



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF STATE BANK OF INDIA, NEW YORK BRANCH

AS OF MARCH 31, 2024

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.

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

TABLE OF CONTENTS

Sections

- I. General Information**
 - II. Overview of Institution’s Performance**
 - III. Performance Context**
 - A. Institution Profile
 - B. Assessment Area
 - C. Demographic & Economic Data
 - D. Community Information
 - IV. Performance Standards and Assessment Factors**
 - A. Community Development Test
 - B. Innovative or Complex Practices
 - C. Responsiveness to Credit and Community Development Needs:
 - D. Additional Factors
 - V. Glossary**
-

STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE EVALUATION

I - GENERAL INFORMATION

This document is an evaluation (the “Evaluation”) of the Community Reinvestment Act (“CRA”) performance of State Bank of India, New York Branch (“SBINY” or the “Branch”) 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, 2024.

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 end of this Evaluation.

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

II- OVERVIEW OF INSTITUTION’S PERFORMANCE

The Department evaluated SBINY according to the community development test for wholesale or limited purpose banking institutions pursuant to Section 76.11 of the GRS. The evaluation period covered April 1, 2021, to March 31, 2024. The Department assigned SBINY a rating of “2,” indicating a “Satisfactory” record of helping to meet community credit needs.

This rating is based on the following criteria:

A. Community Development Test:

SBINY’s community development performance demonstrated an adequate level of community development loans, qualified investments and services considering the Branch’s capacity and the need and availability of such opportunities for community development in its assessment area.

1. Community Development Lending:

During the evaluation period, SBINY purchased or renewed \$10.5 million in new community development loans and had no community development loans outstanding from prior evaluation periods.

2. Qualified Investments:

During the evaluation period, SBINY made \$99.7 million in new qualified investments and had \$102.7 million in qualified investments outstanding from prior evaluation periods. In addition, the Branch made \$610,000 in qualified grants.

3. Community Development Services:

During the evaluation period, officers and employees of SBINY provided 250 instances of community development services.

B. Innovative or Complex Practices:

SBINY demonstrated no use of innovative or complex community development practices.

C. Responsiveness to Credit and Community Development Needs:

SBINY demonstrated an adequate level of responsiveness to credit and community development needs.

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

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

III - PERFORMANCE CONTEXT

A. Institution Profile

SBINY located in New York, NY, is a foreign branch of the State Bank of India (“SBI”), which is headquartered in Mumbai, India and is the largest commercial bank in India.

SBINY is designated as a wholesale institution for CRA purpose and primarily provides credit and financial services to international corporations and Indian-owned businesses in the United States. Products and services offered include trade finance such as letters of credit and standby letters of credit and corporate credit via bilateral and syndicated loans. Deposit products offered for corporate and retail customers include certificates of deposit, money market deposits and checking accounts. Financial services offered include wire transfers, internet banking and remittance services for all major currencies.

In its Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks, as of March 31, 2024, filed with the Federal Financial Institutions Examination Council (“FFIEC”), SBINY reported total assets of \$ 16.8 billion, of which \$12.7 billion were total loans and leases. SBINY also reported total deposits and credit balances of \$11.9 billion, resulting in a loan-to-deposit ratio of 107%. According to the latest available comparative deposit data as of June 30, 2023, SBINY obtained a market share of 0.63%, or \$ 11.3 billion in a market of \$1.8 trillion, ranking it 15th among 108 deposit-taking institutions in the assessment area.

The following is a summary of SBINY’s loan portfolio, based on Schedule C of the Branch’s December 31, 2021, 2022, 2023 and March 31, 2024, Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks:

TOTAL GROSS LOANS OUTSTANDING								
Loan Type	12/31/2021		12/31/2022		12/31/2023		3/31/2024	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
Commercial & Industrial Loans	5,848,527	54.6	6,865,667	59.9	8,613,471	64.5	7,982,325	59.7
Commercial Mortgage Loans	104,203	1.0	73,999	0.6	45,131	0.3	34,631	0.3
Loans to Other Financial institutions	1,290,000	12.0	1,020,000	8.9	920,000	6.9	1,170,000	8.8
Loans to Depository Institutions and Acceptances of Other Banks	3,258,524	30.4	3,294,877	28.7	3,776,806	28.3	3,559,416	26.6
Loans to Foreign Governments	199,683	1.9	200,000	1.7	0	0.0	0	0.0
Other Loans	9,081	0.1	8,010	0.1	7,683	0.1	7,649	0.1
Total Gross Loans	10,710,018		11,462,553		13,363,091		12,754,021	

As illustrated in the above table, SBINY is primarily a commercial and industrial lender, with 59.7% of its loan portfolio in commercial and industrial loans, followed by 26.6% of loans made to depository institutions and acceptances of other banks.

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

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

B. Assessment Area

SBINY's assessment area consists of Bronx, Kings, New York, Queens, and Richmond counties.

There are 2,327 census tracts in the Branch's assessment area, of which 285 are low-income, 570 are moderate-income, 727 are middle-income, 596 are upper-income, and 149 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	21	129	121	65	25	361	69.3
Kings	46	91	235	263	170	805	40.5
New York	23	36	44	32	175	310	25.8
Queens	52	26	157	325	165	725	25.2
Richmond	7	3	13	42	61	126	12.7
Total	149	285	570	727	596	2,327	36.7

C. Demographic & Economic Data

The assessment area had a population of 8,804,190 during the evaluation period. Approximately 14.2% of the population was over the age of 65 and 22.2% was under the age of 16.

Of the 1,902,630 families in the assessment area, 29.8% were low-income, 16.0% were moderate-income, 16.2% were middle-income and 38.0% were upper-income. There were 3,191,691 households in the assessment area, of which 17.2% had income below the poverty level and 4.7% were on public assistance. The weighted average median family income in the assessment area was \$88,081.

There were 3,519,595 housing units within the assessment area, of which 38.5% were one- to four-family units and 61.3% were multifamily units. A majority (60.9%) of the housing units were rental-occupied units, while 29.8% were owner-occupied.

Of the total 2,143,429 rental-occupied units, 49.4% were in LMI census tracts while 49.1% were in middle- and upper-income census tracts. The weighted average monthly gross rent was \$1,590.

Of the 1,048,262 owner-occupied housing units, 20.7% were in LMI census tracts while 78.6% were in middle- and upper-income census tracts. The median age of the housing stock was 73 years, and the weighted average median home value in the assessment area was \$676,656.

There were 1,421,214 non-farm businesses in the assessment area. Of these, 93.6% were businesses with reported revenues of less than or equal to \$1 million, 2.5% reported revenues of more than \$1 million and 3.9% did not report their revenues. Of all the businesses in the assessment area, 98.1% were businesses with less than fifty employees, while 96.2% operated from a single

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

location. The largest industries in the area were services (31.5%), retail trade (10.9%) and finance, insurance and real estate (10.4%); 34.1% of businesses in the assessment area were not classified.

According to New York State Department of Labor data, the average annual unemployment rates for New York State and the five counties in the Branch’s assessment area steadily declined from their peak in 2021. This trend coincided with the ebbing of the COVID-19 pandemic and the resulting improvement in economic conditions. However, the average unemployment rate for each county in the assessment area exceeded the statewide average in each year of the assessment period. Additionally, Bronx County had the highest annual average unemployment rates while New York County had the lowest unemployment rates during the evaluation period.

Assessment Area Unemployment Rate						
Year	Statewide	Bronx	Kings	New York	Queens	Richmond
2021	7.1	13.9	10.4	7.8	9.9	9.0
2022	4.3	7.9	5.9	4.6	5.3	5.6
2023	4.2	6.8	5.5	4.6	4.6	4.9
Average of Years above	5.2	9.5	7.3	5.7	6.6	6.5

D. Community Information

As part of the evaluation, examiners conducted a community contact interview with a representative of a nonprofit organization that focuses on economic development and neighborhood revitalization in Bronx County. The purpose of the interview is to gain additional insight into the economic conditions and credit needs of communities in SBINY’s assessment area.

The organization provides programs, services, and initiatives to help youth and adults achieve educational and economic success, secure safe and affordable housing, develop job skills and obtain job placements. The organization also offers programs to help start-up businesses and minority- and women-owned businesses to grow and prosper. The representative stated that there is a need for small business funding programs, access to capital and financial education in the communities the organization serves. Furthermore, there is a need for economic advancement, workforce development and job training programs for the LMI population. The representative stated that banks in general are involved in helping to meet the banking and credit needs of the community and SBINY was favorably mentioned as being active in the community.

STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE EVALUATION

IV - PERFORMANCE TEST AND ASSESSMENT FACTORS

The Department evaluated SBINY under the wholesale banking institution performance standards pursuant to the “community development test,” as provided in Section 76.11 of the GRS.

Performance criteria include:

- (1) the number and amount of community development loans, qualified investments or community development services;
- (2) the use of innovative or complex qualified investments, community development loans or community development services and the extent to which investments are not routinely provided by private investors; and
- (3) the banking institution’s responsiveness to credit and community development needs.

In addition, the following factors are also considered in assessing SBINY’s record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications; evidence of prohibited discriminatory or other illegal credit practices; the Bank’s record of opening and closing offices and providing services at offices; and process factors such as activities to ascertain credit needs; and the extent of marketing and special credit related programs. Finally, the Evaluation considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

DFS derived statistics employed in this Evaluation from various sources. SBINY submitted bank-specific information both as part of the Evaluation process and in its Call Report submitted to the FDIC.

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 the period from April 1, 2021, to March 31, 2024.

In its prior Community Reinvestment Act Performance Evaluation as of March 31, 2021, DFS assigned SBINY a rating of “2,” reflecting a “Satisfactory” compliance with regulatory standards.

Current CRA Rating: Satisfactory

A. Community Development Test:

SBINY’s community development performance demonstrated an adequate level of community development loans, qualified investments and services considering SBINY’s capacity and the need and availability of such opportunities for community development in its assessment area.

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

1. Community Development Lending:

During the evaluation period, SBINY purchased or renewed \$10.5 million in new community development loans and had no outstanding community development loans from prior evaluation periods.¹ The Branch’s level of community development lending for the evaluation period (3 years) on an annualized basis was \$3.5 million, which represented a decline from the annualized lending of \$6.1 million for the prior evaluation period (3.25 years).

The majority of SBINY’s community development lending supported economic development by providing support to small businesses and minority- and women-owned businesses.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing				
Economic Development	24	6,068		
Community Services				
Revitalization/Stabilizatio	4	4,400		
Total	28	10,468	0	0

Below are highlights of SBINY’s community development lending.

- SBINY purchased 24 small business loans totaling \$6.1 million. These loans are guaranteed by the Small Business Administration (“SBA”) and supported small businesses located within the Branch’s assessment area and employ LMI individuals.
- The Branch renewed an existing line of credit three times during the evaluation period for a total of \$3.6 million to an organization that works in partnership with banks to provide loans that are affordable, innovative and flexible to small businesses that may not qualify for traditional financing, helping and empowering business owners to succeed. The loans provide capital funding and help to create and retain jobs for LMI individuals.

2. Qualified Investments:

During the evaluation period, SBINY made \$99.7 million in new qualified investments and still had \$102.7 million investments outstanding from prior evaluation periods. In addition, the Branch made \$610,000 in qualified grants. The Branch’s level of qualified investments and grants on an annualized basis for the evaluation period was \$67.7 million, which represented an increase from the annualized qualified investments and grants of \$41.2 million for the prior evaluation period.

All of SBINY’s qualified investments supported the community development purpose of affordable housing.

¹ For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit. However, the level of lending is reviewed across the time period of the exam.

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	\$000	# of Inv.	\$000
Affordable Housing	26	99,727	68	102,739
Economic Development				
Community Services				
Revitalization/Stabilization				
Total	26	\$ 99,727	68	\$102,739
CD Grants	# of Grants	\$000	<i>Not Applicable</i>	
Affordable Housing	9	90		
Economic Development	10	100		
Community Services	42	420		
Revitalization/Stabilization				
Total	61	\$ 610		

SBINY’s investments consisted primarily of mortgage-backed securities (“MBS”) collateralized by either multifamily properties in which the majority of rental units had rents below 80% of the average median income (“AMI”) of the area or single-family properties of which the borrower had income of less than 80% of AMI, therefore providing affordable housing.

Below are highlights of SBINY’s qualified investments:

- SBINY invested \$7 million and \$6.9 million in two Federal National Mortgage Association (“Fannie Mae”) MBS securities that funded multifamily properties located in low-income census tracts in Bronx County; providing affordable rental housing for LMI individuals and families.
- SBINY purchased a \$6.9 million Fannie Mae MBS that financed multiple multifamily properties in the Branch’s assessment area that provide affordable housing, as 99% of the rental units in these properties are restricted to recipients of Section 8 Housing Assistance Payments.
- SBINY purchased a \$6.6 million Fannie Mae MBS security that was collateralized by single-family residential mortgage loans made to LMI borrowers within the Branch’s assessment area providing affordable housing.
- SBINY purchased a \$6.3 million Federal Home Loan Mortgage Corporation (“Freddie Mac”) MBS that was secured by single-family residential mortgage loans made to LMI borrowers, providing affordable housing for LMI individuals and families in the assessment area.
- SBINY purchased a \$7.7 million agency housing revenue bond that provides funding for the construction/acquisition and rehabilitation of multifamily housing projects that will provide affordable housing for LMI individuals and families in the Branch’s assessment area.

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

Below are highlights of SBINY’s qualified grants:

- SBINY donated a total of \$30,000 to an organization consisting of volunteers that act as mentors and advisors providing free insights and knowledge to small business owners and entrepreneurs who want to start or grow a business. The organization also provides educational resources.
- SBINY made grants totaling \$30,000 to a nonprofit collaboration of financial institutions and community housing agencies providing opportunity for LMI individuals and families to achieve responsible and sustainable homeownership. The organization offers pre-purchase counseling, post-purchase education, financial literacy, as well as financial programs such as fixed-rate loans, closing cost grants and down payment assistance.
- SBINY donated \$30,000 to a nonprofit organization whose mission is the creation, preservation, and improvement of affordable housing in the Bronx. Through its various resources and housing programs, the organization serves the financial and housing needs of the LMI individuals and families residing in the Bronx.
- SBINY made grants totaling \$20,000 to a nonprofit organization which is also a Community Development Financial Institution. The organization provides financial literacy and homeownership services, offers various lending programs, as well as down payment and closing costs assistance for LMI individuals and families in New York City.

3. Community Development Services:

During the evaluation period, officers and employees of SBINY provided 250 instances of community development services.

Community Development Services	
Activity Type	Number of Activities
On-Going Board & Committee Memberships	12
Small Business Technical Assistance	196
Financial Literacy Seminars	42
Credit Counseling	
Other Services	
Total Community Development Services	250

Below is a description of SBINY’s community development services.

- SBINY’s senior compliance officer serves on the board of a nonprofit organization whose primary mission is to end the cycle of homeless and domestic violence for low-income families by helping them to find affordable and safe housing.

STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE EVALUATION

- The Branch’s compliance officer serves on the board of a nonprofit organization that works to increase business and commercial activities through the creation of programs to strengthen local businesses in the assessment area.
- Throughout the evaluation period, the Branch’s CRA officer and vice president in partnership with various nonprofit organizations provided small business counseling, entrepreneurship skills training and financial literacy to small business owners, entrepreneurs and students.

B. Innovative or Complex Practices:

SBINY demonstrated no use of innovative or flexible community development practices.

C. Responsiveness to Credit and Community Development Needs:

SBINY demonstrated an adequate level of responsiveness to credit and community development needs.

D. Additional Factors

The extent of participation by the banking institution’s Board of Directors/Trustees in formulating the banking institution’s policies and reviewing its performance with respect to the purposes of the CRA

SBINY’s CRA program is reviewed and approved annually by the head office in Mumbai, India. SBINY’s CRA officer is responsible for developing and monitoring the Branch’s CRA program. The CRA officer submits a monthly performance report to the branch monitoring committee, which includes senior officers from key business units. The report incorporates three-year CRA targets set by management. The branch monitoring committee meets monthly to review and discuss the monthly performance report, which compares the Branch’s actual CRA community development activities within the assessment area against quarterly targets helping management to assess the Branch’s progress towards achieving its three-year CRA targets.

1. Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution’s CRA Public File.*

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

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

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

2. The banking institution’s record of opening and closing offices and providing services at offices

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

SBINY has not opened or closed any branches since the prior evaluation and as a wholesale bank SBINY offers limited retail services and products.

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.

SBINY ascertains the credit needs of its community through its participation in community development services and ongoing involvement with various community development organizations and charitable organizations. These activities also help the Branch to ascertain community development lending, investment and grant opportunities.

- 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

As a wholesale bank, SBINY does not market its credit products and services. However, the Branch's ongoing interaction and involvement with various community organizations allows management and bank employees to make members of the community aware of the credit products and services offered.

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

DFS noted no other factors.

STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE EVALUATION

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 https://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;

STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE EVALUATION

- 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.

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

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

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.

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

STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE EVALUATION

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.

STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE EVALUATION

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;

**STATE BANK OF INDIA, NEW YORK BRANCH – CRA PERFORMANCE
EVALUATION**

- 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.