, a certified community development entity meeting the SBA 7(a) program eligibility standard, which granted loans to thirteen small businesses located in Bronx, Kings and New York counties. The loans promote job creation, retention, and/or improvement in LMI areas or for LMI persons employed by small businesses. This single investment was 92.9% of FCSB's total qualified investments.
- FCSB made two investments in FNMA mortgage backed securities: One loan for \$105,000 out of six loans in the loan pool was given to a low income borrower, and \$338,000 representing 20% approved CRA credit of an "80/20" multi-family affordable housing project in New York County.

Community Development Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	2	\$ 443		
Economic Development	1	\$ 6,000		
Community Services				
Other (Please Specify)				
Total	3	\$ 6,443	0	0
	# of Grants	\$000	Not Applicable	
CD Grants				
Affordable Housing	1	\$ 0.25		
Economic Development	5	\$ 6.25		
Community Services	11	\$ 6.75		
Revitalize & Stabilize	1	\$ 0.25		
Total	18	13.50		

Community Development Services: "Needs to improve"

FCSB needs to improve the level of its community development services. There were only two instances of community development services. In both cases, FCSB's officers provided financial literacy education in public schools that serve LMI students.

⁵ Made in 2012 and 2013, based on the list provided by the Interim CRA Officer.

Responsiveness to Community Development Needs:

FCSB demonstrated a reasonable level of responsiveness to credit and community development needs, as manifested by the volume of community development loans and investments made for economic development and affordable housing.

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 reviews and approves the CRA Policy. FCSB also has a regulatory compliance and CRA committee consisting of board members that discuss CRA related matters. The CRA Officer/interim CRA Officer report to the board regarding FCSB's CRA performance such as status of CRA loans and investments, site visits and communication with non-profit organizations, and CRA proposed action plan.⁶

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.

DFS did not note any practices that were intended to discourage applications for the types of credit offered by FCSB.

- Evidence of prohibited discriminatory or other illegal credit practices.

DFS did not note any evidence of prohibited discriminatory or other illegal credit practices.

Record of opening and closing offices and providing services at offices

FCSB did not open or close any banking office since the prior evaluation. It has nine banking offices, eight in Queens County and one in Glen Cove, Nassau County which is also the location of its corporate headquarters.

All branches have ATMs accepting deposits and withdrawals. All nine branches offer weekend (Saturday/Sunday) banking. Two branches are located in LMI census tracts.

⁶ Evaluation of this section included board and committee meetings after June 30, 2013, but within the time period that this CRA evaluation was conducted.

Distribution of Branches within the Assessment Area							
County	N/A	Low	Moderate	Middle	Upper	Total	LMI
	#	#	#	#	#	#	%
Queens			1	4	3	8	13%
Nassau		1				1	100%
Total	-	1	1	4	3	9	22%

FCSB is also a member of the “All-Points” network of ATMs, enabling its customers to use ATMs in the network without paying an ATM surcharge. There are over 300 participating ATMs within FCSB’s assessment area.

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.

FCSB emails its known brokers within the assessment area to promote its lending products.

- 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

Marketing efforts are limited to brochures and leaflets of loan products in the branch lobby and emails sent to local brokers that they may use to advise potential customers of FCSB’s services.

Other factors that in the judgment of the Superintendent bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

DFS noted no other factors.

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

“Community development”:

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.

Community Development Loan

A loan that has 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 cleanup or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

Service that has community development as its *primary purpose*, 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.

Geography

A census tract delineated by the United States Bureau of the Census in the most recent decennial census

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 for borrowers is based on household or family income. 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 of \$1 million or less.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas where, according to the 2000 U.S. 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 cases 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 represents 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.

Low-Income Housing Tax Credit (LIHTC)

A dollar for dollar tax credit for affordable housing, created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low income Americans. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they provide a dollar for dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

New Markets Tax Credit (NMTC)

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (CDEs). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI).

Qualified Investment

A lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. 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.