



**PUBLIC SUMMARY**  
**COMMUNITY REINVESTMENT ACT**  
**PERFORMANCE EVALUATION**  
**OF**  
**TOMPKINS COMMUNITY BANK**

**AS OF MARCH 31, 2023**

New York State Department of Financial Services  
Consumer Protection and Financial Enforcement Division  
One State Street, New York NY 10004

**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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**I. - GENERAL INFORMATION**

This document is an evaluation (the “Evaluation”) of the Community Reinvestment Act (“CRA”) performance of Tompkins Community Bank (“TCB” 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 Bank’s CRA performance based on an evaluation conducted as of March 31, 2023.

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 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 Evaluation.

**II. - OVERVIEW OF INSTITUTION’S PERFORMANCE**

The Department evaluated TCB according to the large banking institutions performance criteria pursuant to Sections 76.7, 76.8, 76.9 and 76.10 of the GRS. The evaluation period included calendar years 2020, 2021 and 2022 for lending activities and the period from April 1, 2020, to March 31, 2023, for community development activities.

The Department assigned TCB a rating of “2” indicating a “Satisfactory” record of meeting community credit needs.

**A. Lending Test: High Satisfactory**

TCB’s small business and HMDA-reportable lending activities were good in light of TCB’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.

1. Lending Activity: Low Satisfactory

TCB’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.

TCB’s average loan-to-deposit (“LTD”) ratio of 73% was below the peer group’s average ratio of 78.6%.

2. Assessment Area Concentration: Outstanding

During the evaluation period, TCB originated 90.7% by number and 90.3% by dollar value of its total HMDA-reportable, small business and small farm loans within the assessment area, demonstrating an excellent concentration of lending.

3. Geographic Distribution of Loans: High Satisfactory

TCB’s origination of loans in census tracts of varying income levels demonstrated a good distribution of lending.

The Bank’s HMDA-reportable and small business lending rates in LMI census tracts were comparable to the aggregate’s rates during the evaluation period.

4. Distribution by Borrower Characteristics: Low Satisfactory

TCB’s one-to-four HMDA-reportable and small business lending demonstrated an adequate distribution of loans among individuals of different income levels and businesses of different revenue sizes.

TCB's small business loans demonstrated an excellent distribution of loans as its average lending rates to businesses with gross annual revenue of \$1 million or less were well above the aggregate's rates. However, the Bank's one-to-four family HMDA-reportable loans demonstrated a poor distribution of loans as its average rates of lending to LMI borrowers were well below the aggregate's rates.

Community Development Lending: Outstanding

During the evaluation period, TCB originated \$156.5 million in new community development loans and had \$20.4 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

**B. Investment Test: Low Satisfactory**

1. Qualified Investments

During the evaluation period, TCB made \$10.7 million in new qualified investments and had \$2.8 million outstanding from prior evaluation periods. In addition, TCB made \$539,560 in qualified grants. This demonstrated adequate level of qualified investments and grants over the course of the evaluation period.

2. Innovativeness of Qualified Investments:

TCB made no use of innovative investments to support community development.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

TCB's qualified investments demonstrated a good level of responsiveness to the assessment area's credit and community development needs.

**C. Service Test: High Satisfactory**

1. Retail Banking Services: Low Satisfactory

TCB has an adequate branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

2. Community Development Services: Outstanding

TCB was a leader in providing 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.*

**III. - PERFORMANCE CONTEXT**

**A. Institution Profile**

Chartered in 1836, Tompkins Community Bank (“TCB or the “Bank”) is a commercial bank headquartered in Ithaca, New York, serving New York State and the Commonwealth of Pennsylvania. The Bank is a wholly owned subsidiary of Tompkins Financial Corporation (“TFC”), a publicly traded financial holding company. TFC also owns Tompkins Financial Advisors which provides investment advice and wealth management services and Tompkins Insurance Agencies which offers various insurance products.

In 2022, TFC combined its wholly owned banks, namely; Tompkins Bank of Castile, Tompkins Mahopac Bank, and Tompkins VIST Bank (“TVB,” a Pennsylvania-based bank), and merged these into Tompkins Trust Company. The surviving bank, which was renamed to Tompkins Community Bank effective January 1, 2023. TCB’s assessment area encompasses 15 counties in New York State and five counties in the Commonwealth of Pennsylvania, the combined assessment areas of the banks have merged.

TCB operates 41 full-service branch offices within its New York State assessment area, of which five (or 12%) branch offices are within LMI census tracts. Each branch office has a full service, deposit-taking Automated Teller Machines (“ATMs”). In addition, the Bank has 16 off-site ATMs within its assessment area, four of which have deposit-taking capabilities.

TCB offers a variety of loan products and services including residential mortgages, home equity lines of credit, personal loans, and credit cards for retail customers. TCB’s deposit products include personal and business checking and savings accounts, certificate of deposits and IRA accounts. The Bank’s designated checking account products “Smart Spend Checking” and “Basic Banking” provide financial benefits for underserved consumers. Additionally, all branches offer safe deposit box, bill pay, and wire transfer services; and online and mobile banking serve as an alternative delivery system of banking services. TCB also offers trade finance, commercial mortgages, construction loans, business lines of credit, SBA loans, business term loans, and farm loans. TCB also participated in the U.S. Small Business Administration’s Paycheck Protection Program (“PPP”) loan program, which was established to help businesses get through the worst of the COVID-19 pandemic.

In its Consolidated Report of Condition (the “Call Report”) as of December 31, 2022, filed with the Federal Deposit Insurance Corporation (“FDIC”), TCB reported total assets of \$7.6 billion, of which \$5.2 billion were net loans and lease financing receivables. It also reported total deposits of \$6.6 billion, resulting in an LTD ratio of 78.6%. According to the latest available comparative deposit data as of June 30, 2022, TCB obtained a market share of 1.4%, or \$5.1 billion in a market of \$369.5 billion, ranking it 10<sup>th</sup> among 68 deposit-taking institutions in the assessment area.

The following is a summary of TCB’s loan portfolio based on its Schedule RC-C Call Report data as of December 31, 2022, and TTC’s loan portfolio based on similar data in 2020 and 2021.

**TOMPKINS COMMUNITY BANK – CRA PERFORMANCE EVALUATION**

<b>TOTAL GROSS LOANS OUTSTANDING</b>						
	<b>TTC</b>		<b>TTC</b>		<b>TCB</b>	
	<b>2020</b>		<b>2021</b>		<b>2022</b>	
<b>Loan Type</b>	<b>\$000's</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>
1-4 Family Residential Mortgage Loans	612,185	40.9	627,900	43.6	1,776,537	33.7
Commercial & Industrial Loans	144,797	9.7	74,121	5.1	477,135	9.1
Commercial Mortgage Loans	390,925	26.1	438,028	30.4	1,761,451	33.4
Multifamily Mortgages	161,036	10.8	138,200	9.6	505,172	9.6
Consumer Loans	27,216	1.8	21,483	1.5	75,707	1.4
Agricultural Loans	3,467	0.2	319	0.0	85,172	1.6
Construction Loans	93,055	6.2	89,909	6.2	461,914	8.8
Obligations of States & Municipalities	49,460	3.3	37,116	2.6	109,444	2.1
Other Loans	0	0.0	0	0.0	1,501	0.0
Lease financing	13,303	0.9	13,140	0.9	14,878	0.3
<b>Total Gross Loans</b>	<b>1,495,444</b>		<b>1,440,216</b>		<b>5,268,911</b>	

As illustrated in the above table, TCB's residential real estate loans account for 43.3% (1-4 family loans and multifamily loans of 33.7% and 9.6%, respectively) of its gross loan portfolio just slightly more than the Bank's commercial and industrial (9.1%) and commercial mortgage (33.4%) loans which totaled 42.5% of the gross loan portfolio.

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

**B. Assessment Area**

The Bank's assessment area expanded in 2022 due to the merger encompassing the following 15 counties: Cattaraugus, Cayuga, Cortland, Dutchess, Erie, Genesee, Livingston, Monroe, Niagara, Onondaga, Orleans, Putnam, Tompkins, Westchester, and Wyoming counties.

There are 1,177 census tracts in the assessment area, of which 119 are low-income, 178 are moderate-income, 439 are middle-income, 391 are upper-income, and 50 are tracts with no income indicated. LMI census tracts total 297 or 25.2% of the assessment area's total census tracts. Erie and Monroe counties' 159 LMI census tracts account for 53.5% of the assessment area's total LMI census tracts.

The table below shows the distribution of census tracts in TCB's assessment area by county and income level.

**TOMPKINS COMMUNITY BANK – CRA PERFORMANCE EVALUATION**

<b>Assessment Area Census Tracts by Income Level</b>							
<b>County</b>	<b>N/A</b>	<b>Low</b>	<b>Mod</b>	<b>Middle</b>	<b>Upper</b>	<b>Total</b>	<b>LMI %</b>
Cattaraugus	1	1	5	16	1	24	25.0
Cayuga	1	1	4	12	7	25	20.0
Cortland	0	0	3	6	4	13	23.1
Dutchess	3	5	6	50	18	82	13.4
Erie	10	40	46	102	63	261	33.0
Genesee	0	0	2	10	6	18	11.1
Livingston	2	0	1	14	1	18	5.6
Monroe	10	39	34	66	62	211	34.6
Niagara	3	5	20	27	11	66	37.9
Onondaga	7	18	21	54	42	142	27.5
Orleans	2	0	6	6	0	14	42.9
Putnam	0	0	0	2	22	24	0.0
Tompkins	4	0	3	14	5	26	11.5
Westchester	6	10	27	49	149	241	15.4
Wyoming	1	0	0	11	0	12	0.0
<b>Total</b>	<b>50</b>	<b>119</b>	<b>178</b>	<b>439</b>	<b>391</b>	<b>1,177</b>	<b>25.2</b>

**C. Demographic & Economic Data**

The assessment area had a population of 4,307,832 during the evaluation period. Approximately 17.1% of the population were over the age of 65 and 20.1% were under the age of 16.

Of the 1,045,672 families in the assessment area 19.6% were low-income, 15.6% were moderate-income, 19.1% were middle-income and 45.7% were upper income. There were 1,677,011 households in the assessment area, of which 12.1% had income below the poverty level and 2.9% were on public assistance.

The weighted average median family income in the assessment area was \$98,659.

There were 1,838,485 housing units within the assessment area, of which 79.5% were one- to four-family units and 18.2% were multifamily units. A majority (59.6%) of the housing units were owner-occupied, while 31.7% were rental-occupied units and 8.7% of units were vacant.

Of the total 621,635 rental-occupied units, 37.4% were in LMI census tracts while 60.4% were in middle- and upper-income census tracts. Weighted average monthly gross rent was \$1,078.

Of the 1,095,161 owner-occupied housing units, 13.7% were in LMI census tracts while 86% were in middle- and upper-income census tracts. The median age of the housing stock was 62 years, and the median home value in the assessment area was \$244,272.

There were 410,252 non-farm businesses in the assessment area. Of these, 87.5% were businesses

**TOMPKINS COMMUNITY BANK – CRA PERFORMANCE EVALUATION**

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with reported revenues of less than or equal to \$1 million, 4% reported revenues of more than \$1 million and 8.5% did not report their revenues. Of all the businesses in the assessment area, 97.1% were businesses with less than fifty employees while 91.7% operated from a single location. The largest industries in the area were services (37.7%), followed by retail trade (11.5%) and finance, insurance and real estate (9.4%); 21.9% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the unemployment rate for New York State decreased substantially, from 9.8% in 2020 at the height of the pandemic to 4.3% in 2022 when the pandemic subsided. All 15 counties in the Bank’s assessment area had similar downward trends, with Tompkins County having the lowest unemployment rates in all years of the evaluation period. Niagara County’s rate of 10.1% in 2020 was the highest rate seen, but finally decreased to 3.8% in 2022. All counties in the assessment area had lower unemployment average rates than the statewide average rate for the three-year period.

<b>Assessment Area Unemployment Rate</b>									
	Statewide	Cattaraugus	Cayuga	Cortland	Dutchess	Erie	Genesee	Livingston	Monroe
2020	9.8	9.1	7.6	7.7	7.3	9.1	7.1	6.8	8.2
2021	7.0	5.3	4.7	5.1	4.5	5.4	4.3	4.4	5.2
2022	4.3	4.0	3.4	3.8	3.1	3.6	3.1	3.3	3.4
<b>Avg. of Years Above</b>	<b>7.0</b>	<b>6.1</b>	<b>5.2</b>	<b>5.5</b>	<b>5.0</b>	<b>6.0</b>	<b>4.8</b>	<b>4.8</b>	<b>5.6</b>

	Niagara	Onodaga	Orleans	Putnam	Tompkins	Westchester	Wyoming
2020	10.1	8.0	8.0	7.2	5.8	8.0	7.2
2021	5.6	4.9	5.2	4.2	3.8	4.8	4.5
2022	3.8	3.3	3.8	2.9	2.8	3.1	3.5
<b>Avg of Years above</b>	<b>6.5</b>	<b>5.4</b>	<b>5.7</b>	<b>4.1</b>	<b>4.1</b>	<b>5.3</b>	<b>5.1</b>

**D. Community Information**

Examiners conducted community contact interviews with representatives of two community organizations operating in TCB’s assessment area to further understand the economic conditions and potential credit and banking needs of residents in the Bank’s assessment area.

The first organization is an economic development corporation in Genesee County that develops initiatives and programs to support economic growth and provide support to local small businesses in the county and surrounding community. The organization offers loan assistance, real estate solutions and workforce development programming to create new and maintain local and regional manufacturing jobs. The organization utilizes local banks for financing of operational needs by using primarily lines of credits when grant revenues are delayed and also partners with local banks to provide financing to businesses.

The representative stated that local banks work to address the needs of the community; however, the organization noted that banks could provide more funding to community organizations via grants, which than could be utilized to provide funding to start-up businesses. The representative

also noted that banks appeared to be more engaged in prior periods, wanting to understand projects and deals supported and sponsored by economic development organizations, while currently banks appear to be less involved. The representative also stated while there has been economic growth and poverty statistics are improving, there are still pockets of poverty within the community.

The second organization's mission is to provide affordable housing opportunities for low- and moderate-income residents in the seven counties it serves within the Bank's assessment area. The organization offers various programs such as first-time homebuyer and financial assistance seminars. At the height of the pandemic, the organization, in collaboration with other civic organizations and local and state government agencies, created a low-cost loan program to help small businesses to remain open.

The representative noted that the ever-rising cost of housing, exacerbated by the pandemic, has further increased the financial stress on the underserved, underbanked and low- and moderate-income population. With primarily low-paying jobs available, coupled with rising cost of housing and neighborhood gentrification, LMI individuals and families are being forced out of their neighborhoods and in some instances become homeless. While most financial institutions are responsive to the community, the representative cited the community need to include low-cost affordable housing for LMI individuals and higher paying jobs.

**IV. - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS**

The Department evaluated TCB under the large banking institutions performance criteria 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 TCB helps to meet the credit needs of its entire community.

DFS derived statistics employed in this Evaluation from various sources. TCB submitted bank-specific information both as part of the Evaluation process and in 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 derived the demographic data referred to in this report from the 2020 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2020, 2021 and 2022 for lending activities and the period from April 1, 2020, to March 31, 2023, for community development activities.

Examiners considered TCB’s small business, and HMDA-reportable loans in evaluating factors (2), (3) and (4) of the lending test noted below. Small farm data volume was low in 2020 and 2021, so it was evaluated only for factor (2).

In its prior Community Reinvestment Act Performance Evaluation as of December 31, 2019, DFS assigned TCB a rating of “2” or a “Satisfactory” compliance with regulatory standards.

**Current CRA Rating: Satisfactory**

**TOMPKINS COMMUNITY BANK – CRA PERFORMANCE EVALUATION**

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**A. Lending Test: High 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.*

TCB’s small business and HMDA-reportable lending activities were good considering TCB’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. TCB’s level of community development lending was excellent during the current evaluation period. Approximately 31% of TCB’s new community development loans supported the community development purpose of economic development, while loans extended for affordable housing, community services and revitalization and stabilization purposes made up the remainder.

**1. Lending Activity: Low Satisfactory**

TCB’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.

During the evaluation period, TCB’s average LTD ratio of 73% was slightly lower than the peer group’s average ratio of 78.6%. During the evaluation period the Bank’s quarterly average LTD ratios fluctuated from a high of 79.5% to a low of 67.6% similar to the fluctuations experienced by the peer group’s quarterly ratios. The Bank and the peer group experienced a steady decline from 2020 into 2021 due to the onset of the COVID-19 pandemic. However, by the beginning of 2022 the LTD ratios of both the Bank and the peer group started to recover.

The table below shows TCB’s LTD ratios in comparison with the peer group’s ratios for the 12 quarters of this evaluation period.

<b>Loan-to-Deposit Ratios</b>													
	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	Avg.
Bank	79.5	76.3	74.7	73.1	68.1	69.1	68.6	67.6	71.3	75.2	74.0	78.6	73.0
Peer	86.1	85.4	84.6	80.4	77.5	75.2	72.7	72.1	72.4	75.9	78.9	82.0	78.6

**2. Assessment Area Concentration: Outstanding**

During the evaluation period, TCB originated 90.7% by number and 90.3% by dollar value of its total HMDA-reportable, small business and small farm loans within the assessment area, demonstrating an excellent concentration of lending.

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*a. HMDA-Reportable Loans:*

During the evaluation period, TCB originated 90.8% by number and 91.1% by dollar value of its HMDA-reportable loans within the assessment area. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

*b. Small Business Loans:*

TCB originated 91.5% by number and 89.5% by dollar value of its small business loans within the assessment area during the evaluation period. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

*c. Small Farm Loans:*

TCB originated 81.8% by number and 86.5% by dollar value of its small farm loans within the assessment area during the evaluation period. This majority of lending inside of its assessment area reflects a good concentration of lending.

The following table shows the percentages of TCB’s HMDA-reportable, small business and small farm loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
<b>HMDA-Reportable</b>										
2020	647	94.7%	36	5.3%	683	198,505	95.1%	10,150	4.9%	208,655
2021	542	89.1%	66	10.9%	608	186,290	89.1%	22,740	10.9%	209,030
2022	696	88.5%	90	11.5%	786	253,851	89.5%	29,766	10.5%	283,617
<b>Subtotal</b>	<b>1,885</b>	<b>90.8%</b>	<b>192</b>	<b>9.2%</b>	<b>2,077</b>	<b>638,646</b>	<b>91.1%</b>	<b>62,656</b>	<b>8.9%</b>	<b>701,302</b>
<b>Small Business</b>										
2020	807	92.4%	66	7.6%	873	98,285	89.3%	11,755	10.7%	110,040
2021	699	89.6%	81	10.4%	780	95,714	88.2%	12,774	11.8%	108,488
2022	1,059	92.1%	91	7.9%	1,150	233,740	90.1%	25,575	9.9%	259,315
<b>Subtotal</b>	<b>2,565</b>	<b>91.5%</b>	<b>238</b>	<b>8.5%</b>	<b>2,803</b>	<b>427,739</b>	<b>89.5%</b>	<b>50,104</b>	<b>10.5%</b>	<b>477,843</b>
<b>Small Farm</b>										
2020	26	74.3%	9	25.7%	35	4,054	79.9%	1,021	20.1%	5,075
2021	7	41.2%	10	58.8%	17	173	30.8%	388	69.2%	561
2022	192	86.1%	31	13.9%	223	23,185	89.0%	2,863	11.0%	26,048
<b>Subtotal</b>	<b>225</b>	<b>81.8%</b>	<b>50</b>	<b>18.2%</b>	<b>275</b>	<b>27,412</b>	<b>86.5%</b>	<b>4,272</b>	<b>13.5%</b>	<b>31,684</b>
<b>Grand Total</b>	<b>4,675</b>	<b>90.7%</b>	<b>480</b>	<b>9.3%</b>	<b>5,155</b>	<b>1,093,797</b>	<b>90.3%</b>	<b>117,032</b>	<b>9.7%</b>	<b>1,210,829</b>

**3. Geographic Distribution of Loans: High Satisfactory**

TCB’s origination of loans in census tracts of varying income levels demonstrated a good distribution of lending.

**TOMPKINS COMMUNITY BANK – CRA PERFORMANCE EVALUATION**

a. HMDA-Reportable Loans:

TCB’s distribution of HMDA-reportable loans by the income level of the geography was good.

During the evaluation period, TCB’s HMDA-reportable lending rates in LMI census tracts of 11% by number and 10.2% by dollar value of loans were comparable with the aggregate’s rates of 12.6% and 9.8%, respectively. The Bank’s rates of lending in LMI census tracts were also comparable to the percentage of owner-occupied housing in LMI census tracts.

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

<b>Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract</b>									
<b>2020</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	5	0.8%	4,355	2.2%	241	1.4%	34,785	1.2%	2.7%
Moderate	60	9.3%	10,090	5.1%	1,187	7.1%	158,745	5.4%	8.5%
LMI	65	10.0%	14,445	7.3%	1,428	8.5%	193,530	6.6%	11.3%
Middle	367	56.7%	77,905	39.2%	8,068	48.2%	1,227,910	41.8%	53.3%
Upper	204	31.5%	64,520	32.5%	7,209	43.1%	1,457,805	49.6%	35.3%
Unknown	11	1.7%	41,635	21.0%	39	0.2%	59,375	2.0%	0.1%
<b>Total</b>	<b>647</b>		<b>198,505</b>		<b>16,744</b>		<b>2,938,620</b>		
<b>2021</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	8	1.5%	7,820	4.2%	372	2.1%	118,050	3.4%	2.8%
Moderate	54	10.0%	12,070	6.5%	1,446	8.0%	212,900	6.2%	8.8%
LMI	62	11.4%	19,890	10.7%	1,818	10.1%	330,950	9.6%	11.7%
Middle	329	60.7%	81,815	43.9%	8,819	49.0%	1,466,625	42.5%	51.7%
Upper	139	25.6%	75,125	40.3%	7,307	40.6%	1,592,675	46.1%	36.3%
Unknown	12	2.2%	9,460	5.1%	39	0.2%	63,195	1.8%	0.1%
<b>Total</b>	<b>542</b>		<b>186,290</b>		<b>17,983</b>		<b>3,453,445</b>		
<b>2022</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	26	3.7%	14,339	5.6%	2,998	3.4%	673,810	2.6%	3.3%
Moderate	55	7.9%	16,257	6.4%	9,145	10.5%	1,919,615	7.5%	10.4%
LMI	81	11.6%	30,596	12.1%	12,143	13.9%	2,593,425	10.2%	13.7%
Middle	365	52.4%	98,163	38.7%	34,887	39.9%	7,229,265	28.3%	42.0%
Upper	243	34.9%	108,061	42.6%	40,097	45.9%	15,398,505	60.3%	44.0%
Unknown	7	1.0%	17,031	6.7%	269	0.3%	318,445	1.2%	0.3%
<b>Total</b>	<b>696</b>		<b>253,851</b>		<b>87,396</b>		<b>25,539,640</b>		
<b>GRAND TOTAL</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	39	2.1%	26,514	4.2%		3.0%		2.6%	
Moderate	169	9.0%	38,417	6.0%		9.6%		7.2%	
LMI	208	11.0%	64,931	10.2%	15,389	12.6%	3,117,905	9.8%	
Middle	1,061	56.3%	257,883	40.4%		42.4%		31.1%	
Upper	586	31.1%	247,706	38.8%		44.7%		57.8%	
Unknown	30	1.6%	68,126	10.7%		0.3%		1.4%	
<b>Total</b>	<b>1,885</b>		<b>638,646</b>		<b>122,123</b>		<b>31,931,705</b>		

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**b. Small Business Loans:**

TCB’s distribution of small business loans among census tracts of varying income levels was good.

The Bank’s average rates of lending in LMI census tracts of 16.8% by number and 18.8% by dollar value for the evaluation period, were comparable to the aggregate’s rates of 16.9% and 20.1%, respectively, as well as the percentage of small businesses (business demographics) located in LMI census tracts within the assessment area.

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

<b>Distribution of Small Business Lending by Geographic Income of the Census Tract</b>									
<b>2020</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	25	3.1%	4,032	4.1%	956	6.9%	82,077	8.7%	7.8%
Moderate	138	17.1%	19,633	20.0%	1,369	9.9%	102,864	10.9%	10.3%
LMI	163	20.2%	23,665	24.1%	2,325	16.8%	184,941	19.6%	18.0%
Middle	377	46.7%	40,077	40.8%	6,175	44.7%	411,186	43.5%	44.0%
Upper	250	31.0%	31,323	31.9%	4,982	36.0%	306,294	32.4%	35.5%
Unknown	17	2.1%	3,220	3.3%	343	2.5%	43,506	4.6%	2.5%
<b>Total</b>	<b>807</b>		<b>98,285</b>		<b>13,825</b>		<b>945,927</b>		
<b>2021</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	17	2.4%	3,923	4.1%	962	6.5%	58,777	8.4%	8.1%
Moderate	112	16.0%	16,961	17.7%	1,554	10.5%	87,931	12.5%	10.8%
LMI	129	18.5%	20,884	21.8%	2,516	17.1%	146,708	20.9%	18.8%
Middle	312	44.6%	41,963	43.8%	6,481	43.9%	296,907	42.3%	42.0%
Upper	239	34.2%	29,471	30.8%	5,428	36.8%	230,399	32.8%	36.8%
Unknown	19	2.7%	3,396	3.5%	323	2.2%	28,580	4.1%	2.4%
<b>Total</b>	<b>699</b>		<b>95,714</b>		<b>14,748</b>		<b>702,594</b>		
<b>2022</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	27	2.5%	8,061	3.4%					6.1%
Moderate	112	10.6%	27,949	12.0%					11.5%
LMI	139	13.1%	36,010	15.4%					17.6%
Middle	517	48.8%	93,116	39.8%					33.8%
Upper	363	34.3%	93,902	40.2%					46.0%
Unknown	40	3.8%	10,712	4.6%					2.6%
<b>Total</b>	<b>1,059</b>		<b>233,740</b>						
<b>GRAND TOTAL</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	69	2.7%	16,016	3.7%		6.7%		8.5%	
Moderate	362	14.1%	64,543	15.1%		10.2%		11.6%	
LMI	431	16.8%	80,559	18.8%	4,841	16.9%	331,649	20.1%	
Middle	1,206	47.0%	175,156	40.9%		44.3%		43.0%	
Upper	852	33.2%	154,696	36.2%		36.4%		32.6%	
Unknown	76	3.0%	17,328	4.1%		2.3%		4.4%	
<b>Total</b>	<b>2,565</b>		<b>427,739</b>		<b>28,573</b>		<b>1,648,521</b>		

4. Distribution by Borrower Characteristics: Low Satisfactory

TCB's one-to-four HMDA-reportable and small business lending demonstrated an adequate distribution of loans among individuals of different income levels and businesses of different revenue sizes.

TCB's small business loans demonstrated an excellent distribution of loans as its average lending rates to businesses with gross annual revenue of \$1 million or less were well above the aggregate's rates. However, the Bank's one-to-four family HMDA-reportable loans demonstrated a poor distribution of loans as its average rates of lending to LMI borrowers were well below the aggregate's rates.

a. One-to-four Family HMDA-Reportable Loans:

TCB's one-to-four family HMDA-reportable lending demonstrated a poor distribution of loans among individuals of different income levels.

The Bank's average HMDA-reportable lending rates to LMI borrowers of 21.7% by number and 12.9% by dollar value for the evaluation period, trailed the aggregate's rates of 29.5% and 16.4% respectively. In addition, TCB's lending rates to LMI borrowers were well below the percentage of LMI families (family demographics) living in the assessment area for each year of the evaluation period. Nonetheless, TCB's lending rates to LMI borrowers improved during the last year of the evaluation period.

The following table provides a summary of the distribution of TCB's one-to-four family HMDA-reportable loans by borrower income.

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<b>Distribution of One-to-Four Family Loans by Borrower Income</b>									
<b>2020</b>									
<b>Borrower</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	23	3.6%	2,235	1.5%	1,018	6.1%	86,740	3.3%	20.3%
Moderate	101	16.0%	15,145	10.4%	3,219	19.3%	362,145	13.8%	16.3%
LMI	124	19.7%	17,380	11.9%	4,237	25.4%	448,885	17.1%	36.5%
Middle	139	22.0%	25,605	17.6%	4,081	24.5%	545,875	20.7%	20.5%
Upper	339	53.7%	90,365	62.0%	7,629	45.8%	1,505,825	57.2%	43.0%
Unknown	29	4.6%	12,395	8.5%	705	4.2%	130,445	5.0%	
<b>Total</b>	<b>631</b>		<b>145,745</b>		<b>16,652</b>		<b>2,631,030</b>		
<b>2021</b>									
<b>Borrower</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	27	5.1%	3,565	2.8%	1,508	8.4%	144,220	5.0%	20.3%
Moderate	81	15.4%	11,995	9.4%	3,900	21.8%	464,700	16.1%	16.3%
LMI	108	20.5%	15,560	12.1%	5,408	30.3%	608,920	21.1%	36.5%
Middle	126	24.0%	23,430	18.3%	4,544	25.4%	636,900	22.1%	20.4%
Upper	253	48.1%	77,085	60.1%	7,185	40.2%	1,503,295	52.2%	43.1%
Unknown	39	7.4%	12,175	9.5%	726	4.1%	129,980	4.5%	
<b>Total</b>	<b>526</b>		<b>128,250</b>		<b>17,863</b>		<b>2,879,095</b>		
<b>2022</b>									
<b>Borrower</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	37	5.7%	4,992	3.0%	7,544	8.7%	786,060	3.7%	19.6%
Moderate	123	18.9%	18,617	11.3%	18,511	21.4%	2,578,585	12.0%	15.6%
LMI	160	24.6%	23,609	14.3%	26,055	30.1%	3,364,645	15.6%	35.2%
Middle	149	22.9%	31,606	19.2%	20,577	23.8%	3,701,775	17.2%	19.1%
Upper	283	43.5%	94,828	57.6%	36,738	42.4%	13,396,930	62.3%	45.7%
Unknown	59	9.1%	14,693	8.9%	3,238	3.7%	1,046,520	4.9%	
<b>Total</b>	<b>651</b>		<b>164,736</b>		<b>86,608</b>		<b>21,509,870</b>		
<b>GRAND TOTAL</b>									
<b>Borrower</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	87	4.8%	10,792	2.5%		8.3%		3.8%	
Moderate	305	16.9%	45,757	10.4%		21.2%		12.6%	
LMI	392	21.7%	56,549	12.9%	35,700	29.5%	4,422,450	16.4%	
Middle	414	22.9%	80,641	18.4%		24.1%		18.1%	
Upper	875	48.4%	262,278	59.8%		42.6%		60.7%	
Unknown	127	7.0%	39,263	8.9%		3.9%		4.8%	
<b>Total</b>	<b>1,808</b>		<b>438,731</b>		<b>121,123</b>		<b>27,019,995</b>		

**b. Small Business Loans:**

TCB's small business lending demonstrated an excellent distribution of loans among businesses of different revenue sizes.

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TCB originated a total of 870 small business PPP loans for a total of \$82.4 million during the evaluation period, of which 572 PPP loans in the amount of \$56.2 million were originated in 2020 and 298 PPP loans in the amount of \$26.2 million in 2021. Of the 870 PPP loans, 43.7% or 380 loans had unknown revenue as the PPP loan program did not require the collection of borrower revenue information for approval. To avoid negatively skewing the results of the Bank’s distribution of small business loans by revenue, DFS removed all PPP loans from this analysis and based the analysis solely on non-PPP small business loans.

During the evaluation period, TCB originated 55.8% by number and 48.9% by dollar value of loans to businesses with gross annual revenue of \$1 million or less, outperforming the aggregate’s rates of 39.9% and 26.1%, respectively. TCB’s rates of lending exceeded the aggregate’s rates in each year of the evaluation period.

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

<b>Distribution of Small Business Lending by Revenue Size of Business</b>									
<b>2020</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	
Rev. <= \$1MM	132	56.2%	23,390	55.5%	4,787	34.6%	199,523	21.1%	82.0%
Rev. > \$1MM	83	35.3%	17,513	41.6%					5.8%
Rev. Unknown	20	8.5%	1,208	2.9%					12.2%
<b>Total</b>	<b>235</b>		<b>42,111</b>		<b>13,825</b>		<b>945,927</b>		
<b>2021</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	
Rev. <= \$1MM	255	63.6%	41,971	60.4%	6,608	44.8%	230,112	32.8%	83.4%
Rev. > \$1MM	111	27.7%	23,487	33.8%					5.1%
Rev. Unknown	35	8.7%	4,050	5.8%					11.5%
<b>Total</b>	<b>401</b>		<b>69,508</b>		<b>14,748</b>		<b>702,594</b>		
<b>2022</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	
Rev. <= \$1MM	559	52.8%	103,447	44.3%	<b>No Data Available at Time of Evaluation</b>				87.5%
Rev. > \$1MM	461	43.5%	123,365	52.8%					4.0%
Rev. Unknown	39	3.7%	6,928	3.0%					8.5%
<b>Total</b>	<b>1,059</b>		<b>233,740</b>						
<b>GRAND TOTAL</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	
Rev. <= \$1MM	946	55.8%	168,808	48.9%	11,395	39.9%	429,635	26.1%	
Rev. > \$1MM	655	38.6%	164,365	47.6%					
Rev. Unknown	94	5.5%	12,186	3.5%					
<b>Total</b>	<b>1,695</b>		<b>345,359</b>		<b>28,573</b>		<b>1,648,521</b>		

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**5. Community Development Lending: Outstanding**

During the evaluation period, TCB originated \$156.5 million in new community development loans and had \$20.4 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

New community development loans made for economic development supporting job creation and retention for LMI individuals and in LMI geographies made up 31% by dollar value of all new community development loans. TCB also extended new community development loans for the community development purposes of community services (25%), revitalization and stabilization (22.6%), and affordable housing (19.8%).

<b>Community Development Loans</b>				
	<b>This Evaluation Period</b>		<b>Outstandings from Prior Evaluation Periods</b>	
<b>Purpose</b>	<b># of Loans</b>	<b>\$000</b>	<b># of Loans</b>	<b>\$000</b>
Affordable Housing	17	30,941	1	3293
Economic Development	27	51,092	4	17,045
Community Services	23	39,118		
Revitalization & Stabilization	12	35,330	1	71
<b>Total</b>	<b>79</b>	<b>156,481</b>	<b>6</b>	<b>20,409</b>

Below are highlights of TCB’s community development lending.

**Economic Development**

- TCB originated a total of \$15 million in loans (one line of credit and one term loan) to a company that manufactures pumping products for ground water and wastewater removal and expansion for construction of a new warehouse/production facility. The new facility will create job opportunities for LMI individuals in the Bank’s assessment area.
- The Bank renewed an \$8 million working capital line of credit (“LOC”) to a manufacturer of replacement parts for commercial trucks and buses. The business is located in TCB’s assessment area and has well over 500 employees, providing employment to LMI individuals.

**Community Services**

- TCB extended a \$15 million working capital LOC to a medical center to support its operations during the COVID-19 pandemic. The medical center, located in the Bank’s assessment area, in partnership with a local county’s health department administered over 50,000 doses of the COVID-19 vaccine. As a result, nearly 60% of the county’s residents received at least one dose of the vaccine.

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- The Bank renewed LOCs totaling \$4 million to a nonprofit organization headquartered in the Bank’s assessment area. The organization provides a variety of mental health, clinical, residential, and educational services for children, adolescents and adults with intellectual and developmental disabilities. The organization is funded primarily through Medicaid and government grants.

### Affordable Housing

- TCB originated a \$2.2 million commercial mortgage to assist in the purchase of the 24-unit multifamily property located in Westchester County. All units are rent stabilized and below the U.S Housing and Urban Development (“HUD”) fair market rents for the area providing affordable housing to LMI individuals and families.

### Revitalization & Stabilization

- TCB originated a \$1.8 million commercial mortgage to purchase a building which will house a start-up pediatrics and adolescent medical office. The building is located in a moderate-income tract in the Bank’s assessment area.

#### a. Flexible and/or Innovative Lending Practices:

TCB made significant use of flexible or innovative lending practices during the evaluation period.

Below are highlights of flexible or innovative lending practices.

- Community One - This program is designed for first-time homebuyers and offers a low-down payment option on a fixed-rate loans with reduced fees and closing costs. Eligible borrowers are subject to an income limit of 80% of the HUD median income of the area.
- Federal Home Loan Mortgage Corporation (“Freddie Mac”) Home Possible - This program offers financing up to 97% loan-to-value for the purchase or refinance of 1-4 family house, condo, co-op, and manufactured home. Qualifying income of the program is limited to 80% of the HUD median income of the area.
- First Home Club - This program offers down payment and closing cost assistance up to \$10,000, in conjunction with the Federal Home Loan Bank of New York (“FHLBNY”). The program is available to first-time home buyers with an income of 80% or less of the HUD median income of the area.
- Excelsior Linked Deposit Program - Created by the State of New York, the program offers existing small- and mid-sized businesses loans with reduced interest rates for business expansion, development of new products and services, to encourage and increase business activities. TCB made four such loans totaling \$3.3 million during the evaluation period.

**TOMPKINS COMMUNITY BANK – CRA PERFORMANCE EVALUATION**

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- SBA Loan Products – TCB, in addition to its regular SBA lending products, originated more than 1,000 PPP loans totaling approximately \$159 million during the evaluation period. These PPP loans provided much needed funds to small businesses adversely impacted by the COVID-19 pandemic.

**B. Investment Test: Low Satisfactory**

*The Department evaluated TCB’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.*

**1. Qualified Investments**

During the evaluation period, TCB made \$10.7 million in new qualified investments and had \$2.8 million outstanding from prior evaluation periods. In addition, TCB made \$539,560 in qualified grants. This demonstrated an adequate level of qualified investments and grants over the course of the evaluation period.

<b>Qualified Investments and Grants</b>				
	<b>This Evaluation Period</b>		<b>Outstandings from Prior Evaluation Periods</b>	
CD Investments	<b># of Inv.</b>	<b>\$000</b>	<b># of Inv.</b>	<b>\$000</b>
Affordable Housing	5	7,621	3	929
Economic Development				
Community Services	1	2,734	5	1,425
Rivitalization/Stabilization	2	395	3	454
Other (Please Specify)				
<b>Total</b>	<b>8</b>	<b>10,750</b>	<b>11</b>	<b>2,808</b>
CD Grants	<b># of Grants</b>	<b>\$000</b>	<i>Not Applicable</i>	
Affordable Housing	5	12		
Economic Development	29	184		
Community Services	129	340		
Rivitalization/Stabilization	2	4		
<b>Total</b>	<b>165</b>	<b>540</b>		

Below are highlights of TCB’s qualified investments and grants.

**Investments**

- TCB purchased \$5.1 million in various mortgage-backed securities (“MBS”), secured by 1-4 family residential mortgage loans made to LMI borrowers with income of 80% or less of the area median income where the properties are located.

## TOMPKINS COMMUNITY BANK – CRA PERFORMANCE EVALUATION

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- TCB invested \$2.7 million in municipal bonds issued by a local school district in the Bank’s assessment area, where most of the student population receive free or reduced-cost lunches.

### Grants

- TCB donated a total of \$30,000 to a nonprofit organization that provides clinical, autistic, residential, mental health, child development and care management services to children and adults with disabilities. The organization offers flexible financial assistance to qualified LMI patients through various state and federal programs.
- TCB made a \$40,000 grant to a nonprofit organization that is funded primarily through donations. The organization provides meals through food pantries or via deliver to residents of Western New York; in addition, the organization offers nutrition assistance and education, as well as an employment readiness program.
- TCB contributed \$50,000 to an organization that assists small businesses via financial support, tax incentives, workforce services, and assistive technologies.

### 2. Innovativeness of Qualified Investments:

TCB made no use of innovative investments to support community development.

### 3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

TCB’s qualified investments demonstrated a good level of responsiveness to the assessment area’s credit and community development needs.

## **C. Service Test: High Satisfactory**

The Department evaluated TCB’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.

The Department evaluated TCB’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.

### 1. Retail Banking Services: Low Satisfactory

TCB has an adequate branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

**TOMPKINS COMMUNITY BANK – CRA PERFORMANCE EVALUATION**

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*a. Current distribution of the banking institution’s branches:*

TCB has an adequate distribution of branches within its New York State’s assessment area.

TCB operates 41 full-service branches spread out in 13 counties, of which eight branches are in Tompkins County. The Bank has more than two branches each in Dutchess, Genesee, Livingston, Monroe, Putnam, Westchester, and Wyoming counties; and a branch each in Cayuga, Cortland, Erie, Onondaga, and Orleans counties. Of the 41 branches, five (or 12%) are within moderate-income census tracts. The Bank does not have branches in low-income census tracts. In addition, all branch locations have an ATM, most of which are accessible 24/7. DFS notes that TCB has four branches located in upper- or middle-income census tracts that are adjacent to LMI census tracts, providing reasonably convenient access to banking services to LMI individuals and families.

Distribution of Branches within the Assessment Area							
	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Cayuga			1			1	100%
Cortland				1		1	0%
Dutchess				1	2	3	0%
Erie					1	1	0%
Genesee				4		4	0%
Livingston				1	2	3	0%
Monroe				2	1	3	0%
Onondaga					1	1	0%
Orleans			1			1	100%
Putnam					5	5	0%
Tompkins			2	3	3	8	25%
Westchester			1		4	5	20%
Wyoming				5		5	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>17</b>	<b>19</b>	<b>41</b>	<b>12%</b>

*b. Record of opening and closing branches:*

TCB’s record of opening and closing branches has not affected the accessibility of its delivery systems, including LMI geographies and/or LMI individuals.

During the evaluation period, TCB did not open any branches but closed three branches and relocated one branch, all of which were located in middle- or upper-income census tracts. Below are the branches that closed during the evaluation period:

- On December 7, 2020, the Bank’s LaGrange branch and ATM located at 706 Freedom Plains Road, Poughkeepsie, New York (upper-income tract) was relocated to 673 Freedom Plains Road, Poughkeepsie, New York (upper-income tract).
- On June 18, 2021, the Bank closed the Odessa Branch located at 100 West Main Street, Odessa, New York (upper-income tract).
- On August 1, 2022, the Bank closed the branch located at 179 Sully’s Trail, Pittsford, New York (upper-income tract).

## TOMPKINS COMMUNITY BANK – CRA PERFORMANCE EVALUATION

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- On December 14, 2022, the Bank closed the Ossining Branch and ATM located at 2 Church Street, Ossining, New York (upper-income tract).

*c. Availability and effectiveness of alternative systems for delivering retail services:*

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

The Bank has alternative delivery channels that are available to all its customers for free and include: online and mobile banking, bill pay, person-to-person same day payment and mobile check deposit. TCB's online and mobile banking also offers text and email alerts that can be customized to notify customers of low balances to avoid overdraft fees. In addition to telephone banking, the Bank's customer care service center gives customers the option to talk to a live customer representative for internet banking assistance. Customers can also open a checking, savings, and CD account or get pre-qualified for a mortgage via the Bank's website. These alternative delivery systems allow all bank customers including LMI customers and customers living in LMI geographies to access bank services without the need to travel to a branch location.

*d. Range of services provided:*

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

TCB's branch hours of operation are from 8:30 AM or 9:00 AM to 4:00 PM or 5:00 PM from Monday through Friday including drive-through. Twenty-two of the 41 branches offer extended hours on Thursdays and Fridays till 6:00 PM while 23 branches offer Saturday hours from 9:00 AM to 12:00 PM, this includes three branches in moderate-income census tracts which also offer drive-through service during those hours.

### 2. Community Development Services: Outstanding

During the evaluation period, TCB was a leader in community development services. The Bank provided 256 qualified community development services, majority (or 80%) of which were in leadership roles through board and committee memberships in various community and civic organizations operating within the Bank's assessment area.

<b>Community Development Services</b>	
<b>Activity Type</b>	<b>Number of Activities</b>
On-Going Board & Committee Memberships	205
Technical Assistance	
Seminars	51
Credit Counseling	
Other Services	
<b>Total Community Development Services</b>	<b>256</b>

## TOMPKINS COMMUNITY BANK – CRA PERFORMANCE EVALUATION

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Below are highlights of TCB’s community development services.

- A corporate division president served on the board of a nonprofit organization that delivers economic incentives to area businesses, enhances community vitality, and supports job creation, business and industrial development, and community revitalization.
- A corporate compliance specialist served as a board member of an Ithaca nonprofit organization that assists families and individuals in need of decent, affordable housing apply for home ownership.
- A corporate division president served as a board member of a nonprofit, acute care medical center that provides 24-hour emergency care to all area residents of Tompkins, Cortland, Seneca, and Tioga counties. The facility employs over 1,500 health care professionals and has a medical staff of more than 200 affiliated physicians. The medical center provides services to patients regardless of income.
- A corporate compliance officer served on the board of a nonprofit organization that provides home meal delivery, social dining, and nutrition services for older adults and other LMI individuals faced with food insecurity in Tompkins County.
- A commercial bank relationship manager served on the board of a nonprofit organization offering loan programs specifically designed to help startups and small businesses succeed.
- A residential mortgage sales associate served on the board of an organization that strives to preserve and revitalize the central Ithaca downtown core as the region’s center for banking and finance, business and professional office space, government and community services, and as a retail destination highlighted by specialty shops, restaurants, arts, and entertainment.
- TCB organized seven financial education seminars during the evaluation period. The seminars focused on fostering financial and economic development of students, youths, and adults related to budgeting, college finances and banking basics.
- The Bank sponsored and participated in 15 seminars for first-time homebuyers and repeat homebuyers providing information on the mortgage loan, prequalification and application process, as well as how to calculate debt-to-income ratio and credit report qualification.
- TCB, in 2020 and 2021, organized workshops for small business owners and prospective entrepreneurs on how to secure financing for a start-up business, including loan underwriting criteria and SBA loan options.

#### **D. Additional Factors**

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

1. 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.

TCB's board is responsible for establishing policies to address the requirements of CRA and it approves the Bank's CRA policy. The corporate compliance, CRA and fair lending officer is responsible for implementing the CRA policy and the annual CRA plan of the Bank. TCB's compliance committee annually reviews the CRA plan to ensure it adequately addresses CRA issues. In addition, TCB's compliance department conducts an annual CRA self-assessment, and the assessment is presented to the CRA committee and subsequently to the Audit/Examining committee and the board.

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

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

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

3. 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.*

TCB ascertains the credit needs of its community by leveraging established relationships via board membership by bank senior management in community service and/or economic development organizations and bank employee's participation in various local community-based organizations, events and seminars. The Bank has also developed a marketing calendar that identifies areas of community need and opportunity to develop and provide fitting credit products. In addition, the Bank works with regional CRA committees promoting CRA events, supporting outreach in LMI areas and having a dedicated media budget for advertisement in LMI areas within the Bank's

assessment area.

- *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*

TCB makes its community members aware of its credit related programs through digital media marketing using social media, and virtual events and traditional media including print, radio, billboard, and its website to reach customers and prospective customers. The Bank also uses its involvement with local civic community and nonprofit organizations to make its community aware of credit products offered.

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

While the Bank received complaints regarding their Odessa branch office closure, which were responded to by the Bank in a timely manner, neither TCB nor DFS received any written complaints regarding TCB's CRA performance during the evaluation period.

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

TCB originated seven community development loans outside its assessment area, but within New York State, totaling \$7.3 million. The community development loans mainly supported affordable housing and economic development. In addition, TCB made six qualified investments totaling \$5.4 million outside of its assessment area but within New York State. Five of the investments totaling \$2.9 million were issued by various central school districts with the majority of the student population qualifying for the free or reduced lunch program. These five investments supported community service, while the other investment for \$2.5 million supported affordable housing.

## V - GLOSSARY

### Aggregate Lending

“Aggregate lending” means 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” means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- 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;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

### Community Development Loan

“Community development loan” means 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 LMI persons; (DFS multifamily industry letter [www.dfs.ny.gov/industry\\_guidance/industry\\_letters/il20141204\\_guidelines\\_bank\\_lending\\_multifamily\\_properties\\_cra\\_updated](http://www.dfs.ny.gov/industry_guidance/industry_letters/il20141204_guidelines_bank_lending_multifamily_properties_cra_updated) );

- 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**

“Community development service” means a 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.

**Community Development Financial Institution (“CDFI”)**

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department’s CDFI Fund.

**Fair Market Rents (“FMRs”)**

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development (“HUD”) and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas (“MSAs”) nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to [www.huduser.gov/portal/datasets/fmr.html](http://www.huduser.gov/portal/datasets/fmr.html)

**Geography**

“Geography” means 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.

<b>Income level of individual or geography</b>	<b>% of the area median income</b>
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

**LMI Geographies**

“LMI geographies” means those census tracts or block numbering areas where, according to the most current 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**

“LMI borrowers” means 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 Federal Financial Institutions Examination Council (“FFIEC”).

**LMI Individuals/Persons**

“LMI individuals” or “LMI persons” means 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 the FFIEC.

**LMI Penetration Rate**

“LMI penetration rate” means the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

**Low-Income Housing Tax Credit (“LIHTC”)**

LIHTC were 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. The tax credits 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 NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits 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 CDFI Fund, an agency of the United States Department of the Treasury.

### **Paycheck Protection Program (“PPP”) Loans**

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) temporarily permits the U.S. Small Business Administration (“SBA”) to guarantee 100% of 7(a) loans under a new program titled the “Paycheck Protection Program”. The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

### **Qualified Investment**

“Qualified investment” means 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.

Small Business Loan

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