



**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: *September 30, 2014*

Institution: Alpine Capital Bank
680 Fifth Ave, 7th Floor
New York, NY 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 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 Alpine Capital Bank (“Alpine”) 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 September 30, 2014.

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 Alpine Capital Bank ("Alpine") according to the small bank performance criteria pursuant to General Regulations of the Superintendent ("GRS") Part 76.12. The evaluation period included calendar years 2010, 2011, 2012, 2013 and the nine months ended September 30, 2014. DFS assigned Alpine a rating of "2," indicating a "Satisfactory" record of helping to meet community credit needs.

Since Alpine is primarily a commercial lender, small business lending was given greater weight in this evaluation. As a small bank, Alpine was not required to engage in community development activities for this evaluation. Nevertheless, Alpine made meaningful community development loans benefitting small businesses and LMI individuals which enhanced Alpine's overall CRA rating.

The rating was 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 and peer group activity. Alpine's average LTD ratio for the 19 quarters ended September 30, 2014, was 64.0%. This was below the peer group's average of 76.0% but still represented reasonable performance.

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

During the evaluation period Alpine originated 87.3% by number and 88.8% by dollar value of its loans within the assessment area. This substantial majority of lending inside of its assessment area was an excellent record of lending.

- **Distribution by Borrowers Characteristics:** "Needs to Improve"

The distribution of HMDA reportable loans in Alpine's assessment area based on borrower characteristics demonstrated a poor rate of lending to low- and moderate-income ("LMI") borrowers. However, loans to small businesses with revenues of less than or equal to \$1 million demonstrated a reasonable record of lending.

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

The distribution of loans in census tracts of varying income levels demonstrated a reasonable dispersion of loans in LMI geographies.

- **Action Taken in Response to Written Complaints with Respect to CRA:**

Since the prior CRA evaluation, as of December 31, 2009, neither Alpine nor DFS 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 Banking Law and GRS Part 76.

PERFORMANCE CONTEXT

Institution Profile

Alpine Capital Bank (“Alpine”) is a New York state-chartered, non-member bank that opened for business on March 1, 2000, and operates one office in midtown Manhattan at 680 Fifth Avenue. Alpine is a full-service commercial bank established to provide personalized service to its client base of high net-worth individuals, their families and businesses.

Alpine offers its clients easy access to an array of banking products and services, either online or through an executive-level service manager. Such banking products and services include checking accounts, savings accounts, wire transfers, bank checks and direct deposit. Lending services are also available, including commercial real estate loans, residential mortgage loans and personal loans.

Per the Consolidated Report of Condition (the “Call Report”) as of September 30, 2014, filed with the Federal Deposit Insurance Corporation (“FDIC”), Alpine Capital Bank reported total assets of \$231 million, of which \$142.3 million were net loans and lease finance receivables. It also reported total deposits of \$190.7 million, resulting in a loan-to-deposit ratio of 74.6%. According to the latest available comparative deposit data as of June 30, 2014, Alpine had a market share of 0.02%, or \$209.4 million in a market of \$918.6 billion, ranking it 62nd among 97 deposit-taking institutions in the assessment area. JP Morgan Chase, The Bank of New York Mellon and HSBC Bank USA, NA, collectively, control 65% of the market with \$597.3 billion in deposits and 366 offices in the assessment area.

The following is a summary of Alpine’s loan portfolio, based on Schedule RC-C of its year-end Call Reports from 2010 through 2013 and its Call Report from September 30, 2014.

TOTAL GROSS LOANS OUTSTANDING										
Loan Type	2010		2011		2012		2013		9/30/2014	
	\$000's	%								
1-4 Family Residential Mortgage Loans	39,682	30.4	35,704	27.3	27,603	23.4	25,571	17.9	19,715	13.4
Commercial & Industrial Loans	9,684	7.4	13,160	10.1	13,073	11.1	16,211	11.3	12,321	8.4
Commercial Mortgage Loans	43,683	33.5	46,786	35.8	39,212	33.3	54,438	38.0	52,136	35.3
Multifamily Mortgages	9,775	7.5	10,072	7.7	16,723	14.2	20,918	14.6	15,148	10.3
Consumer Loans	8,099	6.2	5,587	4.3	5,827	4.9	5,788	4.0	8,074	5.5
Construction Loans	10,113	7.8	8,502	6.5	5,221	4.4	10,664	7.5	34,645	23.5
Other Loans	9,409	7.2	11,041	8.4	10,226	8.7	9,501	6.6	5,453	3.7
Total Gross Loans	130,445		130,852		117,885		143,091		147,492	

As illustrated in the above table, the majority of Alpine’s loan portfolio during the evaluation period was made up of commercial loans. As of September 30, 2014, commercial lending represented 54.0% of Alpine’s gross loan portfolio, including

commercial mortgage loans (35.3%), multifamily mortgages (10.3%), and commercial & industrial loans (8.4%). Over the past five years, 1-4 family residential mortgage loans decreased significantly from 30.4% to 13.4% of total gross loans outstanding (as reported on the December 31, 2010 and September 30, 2014 Call Reports).

Alpine significantly increased its construction lending over the evaluation period from an average of 6.6% between 2010 and 2013 to 23.5% as of September 30, 2014. Discussions with management revealed Alpine's lending focus shifted to construction loans as Alpine found a niche that would both serve its community and afford it appropriate risk adjusted returns. At the time Alpine began its construction lending, few banks were participating in this market. This enabled Alpine to develop a reputation for its construction loan program, which it used to finance the construction of multifamily buildings and condominium buildings in Brooklyn to meet the demand for housing.

Alpine's office is located in an upper income census tract in New York County and has no ATMs. During the evaluation period, Alpine did not open or close any branches.

DFS examiners did not find evidence of financial or legal impediments that had an adverse impact on Alpine's ability to meet the credit needs of its community.

Assessment Area

Alpine's assessment area comprised Bronx, Kings, and New York counties.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	10	143	97	60	29	339	70.8
Kings	13	125	295	213	115	761	55.2
New York	12	44	61	25	146	288	36.5
Total	35	312	453	298	290	1,388	55.1

There are 1,388 census tracts in the area, of which 312 are low-income, 453 are moderate-income, 298 are middle-income, 290 are upper-income and 35 are tracts with no income indicated.

Demographic & Economic Data

Population and Income

The assessment area had a population of 5,475,681 during the evaluation period. About 12% of the population were over the age of 65 and 19.3% were under the age of sixteen.

Of the 1,192,102 families in the assessment area, 36.3% were low-income, 17.2% were moderate-income, 15.0% were middle-income, and 31.6% were upper-income families. There were 2,108,659 households in the assessment area, of which 20.7% had income below the poverty level, and 4.8% were on public assistance.

The weighted average median family income in the assessment area was \$63,910. Bronx County had the lowest median family income of \$42,639 followed by Kings County at \$54,363. New York County had the highest median family income of \$104,415.

Housing Characteristics

There were 2,335,160 housing units within the assessment area, of which 70.9% were multi-family units, and 29.0% were one-to-four family units.

A majority of the area's housing units were rental units at 67.2%, while 23.1% were owner-occupied.

Of the 1,569,639 renter-occupied housing units, 62.3% were in LMI census tracts, and 37.7% were in middle- and upper-income census tracts. The average rent in the assessment area was \$1,108. The Bronx had 84.8% renter-occupied units in LMI census tracts and Kings had 69.4%.

Of the 539,020 owner-occupied housing units, 31.9% were in LMI census tracts, and 68.2% were in middle- and upper-income census tracts. The median age of the housing stock was 72 years and the median home value in the assessment area was \$553,537.

Business Demographics

There were 417,500 non-farm businesses in the assessment area. Of these, 70.6% were businesses with reported revenues of less than or equal to \$1 million, 6.6% reported revenues of more than \$1 million and 22.8% did not report their revenues.

Of all the businesses in the assessment area, 78.2% were businesses with less than 50 employees, and 92.1% operated from a single location. The largest industries in the area were services (45.8%), retail trade (15.2%), and finance, insurance & real estate (10.0%), while 13.1% were not classified.

Unemployment Rates

According to the New York State Department of Labor, the unemployment rate for New York State in 2013 was 7.7%, a decrease of 10.5% (from 8.6%) in 2010.

Among the three counties, Bronx County had the highest unemployment rate each year during the evaluation period, while New York County had the lowest. The

average unemployment rates for Bronx and Kings counties consistently exceeded the statewide average, while New York County had the lowest unemployment rates and consistently were lower than the statewide rates.

Assessment Area Unemployment Rate				
	NY State	Bronx	Kings	New York
2010	8.60%	12.80%	10.30%	8.10%
2011	8.20%	12.40%	9.80%	7.50%
2012	8.50%	12.80%	10.00%	7.80%
2013	7.70%	11.80%	9.40%	7.20%
*2014	5.80%	9.50%	7.10%	5.30%
*As of November				

Community Information

In preparing CRA evaluations, DFS examiners contact community representatives to gain insight regarding the credit needs and economic conditions of the assessment area. A community contact interview was conducted with the executive director of a financial education and career counseling organization in New York City. The organization serves the five boroughs of New York City by assisting consumers, particularly in understanding and improving their ability to manage their financial affairs. The contact identified several communities that are in need of banking services for its low-income population, including the South Bronx, Queens, Brooklyn and the lower east side of Manhattan. The contact emphasized the need for financial literacy programs and credit counseling services throughout NYC's unbanked and underserved areas.

DFS conducted a second community contact with the president of a community development corporation in central Brooklyn. This nonprofit organization partners with residents and businesses to improve the quality of life and transform neighborhoods into safe places to live and work, by fostering economic self-sufficiency and enhancing family stability and growth. The community contact indicated the need for more affordable rental housing and stated that financial institutions should provide low cost products and services to the community.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

DFS evaluated Alpine under the small banking institution's performance standards in accordance with GRS Parts 76.7 and 76.12, which consists of the lending test. This 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 following factors also were 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; the institution's 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 New York Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

DFS derived the statistics employed in this evaluation 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 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. DFS based business demographic data used in this report on Dun & Bradstreet reports, which are updated annually. DFS obtained unemployment data from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and were used even where the institution's assessment area includes partial counties.

The assessment period included calendar years 2010 through 2013 plus the nine months ended September 30, 2014.

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

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

As a small banking institution, Alpine is not required to engage in community development

activities; however, Alpine made meaningful community development loans supporting the affordable housing, economic development, and revitalization and stabilization objectives of community development.

Small business lending analysis was given greater weight in this evaluation, since Alpine is primarily a commercial lender.

At its **prior** Performance Evaluation as of December 31, 2009, DFS assigned Alpine a rating of “2,” reflecting a “Satisfactory” record of helping to meet community credit needs.

Current CRA Rating: “Satisfactory”

Lending Test: “Satisfactory”

Alpine’s HMDA-reportable lending and small business activities were reasonable in light of its size and business strategy, aggregate and peer group activity, and the demographics of the assessment area.

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

Alpine’s average LTD ratio was reasonable considering its size, business strategy, financial condition, and peer group activity. During the evaluation period, consisting of 19 quarters, Alpine had an average LTD ratio of 64.0%, or 12.0% below the peer group’s average of 76.0%.

The table below shows Alpine’s LTD ratios in comparison with the peer group’s ratios for the 19 quarters since the prior evaluation.

Loan-to-Deposit Ratios																				
	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	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	Avg.
Bank	65.0	60.7	63.0	66.4	67.6	72.4	67.9	62.1	59.4	63.1	54.9	49.0	59.8	66.8	62.7	72.0	64.0	64.6	74.7	64.0
Peer	80.1	78.7	77.6	76.9	76.0	75.8	74.9	75.0	73.6	74.6	75.0	73.6	74.4	75.8	75.4	75.7	76.2	77.3	77.7	76.0

Assessment Area Concentration: “Outstanding”

Alpine originated 87.3% by number, and 88.8% by dollar value of its total HMDA-reportable and small business loans inside its assessment area. Alpine’s lending concentration overall reflected excellent responsiveness to the credit needs of its assessment area, particularly to the credit needs of small businesses.

HMDA-Reportable Loans:

Alpine originated 77.3% by number, and 86.4% by dollar value of its loans within the assessment area. However, in 2011, Alpine only originated 25.0% by number, and 37.0% by dollar value of its loans in the assessment area. Thus, Alpine's HMDA-reportable loans demonstrated a reasonable level of lending inside its assessment area.

Small Business Loans:

Alpine originated 92.7% by number, and 93.4% by dollar value of its loans within the assessment area. This substantial majority of lending inside of its assessment area is an excellent record of lending.

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										
2010	4	80.0%	1	20.0%	5	5,593	69.7%	2,430	30.3%	8,023
2011	1	25.0%	3	75.0%	4	1,436	37.0%	2,450	63.0%	3,886
2012	6	85.7%	1	14.3%	7	13,743	90.2%	1,500	9.8%	15,243
2013	4	100.0%	-	0.0%	4	13,140	100.0%	-	0.0%	13,140
2014*	2	100.0%	-	0.0%	2	6,730	100.0%	-	0.0%	6,730
Subtotal	17	77.3%	5	22.7%	22	40,642	86.4%	6,380	13.6%	47,022
Small Business										
2010	13	92.9%	1	7.1%	14	6,977	93.3%	500	6.7%	7,477
2011	8	100.0%	-	0.0%	8	4,788	100.0%	-	0.0%	4,788
2012	2	100.0%	-	0.0%	2	1,100	100.0%	-	0.0%	1,100
2013	9	100.0%	-	0.0%	9	6,248	100.0%	-	0.0%	6,248
2014*	6	75.0%	2	25.0%	8	3,490	76.2%	1,090	23.8%	4,580
Subtotal	38	92.7%	3	7.3%	41	22,603	93.4%	1,590	6.6%	24,193
Grand Total	55	87.3%	8	12.7%	63	63,245	88.8%	7,970	11.2%	71,215

*January 1 to September 30, 2014

Distribution by Borrower Characteristics: "Needs to Improve"

The distribution of loans based on borrower characteristics demonstrated a reasonable level of small business lending to businesses with revenues of \$1 million or less; however, Alpine made a total of nine HMDA-reportable loans during the evaluation period, none of which were to LMI borrowers. Alpine needs to improve its HMDA-reportable lending to LMI individuals.

HMDA-Reportable Loans:

Alpine's HMDA-reportable lending demonstrated a poor rate of lending among individuals of different income levels. Alpine made a total of nine HMDA-reportable loans during the

evaluation period, none of which were to LMI borrowers. Alpine's lending rate to LMI borrowers lags behind both the aggregate's lending rate and family demographics. Alpine has also shown a declining trend from the previous evaluation which were 4.3% in number of LMI borrowers and 0.3% in loan amount. These ratios compare unfavorably to the aggregate's lending ratios of 6.4% by loan number and 2.2% by loan value. Demographics of the assessment area indicate that 53.5% are LMI families. Overall, lending levels have continued to decrease during the evaluation period with an average of two loans each year. Of the nine loans made inside the assessment area during the evaluation period, four loans (44.4%) were made to borrowers for which borrower income was unknown.

According to Alpine's management, competition for residential mortgages in the bank's lending market was significant. Large and small banks, mortgage banks, and mortgage brokers are very active in offering long term fixed rate financing. In the current low interest rate environment, most borrowers seek such financing. Previously, Alpine originated and sold 15 and 30 year fixed rate mortgages to Wells Fargo Funding Corp. However, that relationship was terminated in May, 2012 due to Wells Fargo's purchase requirement of a 10 loan minimum per month. Because of the significant competition, Alpine was unable to generate that minimum. Accordingly, the bank's residential mortgage lending was limited to adjustable rate financing, which was significantly less in demand.

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

Distribution of 1-4 HMDA- Reportable Lending by Borrower Income									
2010									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low		0.0%		0.0%	385	1.1%	61,050	0.4%	35.8%
Moderate		0.0%		0.0%	1,906	5.3%	316,405	1.8%	16.8%
LMI		0.0%		0.0%	2,291	6.3%	377,455	2.2%	52.6%
Middle		0.0%		0.0%	5,201	14.4%	1,260,002	7.3%	15.7%
Upper	2	50.0%	1,793	32.1%	27,421	75.9%	14,817,288	85.8%	31.8%
Unknown	2	50.0%	3,800	67.9%	1,196	3.3%	818,198	4.7%	
Total	4		5,593		36,109		17,272,943		
2011									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low		0.0%		0.0%	438	1.2%	78,299	0.4%	35.8%
Moderate		0.0%		0.0%	1,868	5.1%	312,609	1.7%	16.8%
LMI		0.0%		0.0%	2,306	6.3%	390,908	2.1%	52.6%
Middle		0.0%		0.0%	5,130	14.1%	1,249,817	6.7%	15.7%
Upper		0.0%		0.0%	27,450	75.4%	15,718,585	84.4%	31.8%
Unknown		0.0%		0.0%	1,540	4.2%	1,255,683	6.7%	
Total					36,426		18,614,993		
2012									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low		0.0%		0.0%	572	1.4%	124,191	0.6%	34.3%
Moderate		0.0%		0.0%	1,927	4.6%	351,456	1.6%	17.0%
LMI		0.0%		0.0%	2,499	6.0%	475,647	2.2%	51.3%
Middle		0.0%		0.0%	5,547	13.3%	1,406,066	6.4%	15.3%
Upper	1	50.0%	2,000	72.5%	31,797	76.0%	18,280,953	83.0%	33.4%
Unknown	1	50.0%	760	27.5%	2,003	4.8%	1,871,727	8.5%	
Total	2		2,760		41,846		22,034,393		
2013									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low		0.0%		0.0%	580	1.4%	133,125	0.6%	34.3%
Moderate		0.0%		0.0%	1,995	4.9%	367,270	1.6%	17.0%
LMI		0.0%		0.0%	2,575	6.4%	500,395	2.2%	51.3%
Middle		0.0%		0.0%	5,168	12.8%	1,270,086	5.7%	15.3%
Upper	1	100.0%	700	100.0%	30,648	75.9%	18,521,667	82.9%	33.4%
Unknown		0.0%		0.0%	1,969	4.9%	2,050,754	9.2%	
Total	1		700		40,360		22,342,902		
2014 (through 3rd Quarter)									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low		0.0%		0.0%	468	1.8%	118,055	0.7%	36.3%
Moderate		0.0%		0.0%	1,462	5.5%	282,918	1.7%	17.2%
LMI		0.0%		0.0%	1,930	7.3%	400,973	2.4%	53.5%
Middle		0.0%		0.0%	3,576	13.5%	954,342	5.6%	15.0%
Upper	1	50.0%	1,000	14.9%	19,620	74.0%	13,666,673	80.2%	31.6%
Unknown	1	50.0%	5,730	85.1%	1,384	5.2%	2,009,971	11.8%	
Total	2		6,730		26,510		17,031,959		
GRAND TOTAL									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low		0.0%		0.0%	2,443	1.3%	514,720	0.5%	
Moderate		0.0%		0.0%	9,158	5.1%	1,630,658	1.7%	
LMI		0.0%		0.0%	11,601	6.4%	2,145,378	2.2%	
Middle		0.0%		0.0%	24,622	13.6%	6,140,313	6.3%	
Upper	5	55.6%	5,493	34.8%	136,936	75.6%	81,005,166	83.3%	
Unknown	4	44.4%	10,290	65.2%	8,092	4.5%	8,006,333	8.2%	
Total	9		15,783		181,251		97,297,190		

Small Business Loans:

Alpine originated 68.4% by number and 71.8% by dollar value of its total small business loans to businesses with revenues equal to or less than \$1 million. The distribution of small business loans based on the revenue size of the business demonstrated an excellent rate of lending among businesses with revenues of \$1 million or less.

Although the number of loans originated were relatively small, Alpine's lending ratios were significantly higher than the aggregate's average ratios of 36.9% by number and 27.4% by dollar value, and were comparable to the demographics of the assessment area, where approximately 70.6% of businesses had revenues of \$1 million or less.

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

Distribution of Small Business Lending by Revenue Size of Business									
2010									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	6	46.2%	3,210	46.0%	15,831	16.1%	551,702	20.9%	73.3%
Rev. > \$1MM	3	23.1%	1,475	21.1%					5.7%
Rev. Unknown	4	30.8%	2,292	32.9%					21.0%
Total	13		6,977		98,411		2,645,223		
2011									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	6	75.0%	3,388	70.8%	42,298	33.6%	833,558	25.5%	63.9%
Rev. > \$1MM	2	25.0%	1,400	29.2%					4.1%
Rev. Unknown		0.0%		0.0%					32.0%
Total	8		4,788		125,761		3,275,224		
2012									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	1	50.0%	700	63.6%	51,939	39.5%	956,643	27.0%	69.5%
Rev. > \$1MM	1	50.0%	400	36.4%					5.7%
Rev. Unknown		0.0%		0.0%					24.8%
Total	2		1,100		131,344		3,549,210		
2013									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	8	88.9%	5,848	93.6%	52,937	44.0%	1,093,069	29.4%	70.9%
Rev. > \$1MM	1	11.1%	400	6.4%					6.0%
Rev. Unknown		0.0%		0.0%					23.1%
Total	9		6,248		120,184		3,717,753		
2014									
Rev. Size	Bank (through 3rd Quarter)				Aggregate (whole year)				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	5	83.3%	3,090	88.5%	118,931	41.2%	2,494,573	29.5%	70.6%
Rev. > \$1MM	1	16.7%	400	11.5%					6.6%
Rev. Unknown		0.0%		0.0%					22.8%
Total	6		3,490		288,437		8,467,966		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	26	68.4%	16,236	71.8%	281,936	36.9%	5,929,545	27.4%	
Rev. > \$1MM	8	21.1%	4,075	18.0%					
Rev. Unknown	4	10.5%	2,292	10.1%			-		
Total	38		22,603		764,137		21,655,376		

Geographic Distribution of Loans: “Satisfactory”

The distribution of Alpine’s loans demonstrated reasonable rates of lending in census tracts of varying income levels.

HMDA-Reportable Loans:

The distribution of HMDA-reportable loans based on the income level of the geography demonstrated a poor rate of lending in LMI census tracts.

During the evaluation period, Alpine extended a total of 17 HMDA-reportable loans in its assessment area, of which two or 11.8% were extended in low-income census tracts and three or 17.6% were extended in moderate-income census tracts. Although Alpine did not originate loans in LMI census tracts in the years 2011 and 2014, its total lending in LMI census tracts during the evaluation period still exceeded peer aggregate levels by 5.6% and 7.5% for number of loans and dollar value, respectively.

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

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2010									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2,205	5.9%	1,101,535	5.4%	6.0%
Moderate	1	25.0%	493	8.8%	6,525	17.5%	2,736,661	13.4%	23.3%
LMI	1	25.0%	493	8.8%	8,730	23.4%	3,838,196	18.7%	29.3%
Middle	0	0.0%	0	0.0%	7,538	20.2%	3,073,892	15.0%	27.9%
Upper	3	75.0%	5,100	91.2%	20,890	56.0%	13,447,274	65.7%	42.8%
Unknown	0	0.0%	0	0.0%	123	0.3%	112,378	0.5%	
Total	4		5,593		37,281		20,471,740		
2011									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2,276	6.0%	1,693,874	7.1%	6.0%
Moderate	0	0.0%	0	0.0%	6,712	17.6%	3,864,477	16.1%	23.3%
LMI	0	0.0%	0	0.0%	8,988	23.6%	5,558,351	23.2%	29.3%
Middle	0	0.0%	0	0.0%	7,686	20.2%	3,221,469	13.5%	27.9%
Upper	1	100.0%	1,436	100.0%	21,234	55.8%	15,013,478	62.7%	42.8%
Unknown	0	0.0%	0	0.0%	138	0.4%	156,392	0.7%	
Total	1		1,436		38,046		23,949,690		
2012									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	16.7%	1,933	14.1%	2,348	5.3%	1,575,754	5.4%	6.0%
Moderate	0	0.0%	0	0.0%	6,629	15.0%	3,845,277	13.1%	22.0%
LMI	1	16.7%	1,933	14.1%	8,977	20.3%	5,421,031	18.5%	28.0%
Middle	1	16.7%	760	5.5%	8,097	18.3%	4,097,482	14.0%	28.2%
Upper	4	66.7%	11,050	80.4%	26,912	60.9%	19,489,537	66.6%	43.7%
Unknown	0	0.0%	0	0.0%	184	0.4%	255,709	0.9%	0.0%
Total	6		13,743		44,170		29,263,759		
2013									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	25.0%	2,710	20.6%	2,520	5.9%	1,928,620	6.4%	6.0%
Moderate	2	50.0%	6,990	53.2%	7,245	17.0%	4,549,919	15.0%	22.0%
LMI	3	75.0%	9,700	73.8%	9,765	22.9%	6,478,539	21.4%	28.0%
Middle	0	0.0%	0	0.0%	8,036	18.8%	4,118,299	13.6%	28.2%
Upper	1	25.0%	3,440	26.2%	24,826	58.1%	19,513,278	64.5%	43.7%
Unknown	0	0.0%	0	0.0%	92	0.2%	139,104	0.5%	0.0%
Total	4		13,140		42,719		30,249,220		
2014									
Geographic Income	Bank (through 3rd quarter)				Aggregate (whole year)				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2,363	8.3%	2,624,297	10.1%	7.2%
Moderate	0	0.0%	0	0.0%	6,550	22.9%	5,060,787	19.5%	24.6%
LMI	0	0.0%	0	0.0%	8,913	31.2%	7,685,084	29.6%	31.9%
Middle	0	0.0%	0	0.0%	5,752	20.1%	3,513,489	13.5%	27.2%
Upper	2	100.0%	6,730	100.0%	13,880	48.5%	14,662,733	56.5%	41.0%
Unknown	0	0.0%	0	0.0%	49	0.2%	83,287	0.3%	
Total	2		6,730		28,594		25,944,593		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	11.8%	4,643	11.4%	11,712	6.1%	8,924,080	6.9%	
Moderate	3	17.6%	7,483	18.4%	33,661	17.6%	20,057,121	15.4%	
LMI	5	29.4%	12,126	29.8%	45,373	23.8%	28,981,201	22.3%	
Middle	1	5.9%	760	1.9%	37,109	19.4%	18,024,631	13.9%	
Upper	11	64.7%	27,756	68.3%	107,742	56.5%	82,126,300	63.2%	
Unknown	0	0.0%	0	0.0%	586	0.3%	746,870	0.6%	
Total	17		40,642		190,810		129,879,002		

Small Business Loans:

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

Alpine originated 7.9% by number and 15.7% by dollar value of small business loans in low income census tracts and 31.6% by number and 22.3% by dollar value in moderate income census tracts and is considered adequate, particularly in light of the fact Alpine has no branches in low- and moderate-income census tracts. Business demographic data indicate that 35.3% of total non-farm businesses are located in LMI geographies. Despite not having lending activity in LMI geographies in 2012, Alpine outperformed the aggregate's overall rate of lending.

The following table provides a summary of 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									
2010									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	15.4%	2,000	28.7%	7,426	7.5%	206,750	7.8%	11.6%
Moderate	5	38.5%	2,222	31.8%	16,468	16.7%	385,972	14.6%	20.7%
LMI	7	53.8%	4,222	60.5%	23,894	24.3%	592,722	22.4%	32.3%
Middle	1	7.7%	300	4.3%	15,164	15.4%	363,055	13.7%	15.3%
Upper	4	30.8%	1,455	20.9%	57,860	58.8%	1,622,396	61.3%	51.0%
Unknown	1	7.7%	1,000	14.3%	1,493	1.5%	68,050	2.6%	1.5%
Total	13		6,977		98,411		2,646,223		
2011									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	12.5%	1,000	20.9%	10,776	8.6%	237,449	7.2%	11.9%
Moderate	1	12.5%	550	11.5%	23,318	18.5%	500,766	15.3%	22.2%
LMI	2	25.0%	1,550	32.4%	34,094	27.1%	738,215	22.5%	34.1%
Middle	2	25.0%	850	17.8%	20,489	16.3%	470,964	14.4%	16.0%
Upper	4	50.0%	2,388	49.9%	69,359	55.2%	1,998,754	61.0%	48.2%
Unknown	0	0.0%	0	0.0%	1,819	1.4%	67,291	2.1%	1.6%
Total	8		4,788		125,761		3,275,224		
2012									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	12,027	9.2%	330,626	9.3%	11.7%
Moderate	0	0.0%	0	0.0%	22,829	17.4%	523,131	14.7%	21.1%
LMI	0	0.0%	0	0.0%	34,856	26.5%	853,757	24.1%	32.8%
Middle	0	0.0%	0	0.0%	20,704	15.8%	494,439	13.9%	15.5%
Upper	2	100.0%	1,100	100.0%	69,695	53.1%	1,948,973	54.9%	47.6%
Unknown	0	0.0%	0	0.0%	6,089	4.6%	252,041	7.1%	4.2%
Total	2		1,100		131,344		3,549,210		
2013									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	12,540	10.4%	342,038	9.2%	11.5%
Moderate	2	22.2%	1,492	23.9%	22,256	18.5%	590,652	15.9%	20.9%
LMI	2	22.2%	1,492	23.9%	34,796	29.0%	932,690	25.1%	32.4%
Middle	2	22.2%	1,425	22.8%	19,355	16.1%	514,216	13.8%	15.3%
Upper	5	55.6%	3,331	53.3%	60,582	50.4%	2,015,772	54.2%	48.2%
Unknown	0	0.0%	0	0.0%	5,451	4.5%	255,075	6.9%	4.2%
Total	9		6,248		120,184		3,717,753		
2014									
Geographic Income	Bank (through 3rd quarter)				Aggregate (whole year)				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	21,151	7.3%	531,863	6.3%	13.5%
Moderate	4	66.7%	2,790	79.9%	53,033	18.4%	1,460,634	17.2%	21.9%
LMI	4	66.7%	2,790	79.9%	74,184	25.7%	1,992,497	23.5%	35.3%
Middle	0	0.0%	0	0.0%	92,340	32.0%	2,661,568	31.4%	14.2%
Upper	2	33.3%	700	20.1%	115,851	40.2%	3,527,600	41.7%	46.6%
Unknown	0	0.0%	0	0.0%	6,062	2.1%	286,301	3.4%	4.0%
Total	6		3,490		288,437		8,467,966		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	7.9%	3,000	13.3%	63,920	8.4%	1,648,726	7.6%	
Moderate	12	31.6%	7,054	31.2%	137,904	18.0%	3,461,155	16.0%	
LMI	15	39.5%	10,054	44.5%	201,824	26.4%	5,109,881	23.6%	
Middle	5	13.2%	2,575	11.4%	168,052	22.0%	4,504,242	20.8%	
Upper	17	44.7%	8,974	39.7%	373,347	48.9%	11,113,495	51.3%	
Unknown	1	2.6%	1,000	4.4%	20,914	2.7%	928,758	4.3%	
Total	38		22,603		764,137		21,656,376		

Community Development Activity:

Since DFS evaluated Alpine under the small bank performance standard the bank was not required to have its community development activities evaluated during the CRA evaluation. Nevertheless, Alpine engaged in meaningful community development lending.

Alpine's community development lending supported the economic development, affordable housing, and revitalization and stabilization objectives of community development. The following are highlights of Alpine's community development activities:

- Alpine originated a \$3 million commercial real estate loan in a New York State Empire Zone, an area designated by New York State for economic development and assistance.
- Alpine continued to provide an unsecured revolving line of credit in the amount of \$197,000 to a privately owned financial institution that provides small business loans to those that are not eligible for traditional financing and to minority and women-owned businesses.
- An \$8 million term loan was extended to fund a construction project in the Bedford-Stuyvesant section of Brooklyn. Upon completion, the property would create and maintain jobs for LMI individuals in the community.
- Two construction loans in the amounts of \$724,500 and \$440,000 were originated to private minority entities for the construction of affordable housing units in low-income census tracts in East Harlem in New York County and Bedford Stuyvesant in Kings County.
- Alpine extended an \$18,000 standby letter of credit to a business in a moderate-income census tract in Suffolk County. The letter of credit guaranteed the costs associated with the construction of a modified subsurface sewage disposal system. The facility is located in New York State but outside of Alpine's assessment area.
- Alpine contributed \$6,182 to the Federal Home Loan Bank of New York ("FHLBNY") to help the Affordable Housing Program ("AHP"). Each year the FHLBNY sets aside 10% of its earnings to support the creation and preservation of housing for lower income families and individuals through its AHP. The FHLBNY also offers various community lending programs and the First Home Club, a grant program for first-time homebuyers.

Action Taken In Response to Written Complaints with Respect to CRA: “Satisfactory”

Neither Alpine nor DFS received any written complaints related to its CRA performance since the last CRA evaluation.

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 oversees Alpine’s compliance with policies regarding CRA. The board monitors Alpine’s CRA performance through the review of self-assessments and internal audits which are done at least on an annual basis. The CRA officer is responsible for the ongoing administration of the CRA policy and meets with senior officers to periodically review and discuss Alpine’s CRA activities.

Discrimination and other illegal practices

DFS examiners did not note evidence of practices by Alpine intended to discourage applications for the types of credit offered by Alpine.

DFS examiners did not note evidence of prohibited, discriminatory or other illegal practices.

Record of opening and closing offices and providing services at offices

No branches or ATM’S were opened or closed during the evaluation period.

Distribution of Branches within the Assessment Area							
County	N/A	Low	Moderate	Middle	Upper	Total	LMI
	#	#	#	#	#	#	%
Bronx	-	-	-	-	-	-	-
Kings	-	-	-	-	-	-	-
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

Alpine's directors meet with community groups, businessmen, real estate groups, and local officials in its assessment area. These meetings help to uncover information regarding the community, proposed projects, and areas of need. Alpine is making efforts to improve the quality of life in the community through various ways. Such efforts include memberships in the Federal Home Loan Bank of New York and the 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 has engaged in very little marketing regarding its products and services. New clients come mostly from word of mouth, a network of mortgage brokers, and meetings that occur from the ordinary course of business.

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 clean up 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.