



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

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: June 30, 2019

Institution: Ridgewood Savings Bank
71-02 Forest Avenue
Ridgewood, NY 11385-5647

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 Ridgewood Savings Bank (“RSB” or the “Bank”) 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, 2019.

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

The Department evaluated RSB according to the large bank performance criteria pursuant to Sections 76.7, 76.8, 76.9 and 76.10 of the GRS. The evaluation period included calendar years 2016, 2017 and 2018 for the lending test and the period July 1, 2016 through June 30, 2019 for community development activities. RSB is rated "2," indicating a "**Satisfactory**" record of helping to meet community credit needs.

This rating is based on the following factors:

LENDING TEST: Low Satisfactory

RSB's lending activities were adequate in light of RSB'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: Low Satisfactory

RSB's lending levels were adequate 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.

Assessment Area Concentration: Outstanding

During the evaluation period, RSB originated 97.4% by number and 97.9% by dollar value of its total 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

RSB's origination of loans in census tracts of varying income levels demonstrated a more than reasonable distribution of lending. RSB's rates of lending in LMI geographies of 22.5% by number and 32.9% by dollar value of loans exceeded the aggregate's rates of 19.7% and 23.6%, respectively.

Distribution by Borrower Characteristics: Substantial Noncompliance

RSB's HMDA-reportable lending demonstrated a poor distribution of loans among individuals of different income levels. RSB's rates of lending to LMI borrowers was 3.3% by number and 1.1% by dollar value of loans which compared unfavorably with the aggregates' rates of lending (15.3% and 7.2%, respectively). The Bank's current rates of lending declined from the prior evaluation period's ratios of 7.1% by number of loans and 2% by dollar value.

Community Development Lending: Outstanding

During the evaluation period, RSB originated \$442 million in new community development loans and had \$205.7 million outstanding from prior evaluation periods. This

demonstrated an excellent level of community development lending over the course of the evaluation period. A substantial majority of the current and prior period community development loans financed multifamily properties in New York City, helping to meet affordable housing needs.

Flexible and/or Innovative Lending Practices

RSB offered some innovative or flexible lending programs to help meet the credit needs of its assessment area, such as its Good Move Product, which is an affordable housing loan program, and a tuition loan program for several parochial schools in its assessment area.

INVESTMENT TEST: High Satisfactory

RSB'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, RSB made \$47.7 million in new community development investments and had \$55.7 million outstanding from prior evaluation periods. In addition, RSB made \$498 thousand in community development grants. This demonstrated a more than reasonable level of community development investments and grants over the course of the evaluation period.

Innovativeness of Community Development Investments:

RSB did not make use of innovative investments to support community development.

Responsiveness of Community Development Investments to Credit and Community Development Needs:

RSB's community development investments exhibited adequate responsiveness to the assessment area's credit and community development needs.

SERVICE TEST: Outstanding

Retail Banking Services: Outstanding

RSB has an excellent branch network, delivery systems, branch hours and services, and alternative delivery systems.

Community Development Services: High Satisfactory

RSB provided a relatively high level of community development services.

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

PERFORMANCE CONTEXT

Institution Profile:

Established in 1921, RSB is a mutual savings bank headquartered in Ridgewood, Queens County, New York. It operates banking services throughout New York City, Long Island and Westchester.

RSB offers one-to-four family residential mortgages, multifamily mortgages, cooperative apartment loans, commercial real estate loans, home equity and consumer loans. Deposit products include personal and business checking accounts, money market accounts, certificates of deposit, club accounts and individual retirement accounts. Alternative banking services include online banking, electronic statements, debit cards, gift cards, merchant services, payroll services and mobile banking (including remote deposit capture) for retail and business customers.

In its Consolidated Report of Condition (the Call Report) as of June 30, 2019, filed with the Federal Deposit Insurance Corporation ("FDIC"), RSB reported total assets of \$5.6 billion, of which \$3.9 billion were net loans and lease financing receivables. It also reported total deposits of \$4.4 billion, resulting in a loan-to-deposit ratio of 88.6%. According to the latest available comparative deposit data as of June 30, 2019, RSB had a market share of 0.28%, or \$4.4 billion in a market of \$1.5 trillion, ranking it 30th among 130 deposit-taking institutions in the assessment area.

The following is a summary of the Bank's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2016, 2017, 2018 and June 30, 2019 Call Reports:

TOTAL GROSS LOANS OUTSTANDING								
Loan Type	12/31/2016		12/31/2017		12/31/2018		6/30/2019	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	1,890,592	58.7	1,970,708	55.4	2,066,039	53.4	2,041,878	51.9
Commercial Mortgage Loans	171,012	5.3	190,195	5.3	232,978	6.0	204,831	5.2
Commercial & Industrial Loans	354	0.0	287	0.0	111	0.0	86	0.0
Multifamily Mortgages	1,150,612	35.7	1,388,254	39.0	1,558,160	40.3	1,677,072	42.6
Consumer Loans	3,219	0.1	3,517	0.1	4,233	0.1	3,340	0.1
Other Loans	4,466	0.1	5,294	0.1	5,909	0.2	6,596	0.2
Total Gross Loans	3,220,255	100.0	3,558,255	100.0	3,867,430	100.0	3,933,803	100.0

As illustrated in the above table, RSB is primarily a residential mortgage lender, with 51.9% of its loan portfolio in one-to-four family residential mortgage loans and 42.6% in multifamily loans as of June 30, 2019.

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

Assessment Area

The Bank's assessment area is comprised of the following seven counties: Bronx, Kings, Queens, New York, Nassau, Suffolk and Westchester.

There are 2,887 census tracts in the area, of which 363 are low-income, 725 are moderate-income, 991 are middle-income, 730 are upper-income and 78 are tracts with 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
Suffolk	1	6	68	192	56	323	22.9
Westchester	5	7	32	45	134	223	17.5
Total	78	363	725	991	730	2,887	37.7

Demographic & Economic Data

The assessment area had a population of 11.8 million during the evaluation period. About 13.5% of the population was over the age of 65 and 19.2% was under the age of 16.

Of the 2.7 million families in the assessment area 28.5% were low-income, 16.4% were moderate-income, 17.1% were middle-income and 38% were upper-income families. There were 4.2 million households in the assessment area, of which 16% had income below the poverty level and 3.5% were on public assistance.

The weighted average median family income in the assessment area was \$85,328.

There were 4.7 million housing units within the assessment area, of which 51% were one-to-four family units, and 48.7% were multifamily units. Of these housing units, 38.3% were owner-occupied, while 51.4% were rental units. Of the 1.8 million owner-occupied units, 19.4% were in low- and moderate-income census tracts while 80.4% were in middle- and upper-income census tracts. The median age of the housing stock was 74 years, and the median home value in the assessment area was \$521,897.

There were 815,057 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, 96.9% were businesses with less than fifty employees, while 91.5% operated from a single location. The largest industries in the

area were services (46.2%), retail trade (14.4%), and finance, insurance and real estate (9.1%); 11.4% of businesses were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State in 2018 was 4.1%, which was lower than the average unemployment rates in Bronx and Kings counties, while higher than the rates in Kings, New York, Nassau, Suffolk and Westchester counties. Nassau had the lowest unemployment rate during the evaluation period. However, trends showed improvement for all counties throughout the course of the evaluation period.

Assessment Area Unemployment Rate								
	Statewide	Bronx	Kings	New York	Queens	Nassau	Suffolk	Westchester
2016	4.9%	7.1%	5.3%	4.6%	4.5%	3.9%	4.4%	4.3%
2017	4.7%	6.3%	4.7%	4.1%	4.0%	4.1%	4.5%	4.5%
2018	4.1%	5.7%	4.2%	3.7%	3.6%	3.5%	3.9%	3.9%
Average	4.6%	6.4%	4.7%	4.1%	4.0%	3.8%	4.3%	4.2%

Community Information

Examiners contacted two community organizations within the Bank's assessment area that focus on community development through affordable housing. Representatives from both organizations believe the economy generally continues to improve but some neighborhoods continue to be left behind. The improving economy also results in a greater burden for low-income individuals as housing costs continue to rise and predatory practices become a larger problem.

One of the organizations has been supporting their clients for over 45 years by revitalizing, stabilizing, rehabilitating, and preserving affordable housing for low- to moderate-income residents. The organization focuses on southeast Queens which has suffered disproportionately while the rest of New York City experienced economic growth. The organization's representative stated that many residential homes in the area are in dire need of rehabilitation, and that loan programs which can help potential buyers or current owners make repairs are needed. Loan programs with reduced costs, down payment assistance, good payment rewards, and non-restrictive underwriting practices are the most important items to attract and assist low-income borrowers.

The second organization helps to connect individuals and families with affordable housing throughout New York City. They also look for ways to invest capital and advocate further for favorable affordable housing policies in order to protect low- and moderate-income residents and improve public housing. Participation from financial institutions was said to be just adequate to provide some support for community non-profit organizations. Additional opportunities were available that could have a potentially positive impact on affordable housing shortage concerns. The representative stated that residential areas of southeast Queens have limited access

to deposit taking branches. Reportedly, many banks have moved out of the area, while remaining branches were clustered on a main commercial thoroughfare for business customers.

Representatives from these organizations have also stated that banks should be more proactive in monitoring their loan portfolio for distressed properties and owners, as distressed properties can reduce the amount of affordable housing in the area.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated RSB 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. DFS 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 RSB helps to meet the credit needs of its entire community.

DFS derived statistics employed in this evaluation from various sources. RSB 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 information shown in 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 demographic data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually, and obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2016, 2017 and 2018 for lending activities and July 1, 2016 to June 30, 2019 for community development activities.

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

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

At its **prior** Performance Evaluation as of June 30, 2016, DFS assigned RSB a rating of "2," reflecting a "Satisfactory" record of helping to meet the credit needs of RSB'S communities.

Current CRA Rating: Satisfactory

LENDING TEST: Low Satisfactory

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.*

RSB's HMDA-reportable lending activities were adequate in light of RSB'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: Low Satisfactory

RSB's lending levels were adequate 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.

RSB's average LTD ratio for the evaluation period was 81.5%, which lagged its peer group ratio of 94.7%. However, RSB's average LTD ratio was significantly higher than the previous evaluation period ratio of 66.4%. In addition, the Bank's LTD ratio increased in every quarter of the current evaluation period from a low of 71.1% in Q1 2016 to a high of 89.3% in Q4 2018.

Loan-to-Deposit Ratios													
	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Avg.
Bank	71.1	73.3	75.8	77.6	80.4	82.6	83.1	84.4	84.5	87.0	89.2	89.3	81.5
Peer	94.1	95.6	94.4	94.4	93.6	94.9	95.8	95.5	94.2	94.6	94.9	94.7	94.7

Assessment Area Concentration: Outstanding

During the evaluation period, RSB originated 97.4% by number and 97.9% by dollar value of its total HMDA-reportable loans within the assessment area. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending. The current evaluation period results were similar to those of the prior period.

Results were consistent throughout the current evaluation period, ranging from a low of 96.8% in 2018 to a high of 98.5% in 2016 by number of loans and a low of 97.4% in 2018 to a high of 99.2% in 2016 by dollar value of loans.

The following table shows the percentages of RSB's HMDA-reportable loans originated inside and outside of the assessment area.

Distribution of HMDA-Reportable Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2016	391	98.5%	6	1.5%	397	272,061	99.2%	2,306	0.8%	274,367
2017	365	97.3%	10	2.7%	375	243,629	97.9%	5,112	2.1%	248,741
2018	571	96.8%	19	3.2%	590	593,481	97.4%	16,114	2.6%	609,595
Subtotal	1,327	97.4%	35	2.6%	1,362	1,109,171	97.9%	23,532	2.1%	1,132,703

* DFS based its analysis of HMDA-reportable lending on actual loans.

Geographic Distribution of Loans: High Satisfactory

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

RSB's rates of lending in LMI geographies of 22.5% by number and 32.9% by dollar value of loans exceeded the aggregate's rates of 19.7% and 23.6%, respectively. RSB's lending rates also exceeded the LMI owner-occupied housing demographic level for 2018 of 19.4%.

RSB's rates of lending in LMI geographies more than doubled from the prior evaluation period levels of 10.8% by number and 14.0% by dollar value.

The following table provides a summary of the distribution of RSB'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									
2016									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	12	3.1%	12,484	4.6%	3,633	3.2%	3,325,455	5.1%	2.7%
Moderate	67	17.1%	55,910	20.6%	18,217	16.0%	10,574,082	16.1%	16.8%
LMI	79	20.2%	68,394	25.1%	21,850	19.2%	13,899,537	21.1%	19.6%
Middle	104	26.6%	71,431	26.3%	48,954	43.1%	20,270,128	30.8%	44.6%
Upper	208	53.2%	132,236	48.6%	42,788	37.7%	31,574,011	48.0%	35.8%
Unknown	0	0.0%	0	0.0%	40	0.0%	59,624	0.1%	0.0%
Total	391		272,061		113,632		65,803,300		
2017									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	16	4.4%	13,489	5.5%	4,078	3.8%	3,750,340	5.8%	3.0%
Moderate	47	12.9%	34,872	14.3%	17,352	16.2%	11,971,876	18.4%	16.4%
LMI	63	17.3%	48,361	19.9%	21,430	20.0%	15,722,216	24.1%	19.4%
Middle	97	26.6%	60,977	25.0%	44,671	41.6%	18,462,112	28.3%	43.2%
Upper	204	55.9%	132,971	54.6%	41,047	38.2%	30,810,432	47.2%	37.3%
Unknown	1	0.3%	1,320	0.5%	174	0.2%	226,849	0.3%	0.1%
Total	365		243,629		107,322		65,221,609		
2018									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	49	8.6%	87,201	14.7%	5,091	3.9%	6,265,655	7.4%	3.0%
Moderate	108	18.9%	161,200	27.2%	21,311	16.1%	15,064,595	17.8%	16.4%
LMI	157	27.5%	248,401	41.9%	26,402	20.0%	21,330,250	25.2%	19.4%
Middle	149	26.1%	135,371	22.8%	55,173	41.8%	23,832,935	28.1%	43.2%
Upper	264	46.2%	209,246	35.3%	50,316	38.1%	39,296,310	46.3%	37.3%
Unknown	1	0.2%	463	0.1%	184	0.1%	329,320	0.4%	0.1%
Total	571		593,481		132,075		84,788,815		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	77	5.8%	113,174	10.2%	12,802	3.6%	13,341,450	6.2%	
Moderate	222	16.7%	251,982	22.7%	56,880	16.1%	37,610,553	17.4%	
LMI	299	22.5%	365,156	32.9%	69,682	19.7%	50,952,003	23.6%	
Middle	350	26.4%	267,779	24.1%	148,798	42.1%	62,565,175	29.0%	
Upper	676	50.9%	474,453	42.8%	134,151	38.0%	101,680,753	47.1%	
Unknown	2	0.2%	1,783	0.2%	398	0.1%	615,793	0.3%	
Total	1,327		1,109,171		353,029		215,813,724		

Distribution by Borrower Characteristics: Substantial Noncompliance

The level of RSB's HMDA-reportable lending demonstrated a poor distribution of loans among individuals of different income levels.

RSB's rates of lending to LMI borrowers were 3.3% by number and 1.1% by dollar value of loans versus 15.3% and 7.2%, respectively, for the aggregate. The Bank's rates of lending declined from the prior evaluation period's ratios of 7.1% by number of loans and 2% by dollar value.

The following table provides a summary of the distribution of RSB's HMDA-reportable loans by borrower income.

Distribution of 1-4 Family Loans by Borrower Income									
2016									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	0.3%	148	0.1%	3,111	2.8%	607,421	1.1%	27.5%
Moderate	11	3.0%	1,790	0.8%	12,669	11.4%	2,867,237	5.4%	17.3%
LMI	12	3.3%	1,938	0.8%	15,780	14.2%	3,474,658	6.5%	44.8%
Middle	33	9.0%	8,414	3.5%	24,419	22.0%	7,177,107	13.4%	18.2%
Upper	292	79.6%	201,495	84.8%	63,739	57.5%	37,722,834	70.6%	37.0%
Unknown	30	8.2%	25,858	10.9%	6,995	6.3%	5,050,261	9.5%	0.0%
Total	367		237,705		110,933		53,424,860		
2017									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	3,178	3.0%	598,197	1.2%	28.5%
Moderate	10	2.9%	1,741	0.8%	12,511	11.9%	2,892,764	5.6%	16.4%
LMI	10	2.9%	1,741	0.8%	15,689	14.9%	3,490,961	6.8%	44.9%
Middle	32	9.2%	8,253	3.8%	23,306	22.2%	6,971,072	13.6%	17.1%
Upper	273	78.2%	178,877	83.1%	60,425	57.5%	36,818,951	71.6%	38.0%
Unknown	34	9.7%	26,510	12.3%	5,623	5.4%	4,108,794	8.0%	0.0%
Total	349		215,381		105,043		51,389,778		
2018									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	0.4%	825	0.3%	4,982	3.9%	1,073,770	1.9%	28.5%
Moderate	15	3.3%	3,897	1.3%	16,209	12.7%	3,758,865	6.5%	16.4%
LMI	17	3.7%	4,722	1.5%	21,191	16.6%	4,832,635	8.3%	44.9%
Middle	35	7.6%	9,363	3.0%	28,074	22.0%	8,116,490	14.0%	17.1%
Upper	355	77.0%	241,071	78.0%	72,460	56.8%	39,792,520	68.7%	38.0%
Unknown	54	11.7%	54,067	17.5%	5,946	4.7%	5,202,170	9.0%	0.0%
Total	461		309,223		127,671		57,943,815		
GRAND TOTAL									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	0.3%	973	0.1%	11,271	3.3%	2,279,388	1.4%	
Moderate	36	3.1%	7,428	1.0%	41,389	12.0%	9,518,866	5.8%	
LMI	39	3.3%	8,401	1.1%	52,660	15.3%	11,798,254	7.2%	
Middle	100	8.5%	26,030	3.4%	75,799	22.1%	22,264,669	13.7%	
Upper	920	78.2%	621,443	81.5%	196,624	57.2%	114,334,305	70.2%	
Unknown	118	10.0%	106,435	14.0%	18,564	5.4%	14,361,225	8.8%	
Total	1,177		762,309		343,647		162,758,453		

Community Development Lending: Outstanding

During the evaluation period, RSB originated \$442 million in new community development loans and had \$205.7 million outstanding from prior evaluation periods for a total of \$650.9 million. This demonstrated an excellent level of community development lending activities over the course of the evaluation period.

RSB's community development loans increased significantly from the \$352.9 million outstanding (both new and made during previous evaluation periods) at the prior evaluation period. A substantial majority of the community development loans financed multifamily properties in New York City, helping to meet affordable housing needs.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	189	\$426,777	130	\$196,400
Economic Development				
Community Services	1	\$250		
Revitalization/Stabilization	1	\$14,950	4	\$9,316
Total	191	\$441,977	134	\$205,716

Below are highlights of RSB's community development lending.

- RSB extended a \$10 million multifamily mortgage loan for a six-story 76-unit apartment building in the Bronx. The property is located in low-income census tract, and the majority of the rental units are rent-stabilized or rent-controlled and below U.S. Department of Housing and Urban Development ("HUD") fair market rents ("FMR") for the New York City Metropolitan Area.
- RSB refinanced a \$19.4 million multifamily mortgage loan for two 12-story properties in the Bronx. The properties contained 214 rent-stabilized units with rents below HUD's FMR level for the New York City Metropolitan Area.
- RSB refinanced an \$11.3 million mortgage loan for a six-story multifamily property in a moderate-income census tract in Brooklyn. All units were rent-stabilized, and a majority of the property's 84 apartments were below HUD's FMR level for the New York City Metropolitan Area.

However, DFS disqualified seven multifamily loans totaling \$8 million that RSB submitted for community development lending credit because the subject properties had an unacceptably high number of housing code violations as reported by New York City's Department of Housing, Preservation and Development ("HPD") in that agency's Multi-Family Distressed Buildings List and/or a high score (in excess of 800) in the University Neighborhood Housing Program's Building Indicator Project ("BIP") database, indicating that the subject properties facilitated substandard living conditions, and therefore did not promote or provide affordable housing¹. One of the seven loans was secured by a property located in the Bronx, while the remaining loans were secured by properties in Brooklyn.

¹ Pursuant to the Department's Updated Final Guidelines for Banking Lending to Multifamily Properties Under the Community Reinvestment Act, issued December 4, 2014, DFS considers whether a multifamily loan submitted for affordable housing or neighborhood revitalization credit contributes to, and does not undermine, the availability of affordable housing or neighborhood conditions. This guidance is available at: <https://www.dfs.ny.gov/system/files/documents/2020/03/il141204.pdf>.

Six of the seven disqualified loans were secured by properties having an excessive number of housing code violations reported by HPD, while three of the seven properties, had high scores in the BIP database.

Flexible and/or Innovative Lending Practices:

RSB offered some innovative and/or flexible lending programs to help meet the credit needs of its assessment area. The following is a brief description of two of these programs:

- **Good Move Product:** This affordable housing loan program, designed for LMI borrowers, offers flexible loan terms, various repayment plans, and a 3.0% down payment option. RSB originated 34 such loans totaling \$10.6 million in the current evaluation period.
- **Tuition Loan Program:** RSB offers a tuition loan program for several parochial schools in its assessment area. This program offers loans with customized terms and low rates to low-income families. RSB made 380 loans totaling \$1 million during the current evaluation period.

INVESTMENT TEST: High Satisfactory

DFS evaluated RSB'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.*

RSB'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, RSB made \$47.7 million in new qualified investments and had \$55.7 million outstanding from prior evaluation periods. In addition, RSB made \$498 thousand in community development grants. This demonstrated a more than reasonable level of community development investments and grants over the course of the evaluation period. All of RSB's community development investments supported affordable housing within the assessment area.

Community Development Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	16	\$ 47,719	31	\$ 55,740
Economic Development				
Community Services				
Revitalization/Stabilization				
Total	16	\$ 47,719	31	\$ 55,740
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	85	\$ 110		
Economic Development	22	\$ 31		
Community Services	381	\$ 326		
Revitalization/Stabilization	27	\$ 31		
Total	515	\$ 498		

Below are highlights of RSB's community development investments.

Affordable Housing

- RSB invested in 15 CRA qualified mortgage-backed securities totaling \$44.7 million during the current evaluation period and had 28 mortgage-backed security investments outstanding from prior periods with remaining balances totaling \$53.7 million. These securities, issued by government sponsored entities, support mortgage loans made to LMI borrowers in the Bank's assessment area.
- RSB invested in a \$3 million low-income housing tax credit fund which supports the creation and preservation of large multifamily affordable housing projects in the neighborhoods of East Harlem and the Bronx. Three similar investments of \$2 million remained outstanding from the prior evaluation periods.

RSB made \$498,000 in community development grants during the evaluation period. The organizations these grants benefited conduct community development related activities for LMI individuals, geographies, and small businesses.

Below are highlights of RSB's community development grants.

Affordable Housing

- RSB contributed \$4,500 to a non-profit assisting in the development, promotion, and revitalization of affordable rental housing and homeownership. The funding will be used to provide counseling and education to low- and moderate-income first-time home buyers.

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- RSB contributed \$6,500 towards an organization working to create, preserve, and finance affordable housing in depressed areas in the northwest Bronx, NY. The grant helps fund low interest loans the organization offers to residents to make home ownership a possibility.

Economic Development

- RSB contributed \$6,000 to a local library in its assessment area to help entrepreneurs and local startup businesses. The program which RSB helped fund brings business counseling and education to prospective/new business owners.

Community Services

- RSB contributed \$35,000 to an organization located in Brooklyn, NY that provides educational and mentoring services to at-risk youth, and children from disadvantaged backgrounds.
- RSB contributed \$8,000 to a non-profit organization that provides after-school and summer programs for at-risk youth in Nassau county. The grant helps bridge the gap for community members who wish to participate but cannot pay the fee to join the organization.

Revitalization/Stabilization

- RSB contributed \$3,500 to an organization located in Farmingdale, NY that completes building repairs in LMI neighborhoods on Long Island. The focus is to help the elderly, veterans, disabled persons, and families with children who cannot afford to make the repairs themselves.

Innovativeness of Community Development Investments:

RSB did not make use of innovative investments to support community development.

Responsiveness of Community Development Investments to Credit and Community Development Needs:

RSB's community development investments exhibited adequate responsiveness to the assessment area's credit and community development needs.

SERVICE TEST: Outstanding

DFS evaluated RSB 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.

DFS evaluated RSB 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: Outstanding

RSB has an excellent branch network, delivery systems, branch hours and services, and alternative delivery systems, which were adequate to meet the needs of LMI individuals.

Current distribution of the banking institution's branches:

RSB has an excellent distribution of branches within its assessment area. As of evaluation date, RSB operated thirty-five (35) full branches and one limited facility providing only drive-thru service. Although no branches are located in low-income census tracts, RSB has 12 branches (34%) in moderate-income census tracts; 23 branches (66%) are located in middle-and upper-income census tracts. In addition, RSB operates a mobile branch primarily serving senior assisted living facilities in its assessment area.

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Bronx			6		1	7	86%
Kings			4	1	1	6	67%
New York					2	2	0%
Queens			2	4	4	10	20%
Nassau				6		6	0%
Suffolk				2		2	0%
Westchester				2		2	0%
Total	-	-	12	15	8	35	34%

Record of opening and closing branches:

RSB record of opening and closing branches has not adversely affected the accessibility of its delivery systems to LMI geographies and/or individuals.

RSB did not close any branches during the evaluation period. RSB opened the following two branches:

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- In July 2017, RSB opened a branch at 1035 Fulton Street, Brooklyn, NY (moderate-income census tract); and
 - In January 2018, RSB opened a branch at 1125 Old Country Rd, Plainview, NY (middle-income census tract).

Availability and effectiveness of alternative systems for delivering retail services:

RSB delivery systems are readily accessible to significant portions of the Bank's assessment area including LMI geographies and individuals.

RSB had 50 ATMs with at least one at each branch location. All branches offer a 24/7 onsite ATM capable of accepting deposits and making withdrawals, with the exception of the ATM at the Lake Success branch, which does not have deposit taking capabilities. Additionally, 17 of the ATMs (34%) were located in moderate-income census tracts. RSB was also a member of the "All Point" network offering its customers free access to over 55,000 additional ATMs worldwide.

Other delivery channels available to customers include: Bank by mail, mobile application, telephone automated banking, online banking, remote deposit capture and mobile deposit.

Range of services provided:

RSB's services meet the convenience and accessibility needs of its assessment area, including LMI geographies and individuals.

Generally, all branches were open Monday through Friday 9:00 AM to 5:00 PM and to 7:00 PM on Thursdays. In addition, all branches were open on Saturdays from 8:30 AM to 2:00 PM. A majority of the branches also have drive-up and/or walk-up windows open Monday through Friday from 7:00 AM to 7:00 PM.

The Bank's mobile branch offered banking services to 15 senior centers in the Bank's assessment area, making banking services available to the centers' residents and personnel.

RSB offered several products and services that supported LMI and small business needs, including:

- "Student Advantage Checking Account" – this product had a minimal initial deposit of \$25 and no monthly fee or minimum balance requirements.
- "Credit Builder Loan" – designed specifically for building or rebuilding an individual's credit score with small loans from \$500 to \$2,000. The loan is secured by the borrower's deposit account.

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- “Business Checking Account” – this product required a minimum deposit of \$250, and included overdraft privileges and a low monthly charge, which could be waived under certain conditions.

Community Development Services: High Satisfactory

RSB provided an adequate level of community development services.

RSB provided and organized workshops and outreach programs that provide education to individuals and families in the assessment area. In addition, RSB management offered their technical expertise to many community development organizations helping LMI individuals through board or committee memberships. The following are highlights of community development services provided by RSB:

- RSB provided financial literacy training sessions annually to various elementary schools through the Teach Children to Save Program, which is a free national program sponsored by the American Bankers Association that teaches the importance of early savings.
- RSB collaborated with a financial service entity and organized several free tax preparation days at different branch locations in its assessment area. This service was geared towards LMI filers who needed assistance.
- The Bank had an extensive educational program that offered free counseling to individuals and families buying their first home.
- One of the Bank’s senior executives serves as a board member for a not-for-profit organization which provides food assistance to low-income individuals and families..
- One of the Bank’s senior executives serves as a member of the board of a not-for-profit agency that provides care for children, teenagers and families who have been abused, neglected and/or abandoned. In addition, the organization offers foster care, adoption, care management and youth development services for children in need.
- One of the Bank’s senior executives serves on the board of an organization whose mission is to serve the basic needs of the “poor, troubled, frail and oppressed.”

Additional Factors

The following factors were also considered in assessing RSB’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.

RSB has a CRA/Fair Lending Committee which meets quarterly and whose members include the Chief Executive Officer, Chief Lending Officer, Chief Financial Officer, Chief Risk Officer, Chief Investment Officer, Chief Banking Officer, Chief Technology Officer, CRA Officer and the Internal Auditor. The committee discusses CRA-related initiatives, such as outreach efforts and workshops, community development activities, and reviews the Bank's annual CRA self-assessment.

The Board of Trustees in turn, reviews the minutes of the CRA/Fair Lending Committee and approves the Bank's CRA Policy Statement.

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 RSB intended to discourage applications for the types of credit offered by RSB.

- *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.*

RSB encourages its CRA officer, senior management and Bank personnel to participate in the activities of the local community groups. RSB also encourages members of the Bank's management team to be active and attend meetings of community-based organizations that provide assistance to small business and LMI individuals.

Through these efforts, the Bank is able to ascertain and explore opportunities to meet the credit needs of their 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*

In 2017, RSB created a new residential mortgage position called the Community

Mortgage Specialist (“CMS”) for a more focused approach in promoting the Bank’s affordable housing products and to increase residential lending made through the Bank’s affordable loan programs. In 2019 the Bank hired a second CMS to further expand service coverage in its assessment area. RSB also established a management oversight committee to administer and coordinate the promotion, marketing, and delivery of the Bank’s affordable housing products. These new initiatives aim to have a long-term positive effect on the Bank’s loan distribution rates to LMI borrowers.

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

RSB continues to participate in the New York Department of Financial Services’ Banking Development District (“BDD”) program. This program is designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services and where a bank can provide an important role in promoting individual wealth, community development, and revitalization. RSB has two BDD branches, located at 3824 White Plains Road, Bronx, NY and 1035 Fulton Street, Brooklyn, NY.

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.

Banking Development District (“BDD”) Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at <https://www.dfs.ny.gov> and search for the BDD Program.

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 2010 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 Block Numbering Areas (“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.

Minority Depository Institutions (“MDIs”)

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

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.