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, 2018

Institution: New York Community Bank
615 Merrick Ave
Westbury, NY 11590

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 New York Community Bank ("NYCB") 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, 2018.

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 ("GRS") 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 institutions' 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 NYCB according to the large banking institution performance criteria pursuant to Sections 76.7, 76.8, 76.9, and 76.10 of the GRS. The evaluation period included calendar years 2014, 2015, 2016, and 2017 for lending activities and January 1, 2014 through June 30, 2018 for qualified investments, community development loans and services. NYCB is rated "1," indicating an "**Outstanding"** record of helping to meet community credit needs within regulatory standards.

This rating is based on the following factors:

LENDING TEST: "Outstanding"

NYCB's small business, HMDA-reportable and multifamily Modification, Extension and Consolidation Agreement ("MECA") activities were excellent considering NYCB's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area.

Lending Activity: "Outstanding"

NYCB's lending levels were excellent considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

NYCB's average LTD ratio for the evaluation period was 132.4% similar to its prior evaluation period average of 132.6% and well above its peer group's average ratio of 93.5%. NYCB originated 4,312 multifamily MECAs, small business and HMDA reportable loans totaling $17.6 billion during the evaluation period.

Assessment Area Concentration: "Outstanding"

During the evaluation period, NYCB originated 96.2% by number and 98.5% by dollar value of its total MECA multifamily, small business and HMDA-reportable loans within the assessment area. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

Geographic Distribution of Loans: "High Satisfactory"

NYCB's origination of loans in census tracts of varying income levels demonstrated a more than reasonable distribution of lending.

This rating reflects the greater weight given to NYCB's multifamily MECA loans, which represented 90.5% by dollar value and 52.9% by number of all loans originated in the Bank's assessment area.

Distribution by Borrower Characteristics: "High Satisfactory"

NYCB's HMDA-reportable and small business lending demonstrated a more than reasonable distribution of loans among individuals of different income levels and businesses of different revenue sizes.

The evaluation of borrower characteristics was based on NYCB's 1-4 family HMDA-reportable and small business lending only, with greater weight given to 1-4 family HMDA lending. Multifamily MECAs were not evaluated for this criterion as repayment of multifamily loans rely on rental income and the borrower income is not required to be reported for HMDA.

Community Development Lending: "Outstanding"

During the evaluation period, NYCB originated $7.2 billion in new community development loans and had $994.3 million in such loans outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period. Nevertheless, five community development loans submitted for CRA credit, totaling $31.6 million, were disqualified pursuant to the Department's "Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act, issued December 4, 2014.

NYCB community development loans for affordable housing made up 51% of NYCB's total community development loans for the evaluation period, while loans for revitalization, stabilization and community service made up 46% and 3%, respectively.

INVESTMENT TEST: "High Satisfactory"

During the evaluation period, NYCB made $119.4 million in new community development investments and had $17.7 million in such investments outstanding from prior evaluation periods. In addition, NYCB made $20.3 million in community development grants. This demonstrated a more than reasonable level of qualified investments over the course of the evaluation period.

Innovativeness of Community Development Investments

NYCB did not make substantial use of innovative investments to support community development during the evaluation period, but did invest in a housing tax credit fund to support affordable housing.

Responsiveness of Community Development Investments to Credit and Community Development Needs

NYCB's community development investments exhibited more than reasonable responsiveness to the assessment area credit and community development needs. The Bank's qualified investments consisted of mortgage-backed securities, municipal bonds, and tax credit incentives supporting primarily affordable housing projects.

<u>SERVICE TEST</u>: “High Satisfactory”

<u>Retail Banking Services</u>: “High Satisfactory”

NYCB has a more than reasonable branch network, delivery systems, branch hours and services, and alternative delivery systems.

<u>Community Development Services</u>: “Outstanding”

NYCB continues to provide an excellent level of community development services.

The Bank’s board members, senior management and employees shared their financial expertise by serving on the boards and committees of various local community, nonprofit and business organizations. In addition, NYCB employees participated in a significant number of financial homebuyer and financial literacy education seminars each year of the evaluation period.

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

PERFORMANCE CONTEXT

Institution Profile

NYCB is a New York State-chartered (April 14, 11859) savings bank headquartered in Westbury, NY. NYCB operates through four divisions in New York (Queens County Savings Bank, Roslyn Savings Bank, Richmond County Savings Bank, and Roosevelt Savings Bank) and three divisions outside of New York (Garden State Community Bank in New Jersey, Ohio Savings Bank in Ohio, and AM Trust Bank in Florida and Arizona). NYCB is one of two wholly-owned subsidiaries of New York Community Bancorp; the other subsidiary is New York Commercial Bank.

As of the evaluation date, NYCB operated over 200 branches, including 111 branches in New York and additional branches in New Jersey, Arizona, Florida, and Ohio.

The Bank offers a variety of deposit products, including checking, savings, money market accounts, and certificates of deposit, both for personal and business customers. Loan products include commercial real estate and commercial and industrial loans. NYCB's primary focus is multifamily lending with an emphasis on non-luxury buildings offering apartments below the fair market rent ("FMR") established by the U.S. Department of Housing and Urban Development ("HUD"). Banking services offered include internet, mobile, and telephone banking, as well as bill payment, automatic clearing house origination, and cash management.

In its Consolidated Report of Condition (the "Call Report") as of December 31, 2017, filed with the Federal Deposit Insurance Corporation ("FDIC"), NYCB reported total assets of $45.5 billion, of which $35.8 billion were net loans and lease financing receivables. It also reported total deposits of $26.4 billion, resulting in a LTD ratio of 135.2%. According to the latest available comparative deposit data as of June 30, 2017, NYCB had a market share of 1.03%, or $15.7 billion in a market of $1.5 trillion, ranking it 14th among 129 deposit-taking institutions in the Bank's assessment area.

The following is a summary of the Bank's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2014, 2015, 2016, and 2017 Call Reports.

TOTAL GROSS LOANS OUTSTANDING								
	12/31/2014		12/31/2015		12/31/2016		12/31/2017	
Loan Type	$000's	%	$000's	%	$000's	%	$000's	%
1-4 Family Residential Mortgage Loans	2,767,594	8.4	2,540,222	7.2	2,483,268	6.7	504,431	1.4
Commercial & Industrial Loans	594,540	1.8	636,009	1.8	835,134	2.3	962,330	2.6
Commercial Mortgage Loans	7,025,087	21.4	7,323,361	20.7	7,190,319	19.5	6,805,089	18.5
Multifamily Mortgages	22,022,963	67.0	24,142,691	68.3	25,278,307	68.7	26,553,994	72.1
Consumer Loans	12,747	0.0	3,107	0.0	2,835	0.0	2,438	0.0
Construction Loans	250,196	0.8	305,214	0.9	373,743	1.0	422,245	1.1
Other Loans	9,085	0.0	10,799	0.0	86,122	0.2	1,153	0.0
Lease financing	211,425	0.6	369,464	1.0	568,647	1.5	673,005	1.8
Total Gross Loans	32,893,637		35,330,867		36,818,375		35,924,685	

As illustrated in the above table, NYCB is primarily a commercial lender with multifamily (72.1%) and commercial mortgage (18.5%) loans making up 90.6% of the total gross loan portfolio as of December 31, 2017. While the Bank’s multifamily and commercial mortgage loan portfolios remained relatively stable since the prior evaluation period, residential mortgage loans declined to $504,431 (1.4%) from $3.6 million (11.8%). The Bank sold its residential mortgage lending business in September 2017.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on NYCB’s ability to meet the credit needs of its community.

Assessment Area

The Bank’s assessment area (New York) is comprised of Kings, Queens, New York, Bronx, Richmond, Westchester, Rockland, Nassau, and Suffolk counties in their entireties. There are 3,062 census tracts in the assessment area, of which 371 are low-income, 746 are moderate-income, 1,034 are middle-income, 830 are upper-income, and 81 tracts have no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	7	160	90	56	26	339	73.7
Kings	14	115	280	211	141	761	51.9
Nassau	9	7	28	159	81	284	12.3
New York	15	44	51	20	158	288	33.0
Queens	27	24	176	308	134	669	29.9
Richmond	3	4	11	36	56	110	13.6
Rockland	0	4	10	7	44	65	21.5
Westchester	5	7	32	45	134	223	17.5
Suffolk	1	6	68	192	56	323	22.9
Total	81	371	746	1,034	830	3,062	36.5

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

<u>Demographic & Economic Data</u>

The assessment area had a population of 12,570,731 during the examination period. About 13.6% of the population were over the age of 65 and 19.4% were under the age of 16.

Of the 2,883,153 families in the assessment area, 27.9% were low-income, 16.1% were moderate-income, 17.1% were middle-income, and 39% were upper-income. There were 4,448,696 households in the assessment area, of which 15.8% had income below the poverty level and 3.5% were on public assistance.

The weighted average median family income in the assessment area was $85,819.

There were 4,934,149 housing units within the assessment area, of which 52.9% were one-to-four family units, and 46.8% were multifamily units. A majority (50.1%) of the area's housing units were rental units, while 40.9% were owner-occupied. Of the 2,015,819 owner-occupied housing units, 18.3% were in LMI census tracts, while 81.5% 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 $516,460.

There were 845,267 non-farm businesses in the assessment area. Of these, 86.3% were businesses with reported revenues of less than or equal to $1 million, 6.9% reported revenues of more than $1 million, and 6.8% did not report their revenues. Of all the businesses in the assessment area, 97.1% had less than fifty employees, while 91.5% operated from a single location. The largest industries in the area were services (48%), retail (14.8%), and finance, insurance & real estate (9.1%); 8.4% of businesses in the assessment area were not classified.

New York State Department of Labor data indicates that the average unemployment rates for New York State as a whole and for the counties within the Bank's assessment area have steadily declined during the evaluation period, indicating steady growth in the economy. Bronx County's unemployment rate has consistently been higher than all other counties in the assessment area and the statewide rate.

Assessment Area Unemployment Rate					
	Statewide	Kings	Queens	New York	Bronx
2014	6.3%	7.6%	6.4%	6.1%	9.8%
2015	5.3%	5.9%	5.0%	4.9%	7.8%
2016	4.8%	5.3%	4.5%	4.5%	7.1%
2017	4.7%	4.6%	4.0%	4.0%	6.2%
	Richmond	Westchester	Rockland	Suffolk	Nassau
2014	7.4%	5.1%	5.2%	5.4%	4.8%
2015	5.8%	4.5%	4.5%	4.7%	4.2%
2016	5.2%	4.3%	4.2%	4.4%	3.9%
2017	4.6%	4.6%	4.4%	4.5%	4.1%

Community Information

Examiners conducted two community contact interviews with organizations that serve Nassau and Suffolk counties.

The first interview was conducted with the president and chief executive officer of several local charitable organizations. The focus of these organizations is to assist LMI individuals, small businesses, and minority-owned small businesses. The contact has been involved with these organizations for over 20 years and noted that in recent years, despite the growing economy, LMI neighborhoods have expanded in size and number in Nassau and Suffolk counties.

The second interview was with the director of a women-owned small business organization. The organization focuses on empowering women and connecting them to services that assist them in starting and maintaining a small business. Services include sources of funding, assistance in completing applications for funding, financial education, and networking.

Both contacts noted that the primary credit need of their customers are micro and small business loans. Both indicated banks have performed poorly in providing these types of loans, which are especially needed to spur job growth and entrepreneurial opportunities in underserved neighborhoods. The contacts also noted the lack of branches in LMI neighborhoods as a concern.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated NYCB under the large banking institution performance standards in accordance with Sections 76.7, 76.8, 76.9, and 76.10 of the GRS, which consist of the lending, investment, and service tests. The Department also considered the following factors in assessing the Bank's record of performance:

1. *The 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.*

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 NYCB helps to meet the credit needs of its entire community.

DFS derived statistics employed in this evaluation from various sources. NYCB submitted bank-specific information 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 obtained LTD ratios from the Bank's Uniform Bank Performance Report, compiled by the FFIEC from Call Report data.

DFS sourced the demographic data referred to in this report from the 2010 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet update annually, and obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2014, 2015, 2016, and 2017 for lending activities and January 1, 2014 through June 30, 2018 for community development loans, qualified investments, and community development services.

Examiners considered NYCB's HMDA-reportable, MECA, and small business loans in evaluating factors (2), (3), and (4) of the lending test. Examiners gave greater weight to NYCB's MECA loans, as these loans constituted 90.5% by dollar value of total loans NYCB originated in the assessment area during the evaluation period.

NYCB also submitted investments and grants made through its affiliates the New York Community Bank Foundation and the Richmond County Savings Foundation to be considered in the investment test.

At its **prior** Performance Evaluation, as of December 31, 2013, DFS assigned NYCB a rating of "1," reflecting an "Outstanding" record of helping to meet the credit needs of

NYCB's communities.

Current CRA Rating: "Outstanding"

<u>LENDING TEST</u>: "Outstanding"

The bank's lending performance was evaluated pursuant to the following criteria:
(1) Lending Activity;
(2) Assessment Area Concentration;
(3) Geographic Distribution of Loans;
(4) Borrower Characteristics;
(5) Community Development Lending; and
(6) Flexible and/or Innovative Lending Practices.

NYCB's small business, HMDA-reportable, and multifamily MECA activities were excellent in light of NYCB's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of the assessment area.

Lending Activity: "Outstanding"

NYCB's lending levels were excellent considering its size, peer group activity, business strategy, and financial condition.

During the evaluation period, NYCB originated 4,312 multifamily MECA, small business, and HMDA reportable loans totaling $17.6 billion within its assessment area. NYCB is primarily a multifamily lender and is one of the largest multifamily lenders within its assessment area. NYCB originated 2,281 multifamily MECA loans for a total of $15.8 billion, representing 53% and 90.5%, respectively, of all loans by number and dollar value NYCB originated within the assessment area during the evaluation period. Small business loans represented less than 1% of NYCB's total loans by dollar value.

NYCB's average LTD ratio during the 12-quarter evaluation period was 132.4%, similar to its prior evaluation period average of 132.6% and well above its peer group's average ratio of 93.5%. NYCB's quarterly average LTD ratios never declined below 126% during the evaluation period.

Loan-to-Deposit Ratios

	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	Avg.
Bank	129.4	130.5	127.2	126.5	123.8	126.8	130.2	135.0	133.5	136.3	137.8	138.2	137.8	138.3	132.6	135.4	**132.4**
Peer	87.6	90.1	91.5	92.9	92.4	93.9	94.3	95.3	94.1	95.6	94.4	94.4	93.6	94.9	95.8	95.5	**93.5**

Assessment Area Concentration: "Outstanding"

During the evaluation period, NYCB originated 96.2% by number and 98.5% by dollar value of its total MECA, small business, and HMDA-reportable loans within its assessment area. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

Multifamily MECA

NYCB originated 99.3% both by number and dollar value of its multifamily MECA's within its assessment area during the evaluation period. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

HMDA-Reportable Loans

During the evaluation period, NYCB originated 92% by number and 90.9% by dollar value of its HMDA-reportable loans within its assessment area. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

In 2017, NYCB's volume of HMDA-reportable loans declined by more than 50% as compared to the prior years in the evaluation period because of NYCB's sale of its residential lending business.

Small Business Loans

NYCB originated 99.6% by number and 99.2% by dollar value of its small business loans within its assessment area during the evaluation period. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

The following table shows the percentages of NYCB's HMDA-reportable and small business loans and multifamily MECA's 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										
2014	494	92.2%	42	7.8%	536	642,530	98.2%	11,677	1.8%	654,207
2015	480	89.1%	59	10.9%	539	365,422	92.5%	29,788	7.5%	395,210
2016	563	93.7%	38	6.3%	601	457,737	80.7%	109,535	19.3%	567,272
2017	221	94.0%	14	6.0%	235	75,582	94.7%	4,226	5.3%	79,808
Subtotal	1,758	92.0%	153	8.0%	1,911	1,541,271	90.9%	155,226	9.1%	1,696,497
Multifamily MECA										
2014	675	99.6%	3	0.4%	678	4,599,162	99.6%	20,310	0.4%	4,619,472
2015	749	99.2%	6	0.8%	755	5,442,103	99.0%	52,840	1.0%	5,494,943
2016	371	98.7%	5	1.3%	376	2,765,593	98.8%	32,825	1.2%	2,798,418
2017	486	99.8%	1	0.2%	487	3,080,806	99.9%	2,050	0.1%	3,082,856
Subtotal	2,281	99.3%	15	0.7%	2,296	15,887,664	99.3%	108,025	0.7%	15,995,689
Small Business										
2014	63	98.4%	1	1.6%	64	26,561	96.4%	1,000	3.6%	27,561
2015	48	100.0%	0	0.0%	48	19,479	100.0%	0	0.0%	19,479
2016	85	100.0%	0	0.0%	85	42,184	100.0%	0	0.0%	42,184
2017	77	100.0%	0	0.0%	77	32,369	100.0%	0	0.0%	32,369
Subtotal	273	99.6%	1	0.4%	274	120,593	99.2%	1,000	0.8%	121,593
Grand Total	4,312	96.2%	169	3.8%	4,481	17,549,528	98.5%	264,251	1.5%	17,813,779

Geographic Distribution of Loans: "High Satisfactory"

NYCB's origination of loans in census tracts of varying income levels demonstrated a more than reasonable distribution of lending.

This rating reflects the greater weight given to NYCB's multifamily MECA loans, which represented 90.5% by dollar value and 52.9% by number of all loans originated in the Bank's assessment area.

Multifamily MECA Loans

The distribution of NYCB's multifamily MECA loans by the income level of the geography was more than reasonable.

During the evaluation period, NYCB made 63.8% by number and 56% by dollar value of its multifamily MECA loans in LMI census tracts. The Bank's rates of multifamily MECA lending by number and dollar value exceeded the percentage (48.2% to 50.3%) of multifamily housing units located in LMI geographies.

NYCB made 24.1% by number and 21.5% by dollar value of its MECA loans in low-income census tracts and 39.7% and 34.5%, respectively, in moderate-income tracts.

The following table provides a summary of the distribution of NYCB's multifamily MECA lending by the income level of the geography where the property was located.

Distribution of Multifamily MECA loans by Geographic Income of Census Tract						
2014						
Geographic	Bank				OO HUs	Multifamily HUs
Income	#	%	$000's	%	%	%
Low	106	15.7%	905,923	19.7%	2.6%	20.2%
Moderate	277	41.0%	1,512,293	32.9%	16.1%	30.1%
LMI	383	56.7%	2,418,216	52.6%	18.7%	50.3%
Middle	129	19.1%	899,610	19.6%	43.6%	19.6%
Upper	163	24.1%	1,281,336	27.9%	37.7%	30.1%
Unknown	0	0.0%	0	0.0%	0.0%	0.0%
Total	**675**	**100%**	**4,599,162**	**100%**	**100%**	**100%**
2015						
Geographic	Bank				OO HUs	Multifamily HUs
Income	#	%	$000's	%	%	%
Low	183	24.4%	1,009,919	18.6%	2.6%	20.2%
Moderate	307	41.0%	2,111,748	38.8%	16.1%	30.1%
LMI	490	65.4%	3,121,667	57.4%	18.7%	50.3%
Middle	112	15.0%	823,980	15.1%	43.6%	19.6%
Upper	147	19.6%	1,496,456	27.5%	37.7%	30.1%
Unknown	0	%	0	0.0%	0.0%	0.0%
Total	**749**	**100%**	**5,442,103**	**100%**	**100%**	**100%**
2016						
Geographic	Bank				OO HUs	Multifamily HUs
Income	#	%		%	%	%
Low	131	35.3%	779,227	28.2%	2.6%	20.2%
Moderate	132	35.6%	666,047	24.1%	16.1%	30.1%
LMI	263	70.9%	1,445,274	52.3%	18.7%	50.3%
Middle	52	14.0%	382,850	13.8%	43.6%	19.6%
Upper	56	15.1%	937,469	33.9%	37.7%	30.1%
Unknown	0	0.0%	0	0.0%	0.0%	0.0%
Total	**371**	**100%**	**2,765,593**	**100%**	**100%**	**100%**
2017						
Geographic	Bank				OO HUs	Multifamily HUs
Income	#	%	$000's	%	%	%
Low	129	26.5%	718,768	23.3%	2.9%	22.1%
Moderate	190	39.1%	1,197,963	38.9%	15.5%	26.1%
LMI	319	65.6%	1,916,731	62.2%	18.3%	48.2%
Middle	57	11.7%	365,076	11.9%	41.4%	18.4%
Upper	107	22.0%	772,269	25.1%	40.2%	33.1%
Unknown	3	0.6%	26,730	0.9%	0.0%	0.4%
Total	**486**	**100.0%**	**3,080,806**	**100%**	**100%**	**100%**
GRAND TOTAL						
Geographic	Bank				OO HUs	Multifamily HUs
Income	#	%	$000's	%	%	%
Low	549	24.1%	3,413,837	21.5%		
Moderate	906	39.7%	5,488,051	34.5%		
LMI	1,455	63.8%	8,901,888	56.0%		
Middle	350	15.3%	2,471,516	15.6%		
Upper	473	20.7%	4,487,530	28.2%		
Unknown	3	0.1%	26,730	0.2%		
Total	**2,281**	**100%**	**15,887,664**	**100%**		

HMDA-Reportable Loans

The distribution of NYCB's HMDA-reportable loans by the income level of the geography was excellent.

NYCB average rates of HMDA-reportable lending in LMI geographies of 23.9% by number and 40.7% by dollar value of loans for the evaluation period exceeded the aggregate's rates of 17.9% and 21.3%, respectively.

NYCB's annual rates of lending in LMI geographies outperformed the aggregate's rates in 2014, 2015, and 2016 by both number and dollar value of loans. In 2017, the Bank outperformed the aggregate's rate of lending by number of loans, but trailed the aggregate's rate by dollar value of loans.

During the evaluation period, NYCB's lending rates in LMI geographies also consistently exceeded the percent of owner-occupied housing in LMI geographies. By contrast, the aggregate's lending rates in LMI geographies were similar to the percent of owner-occupied housing units in each year of the evaluation period.

The following table provides a summary of the distribution of NYCB's HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2014									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	$000's	%	#	%	$000's	%	%
Low	22	4.5%	62,770	9.8%	2,888	3.1%	2,782,667	5.5%	2.6%
Moderate	81	16.4%	205,282	31.9%	14,555	15.7%	7,899,252	15.6%	16.1%
LMI	103	20.9%	268,052	41.7%	17,443	18.8%	10,681,919	21.0%	18.7%
Middle	204	41.3%	207,051	32.2%	37,593	40.6%	14,645,839	28.9%	43.6%
Upper	187	37.9%	167,427	26.1%	37,576	40.5%	25,341,272	49.9%	37.7%
Unknown	0	0.0%	0	0.0%	81	0.1%	92,233	0.2%	0.0%
Total	**494**		**642,530**		**92,693**		**50,761,263**		
2015									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	$000's	%	#	%	$000's	%	%
Low	23	4.8%	25,306	6.9%	3,340	3.0%	2,936,935	4.7%	2.6%
Moderate	102	21.3%	112,796	30.9%	16,932	15.3%	9,564,264	15.4%	16.1%
LMI	125	26.0%	138,102	37.8%	20,272	18.3%	12,501,199	20.1%	18.7%
Middle	185	38.5%	85,092	23.3%	45,836	41.4%	18,719,329	30.1%	43.6%
Upper	170	35.4%	142,228	38.9%	44,499	40.2%	30,839,439	49.7%	37.7%
Unknown	0	0.0%	0	0.0%	43	0.0%	41,517	0.1%	0.0%
Total	**480**		**365,422**		**110,650**		**62,101,484**		
2016									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	$000's	%	#	%	$000's	%	%
Low	44	7.8%	72,521	15.8%	3,672	3.1%	3,335,318	4.9%	2.6%
Moderate	102	18.1%	137,747	30.1%	18,616	15.5%	10,733,705	15.8%	16.1%
LMI	146	25.9%	210,268	45.9%	22,288	18.5%	14,069,023	20.7%	18.7%
Middle	239	42.5%	112,666	24.6%	50,785	42.2%	20,817,129	30.6%	43.6%
Upper	178	31.6%	134,803	29.4%	47,182	39.2%	33,179,307	48.7%	37.7%
Unknown	0	0.0%	0	0.0%	40	0.0%	59,624	0.1%	0.0%
Total	**563**		**457,737**		**120,295**		**68,125,083**		
2017									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	$000's	%	#	%	$000's	%	%
Low	9	4.1%	2,064	2.7%	4,244	3.6%	3,814,270	5.5%	2.9%
Moderate	37	16.7%	9,438	12.5%	18,235	15.4%	12,290,626	17.8%	15.5%
LMI	46	20.8%	11,502	15.2%	22,479	18.9%	16,104,896	23.3%	18.3%
Middle	99	44.8%	31,546	41.7%	47,392	39.9%	19,339,829	27.9%	41.4%
Upper	76	34.4%	32,534	43.0%	48,583	41.0%	33,554,435	48.5%	40.2%
Unknown	0	0.0%	0	0.0%	175	0.1%	227,157	0.3%	0.1%
Total	**221**		**75,582**		**118,629**		**69,226,317**		
GRAND TOTAL									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	$000's	%	#	%	$000's	%	%
Low	98	5.6%	162,661	10.6%	9,900	2.3%	12,869,190	5.1%	
Moderate	322	18.3%	465,263	30.2%	68,338	15.6%	40,487,847	16.2%	
LMI	420	23.9%	627,924	40.7%	78,238	17.9%	53,357,037	21.3%	
Middle	727	41.4%	436,355	28.3%	181,606	41.5%	73,522,126	29.4%	
Upper	611	34.8%	476,992	30.9%	177,840	40.6%	122,914,453	49.1%	
Unknown	0	0.0%	0	0.0%	339	0.1%	420,531	0.2%	
Total	**1,758**		**1,541,271**		**438,023**		**250,214,147**		

Small Business Loans

The distribution of NYCB's small business loans among census tracts of varying income levels was less than adequate.

NYCB's rates of small business lending in LMI geographies of 15.8% by number and 15.7% by dollar value of loans for the evaluation period, was well below the aggregate's rates of 26.3% and 23.3%, respectively.

In addition, NYCB's rates of small business lending in LMI geographies was less than half the percentage (36.5%-37.1%) of small businesses located in LMI geographies in the assessment area.

The following table provides a summary of the distribution of NYCB small business loans by the income level of the geography where the business was located.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2014									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	2	3.2%	1,000	3.8%	21,151	7.3%	531,863	6.3%	11.8%
Moderate	3	4.8%	1,530	5.8%	53,033	18.4%	1,460,634	17.2%	25.3%
LMI	5	7.9%	2,530	9.5%	74,184	25.7%	1,992,497	23.5%	37.1%
Middle	19	30.2%	9,175	34.5%	92,340	32.0%	2,661,568	31.4%	35.2%
Upper	39	61.9%	14,856	55.9%	115,851	40.2%	3,527,600	41.7%	25.2%
Unknown	0	0.0%	0	0.0%	6,062	2.1%	286,301	3.4%	2.6%
Total	**63**		**26,561**		**288,437**		**8,467,966**		
2015									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	24,652	7.8%	543,200	6.2%	11.8%
Moderate	8	16.7%	3,250	16.7%	61,847	19.4%	1,446,246	16.5%	25.3%
LMI	8	16.7%	3,250	16.7%	86,499	27.2%	1,989,446	22.7%	37.1%
Middle	18	37.5%	7,935	40.7%	102,544	32.2%	2,767,565	31.6%	35.2%
Upper	22	45.8%	8,294	42.6%	122,583	38.5%	3,693,972	42.2%	25.2%
Unknown	0	0.0%		0.0%	6,447	2.0%	310,077	3.5%	2.6%
Total	**48**		**19,479**		**318,073**		**8,761,060**		
2016									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	2	2.4%	313	0.7%	24,884	7.4%	659,405	6.7%	11.8%
Moderate	15	17.6%	7,930	18.8%	63,222	18.9%	1,660,749	17.0%	25.3%
LMI	17	20.0%	8,243	19.5%	88,106	26.3%	2,320,154	23.7%	37.1%
Middle	22	25.9%	11,832	28.0%	108,737	32.4%	3,054,992	31.2%	35.2%
Upper	46	54.1%	22,109	52.4%	131,631	39.3%	4,069,929	41.6%	25.2%
Unknown	0	0.0%		0.0%	6,678	2.0%	330,932	3.4%	2.6%
Total	**85**		**42,184**		**335,152**		**9,776,007**		
2017									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	3	3.9%	700	2.2%	30,783	8.6%	779,502	7.3%	12.1%
Moderate	10	13.0%	4,208	13.0%	62,702	17.5%	1,692,659	15.9%	24.4%
LMI	13	16.9%	4,908	15.2%	93,485	26.0%	2,472,161	23.2%	36.5%
Middle	23	29.9%	9,623	29.7%	103,578	28.8%	2,940,054	27.6%	33.8%
Upper	41	53.2%	17,838	55.1%	156,693	43.6%	4,943,994	46.4%	27.1%
Unknown	0	0.0%	0	0.0%	5,458	1.5%	295,253	2.8%	2.7%
Total	**77**		**32,369**		**359,214**		**10,651,462**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	7	2.6%	2,013	1.7%	101,470	7.8%	2,513,970	6.7%	
Moderate	36	13.2%	16,918	14.0%	240,804	18.5%	6,260,288	16.6%	
LMI	43	15.8%	18,931	15.7%	342,274	26.3%	8,774,258	23.3%	
Middle	82	30.0%	38,565	32.0%	407,199	31.3%	11,424,179	30.3%	
Upper	148	54.2%	63,097	52.3%	526,758	40.5%	16,235,495	43.1%	
Unknown	0	0.0%	0	0.0%	24,645	1.9%	1,222,563	3.2%	
Total	**273**		**120,593**		**1,300,876**		**37,656,495**		

Distribution by Borrower Characteristics: “High Satisfactory”

NYCB’s 1-4 family HMDA-reportable and small business lending demonstrated a more than reasonable distribution of loans among individuals of different income levels and businesses of different revenue sizes.

The evaluation of borrower’s characteristics was based on NYCB’s 1-4 family HMDA-reportable and small business lending only, with greater weight given to 1-4 family HMDA lending. Multifamily MECAs were not evaluated for this criterion as repayment of multifamily loans rely on rental income and the borrower income is not required to be reported for HMDA.

1-4 Family HMDA-Reportable Loans

NYCB’s HMDA-reportable lending demonstrated a more than reasonable distribution of loans among individuals of different income levels.

NYCB’s average lending rates for 1-4 family HMDA-reportable loans to LMI borrowers were 20.8% by number and 13.5% by dollar value of loans, which exceeded the aggregate’s rates of 14.3% and 6.9%, respectively.

NYCB rates of lending to moderate-income borrowers outperformed the aggregate’s rates each year of the evaluation period. In 2017, the Bank’s rates of lending were more than double that of the aggregate. NYCB’s rates of lending by number of loans were comparable to the 16.1% to 17.1% of moderate-income families (family demographics) living in the assessment area.

NYCB’s rates of lending to low-income borrowers trailed the aggregate’s rates three of the four years of the evaluation period. The Bank’s and the aggregate’s rates of lending of 2.3% and 2.4% by number and 1.1% and 1.3% by dollar value of loans, respectively, were well below the 27.9% of low-income families living in the assessment area as per family demographics. The low percentage of lending by the Bank and the aggregate to low-income borrowers is mainly due to the high cost of homes in the assessment area. The median housing price of a home in the assessment area was $516,460 as of 2017.

The following table provides a summary of the distribution of NYCB's 1-4 family HMDA-reportable loans by borrower income.

Distribution of 1-4 Family Loans by Borrower Income									
2014									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	10	2.6%	1,606	1.2%	3,316	3.7%	609,709	1.5%	27.1%
Moderate	57	14.8%	12,744	9.4%	11,207	12.5%	2,314,111	5.8%	17.1%
LMI	67	17.4%	14,350	10.6%	14,523	16.1%	2,923,820	7.3%	44.1%
Middle	99	25.7%	29,340	21.7%	19,403	21.6%	5,180,830	13.0%	18.2%
Upper	215	55.8%	88,588	65.5%	52,785	58.7%	28,635,074	71.8%	37.7%
Unknown	4	1.0%	3,039	2.2%	3,239	3.6%	3,123,545	7.8%	
Total	**385**		**135,317**		**89,950**		**39,863,269**		
2015									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	6	1.6%	1,423	1.1%	3,657	3.4%	729,024	1.5%	27.1%
Moderate	67	17.5%	14,735	11.1%	12,794	11.9%	2,829,151	5.7%	17.1%
LMI	73	19.1%	16,158	12.2%	16,451	15.3%	3,558,175	7.1%	44.1%
Middle	103	27.0%	29,240	22.1%	22,638	21.0%	6,412,496	12.9%	18.2%
Upper	193	50.5%	82,887	62.5%	60,932	56.6%	34,837,169	69.9%	37.7%
Unknown	13	3.4%	4,285	3.2%	7,555	7.0%	5,025,829	10.1%	
Total	**382**		**132,570**		**107,576**		**49,833,669**		
2016									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	7	1.5%	1,169	0.7%	3,282	2.8%	640,192	1.1%	27.1%
Moderate	77	16.4%	18,299	11.3%	13,440	11.4%	3,039,206	5.5%	17.1%
LMI	84	17.9%	19,468	12.0%	16,722	14.2%	3,679,398	6.6%	44.1%
Middle	113	24.1%	33,102	20.5%	26,054	22.2%	7,659,924	13.8%	18.2%
Upper	252	53.7%	100,295	62.0%	67,412	57.3%	39,149,452	70.3%	37.7%
Unknown	20	4.3%	8,976	5.5%	7,393	6.3%	5,188,761	9.3%	
Total	**469**		**161,841**		**117,581**		**55,677,535**		
2017									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	10	4.5%	1,229	1.6%	3,440	3.0%	653,195	1.2%	27.9%
Moderate	69	31.2%	16,835	22.3%	13,450	11.6%	3,098,103	5.6%	16.1%
LMI	79	35.7%	18,064	23.9%	16,890	14.5%	3,751,298	6.8%	43.9%
Middle	51	23.1%	14,770	19.5%	25,879	22.3%	7,712,481	13.9%	17.1%
Upper	91	41.2%	42,748	56.6%	67,410	58.0%	39,535,260	71.5%	39.0%
Unknown	0	0.0%	0	0.0%	6,120	5.3%	4,291,912	7.8%	
Total	**221**		**75,582**		**116,299**		**55,290,951**		
GRAND TOTAL									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	33	2.3%	5,427	1.1%	10,255	2.4%	2,632,120	1.3%	
Moderate	270	18.5%	62,613	12.4%	50,891	11.9%	11,280,571	5.6%	
LMI	303	20.8%	68,040	13.5%	61,146	14.3%	13,912,691	6.9%	
Middle	366	25.1%	106,452	21.1%	93,974	22.0%	26,965,731	13.4%	
Upper	751	51.5%	314,518	62.2%	248,539	58.1%	142,156,955	70.8%	
Unknown	37	2.5%	16,300	3.2%	24,307	5.7%	17,630,047	8.8%	
Total	**1,457**		**505,310**		**427,966**		**200,665,424**		

Small Business Loans

NYCB's small business lending demonstrated a more than reasonable distribution among businesses of different revenue sizes.

During the evaluation period, NYCB's average rates of lending to businesses with revenues of $1 million or less were 49.8% by number and 45.2% by dollar value of loans, well above the aggregate's rates of 32.8% and 30.2%, respectively.

NYCB's annual lending rates by number and dollar value of loans to small business with revenues of less than $1 million outperformed the aggregate's rates of lending every year of the evaluation period, except for 2015.

NYCB's and the aggregate's annual rates of small business lending trailed the percentage of small businesses with revenues of less than $1 million in the assessment area.

The following table provides a summary of the distribution of NYCB's small business loans by the revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2014									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	33	52.4%	12,081	45.5%	118,931	41.2%	2,494,573	29.5%	73.1%
Rev. > $1MM	18	28.6%	8,320	31.3%					5.7%
Rev. Unknown	12	19.0%	6,160	23.2%					21.2%
Total	**63**		**26,561**		**288,437**		**8,467,966**		
2015									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	19	39.6%	5,525	28.4%	155,250	48.8%	2,505,352	28.6%	78.1%
Rev. > $1MM	21	43.8%	9,280	47.6%					6.1%
Rev. Unknown	8	16.7%	4,674	24.0%					15.8%
Total	**48**		**19,479**		**318,073**		**8,761,060**		
2016									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	43	50.6%	21,249	50.4%	151,974	45.3%	2,734,863	28.0%	86.1%
Rev. > $1MM	19	22.4%	6,775	16.1%					7.0%
Rev. Unknown	23	27.1%	14,160	33.6%					6.9%
Total	**85**		**42,184**		**335,152**		**9,776,007**		
2017									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	41	53.2%	15,615	48.2%	184,573	51.4%	3,624,799	34.0%	86.3%
Rev. > $1MM	17	22.1%	6,575	20.3%					6.9%
Rev. Unknown	19	24.7%	10,179	31.4%					6.8%
Total	**77**		**32,369**		**359,124**		**10,651,462**		
GRAND TOTAL									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	136	49.8%	54,470	45.2%	426,155	32.8%	11,359,587	30.2%	
Rev. > $1MM	75	27.5%	30,950	25.7%	-				
Rev. Unknown	62	22.7%	**35,173**	29.2%	0				
Total	**273**		120,593		**1,300,786**		**37,656,495**		

Community Development Lending: “Outstanding”

During the evaluation period, NYCB originated $7.2 billion in new community development loans and had $994.3 million in outstanding loans from the prior evaluation period. This demonstrated an excellent level of community development lending over the course of the evaluation period.

NYCB community development loans categorized as affordable housing accounted for 51% of total NYCB’s community development loans by dollar value. Although DFS rated this criterion outstanding, DFS examiners disqualified five community development loans submitted for CRA credit. Pursuant to the Department’s Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act, issued December 4, 2014, DFS considers whether a bank has met its responsibility to ensure that a multifamily loan submitted for affordable housing or neighborhood revitalization credit under CRA contributes to, and does not undermine, the availability of affordable housing or neighborhood conditions.[1] As a result, DFS disqualified three loans totaling $21.8 million that financed three properties that had an unacceptably high number of housing code violations, as reported by the New York City's Department of Housing, Preservation and Development ("HPD"), and reflected in high scores in the University Neighborhood Housing Program's Building Indicator Project ("BIP") database. These sources indicated that the properties financed were in significant physical distress and thus did not promote or provide affordable housing. DFS also disqualified two loans totaling $9.8 million because the properties they financed significantly reduced the number of affordable housing units during the evaluation period, therefore, not promoting or providing community development affordable housing.

NYCB's community development loans also included loans for commercial real estate properties leased and occupied by businesses offering professional services and other types of small businesses. These loans helped to revitalize and stabilize LMI neighborhoods and communities by providing and retaining jobs for LMI individuals and providing services to the community. Loans to revitalize and stabilize accounted for 46% of NYCB's total community development loans by dollar value, while community services loans made up the remaining 3% of community development loans.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	758	3,641,590	113	322,181
Revitalize and Stabilize	495	3,272,659	28	238,721
Community Services	40	223,005	6	22,134
Economic Development	7	34,135	27	411,306
Total	1,300	7,171,389	174	994,342

Below are highlights of NYCB's community development lending.

Affordable Housing

- During the evaluation period, NYCB originated 758 loans totaling $3.6 billion to purchase or refinance multifamily properties in LMI census tracts within its assessment area. The properties provided affordable housing and rents were below the High Home Rent Limits ("HHRL") of 30% of the annual income of a family

[1] The Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act state: "A loan on a multifamily property would not be found to have a community development purpose and would not be a CRA eligible if it: 1. Significantly reduces or has the potential to reduce affordable housing…; 2. Facilitates substandard living conditions as evidenced by a high number of housing code violations, emergency repair liens, water bill liens or indexes such measures…; 3. Is in technical default…; or 4. Has been underwritten in an unsound manner..."

whose income equals 65% or less of the area median income, as determined by the U.S. Department of Housing and Urban Development. Many of the occupants of the rental units qualify for government housing programs such as Section 8 and/or the housing assistance program.

Community Service

- In 2018, NYCB originated a loan for $24 million secured by a 5-story multifamily property with 173 units. The property is leased to a non-profit social service agency. The agency provides transitional housing for the homeless and its mission is to provide affordable and supportive housing services, as well as educational programs that help clients to improve themselves.

- In 2015, the Bank made a $19.5 million loan secured by a two-story commercial building located in a moderate-income census tract. The building's main tenant is a charter school in which the majority of students receive free or reduced cost lunch. The building also contains a pre-school, five community facility offices and two office spaces leased to small businesses.

Economic Development

- In 2017, NYCB extended a loan for $11 million for a five-story building containing office and retail space. The building is located in a moderate-income census tract, which qualifies as a Historically Underutilized Business Zone ("HUBZone"). The HUBZone program (created by the HUBZone Act of 1997) is designed to promote economic development and employment growth.

Revitalize and Stabilize

- In 2018, the Bank originated a loan for $75 million to renovate a 34-story commercial building containing 25 offices and five retail stores. The property is qualified for tax incentive credits and is located in a Business Improvement District ("BID") in New York City. The BID program promotes neighborhood revitalization and business development. Tenants of the building include a major nonprofit health organization whose aim is to improve the lives of low-income and high-risk families in communities throughout New York City. Tenants also include a credit union, a company that promotes economic development, and other businesses that provide services that benefit LMI individuals and families.

- NYCB extended two loans totaling $52.2 million for the acquisition ($37.2 million) and renovation ($15 million) of a research and development facility. The property is in moderate-income tract in Long Island City (Queens County). Industrial and retail offices help attract and retain residents and businesses in LMI communities. Bank funding helped in revitalization projects, while providing services benefiting LMI individuals.

Flexible and/or Innovative Lending Practices

NYCB made use of flexible lending practices. NYCB offers flexible underwriting practices for multifamily and commercial loans, as well as lending to not-for-profit organizations. These practices include waiving origination fees and allowing a higher loan-to-value and longer amortization period.

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INVESTMENT TEST: "High Satisfactory"

DFS evaluated NYCB's investment performance pursuant to the following criteria:
(1) The dollar amount of qualified investments;
(2) The innovativeness or complexity of qualified investments; and
(3) The responsiveness of qualified investments to the credit and community development needs of the assessment area.

NYCB's community development investments were more than reasonable in light of the assessment area's credit needs.

Qualified Investments: "High Satisfactory"

During the evaluation period, NYCB made $119.4 million in community development investments and had $17.7 million outstanding from prior evaluation periods. In addition, NYCB made $20.3 million in community development grants. This demonstrated a more than reasonable level of qualified investments over the course of the evaluation period.

Community development investments made during the current evaluation increased by 97.3% from the prior evaluation period's $60.5 million.

By dollar value, community development investments primarily supported affordable housing, which accounted for 86.2% of investments; community services accounted for 13% and economic development made up the remaining 0.8% of total community development investments NYCB made during the evaluation period.

Community Development Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing	7	103,000	11	17,274
Economic Development	8	950		
Community Services	1	15,482		
Revitalize/Stabilize			3	441
Total	16	119,432	14	17,715
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing	114	13,245		
Economic Development	45	443		
Community Services	888	6,035		
Revitalize/Stabilize	121	527		
Total	1,168	20,250		

Below are highlights of NYCB's qualified investments.

Investments

Affordable Housing

- NYBC invested $33.9 million in mortgage-backed securities for the acquisition and rehabilitation of multifamily rental properties located on the Lower East Side of Manhattan, New York City. The properties acquired and renovated provide affordable housing to qualified low-income tenants and are eligible, in whole or in part, for the low-income housing tax credit pursuant to the Internal Revenue Code.

- NYBC invested $20.7 million in the construction project of a five-story elevator-service building containing 124 residential units. The property is comprised of studios, one- and two-bedroom apartments and is located in moderate-income geographies in Wyandanch, New York. The majority of the units are qualified for both federal and state tax credits and were set aside for affordable housing benefiting LMI tenants.

Community Services

- NYBC invested $15.5 million in a mortgage backed-security for a 214-bed skilled nursing facility, in which 56% of patients received Medicaid. The facility serves the disabled and those recuperating from an illness or injury, and offers an array of health care services and programs that benefit the elderly and LMI individuals and families.

Economic Development

- During the evaluation period, NYCB invested in certificates of deposits totaling $950,000 at a community development financial institution ("CDFI"). The CDFI provides community-focused banking services that support economy growth and revitalize distressed and underserved neighborhoods.

<u>*Grants*</u>

During the evaluation period, NYCB, and the related NYCB and Richmond County Savings Bank Foundations made 1,168 grants to more than 100 nonprofit, charitable and religious organizations. These organizations provide food to the hungry, affordable housing, accessible health care and wellness for LMI individuals and families, immigrants, the disabled, disadvantaged and mentally challenged, seniors, and at-risk youth in LMI, distressed and underserved communities.

Innovativeness of Community Development Investments

NYCB did not make substantial use of innovative investments to support community development during the evaluation period, but did invest in a housing tax credit fund to support affordable housing.

Responsiveness of Community Development Investments to Credit and Community Development Needs

NYCB's qualified investments exhibited more than reasonable responsiveness to the assessment area's credit and community development needs. The Bank's qualified investments consisted of mortgage-backed securities, municipal bonds, and tax credit incentives supporting primarily affordable housing projects. NYCB is a participant in the Affordable Housing Program ("AHP") launched by the Federal Home Loan Bank of New York ("FHLBNY"). The Bank provided financial assistance by making donations to the AHP program, which helps to create affordable housing.

<u>SERVICE TEST</u>: "High Satisfactory"

DFS examiners evaluated NYCB's retail service performance pursuant to the following criteria:
(1) The current distribution of the banking institution's branches;
(2) The institution's record of opening and closing branches;
(3) The availability and effectiveness of alternative systems for delivering retail services; and
(4) The range of services provided.

Examiners evaluated NYCB's community development service performance pursuant to the following criteria:
(1) The extent to which the banking institution provides community development services; and
(2) The innovativeness and responsiveness of community development services.

Retail Banking Services: "High Satisfactory"

NYCB has a more than reasonable branch network, delivery systems, branch hours and services, and alternative delivery systems, particularly as they relate to LMI individuals.

Current distribution of the banking institution's branches

NYCB has an adequate distribution of branches within its New York assessment area.

As of the evaluation date, NYCB operated 111 branches in New York, of which 25 or 23% were located in LMI census tracts.

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Kings	0	3	2	1	1	7	71%
Queens	0	6	5	19	8	38	29%
New York	0	0	0	0	0	0	0%
Bronx	0	0	0	1	1	2	0%
Richmond	0	0	2	7	11	20	10%
Westchester	0	0	0	0	0	0	0%
Rockland	0	0	0	0	0	0	0%
Suffolk	0	0	4	8	2	14	29%
Nassau	0	0	3	15	12	30	10%
Total	**0**	**9**	**16**	**51**	**35**	**111**	23%

Record of opening and closing branches

NYCB's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly with respect to LMI geographies and/or LMI individuals.

NYCB closed 16 branches during the evaluation period. One was located in a low-income census tract, two in moderate-income census tracts and 13 in middle- and upper-income census tracts. These branches were located inside supermarkets throughout Nassau, Suffolk, Westchester, Richmond and Kings counties. The supermarkets closed, resulting in the closing of NYCB's branches.

In 2015, NYCB opened one branch in a middle-income census tract in Wyandanch (Suffolk County), New York, which is designated as a Banking Development District. In 2014, the Bank rebranded five branches from New York Commercial Bank, NYCB's affiliate bank, to Queens County Savings Bank. Of these five branches, four were located in moderate-income census tracts and one in a middle-income census tract.

In addition, during the evaluation period NYCB relocated a branch two miles from an upper-income census tract to another upper income census tract.

Availability and effectiveness of alternative systems for delivering retail services:

NYCB's delivery systems are accessible to significant portions of its' assessment area, including LMI geographies and individuals.

- NYCB has a total of 187 ATMs located among its branches, in supermarkets and on college campuses. All ATMs offer 24/7 access and the majority (137 or 73%) have both withdrawal and deposit taking capabilities. ATMs in low-income census tracts account for 3.2% (6) of NYCB's ATMS, ATMs in moderate-income census tracts account for 15.5% (29) and ATMs in middle- and upper-income census tracts account for 81.3% (152).

- NYCB's mobile banking application, known as "NYCB Mobile" (launched in 2015) and its internet banking site known as "NYCB Online" provide customers 24-hour, 7-day per week access to their accounts. Additionally, analysis of NYCB Mobile indicated that usage of the application by consumers in LMI census tracts exceeded those consumers' use of physical branch locations.

- Through NYCB's Bank-By-Phone service and EasyTouch Banking, customers have 24-hour telephonic access to their accounts and are able to transfer funds between accounts; query account balances; and monitor interest earned.

- Bank-By-Mail is available for customers who prefer to do their banking by mail. NYCB will provide a supply of deposits envelopes upon request.

Range of services provided

NYCB's services meet the convenience and accessibility needs of its assessment area, particularly with respect to LMI geographies and individuals.

The majority of NYCB's branches (90) operate Monday through Friday 9:00AM to 4:00PM, the remaining branches (21) operate from 10:00AM to 7:30PM offering extended hours on weekdays. Most branches (109) also offer Saturday hours from 9:00AM to 1:00PM. In addition, 35 branches also offer Sunday hours.

NYCB has a branch located in each of the following three designated BDDs: Corona Heights in Queens County, Brentwood and Wyandanch in Suffolk County. The BDD program was designed to encourage the establishment of bank branches in underbanked areas in need of banking products, services and financial education. NYCB has over 1,300 BDD Savings Accounts with a total balance of approximately $3.2 million.

NYCB offers several products that support LMI needs, including:

- In all three BDD locations, consumers can establish an account with a minimum opening deposit of $1, one form of approved identification and reduced ChexSystem requirements. There are no minimum balance or monthly service charges for savings and checking account products. NYCB also offers reduced fees on money orders, free notary public services, free tax preparation assistance and free currency exchanges in the three BDD locations.

- The “My Community Free Checking” account requires a $1 minimum deposit to open; has no minimum balance requirement; incurs no monthly service fee; and includes unlimited check writing.

- The “My Community Military Checking” checking account for active and former military personnel requires a $100 minimum to open and incurs no monthly fee. Account benefits include discounts and fee waivers on a variety of services, such as six free non-NYCB ATM transactions per statement cycle and discounts on mortgage closing costs ranging from $750 to $1,500 for purchase mortgages and eligible refinancing.

- “Summer Youth Employment Account” - addresses the financial need of consumers between the ages of fourteen and twenty-four who participate in locally administered but federally funded Summer Youth Employment Programs. The account features include no minimum balance requirement, no monthly fee and no NYCB ATM transaction fees for non-NYCB ATMs. NYCB maintained over 900 accounts.

- “NYCB Consumer Secured Credit Card”- NYCB partnered with a third-party vendor to offer this secured credit card product without an annual fee. The product helps customers begin the process of building or repairing their credit history. After 11 months, a customer with satisfactory payment history may be offered a full or partial conversion to an unsecured Visa Platinum Credit Card.

Community Development Services: “Outstanding”

NYCB continues to provide an excellent level of community development services.

NYCB’s employees participated in a significant number (over 100 a year) of financial homebuyer and financial literacy education seminars each year of the evaluation period. These seminars were held in branches, schools, and at nonprofit organizations and businesses in the Bank’s assessment area. NYCB employees educated attendees (elderly people, students, low- and moderate-income individuals and families) on topics including elderly financial abuse, deposit and loan products, first-time homebuyer programs, saving, budgeting, and managing credit.

The Bank identified a need for an effective, no fee, small business education program. It therefore funded small business education workshops, as part of its "NYCB Business Matters" program. The workshops are facilitated by bank employees with financial expertise and who work in the areas of retail banking, commercial lending and marketing.

The Bank's board members, senior management and employees served on the boards and committees of various local community, nonprofit and business organizations and shared their financial expertise. Below are highlights of some of the services provided.

- NYCB's president served on the board of a nonprofit local development corporation that serves primarily Queens County. The corporation focuses on initiatives in housing, health, transportation and environmental remediation.

- A director of NYCB served on the board of a not-for-profit organization located on Long Island. The organization facilitates free health care to those in need and with the least access to medical care.

- A senior executive vice president served as a board member of a Long Island-based social service agency providing more than 60 social services programs including mental health counseling, drug and alcohol addiction, housing and homelessness assistance, children and youth services, family support and veterans assistance.

- The compliance officer, three branch managers and an assistant branch manager, served as board and committee members of an organization with the mission of creating affordable housing in Nassau County.

- An assistant branch manager served as a board member of a housing organization based in Jamaica, Queens. The organization is committed to stabilizing neighborhoods in Southern Queens by offering homeownership education, technical and financial assistance to LMI residents.

- An executive served as a board member of a business organization with a focus of improving the economic vitality of the towns it serves in Richmond County.

NYCB's Community Collaborations:

- Employees volunteered at events hosted by an organization that coordinates service for the homeless provided by various organizations. NYCB employees facilitated financial literacy seminars for homeless individuals and families at these events.

- NYCB's Human Resources Talent Acquisition Department hosted 30 high-school students and their chaperones for a pair of vocational tours. This was in collaboration with a local organization that prepares people with cognitive, physical, learning and developmental disabilities, for entry/re-entry into the workforce. The high school students participated in an attendance retention program that shows at-risk students in grades 10-12 the relevance of education when seeking employment. The two hour tour took place at NYCB Plaza and included multiple presentations by NYCB employees. Topics included personal finance, resume writing, interview skills, and maintaining a life-long career.

- NYCB provided technical assistance to a local nonprofit organization engaged in constructing and rehabilitating affordable housing. The NYCB CRA team conducted a review of the mortgage loans made to finance these properties to identify any potential risks and provided guidance to remedy concerns.

- NYCB is a member of the New York City Earned Income Tax Credit Coalition ("EITC"). Administered through the New York City Department of Consumer Affairs Office of Financial Empowerment, the program's mission is to bring together public and private sector organizations to educate and promote free neighborhood-based tax assistance. NYCB participates annually in the EITC Campaign by attending, coordinating event meetings. It also promotes awareness through advertisement of the EITC by placing educational posters in several of its branches located in LMI communities in New York City.

Additional Factors

The following factors were also considered in assessing NYCB's record of performance.

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 CRA.

NYCB has implemented a clearly defined CRA governance structure to ensure an effective CRA program. The board reviews and approves the CRA policy at least annually. The CRA Compliance Committee, which meets quarterly, is responsible for monitoring compliance with the Bank's CRA policy, controls and objectives. The CRA officer monitors CRA activities, makes recommendations for credit products and banking services and reports to the chief operating officer or the board regarding CRA compliance, performance and concerns.

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

- *Evidence of prohibited discriminatory or other illegal credit practices.*

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

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*.

  NYCB's board members, senior management and employees serve on the boards and committees of various local community, nonprofit and business organizations, which helps them to ascertain the banking and credit needs of the community.

- *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*

  NYCB advertises its products and services through newspapers, billboards, branch merchandising, NYCB website and limited use of radio.

  Neither NYCB nor DFS received any written complaints regarding NYCB's CRA performance during the evaluation period.

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

NYCB instituted a program for retail branch participation in CRA-qualified community development services. Retail branch employees participate in CRA-qualified activities each quarter for a minimum of eight credits annually. Each branch's CRA activities are tracked on the branch scorecard and evaluated by retail branch management.

GLOSSARY

Aggregate Lending

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 Metropolitan Statistical Area ("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

Small Business Loan

A small business loan is a loan less than or equal to $1 million.

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 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.