



## **PUBLIC SUMMARY**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF RHINEBECK BANK**

**AS OF JUNE 30, 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.

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# RHINEBECK BANK – CRA PERFORMANCE EVALUATION

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## I. - GENERAL INFORMATION

This document is an evaluation (the “Evaluation”) of the Community Reinvestment Act (“CRA”) performance of Rhinebeck Bank (“RB” 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 June 30, 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.

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## II. - OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated RB 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 2018, 2019, 2020, 2021, 2022, and 2023 for lending activities and the period from January 1, 2019, to June 30, 2024 for community development activities. The Department assigned RB a rating of “2” indicating a “**Satisfactory**” record of helping to meet community credit needs.

This rating is based on the following factors:

### **A. Lending Test: Low Satisfactory**

RB's HMDA-reportable, small business, and consumer lending activities were adequate considering RB'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.

However, the Bank's consumer lending activity between 2018-2021 was the subject of an investigation and enforcement action by the Department. Therefore, the Department did not include consumer lending activity between 2018-2021 in its evaluation.

#### 1. Lending Activity:

RB'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 24-quarter evaluation period, the Bank's LTD ratios ranged from a high of 100.5% in the first quarter of 2020 to a low of 75.9% in the first quarter of 2022.

#### 2. Assessment Area Concentration:

During the evaluation period, RB originated 57.7% by number and 74.7% by dollar value of its total HMDA-reportable, small business and consumer loans within the assessment area, demonstrating an adequate concentration of lending.

During the evaluation period, RB originated a majority of its HMDA-reportable loans and a majority of its small business loans inside of its assessment area. However, for the two-year period (2022 and 2023) for which consumer loans were evaluated, a majority of RB's consumer loans were made outside of the assessment area.

#### 3. Geographic Distribution of Loans:

RB's origination of loans in census tracts of varying income levels demonstrated an adequate overall distribution of lending.

The Bank's HMDA-reportable loans in LMI census tracts demonstrated an adequate distribution of lending, while its small business loans in LMI census tracts demonstrated a poor distribution of lending. Distribution of consumer loans in LMI census tracts for the two-year period (2022 and 2023) was adequate.

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### 4. Distribution by Borrower Characteristics:

RB's HMDA-reportable, small business, and consumer lending demonstrated an adequate overall distribution of loans among individuals of different income levels and businesses of different revenue sizes.

RB's one-to-four family HMDA-reportable lending demonstrated an adequate distribution of loans among individuals of different income levels, while small business lending demonstrated a poor distribution of loans among businesses of different revenue sizes. For the two-year period (2022 and 2023) for which consumer loans were evaluated, RB's lending rates demonstrated a good distribution of loans among borrowers of different income levels.

### 5. Community Development Lending:

During the evaluation period, RB originated \$72.7 million in new community development loans and had \$7.8 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

RB made significant use of flexible or innovative lending practices to support community development. The Bank offered lending programs targeting first-time homebuyers, LMI borrowers, and small businesses. The Bank originated Small Business Administration ("SBA") backed Paycheck Protection Program ("PPP") loans that helped provide economic relief to small businesses adversely impacted by the COVID-19 pandemic.

## **B. Investment Test: Low Satisfactory**

### 1. Qualified Investments

During the evaluation period, RB made \$6.3 million in new qualified investments and had \$26,000 outstanding from prior evaluation periods. In addition, RB made \$549,000 in qualified grants. This demonstrated an adequate level of qualified investments and grants over the course of the evaluation period.

### 2. Innovativeness of Qualified Investments:

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

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

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

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

### 1. Retail Banking Services:

RB has an adequate branch network, delivery systems, branch hours and services, and alternative

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delivery systems, including as it relates to LMI individuals.

RB operates two branches in an LMI census tract in Orange County. This represents 15% of the branch network and enhances the availability of banking services to LMI individuals.

### 2. Community Development Services:

RB provided a relatively high level of community development services.

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

**III. - PERFORMANCE CONTEXT**

**A. Institution Profile**

Chartered in 1860, RB is a savings bank headquartered in Poughkeepsie, NY. RB is a wholly owned subsidiary of Rhinebeck Bancorp Inc., a public mid-tier holding company. Rhinebeck Bancorp Inc. is majority owned by Rhinebeck Bancorp, MHC. The Bank also has a division, Rhinebeck Asset Management (“RAM”), which offers financial, investment and wealth management services. RAM’s activities were not considered during this evaluation.

RB operates a corporate office and has a total of 13 branches, two of which are in LMI areas, in Dutchess, Orange, and Ulster counties. Additionally, the Bank has two representative offices: one in Albany County for the Bank’s indirect and commercial lending operations in that area, and one in the village of Montgomery, Orange County, which houses RAM. Supplementing the branches is an automated teller machine (“ATM”) network consisting of a total of 15 machines at the branches.

RB offers various personal and business banking products and services. The Bank also offers alternative delivery systems such as online/mobile, telephone, -mail, banking as well as ACH services, remote deposit capture and Zelle.

In its Consolidated Report of Condition (the “Call Report”) as of June 30, 2024, filed with the Federal Deposit Insurance Corporation (“FDIC”), RB reported total assets of \$1.3 billion, of which \$982.1 million were net loans and lease financing receivables. It also reported total deposits of \$1.1 billion, resulting in an LTD ratio of 93.3%. According to the latest available comparative deposit data as of June 30, 2024, RB obtained a market share of 4.2%, or \$1.1 billion in a market of \$25.3 billion, ranking it 10<sup>th</sup> among 31 deposit-taking institutions in the Bank’s assessment area.

The following is a summary of the Bank’s loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2018, 2019, 2020, 2021, 2022, and 2023 call reports:

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<b>TOTAL GROSS LOANS OUTSTANDING</b>												
Loan Type	2018		2019		2020		2021		2022		2023	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	78,376	11.4	75,736	9.5	69,964	7.9	64,470	7.5	79,450	7.9	102,311	10.1
Commercial & Industrial Loans	102,872	15.0	116,810	14.6	183,855	20.8	136,840	15.9	125,296	12.5	123,817	12.2
Commercial Mortgage Loans	179,841	26.3	203,019	25.4	214,374	24.2	220,124	25.5	274,589	27.4	307,828	30.3
Multifamily Mortgages	19,160	2.8	26,958	3.4	34,866	3.9	63,444	7.4	72,582	7.2	89,042	8.8
Consumer Loans	285,358	41.7	345,330	43.2	358,688	40.5	362,339	42.0	436,093	43.5	370,050	36.4
Real Estate Loans Secured by Farmland	0	0.0	2,125	0.3	1,985	0.2	1,845	0.2	1,704	0.2	1,564	0.2
Agricultural Loans	993	0.1	1,115	0.1	810	0.1	354	0.0	250	0.0	300	0.0
Construction Loans	18,146	2.6	28,280	3.5	20,904	2.4	13,110	1.5	12,346	1.2	22,030	2.2
Obligations of States & Municipalities	302	0.0	52	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other Loans	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	33	0.0
Lease Financing	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Gross Loans</b>	<b>685,048</b>		<b>799,425</b>		<b>885,446</b>		<b>862,526</b>		<b>1,002,310</b>		<b>1,016,975</b>	

As illustrated in the above table, RB is primarily a commercial lender, with 42.5% of its loan portfolio in commercial mortgage loans and commercial and industrial loans. Consumer loans constitute 36.4% of the loan portfolio.

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

### **B. Assessment Area**

The Bank's assessment area consists of Dutchess, Orange, Ulster counties, and four census tracts in Columbia County.

There are 228 census tracts in the Bank's assessment area, of which 15 are low-income, 33 are moderate-income, 133 are middle-income, 43 are upper-income, and four are tracts with no income indicated. While the Bank's assessment area has not changed since the prior evaluation, due to the additions and reclassifications of census tracts resulting from the 2020 U.S. Census data report the

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number of total census tracts increased from 209 during the prior evaluation period. Additionally, the total number of LMI census tracts in the Bank’s assessment area increased to 48 this evaluation period from 43 in the prior evaluation period.

<b>Assessment Area Census Tracts by Income Level</b>							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Columbia*	0	0	0	2	2	4	0.0
Dutchess	3	5	6	50	18	82	13.4
Orange	0	10	17	47	18	92	29.3
Ulster	1	0	10	34	5	50	20.0
<b>Total</b>	<b>4</b>	<b>15</b>	<b>33</b>	<b>133</b>	<b>43</b>	<b>228</b>	<b>21.1</b>

\* *Partial county*

### **C. Demographic & Economic Data**

The assessment area had a population of 888,322 during the evaluation period. Approximately 16% of the population was over the age of 65 and 21.2% was under the age of 16.

Of the 208,605 families in the assessment area 21.4% were low-income, 17.4% were moderate-income, 21.3% were middle-income and 39.9% were upper-income. There were 314,383 households in the assessment area, of which 10.3% had income below the poverty level and 2.1% were on public assistance.

The weighted average median family income in the assessment area was \$98,316.

There were 355,671 housing units within the assessment area, of which 82.8% were one-to-four family units and 13.5% were multifamily units. A majority (60.3%) of the housing units were owner-occupied, 28.1% were rental-occupied units.

Of the 214,603 owner-occupied housing units, 13.1% were in LMI census tracts while 86.4% were in middle- and upper-income census tracts. The median age of the housing stock was 56 years, and the median home value in the assessment area was \$270,023.

There were 112,800 non-farm businesses in the assessment area. Of these, 91.7% were businesses with reported revenues of less than or equal to \$1 million, 2.3% reported revenues of more than \$1 million and 6% did not report their revenues. Of all the businesses in the assessment area, 98.2% were businesses with less than fifty employees while 94.4% operated from a single location. The largest industries in the area were services (32.5%), retail trade (11%) and finance, insurance, and real estate (9%); 27.8% of businesses in the assessment area were not classified.

According to New York State Department of Labor data, annual unemployment rates for New York State and all the four counties in the assessment area peaked in 2020, primarily due to the economic impact of the COVID-19 pandemic. Subsequently, as the pandemic subsided, the annual unemployment rates declined both statewide and in the four counties in the assessment area. Columbia County had the lowest average total unemployment rate compared to New York as a whole and the other counties in the assessment area.

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<b>Assessment Area Unemployment Rate</b>					
	<b>Statewide</b>	<b>Columbia</b>	<b>Dutchess</b>	<b>Orange</b>	<b>Ulster</b>
<b>2018</b>	4.1	3.5	3.6	4.1	3.9
<b>2019</b>	3.9	3.3	3.4	3.9	3.7
<b>2020</b>	9.8	6.3	7.2	8.3	7.9
<b>2021</b>	7.1	4.1	4.4	5.0	4.8
<b>2022</b>	4.3	2.9	3.0	3.4	3.3
<b>2023</b>	4.1	3.0	3.0	3.5	3.4
<b>Avg of Years Above</b>	<b>5.6</b>	<b>3.9</b>	<b>4.1</b>	<b>4.7</b>	<b>4.5</b>

### **D. Community Information**

DFS examiners conducted community contact interviews with representatives of two nonprofit entities operating in the Bank’s assessment area. The purpose of the interviews was to acquire more insight into the economic conditions and credit needs of the Bank’s communities.

The first interview conducted was with a representative of an organization that provides various community services in Dutchess, Ulster, and Orange Counties. These services include behavioral health, support for victims of domestic violence, and family programs that seek to prevent child abuse and neglect.

The representative stated that the city of Poughkeepsie has some impoverished areas and is in need of affordable housing. Community organizations and private developers, as well as the local government continue to work together to create affordable housing opportunities. While local banks and credit unions are involved in the community, there are areas with limited access to basic banking services and financial literacy programs targeting the LMI population.

The representative also spoke favorably of local financial institutions’ efforts to reach out to people who need access to credit and banking services.

The second interview was conducted with a representative of a nonprofit organization focused on supportive housing for the disadvantaged population in the Hudson Valley region of New York.

According to the representative, the community lacks affordable housing as the cost of rents continue to rise. Additionally, there are areas with high concentration of poverty, homelessness, a lack of employment opportunities and sufficient public transportation, especially in downtown Newburgh, Orange County.

The representative spoke favorably of the efforts of local financial institutions to promote financial literacy, hold educational seminars and financially support local organizations. Nevertheless, there are reportedly areas in Newburgh that are still underbanked or communities that lack physical banking offices.

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### IV. - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

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

DFS derived statistics employed in this Evaluation from various sources. RB 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. Some non-specific bank data are only available on a county-wide basis, and DFS used this information even where the institution's assessment area includes partial counties.

The evaluation period included the calendar years from 2018 through 2023 for lending activities and the period from January 1, 2019, to June 30, 2024, for community development activities.

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

HMDA-reportable and small business data evaluated in this Evaluation represented actual originations and were evaluated by DFS for the entire evaluation period. Additionally, RB's consumer loans constituted a substantial majority by number of loan originations, and at RB's request, were considered in this evaluation. However, the Bank's consumer lending activity between 2018-2021 was the subject of a separate investigation and enforcement action by the Department. Therefore, the Department did not include consumer lending activity for the period of 2018-2021 in the evaluation. Accordingly, all references to consumer loans in this Report represent 2022 and 2023 activity only. Further details pertaining to the Department's enforcement action may be found in the "Other Factors" section of this document.

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In its prior CRA Performance Evaluation as of December 31, 2018, DFS assigned RB a rating of “2” or a “Satisfactory” compliance with regulatory standards.

### **Current CRA Rating: Satisfactory**

#### **A. Lending Test:** Low Satisfactory

*The Bank’s lending performance was evaluated pursuant to the following criteria:*

- (1) Lending Activity;*
- (2) Assessment Area Concentration;*
- (3) Geographic Distribution of Loans;*
- (4) Borrower Characteristics;*
- (5) Community Development Lending; and*
- (6) Flexible and/or Innovative Lending Practices.*

RB’s HMDA-reportable, small business, and consumer lending activities were adequate considering RB’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. RB’s level of community development lending demonstrates the Bank’s commitment to meet the credit needs of its community.

#### **1. Lending Activity:**

RB’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.

RB’s average LTD ratio of 90.6% was comparable to the peer’s group average LTD ratio of 89.9%. During the 24-quarter evaluation period, the Bank’s LTD ratios ranged from a high of 100.5% in the first quarter of 2020 to a low of 75.9% in the first quarter of 2022. During the COVID-19 pandemic, there was an increase in deposits which the Bank attributed to stimulus-related funding for both consumers and businesses.

The table below shows RB’s LTD ratios in comparison with the peer group’s ratios for the 24 quarters of this evaluation period.

<b>Loan-to-Deposit Ratios</b>												
	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4
Bank	87.0	91.4	93.4	97.9	100.2	99.4	96.2	99.6	100.5	95.1	99.1	95.3
Peer	91.1	92.1	92.5	92.5	91.2	90.5	90.7	90.7	90.6	90.0	100.9	97.3

<b>Loan-to-Deposit Ratios</b>													
	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	Avg.
Bank	87.0	84.2	77.4	76.1	75.9	81.5	84.3	86.3	90.2	89.7	91.5	96.1	90.6
Peer	92.2	89.2	87.8	77.5	78.2	81.5	84.2	87.7	89.8	91.7	92.3	94.1	89.9

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### 2. Assessment Area Concentration:

During the evaluation period, RB originated 57.7% by number and 74.7% by dollar value of its total HMDA-reportable, small business and consumer loans within the assessment area, demonstrating an adequate concentration of lending.

#### *a. HMDA-Reportable Loans:*

During the evaluation period, RB originated 90.7% by number and 86.2% by dollar value of its HMDA-reportable loans within the assessment area.

This majority of lending inside of its assessment area reflects a good concentration of lending.

#### *b. Small Business Loans:*

RB originated 81.1% by number and 84.9% by dollar value of its small business loans within the assessment area during the evaluation period.

This majority of lending inside of its assessment area reflects a good concentration of lending.

#### *c. Consumer Loans:*

RB originated 42.6% by number and 42.1% by dollar value of its consumer loans within the assessment area during the evaluation period.

This majority lending outside of its assessment area reflects a poor concentration of lending.

Almost all the Bank's consumer loans were automobile loans, 99% by number and 97.2% by dollar value, purchased from a network of automobile dealers in New York State.

The following table shows the percentages of RB's HMDA-reportable, small business and consumer loans originated inside and outside of the assessment area.

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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>										
2018	183	90.6%	19	9.4%	202	40,396	88.3%	5,371	11.7%	45,767
2019	217	91.6%	20	8.4%	237	62,352	92.6%	4,978	7.4%	67,330
2020	346	92.3%	29	7.7%	375	102,766	91.6%	9,453	8.4%	112,219
2021	282	90.4%	30	9.6%	312	89,832	76.4%	27,788	23.6%	117,620
2022	133	88.1%	18	11.9%	151	56,400	83.9%	10,836	16.1%	67,236
2023	100	87.7%	14	12.3%	114	43,598	89.9%	4,892	10.1%	48,490
<b>Subtotal</b>	<b>1,261</b>	<b>90.7%</b>	<b>130</b>	<b>9.3%</b>	<b>1,391</b>	<b>395,344</b>	<b>86.2%</b>	<b>63,318</b>	<b>13.8%</b>	<b>458,662</b>
<b>Small Business</b>										
2018	732	79.6%	188	20.4%	920	64,916	84.8%	11,635	15.2%	76,551
2019	681	78.2%	190	21.8%	871	68,160	86.5%	10,602	13.5%	78,762
2020	1,131	85.4%	193	14.6%	1,324	109,276	88.6%	14,023	11.4%	123,299
2021	917	84.1%	173	15.9%	1,090	87,850	86.7%	13,459	13.3%	101,309
2022	555	73.9%	196	26.1%	751	52,767	76.8%	15,899	23.2%	68,666
2023	485	81.4%	111	18.6%	596	49,798	81.3%	11,455	18.7%	61,253
<b>Subtotal</b>	<b>4,501</b>	<b>81.1%</b>	<b>1,051</b>	<b>18.9%</b>	<b>5,552</b>	<b>432,767</b>	<b>84.9%</b>	<b>77,073</b>	<b>15.1%</b>	<b>509,840</b>
<b>Consumer</b>										
2022	3,309	41.4%	4,692	58.6%	8,001	89,728	40.9%	129,767	59.1%	219,495
2023	1,662	45.3%	2,009	54.7%	3,671	44,827	44.7%	55,566	55.3%	100,393
<b>Subtotal</b>	<b>4,971</b>	<b>42.6%</b>	<b>6,701</b>	<b>57.4%</b>	<b>11,672</b>	<b>134,555</b>	<b>42.1%</b>	<b>185,333</b>	<b>57.9%</b>	<b>319,888</b>
<b>Grand Total</b>	<b>10,733</b>	<b>57.7%</b>	<b>7,882</b>	<b>42.3%</b>	<b>18,615</b>	<b>962,666</b>	<b>74.7%</b>	<b>325,724</b>	<b>25.3%</b>	<b>1,288,390</b>

### 3. Geographic Distribution of Loans:

RB's origination of loans in census tracts of varying income levels demonstrated an adequate distribution of lending.

The Bank's distribution of HMDA-reportable loans and consumer loans in LMI census tracts demonstrated adequate distributions of lending, while RB's distribution of small business loans in LMI census tracts demonstrated a poor distribution of lending.

#### a. HMDA-Reportable Loans:

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

RB's average rates of lending in LMI census tracts of 15.1% by number and 15.2% by dollar value of HMDA-reportable loans were comparable to the aggregate's rates of 14% and 14.4%, respectively. The assessment area's owner-occupied demographics in LMI census tracts ranged from 11.4% to 13.1% during the evaluation period.

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

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Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2018									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	6	3.3%	1,255	3.1%	583	3.6%	146,915	4.0%	1.8%
Moderate	32	17.5%	7,036	17.4%	1,465	9.0%	322,255	8.7%	9.6%
LMI	38	20.8%	8,291	20.5%	2,048	12.6%	469,170	12.7%	11.4%
Middle	117	63.9%	25,121	62.2%	7,209	44.4%	1,606,465	43.6%	47.3%
Upper	28	15.3%	6,984	17.3%	6,965	42.9%	1,610,145	43.7%	41.3%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
<b>Total</b>	<b>183</b>		<b>40,396</b>		<b>16,222</b>		<b>3,685,780</b>		
2019									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	13	6.0%	4,602	7.4%	944	5.3%	271,700	6.5%	2.4%
Moderate	21	9.7%	5,189	8.3%	1,551	8.7%	324,155	7.7%	9.9%
LMI	34	15.7%	9,791	15.7%	2,495	14.1%	595,855	14.2%	12.3%
Middle	135	62.2%	39,271	63.0%	9,139	51.6%	2,029,975	48.5%	54.4%
Upper	48	22.1%	13,290	21.3%	6,094	34.4%	1,559,390	37.3%	33.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
<b>Total</b>	<b>217</b>		<b>62,352</b>		<b>17,728</b>		<b>4,185,220</b>		
2020									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	7	2.0%	1,679	1.6%	1,302	5.1%	505,180	7.1%	2.4%
Moderate	37	10.7%	14,154	13.8%	1,975	7.8%	463,005	6.6%	9.9%
LMI	44	12.7%	15,833	15.4%	3,277	12.9%	968,185	13.7%	12.3%
Middle	188	54.3%	47,940	46.6%	12,735	50.1%	3,268,355	46.3%	54.4%
Upper	114	32.9%	38,993	37.9%	9,422	37.0%	2,830,140	40.0%	33.3%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
<b>Total</b>	<b>346</b>		<b>102,766</b>		<b>25,434</b>		<b>7,066,680</b>		
2021									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	7	2.5%	1,457	1.6%	1,487	4.9%	543,135	6.0%	2.4%
Moderate	35	12.4%	9,682	10.8%	2,682	8.8%	716,800	7.9%	9.9%
LMI	42	14.9%	11,139	12.4%	4,169	13.7%	1,259,935	13.9%	12.3%
Middle	168	59.6%	56,777	63.2%	15,773	51.7%	4,596,525	50.7%	54.4%
Upper	72	25.5%	21,916	24.4%	10,570	34.6%	3,217,930	35.5%	33.3%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
<b>Total</b>	<b>282</b>		<b>89,832</b>		<b>30,512</b>		<b>9,074,390</b>		
2022									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	3.8%	1,521	2.7%	964	4.8%	356,310	5.9%	2.2%
Moderate	17	12.8%	9,237	16.4%	2,210	11.0%	612,780	10.1%	10.9%
LMI	22	16.5%	10,758	19.1%	3,174	15.8%	969,090	15.9%	13.1%
Middle	88	66.2%	37,907	67.2%	12,243	60.8%	3,604,315	59.3%	62.3%
Upper	23	17.3%	7,735	13.7%	4,637	23.0%	1,472,485	24.2%	24.1%
Unknown	0	0.0%	0	0.0%	82	0.4%	33,590	0.6%	0.5%
<b>Total</b>	<b>133</b>		<b>56,400</b>		<b>20,136</b>		<b>6,079,480</b>		
2023									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	1.0%	750	1.7%	564	4.2%	180,090	4.6%	2.2%
Moderate	10	10.0%	3,658	8.4%	1,585	11.7%	444,995	11.3%	10.9%
LMI	11	11.0%	4,408	10.1%	2,149	15.9%	625,085	15.9%	13.1%
Middle	64	64.0%	29,355	67.3%	8,155	60.4%	2,340,225	59.5%	62.3%
Upper	24	24.0%	9,210	21.1%	3,146	23.3%	953,460	24.2%	24.1%
Unknown	1	1.0%	625	1.4%	48	0.4%	17,150	0.4%	0.5%
<b>Total</b>	<b>100</b>		<b>43,598</b>		<b>13,498</b>		<b>3,935,920</b>		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	39	3.1%	11,264	2.8%	5,844	4.7%	2,003,330	5.9%	
Moderate	152	12.1%	48,956	12.4%	14,116	9.3%	2,883,990	8.5%	
LMI	191	15.1%	60,220	15.2%	17,312	14.0%	4,887,320	14.4%	
Middle	760	60.3%	236,371	59.8%	65,254	52.8%	17,445,860	51.3%	
Upper	309	24.5%	98,128	24.8%	40,834	33.1%	11,643,550	34.2%	
Unknown	1	0.1%	625	0.2%	130	0.1%	50,740	0.1%	
<b>Total</b>	<b>1,261</b>		<b>395,344</b>		<b>123,530</b>		<b>34,027,470</b>		

## RHINEBECK BANK – CRA PERFORMANCE EVALUATION

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### b. Small Business Loans:

The distribution of RB's small business loans among census tracts of varying income levels was poor.

RB's average rates of lending to businesses in LMI census tracts were 17.5% by number and 20.3% by dollar value of loans, trailing the aggregate's rates of 24.2% and 24.8%, respectively. Furthermore, the aggregate's LMI lending averages exceeded the assessment area's business demographics (ranging from 19.7% to 22.9%) in each year of the evaluation period

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

## RHINEBECK BANK – CRA PERFORMANCE EVALUATION

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2018									
Geographic Income	Bank				Aggregate				Bus. Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	37	5.1%	4,037	6.2%	2,173	11.0%	61,865	11.0%	6.1%
Moderate	91	12.4%	8,811	13.6%	2,519	12.7%	71,687	12.8%	13.6%
LMI	128	17.5%	12,848	19.8%	4,692	23.7%	133,552	23.8%	19.7%
Middle	376	51.4%	34,028	52.4%	7,692	38.8%	225,726	40.2%	43.2%
Upper	228	31.1%	18,040	27.8%	7,420	37.5%	202,418	36.0%	37.1%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
<b>Total</b>	<b>732</b>		<b>64,916</b>		<b>19,804</b>		<b>561,696</b>		
2019									
Geographic Income	Bank				Aggregate				Bus. Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	36	5.3%	4,213	6.2%	2,866	13.6%	85,684	14.4%	7.5%
Moderate	56	8.2%	6,241	9.2%	2,258	10.7%	68,189	11.4%	12.4%
LMI	92	13.5%	10,454	15.3%	5,124	24.3%	153,873	25.8%	19.9%
Middle	354	52.0%	37,899	55.6%	9,584	45.5%	277,639	46.6%	50.7%
Upper	235	34.5%	19,807	29.1%	6,364	30.2%	164,548	27.6%	29.4%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
<b>Total</b>	<b>681</b>		<b>68,160</b>		<b>21,072</b>		<b>596,060</b>		
2020									
Geographic Income	Bank				Aggregate				Bus. Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	70	6.2%	10,913	10.0%	2,714	12.1%	104,425	10.4%	8.2%
Moderate	150	13.3%	14,741	13.5%	2,477	11.0%	119,373	11.9%	12.2%
LMI	220	19.5%	25,654	23.5%	5,191	23.1%	223,798	22.3%	20.4%
Middle	601	53.1%	56,442	51.7%	10,537	46.9%	489,442	48.8%	49.9%
Upper	310	27.4%	27,180	24.9%	6,760	30.1%	289,817	28.9%	29.7%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
<b>Total</b>	<b>1,131</b>		<b>109,276</b>		<b>22,488</b>		<b>1,003,057</b>		
2021									
Geographic Income	Bank				Aggregate				Bus. Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	60	6.5%	9,557	10.9%	3,173	12.2%	100,979	11.4%	9.0%
Moderate	102	11.1%	10,683	12.2%	2,825	10.8%	103,876	11.7%	12.4%
LMI	162	17.7%	20,240	23.0%	5,998	23.0%	204,855	23.1%	21.4%
Middle	493	53.8%	47,867	54.5%	12,166	46.7%	425,987	48.0%	49.0%
Upper	262	28.6%	19,743	22.5%	7,903	30.3%	256,350	28.9%	29.6%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
<b>Total</b>	<b>917</b>		<b>87,850</b>		<b>26,067</b>		<b>887,192</b>		
2022									
Geographic Income	Bank				Aggregate				Bus. Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	58	10.5%	8,289	15.7%	3,268	12.3%	115,805	16.8%	8.5%
Moderate	45	8.1%	3,738	7.1%	3,256	12.2%	75,025	10.9%	13.8%
LMI	103	18.6%	12,027	22.8%	6,524	24.5%	190,830	27.7%	22.3%
Middle	334	60.2%	29,910	56.7%	14,488	54.4%	364,865	53.0%	57.0%
Upper	117	21.1%	10,777	20.4%	5,539	20.8%	130,154	18.9%	20.4%
Unknown	1	0.2%	53	0.1%	104	0.4%	2,161	0.3%	0.4%
<b>Total</b>	<b>555</b>		<b>52,767</b>		<b>26,655</b>		<b>688,010</b>		
2023									
Geographic Income	Bank				Aggregate				Bus. Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	40	8.2%	3,767	7.6%	3,632	14.2%	100,565	16.0%	9.1%
Moderate	43	8.9%	2,842	5.7%	3,109	12.1%	74,268	11.8%	13.8%
LMI	83	17.1%	6,609	13.3%	6,741	26.3%	174,833	27.8%	22.9%
Middle	293	60.4%	29,890	60.0%	13,516	52.7%	319,894	50.9%	56.4%
Upper	109	22.5%	13,299	26.7%	5,270	20.6%	132,547	21.1%	20.3%
Unknown	0	0.0%	0	0.0%	105	0.4%	1,652	0.3%	0.4%
<b>Total</b>	<b>485</b>		<b>49,798</b>		<b>25,632</b>		<b>628,926</b>		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus. Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	301	6.7%	40,776	9.4%	17,826	12.6%	569,323	13.0%	
Moderate	487	10.8%	47,056	10.9%	16,444	11.6%	512,418	11.7%	
LMI	788	17.5%	87,832	20.3%	34,270	24.2%	1,081,741	24.8%	
Middle	2,451	54.5%	236,036	54.5%	67,983	48.0%	2,103,553	48.2%	
Upper	1,261	28.0%	108,846	25.2%	39,256	27.7%	1,175,834	26.9%	
Unknown	1	0.0%	53	0.0%	209	0.1%	3,813	0.1%	
<b>Total</b>	<b>4,501</b>		<b>432,767</b>		<b>141,718</b>		<b>4,364,941</b>		

## RHINEBECK BANK – CRA PERFORMANCE EVALUATION

### c. Consumer Loans:

The distribution of RB’s consumer loans by the income level of the geography where the borrower was located was adequate.

RB originated 20.3% by number and 18.8% of total consumer loans during 2022 and 2023 in LMI geographies. These lending rates are adequate considering the bank’s assessment area consists of 21.1% in LMI census tracts while the demographic comparator for the number of household units in LMI geographies in the bank’s assessment area was 20.4% for 2022 and 2023. Aggregate consumer lending data was not available for comparative purposes.

The following table provides a summary of the distribution of RB’s consumer loans by the income level of the geography where the borrower was located.

<b>Distribution of Consumer Lending by Geographic Income of the Census Tract</b>					
<b>2022</b>					
<b>Geographic Income</b>	<b>Bank</b>				<b>HH Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	86	2.6%	2,047	2.3%	5.5%
Moderate	559	16.9%	14,506	16.2%	14.9%
LMI	645	19.5%	16,553	18.4%	20.4%
Middle	2,045	61.8%	56,081	62.5%	59.9%
Upper	611	18.5%	16,811	18.7%	19.3%
Unknown	8	0.2%	283	0.3%	0.4%
<b>Total</b>	<b>3,309</b>		<b>89,728</b>		
<b>2023</b>					
<b>Geographic Income</b>	<b>Bank</b>				<b>HH Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	59	3.5%	1,480	3.3%	5.5%
Moderate	305	18.4%	7,289	16.3%	14.9%
LMI	364	21.9%	8,769	19.6%	20.4%
Middle	1,017	61.2%	27,737	61.9%	59.9%
Upper	280	16.8%	8,307	18.5%	19.3%
Unknown	1	0.1%	14	0.0%	0.4%
<b>Total</b>	<b>1,662</b>		<b>44,827</b>		
<b>GRAND TOTAL</b>					
<b>Geographic Income</b>	<b>Bank</b>				<b>HH Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	145	2.9%	3,527	2.6%	
Moderate	864	17.4%	21,795	16.2%	
LMI	1,009	20.3%	25,322	18.8%	
Middle	3062	61.6%	83818	62.3%	
Upper	891	17.9%	25118	18.7%	
Unknown	9	0.2%	297	0.2%	
<b>Total</b>	<b>4,971</b>		<b>134,555</b>		

### 4. Distribution by Borrower Characteristics:

RB’s one-to-four family HMDA-reportable, small business, and consumer lending demonstrated an adequate overall distribution of loans among individuals of different income levels and

## RHINEBECK BANK – CRA PERFORMANCE EVALUATION

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businesses of different revenue sizes.

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

RB's one-to-four family HMDA-reportable lending demonstrated an adequate distribution of loans among individuals of different income levels.

RB's average lending rates of 22.7% by number and 16% by dollar value to LMI borrowers were slightly below the aggregate's rates of 25.4% and 18.5%, respectively. Both the Bank's and the aggregate's lending rates to LMI borrowers were well below the assessment area's LMI family demographics which ranged from 36.5% to 38.8% during the evaluation period.

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

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<b>Distribution of One-to-Four Family Loans by Borrower Income</b>									
<b>2018</b>									
<b>Borrower Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	8	4.5%	859	2.3%	857	5.3%	103,745	3.1%	20.6%
Moderate	35	19.6%	5,683	14.9%	2,857	17.7%	445,345	13.3%	15.9%
LMI	43	24.0%	6,542	17.2%	3,714	23.1%	549,090	16.5%	36.5%
Middle	49	27.4%	9,844	25.8%	4,290	26.7%	811,190	24.3%	20.3%
Upper	80	44.7%	20,080	52.7%	7,588	47.1%	1,866,740	55.9%	43.2%
Unknown	7	3.9%	1,619	4.3%	504	3.1%	110,190	3.3%	0.0%
<b>Total</b>	<b>179</b>		<b>38,085</b>		<b>16,096</b>		<b>3,337,210</b>		
<b>2019</b>									
<b>Borrower Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	11	5.3%	1,425	2.7%	1,121	6.4%	152,665	3.8%	20.6%
Moderate	39	18.8%	6,924	13.3%	3,514	19.9%	618,390	15.6%	15.9%
LMI	50	24.2%	8,349	16.1%	4,635	26.3%	771,055	19.4%	36.5%
Middle	46	22.2%	10,841	20.9%	5,011	28.4%	1,059,805	26.7%	20.3%
Upper	103	49.8%	30,695	59.1%	7,204	40.9%	1,953,320	49.2%	43.2%
Unknown	8	3.9%	2,026	3.9%	771	4.4%	182,975	4.6%	0.0%
<b>Total</b>	<b>207</b>		<b>51,911</b>		<b>17,621</b>		<b>3,967,155</b>		
<b>2020</b>									
<b>Borrower Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	12	3.5%	1,884	2.1%	1,223	4.8%	186,385	2.8%	20.6%
Moderate	55	16.2%	11,571	12.9%	4,615	18.2%	933,775	14.2%	15.9%
LMI	67	19.7%	13,455	15.0%	5,838	23.1%	1,120,160	17.0%	36.5%
Middle	96	28.2%	22,453	25.0%	7,107	28.1%	1,705,125	25.9%	20.3%
Upper	169	49.7%	52,333	58.3%	11,047	43.7%	3,378,225	51.4%	43.2%
Unknown	8	2.4%	1,566	1.7%	1,311	5.2%	371,075	5.6%	0.0%
<b>Total</b>	<b>340</b>		<b>89,807</b>		<b>25,303</b>		<b>6,574,585</b>		
<b>2021</b>									
<b>Borrower Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	14	5.1%	1,908	2.7%	1,543	5.1%	239,215	2.9%	20.6%
Moderate	53	19.5%	10,671	15.1%	5,883	19.4%	1,239,075	15.0%	15.9%
LMI	67	24.6%	12,579	17.9%	7,426	24.5%	1,478,290	17.9%	36.5%
Middle	62	22.8%	14,055	20.0%	8,749	28.9%	2,196,325	26.6%	20.3%
Upper	134	49.3%	41,613	59.1%	12,784	42.2%	4,193,950	50.8%	43.2%
Unknown	9	3.3%	2,189	3.1%	1,364	4.5%	392,850	4.8%	0.0%
<b>Total</b>	<b>272</b>		<b>70,436</b>		<b>30,323</b>		<b>8,261,415</b>		
<b>2022</b>									
<b>Borrower Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	3.9%	824	2.1%	1,498	7.5%	246,480	4.4%	21.4%
Moderate	25	19.5%	5,500	14.0%	4,436	22.2%	971,890	17.4%	17.4%
LMI	30	23.4%	6,324	16.0%	5,934	29.7%	1,218,370	21.8%	38.8%
Middle	33	25.8%	8,986	22.8%	5,651	28.3%	1,450,835	26.0%	21.3%
Upper	60	46.9%	22,455	57.0%	7,633	38.2%	2,687,585	48.1%	39.9%
Unknown	5	3.9%	1,648	4.2%	771	3.9%	229,385	4.1%	0.0%
<b>Total</b>	<b>128</b>		<b>39,413</b>		<b>19,989</b>		<b>5,586,175</b>		
<b>2023</b>									
<b>Borrower Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	3.2%	382	1.2%	881	6.6%	131,705	3.6%	21.4%
Moderate	17	17.9%	3,847	12.3%	2,710	20.2%	539,200	14.8%	17.4%
LMI	20	21.1%	4,229	13.5%	3,591	26.8%	670,905	18.4%	38.8%
Middle	18	18.9%	4,821	15.4%	3,877	28.9%	948,215	26.0%	21.3%
Upper	56	58.9%	22,007	70.2%	5,293	39.5%	1,822,145	49.9%	39.9%
Unknown	1	1.1%	280	0.9%	649	4.8%	209,405	5.7%	
<b>Total</b>	<b>95</b>		<b>31,337</b>		<b>13,410</b>		<b>3,650,670</b>		
<b>GRAND TOTAL</b>									
<b>Borrower Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Fam.Dem.</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	53	4.3%	7,282	2.3%	7,123	5.8%	1,060,195	3.4%	
Moderate	224	18.3%	44,196	13.8%	24,015	19.6%	4,747,675	15.1%	
LMI	277	22.7%	51,478	16.0%	31,138	25.4%	5,807,870	18.5%	
Middle	304	24.9%	71,000	22.1%	34,685	28.3%	8,171,495	26.0%	
Upper	602	49.3%	189,183	58.9%	51,549	42.0%	15,901,965	50.7%	
Unknown	38	3.1%	9,328	2.9%	5,370	4.4%	1,495,880	4.8%	
<b>Total</b>	<b>1,221</b>		<b>320,989</b>		<b>122,742</b>		<b>31,377,210</b>		

## RHINEBECK BANK – CRA PERFORMANCE EVALUATION

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### b. Small Business Loans:

RB's small business lending demonstrated a poor distribution of loans among businesses of different revenue sizes.

RB originated 961 SBA-backed PPP loans for a total of \$91.2 million in the assessment area. PPP loans did not require business revenue data for approval purposes. Therefore, to avoid skewing the results of this analysis, these loans were excluded from the "Distribution of Small Business Lending by Revenue Size of Business".

The Department's review of the PPP loans issued in 2020 and 2021 showed that 84.2% by number and 45.6% by dollar value of these loans were in the original amount of \$100,000 or less.

RB's average rates of lending to small businesses with gross annual revenues of \$1 million or less were 21% by number of loans and 29.3% by dollar value of loans, trailing the aggregate's rates of 46.4% and 30.7% respectively. During the evaluation period, a substantial majority (ranging from 85% to 91.7%) of the assessment area's businesses had gross revenue of \$1 million or less.

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

## RHINEBECK BANK – CRA PERFORMANCE EVALUATION

<b>Distribution of Small Business Lending by Revenue Size of Business</b>									
<b>2018</b>									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	194	26.5%	21,233	32.7%	9,004	45.5%	188,332	33.5%	85.0%
Rev. > \$1MM	193	26.4%	30,411	46.8%					5.0%
Rev. Unknown	345	47.1%	13,272	20.4%					10.0%
<b>Total</b>	<b>732</b>		<b>64,916</b>		<b>19,804</b>		<b>561,696</b>		
<b>2019</b>									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	175	25.7%	23,572	34.6%	9,411	44.7%	190,282	31.9%	86.1%
Rev. > \$1MM	181	26.6%	33,193	48.7%					4.5%
Rev. Unknown	325	47.7%	11,395	16.7%					9.4%
<b>Total</b>	<b>681</b>		<b>68,160</b>		<b>21,072</b>		<b>596,060</b>		
<b>2020</b>									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	128	24.7%	16,613	31.9%	8,415	37.4%	238,828	23.8%	88.3%
Rev. > \$1MM	125	24.1%	24,978	48.0%					3.7%
Rev. Unknown	265	51.2%	10,474	20.1%					8.0%
<b>Total</b>	<b>518</b>		<b>52,065</b>		<b>22,488</b>		<b>1,003,057</b>		
<b>2021</b>									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	112	19.7%	14,159	26.3%	11,609	44.5%	243,141	27.4%	89.3%
Rev. > \$1MM	149	26.2%	26,436	49.0%					3.1%
Rev. Unknown	308	54.1%	13,311	24.7%					7.6%
<b>Total</b>	<b>569</b>		<b>53,906</b>		<b>26,067</b>		<b>887,192</b>		
<b>2022</b>									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	69	12.4%	12,726	24.1%	13,402	50.3%	258,542	37.6%	89.6%
Rev. > \$1MM	159	28.6%	24,876	47.1%					2.9%
Rev. Unknown	327	58.9%	15,165	28.7%					7.6%
<b>Total</b>	<b>555</b>		<b>52,767</b>		<b>26,655</b>		<b>688,010</b>		
<b>2023</b>									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	64	13.2%	11,876	23.8%	13,860	54.1%	220,245	35.0%	91.7%
Rev. > \$1MM	144	29.7%	24,940	50.1%					2.3%
Rev. Unknown	277	57.1%	12,982	26.1%					6.0%
<b>Total</b>	<b>485</b>		<b>49,798</b>		<b>25,632</b>		<b>628,926</b>		
<b>GRAND TOTAL</b>									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	742	21.0%	100,179	29.3%	65,701	46.4%	1,339,370	30.7%	
Rev. > \$1MM	951	26.9%	164,834	48.3%					
Rev. Unknown	1,847	52.2%	76,599	22.4%					
<b>Total</b>	<b>3,540</b>		<b>341,612</b>		<b>141,718</b>		<b>4,364,941</b>		

### c. *Consumer Loans:*

RB's consumer lending demonstrated a good distribution of loans among borrowers of different income levels.

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Of the 4,971 consumer loans that the Bank originated in the assessment area during the two-year review period, 59.8% by number and 51.1% by dollar value were made to LMI borrowers. These rates of lending were higher than the LMI household demographics (40.4%) in the assessment area. Aggregate consumer lending data was not available for comparative purposes.

The following table provides a summary of the distribution of RB’s consumer loans by borrower income level.

<b>Distribution of Consumer Lending by Borrower Income</b>					
<b>2022</b>					
<b>Borrower Income</b>	<b>Bank</b>				<b>HH Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	922	27.9%	19,697	22.0%	25.4%
Moderate	1,002	30.3%	26,243	29.2%	15.0%
LMI	1,924	58.1%	45,940	51.2%	40.4%
Middle	684	20.7%	20,141	22.4%	17.4%
Upper	697	21.1%	23,570	26.3%	42.2%
Unknown	4	0.1%	77	0.1%	0.0%
<b>Total</b>	<b>3,309</b>		<b>89,728</b>		
<b>2023</b>					
<b>Borrower Income</b>	<b>Bank</b>				<b>HH Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	570	34.3%	11,081	24.7%	25.4%
Moderate	477	28.7%	11,761	26.2%	15.0%
LMI	1,047	63.0%	22,842	51.0%	40.4%
Middle	324	19.5%	10,347	23.1%	17.4%
Upper	290	17.4%	11,607	25.9%	42.2%
Unknown	1	0.1%	31	0.1%	0.0%
<b>Total</b>	<b>1,662</b>		<b>44,827</b>		
<b>GRAND TOTAL</b>					
<b>Borrower Income</b>	<b>Bank</b>				<b>HH Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	1,492	30.0%	30,778	22.9%	
Moderate	1,479	29.8%	38,004	28.2%	
LMI	2,971	59.8%	68,782	51.1%	
Middle	1,008	20.3%	30,488	22.7%	
Upper	987	19.9%	35,177	26.1%	
Unknown	5	0.1%	108	0.1%	
<b>Total</b>	<b>4,971</b>		<b>134,555</b>		

### 5. Community Development Lending:

During the evaluation period, RB originated \$72.7 million in new community development loans and had \$7.8 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

The Bank originated an annual average of \$14.6 million in new community development loans during the current five and a half-year evaluation period, an increase from the \$11 million annual average in the prior five-year evaluation period. The largest proportion of the Bank’s community development lending financed nonprofit organizations that provide community services to LMI individuals and communities.

## RHINEBECK BANK – CRA PERFORMANCE EVALUATION

<b>Community Development Loans</b>				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	11	9,751		
Economic Development	21	17,753		
Community Services	49	31,656	4	7,826
Revitalization/Stabilization	21	13,570		
<b>Total</b>	<b>102</b>	<b>72,730</b>	<b>4</b>	<b>7,826</b>

Below are highlights of RB’s community development lending.

- RB originated a \$3.5 million commercial mortgage loan for the purchase of nine multifamily properties in moderate-income census tracts in Poughkeepsie, Dutchess County. The majority of the housing units were rented below the U.S. Department of Housing and Urban Development’s fair market rents thus providing affordable housing.
- RB originated a \$2.2 million commercial mortgage loan that helped provide affordable housing in Beacon, Dutchess County. The property is a mixed-use building containing 18 residential units, of which 14 units are leased and managed by a local housing authority providing affordable housing, and four units are rented under the Section 8 Housing Choice Voucher Program.
- RB extended a \$2.5 million line of credit to a non-profit organization that provides housing, educational, and other community services to foster children and other at-risk youth. The organization receives the majority of its funding from Medicaid and other government programs.
- RB renewed a \$1 million line of credit to a non-profit organization operating in Dutchess County. This organization provides community services such as mental health services, homeless shelter services, and housing advocacy for LMI individuals. The line of credit supports ongoing working capital needs, to bridge delays in pending receipts from county contract payments.
- RB extended a \$2 million working capital line of credit to a nonprofit organization that provides community services such as home nursing, home health care, mental health, and rehabilitation services that benefit the elderly, youth at risk, and individuals with disabilities. The majority of the organization’s patients are Medicaid recipients.

a. Flexible and/or Innovative Lending Practices:

RB made significant use of flexible or innovative lending practices.

- Newburgh Creative Neighborhood (“NCN”) and Poughkeepsie Innovation District (“PID”) Programs – RB continued to support these local initiatives and allocated \$7 million of its loan portfolio funding, \$3 million to NCN and \$4 million to PID, in support of small businesses in specifically designated districts of Newburgh and Poughkeepsie. These loans help spur economic activities and revitalize the communities. Financing terms include favorable market

## RHINEBECK BANK – CRA PERFORMANCE EVALUATION

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rates, no bank fees, and extended amortization periods.

- Commercial Express Loan – RB offered this lending program to finance the purchase of vehicles or equipment for small business owners. The lending program has a faster and simpler underwriting process than the Bank’s traditional business loan terms and is designed to make it easier for start-up businesses to obtain approval.
- COVID-19 Pandemic Related Working Capital Loans, Deferments and Forbearances – RB extended 12 temporary working capital loans totaling \$1.3 million and offered deferments and forbearances to more than 1,735 commercial, mortgage and consumer loans.
- Through SBA loan programs:
  - **SBA 504 Financing** – The program offers financing for qualified small businesses that may not be eligible for traditional bank financing.
  - **SBA 7(a) Program** – The program provides term loans for small businesses. Features of this product include small down payments, flexible terms that assist in sustaining a small business, fixed rate maturity, long-term financing options, and no prepayment penalties.
  - **Payment Protection Program (“PPP”)** – In 2020 and 2021, the Bank participated in the SBA Paycheck Protection Program (“PPP”) to provide aid to small businesses in meeting their basic operational expenses such as rent, utilities and payroll during the economic hardship resulting from the COVID-19 pandemic.
- Federal Home Loan Bank of New York “Homebuyer Dream Program” – The program funds grants for down payment and closing cost assistance to first-time homebuyers earning at or below 80% of the area median income and purchasing homes in New York State.

### **B. Investment Test: Low Satisfactory**

*The Department evaluated RB’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, RB made \$6.3 million in new qualified investments and had \$26,000 outstanding from prior evaluation periods. In addition, RB made \$549,000 in qualified grants. This demonstrated an adequate level of qualified investments and grants over the course of the evaluation period.

A majority of RB’s new qualified investments supported revitalization of LMI census tracts in Poughkeepsie, Dutchess County, followed by a housing project providing affordable housing reserved for individuals with income less than 60% of the area median income in Middletown, Orange County.

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Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	\$000	# of Inv.	\$000
Affordable Housing	1	2,230	1	26
Economic Development	1	500		
Community Services	1	930		
Revitalization/Stabilization	7	2,630		
<b>Total</b>	<b>10</b>	<b>6,290</b>	<b>1</b>	<b>26</b>
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	40	83		
Economic Development	25	40		
Community Services	185	426		
Revitalization/Stabilization				
<b>Total</b>	<b>250</b>	<b>549</b>		

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

### Investments

- RB invested \$2.6 million in municipal bonds that supported enhancements of public facilities in predominantly LMI census tracts in Poughkeepsie, Orange County, thus helping in revitalization/stabilization efforts.
- RB invested \$2.2 million in a Federal National Mortgage Agency-issued mortgage-backed security, collateralized by an affordable housing senior living apartment complex in Middletown, Orange County. 99% of the units are reserved for borrowers with income below 60% of the area median income.
- RB invested \$930,000 in a municipal general obligation bond supporting a local school district in Orange County. 60% of the student population is designated economically disadvantaged and more than 50% of students qualify for free or reduced lunch.

### Grants

- RB donated \$110,000 to a local organization in Poughkeepsie, Dutchess County, that provides a wide array of community services mostly to youth and disadvantaged individuals. Services include those related to housing, health, community safety, and financial education.
- RB donated \$30,000 to a community service organization that focuses on pervasive intergenerational challenges of poverty and educational inequalities that LMI children face. The organization’s mission is to provide resources for youth, bolster programming that works, streamline services, identify service gaps, and better meet the holistic needs of youth.
- RB donated a total of \$24,000 to a non-profit organization that promotes affordable housing development, ownership, and sustainability for LMI individuals. The organization focuses on preventing and ending homelessness, and creating, rehabilitating, and

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## RHINEBECK BANK – CRA PERFORMANCE EVALUATION

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advocating for affordable housing.

### 2. Innovativeness of Qualified Investments:

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

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

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

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

The Department evaluated RB'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 RB'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:

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

##### a. Current distribution of the banking institution's branches:

RB has an adequate distribution of branches within its assessment area.

As of the evaluation date, the Bank operated 13 branches in Dutchess, Orange and Ulster counties, of which two branches (15%) are in LMI census tracts. The remaining 11 branches are in middle- and upper-income tracts, four of these branches are adjacent to LMI census tracts.

RB's non-branch offices include an administrative office in Poughkeepsie, Dutchess County, an asset management office in the village of Montgomery, Orange County, and a representative office for commercial and auto lending in Albany, Albany County. The geographic distribution of the Bank's branches is generally consistent with the distribution of LMI census tracts throughout its assessment area.

The following table provides detailed information regarding the branch locations.

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Distribution of Branches within the Assessment Area							
County	N/A	Low	Moderate	Middle	Upper	Total	LMI
	#	#	#	#	#	#	%
Columbia*	0	0	0	0	0	0	0.0%
Dutchess	0	0	0	7	1	8	0.0%
Orange	0	1	1	0	2	4	50.0%
Ulster	0	0	0	1	0	1	0.0%
<b>Total</b>	-	1	1	8	3	13	15.4%

\*Partial County

*b. Record of opening and closing branches:*

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

In 2021, RB opened four branches in Orange County, two of which were acquired from ConnectOne. Three branches, in Warwick, Monroe and Middletown, are in middle-income tracts and one branch is in a low-income tract in Newburgh.

In December 2022, the Bank closed the newly acquired Monroe branch, and in February 2024, closed its Wappingers Falls branch. Both branches were in middle-income tracts. The branch closures did not have a significant effect on the availability of financial services within the community, primarily because multiple banks also serve the same areas.

RB’s branches operate Monday through Friday from 8:30am to either 4:30pm or 5:00pm. All branches are open on Saturdays from 9:00am to 12:30pm except for its Kingston branch, which is located in a middle-income census tract. Each of the Bank’s branches has one deposit-taking ATM, except the Rhinebeck and Red Hook branches, each of which have two deposit-taking ATMs. All branch ATMs accept cash and check deposits. The Bank closed an off-site ATM located in Tivoli, Dutchess County, during the evaluation period.

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

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

The Bank’s alternative delivery systems include a telephone call center, ATM banking, online banking, mobile banking, text banking, , online loan applications, bank by mail, online account openings, foreign wire transfers, and DocuSign. Business services include ACH origination, wire transfers, and remote deposit capture. The Bank’s alternative delivery systems provide customers access to their accounts 24 hours per day, seven days per week.

*d. Range of services provided:*

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

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The Bank offers traditional personal and business banking products and services, including, but not limited to, checking, savings, and money market accounts, debit cards, certificates of deposit and Individual Retirement Accounts, consumer loans and lines of credit, mortgages and construction loans, wire transfers, night depository, safe deposit boxes, merchant services, notary public, and savings bond redemption.

RB also offers several products that benefit LMI individuals and families and small businesses, including:

- RB Access – Introduced in September 2021, this is a Bank-On Certified checking account that can be offered to those who might not qualify for another account. The account features a \$5 monthly maintenance fee with no minimum balance requirement and no fees associated with non-sufficient funds, overdraft, uncollected fees, or dormancy are charged.
- Electronic Benefit Transfer System - A program which facilitates access to benefits, such as food stamps and public assistance by use of a government-issued debit card at authorized POS terminals and ATMs. The EBT Card runs through the Quest platform, which is accepted at the bank’s ATMs.
- Priority Statement Savings - A low-cost deposit account featuring, low minimum opening deposit requirements, low monthly account fees, and low monthly balance requirements.
- Small Business Checking Account – The account features a low monthly maintenance fee of \$10 that can be waived by maintaining an average monthly account balance of \$1,500.
- Community Checking Account – A business operating account intended for non-profit organizations that features a monthly maintenance fee of \$10 that can be waived if the organization customer maintains a \$1,000 monthly average account balance.

### 2. Community Development Services:

RB provided a relatively high level of community development services. During the current evaluation period, a total of 53 different Bank employees provided 82 qualified community development services for or with 42 local nonprofit organizations. This is an increase from the previous evaluation period during which 23 Bank employees provided qualified community development services involving 20 local nonprofit organizations.

<b>Community Development Services</b>	
<b>Activity Type</b>	<b>Number of Activities</b>
On-Going Board & Committee Memberships	0
Technical Assistance	5
Seminars	60
Credit Counseling	3
Other Services	14
<b>Total Community Development Services</b>	<b>82</b>

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Below are highlights of RB's community development services.

- A branch manager taught a financial literacy class in cooperation with a nonprofit organization in the Hudson Valley region. This class was conducted in 2024 in a LMI neighborhood.
- RB officers provided resume and interview workshops in Poughkeepsie in September 2022 for local high school students of various grade levels. These workshops were part of a series of seminars, workshops, and discussions provided by RB employees to local high school students between April 2019 and May 2023 to enhance the students' employment and career opportunities. The local school district is comprised of LMI census tracts, with more than 75% of students qualifying as economically disadvantaged.
- A management employee presented a series of financial literacy and financial empowerment seminars in 2022, in cooperation with various nonprofit organizations devoted to serving LMI individuals. The series included a seminar for a local city school district held at a local college in Poughkeepsie. The presentation included how to set financial goals, budgeting, bank accounts, debit and credit cards, credit reports and credit scores, and financial fitness.
- Two employees served as mentors to local LMI high school students over the course of six weeks in 2021, in formal sessions providing information and guidance for career and college preparation.
- RB officers participated in the Orange County Office of Economic Development Small Business Survival Kit webinar in June 2020. The webinar provided information to small business owners regarding various COVID emergency support programs, including PPP loans.
- Bank officers taught financial literacy in December of 2020 to participants in Poughkeepsie's SNUG program. This program focuses on youth between the ages of 14 and 24 and who are who are at high risk for involvement with gun violence. Parents of participants were also invited to attend.
- An officer of the Bank participated in small business mentoring over the course of nine months in 2020, in cooperation with a local food and beverage academy in Poughkeepsie. The objective of the program was to help food entrepreneurs and start-ups with an affordable space to develop and grow their business, business plan development, marketing, understanding of finance, and community connections including potential access to sources of financial support.
- An officer of the Bank gave a presentation in May 2019 to the Dutchess County's professional realtors' association about the Federal Home Loan Bank of New York's then-new Homebuyers Dream Program. This program aids first-time homebuyers whose income is at or below 80% of area median income.

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- In June 2019, two of RB’s residential lenders taught a first-time homebuyer class in cooperation with a local nonprofit organization that supports affordable housing in Kingston, New York. The class was attended by individuals looking to purchase their first home with help from the nonprofit’s first-time homebuyer program. This was part of a series of nine first-time homebuyer seminars, presentations, and discussions for LMI individuals and families provided by RB employees, in cooperation with various organizations and venues between January 2019 and April 2023.

### **D. Additional Factors**

The following factors were also considered in assessing RB’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.

RB’s CRA officer provides quarterly updates regarding the Bank’s CRA program performance at meetings of the Bank’s management compliance committee and at least three times a year to the board’s Audit Committee. Additionally, the CRA officer prepares the Bank’s annual CRA self-assessment, which includes a review of the Bank’s compliance with CRA regulatory requirements and performance in the assessment area. The minutes of the management compliance committee as well as CRA related reports are provided to the board’s Audit Committee for quarterly review, which in turn are reviewed by the full board of directors. Beginning in 2023, the annual self-assessment was provided to the board, and CRA training is conducted for directors that encompasses community development, assessment areas, ratings, CRA Public File, and lending, service, and investment testing criteria. The Bank’s CRA policy statement was most recently approved by the board in March 2024.

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

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

On October 5, 2022, the Department and RB entered into a Consent Order to resolve an investigation conducted by the Department into RB’s underwriting and pricing of automobile loans arranged by automobile dealers during the time period of January 1, 2017 through December 31, 2021.

The Department’s investigation identified statistically significant disparities in interest rates charged to borrowers in the protected classes of race and ethnicity when compared to non-Hispanic white borrowers. The Department found that these statistically significant disparities were a result of the Bank’s policy of permitting its contracted automobile dealers to mark-up

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consumers' interest rates above the Bank's minimum applicable risk-based interest rate, known as the "buy rate".

The Department found that RB's policy permitting its contracted automobile dealers to mark up the affected consumers' interest rates without regard to objective, credit-related factors resulted in a disparate impact on the basis of race or ethnicity, in violation of New York Executive Law Section 296-a. The Department did not find evidence of intentional discrimination.

Pursuant to the terms of the Consent Order, RB has provided restitution to Eligible Impacted Borrowers and to pay to the Department a fine of \$275,000.

For additional information, refer to the Consent Order, which may be found on the Department's web site at

[https://www.dfs.ny.gov/system/files/documents/2022/10/ea20221005\\_co\\_rhinebeck.pdf](https://www.dfs.ny.gov/system/files/documents/2022/10/ea20221005_co_rhinebeck.pdf)

### 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.*

RB ascertains its community credit needs primarily through active engagement. The Bank's executives, branch leaders, and team members serve on boards and committees of local non-profit organizations and chambers of commerce, participate in various community need forums, festivals, and other events, and maintain working relationships with local officials. Additionally, during the evaluation period, Bank team members were involved in financial programming literacy events for non-profit organizations serving children and adults with special needs. Team members also worked with organizations that regularly study and report on various economic indicators and impact on housing.

- *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*

RB utilizes many traditional methods in its marketing efforts including radio, print, television, billboard, as well as more modern methods such as online advertisements and e-mail marketing. RB also offers brochures in Spanish related to retail banking products for consumers in their market area. These brochures include products such as Personal Savings, RB Access, and E-Banking. The Bank held promotional events in communities with larger percentages of LMI and underserved populations such as Kingston, Newburgh, Middletown, and Poughkeepsie. In addition, the Bank offered online and on-site financial literacy programs, particularly focusing on building, fixing, and maintaining credit, and mortgage lending.

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

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

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

To assist customers experiencing financial hardship during the COVID-19 pandemic, the Bank implemented several relief actions including suspending foreclosures on residential properties, eliminating late fees on all loan products, allowing no-fee deferment and forbearances on mortgage and installment loans, offered a Disaster Relief Loan to individuals, and made "PPP" and "Temporary Working Capital" loans to small businesses.

In addition, RB made the following qualified community development activities outside of the assessment area but within New York State:

- Originated six qualified community development loans totaling \$23.8 million.
  - Three community development loans constituting \$1.9 million supported the acquisition of two multifamily affordable housing projects in Rensselaer County and improvement of another affordable housing project in Albany County;
  - Three loans totaling \$21.9 million supported revitalization projects in Rensselaer County in a designated New York State Opportunity Zone and a housing development project in a low-income census tract in Albany County.
- Made eight qualified investments in municipal bonds totaling \$1.8 million supporting improvements of a local school district's facilities in Peekskill, Westchester County. 61% of the school district's student population were economically disadvantaged.

**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;

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- Borrowers to construct or rehabilitate community facilities that are 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.

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### **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

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### **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 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”)**

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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](http://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 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 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;

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- 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.