PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF CROSS COUNTY SAVINGS BANK

AS OF DECEMBER 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.**

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. Lending Test

B. Community Development Test

C. Additional Factors

V. Glossary

I - GENERAL INFORMATION

This document is an evaluation (the "Evaluation") of the Community Reinvestment Act ("CRA") performance of Cross County Savings Bank ("CCSB" 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 December 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.

II - OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated CCSB according to the intermediate small banking institutions performance criteria pursuant to Sections 76.7 and 76.12 of the GRS. The evaluation period included calendar years 2022, 2023 and 2024 for the lending test and the period from October 1, 2022 to December 31, 2024 for the community development test. CCSB is rated "**2**" indicating a "**Satisfactory**" record of helping to meet community credit needs.

The rating is based on the following factors:

A. Lending Test: Satisfactory

1. Loan-to-Deposit Ratio and Other Lending-Related Activities:

CCSB's average loan-to-deposit ("LTD") ratio was reasonable considering its size, business strategy, financial condition and peer group activity.

CCSB's average LTD ratio of 86.5% for the evaluation period exceeded the peer's average LTD ratio of 84.3%.

2. Assessment Area Concentration:

During the evaluation period, CCSB originated 74.1% by number and 75.2% by dollar value of its HMDA-reportable loans within the assessment area, demonstrating a reasonable concentration of lending.

3. Distribution by Borrower Characteristics:

CCSB's one-to-four family HMDA-reportable lending demonstrated a poor distribution of loans among individuals of different income levels. The Bank's overall rate of lending to LMI borrowers trailed both aggregate and family demographics during the evaluation period.

4. Geographic Distribution of Loans:

CCSB's origination of HMDA-reportable loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

CCSB's overall rate of lending in LMI census tracts exceeded both the aggregate's rates and the LMI owner-occupied demographics during the evaluation period.

5. Action Taken in Response to Written Complaints with Respect to CRA: Not Rated

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

B. Community Development Test: Satisfactory

CCSB's community development performance demonstrated an adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments and services, considering the Bank's capacity and the need for and

availability of opportunities for community development in its assessment area.

1. Community Development Lending:

During the evaluation period, CCSB originated $2.6 million in new community development loans and had $12.7 million outstanding from prior evaluation periods. This demonstrated an adequate level of community development lending.

2. Qualified Investments:

During the evaluation period, CCSB did not make any new qualified investments and had $5.5 million outstanding from prior evaluation periods. In addition, CCSB made $25,250 in qualified grants. This demonstrated an adequate level of qualified investments.

3. Community Development Services:

CCSB conducted 46.25 instances of community services during the evaluation period which demonstrated an adequate level of community development services.

4. Responsiveness to Community Development Needs:

CCSB 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 GRS Part 76.

III - PERFORMANCE CONTEXT

A. Institution Profile

Established in 1888 as Bushwick Savings and Loan Association of New York, CCSB is a mutual savings bank headquartered in Middle Village, New York.

CCSB operates six banking offices, four in Queens County and one each in Bronx and Kings (Brooklyn) counties. The Bronx County branch is the only branch in an LMI census tract. Supplementing the banking offices is an automated teller machine ("ATM") network consisting of 10 deposit-taking ATMs, one ATM each at the Morris Park (Bronx) and Maspeth (Queens) branches and two ATMs at each of the remaining four branches.

CCSB offers retail banking services and lending products with a primary focus on one-to-four family mortgage loans. Deposit banking services offered include personal and business checking and savings accounts, certificates of deposit, individual retirement accounts, and personal and business money market accounts. The Bank provides digital banking services which allows for 24/7 access to online account balances and bill pay, as well as remote deposit capture through its mobile and online banking.

In its Consolidated Report of Condition (the "Call Report") as of December 31, 2024, filed with the Federal Deposit Insurance Corporation ("FDIC"), CCSB reported total assets of $536.3 million, of which $408.1 million were net loans and lease financing receivables. It also reported total deposits of $461.4 million, resulting in an LTD ratio of 88.5%. According to the latest available comparative deposit data as of June 30, 2024, CCSB obtained a market share of 0.3%, or $456.3 million in a market of $165.4 billion, ranking it 31st among 67 deposit-taking institutions in the assessment area.

The following is a summary of the Bank's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2022, 2023, and December 31, 2024 Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
	12/31/2022		12/31/2023		12/31/2024	
Loan Type	$000's	%	$000's	%	$000's	%
1-4 Family Residential Mortgage Loans	293,583	72.4	294,729	71.3	297,849	72.6
Commercial Mortgage Loans	86,487	21.3	93,072	22.5	87,742	21.4
Multifamily Mortgages	25,223	6.2	25,260	6.1	24,399	5.9
Consumer Loans	216	0.1	169	0.0	140	0.0
Other Loans	13	0.0	17	0.0	9	0.0
Total Gross Loans	405,522		413,247		410,139	

As illustrated in the above table, CCSB is primarily a residential real estate lender, with 72.6% of its loan portfolio in 1-4 family residential mortgages and 5.9% in multifamily mortgage loans as of December 31, 2024.

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

B. Assessment Area

CCSB's current assessment area consists of Bronx, Kings and Queens counties.
In March 2024, CCSB removed Nassau County from its assessment area as the Bank redefined and delineated the assessment area based on where its branches are located and its ability to meet the assessment area's credit and banking needs.

Currently, there are 1,891 census tracts in the Bank's assessment area, of which 246 are low-income, 513 are moderate-income, 653 are middle-income, 360 are upper-income, and 119 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
Queens	52	26	157	325	165	725	25.2
Total	119	246	513	653	360	1,891	40.1

C. Demographic & Economic Data

The assessment area had a population of 6,614,192 during the evaluation period. Approximately 13.7% of the population were over the age of 65 and 24.1% were under the age of 16.
Of the 1,454,121 families in the assessment area 32% were low-income, 17.2% were moderate-income, 17.3% were middle-income and 33.4% were upper income. There were 2,265,811 households in the assessment area, of which 18.4% had income below the poverty level and 5.2% were on public assistance.

The weighted average median family income in the assessment area was $75,701.

There were 2,453,884 housing units within the assessment area, of which 47.1% were one-to-four family units and 52.7% were multifamily units. A majority (61.7%) of the housing units were rental-occupied, while 30.6% were owner-occupied units.

Of the total 1,515,031 rental-occupied units, 56.4% were in LMI census tracts while 42.5% were in middle- and upper-income census tracts. Average monthly gross rent was $1,480.

Of the 750,780 owner-occupied housing units, 25.8% were in LMI census tracts while 73.5% were in middle- and upper-income census tracts. The median age of
the housing stock was 73 years, and the median home value in the assessment area was $606,736.

There were 903,590 non-farm businesses in the assessment area. Of these, 95.7% were businesses with reported revenues of $1 million or less, 1.3% reported revenues of more than $1 million and 2.9% did not report their revenues. Of all the businesses in the assessment area, 98.6% were businesses with less than fifty employees while 97.5% operated from a single location. The largest industries in the area were service (28.3%), retail trade (11.2%) and finance, insurance, & real estate (8.1%); 38% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rates for New York State stayed virtually the same during the evaluation period, with an average unemployment rate of 4.2%. All three counties in the Bank's assessment area had higher unemployment rates than the statewide average for each year in the evaluation period. Bronx County had the highest average annual unemployment rates for each year of the evaluation period, while Queens County had the lowest.

Assessment Area Unemployment Rate				
	Statewide	Bronx	Kings	Queens
2022	4.3%	7.9%	5.9%	5.3%
2023	4.1%	6.8%	5.5%	4.6%
2024	4.3%	6.9%	5.4%	4.7%
Average of Years above	**4.2%**	**7.2%**	**5.6%**	**4.9%**

D. Community Information

As part of the evaluation, DFS examiners conducted interviews with two local community organizations to identify credit needs and opportunities within the Bank's assessment area.

The first interview was conducted with the Executive Director and the Chief Financial Officer of a community-based organization that is focused on mental health advocacy, education, and direct services. They reported that many of their clients do not have bank accounts and primarily resort to alternative services such as check cashing or money transmitters indicating a significant need for accessible banking services for mostly low-income individuals. Additionally, the representatives emphasized the importance and need of financial literacy programs tailored to help LMI individuals manage their finances.

The second interview was conducted with the Chief Executive Officer ("CEO") of an organization providing financial immigration and legal assistance primarily to Polish immigrants. The organization assists and facilitates applications of LMI individuals for government assistance programs and provides general advocacy and community support, including aid for seniors. The CEO highlighted a deterioration of economic conditions and increased poverty and a need for affordable housing. Furthermore, the representative noted a perceived lack of proactive engagement from local banks in addressing the community's financial challenges and homelessness. They recommended that financial institutions increase grants and technical assistance to local community organizations and provide loans specifically for affordable housing initiatives.

IV - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated CCSB under the intermediate small banking institution performance criteria in accordance with Sections 76.7 and 76.12 of the GRS, which consist of the lending test and the community development test.

The lending test includes:

1. Loan-to-deposit ratio and other lending-related activities;
2. Assessment area concentration;
3. Distribution of loans by borrower characteristics;
4. Geographic distribution of loans; and
5. Action taken in response to written complaints regarding CRA.

The community development test includes:

1. Community development lending;
2. Community development investments;
3. Community development services; and
4. Responsiveness to community development needs.

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. Evidence of 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.

DFS derived statistics employed in this Evaluation from various sources. CCSB submitted bank-specific information both as part of the Evaluation process and in all its reports 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 loan to deposit ("LTD") ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from call report data.

DFS derived the demographic data referred to in this report from the 2020 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2022, 2023 and 2024 for lending activities and the period from October 1, 2022 to December 31, 2024 for community development activities.

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

HMDA-reportable loan data evaluated in this Evaluation represented actual originations.

In its prior Community Reinvestment Act Performance Evaluation as of September 30, 2022, DFS assigned CCSB a rating of "2" or "Satisfactory".

CRA Rating: Satisfactory

A. Lending Test: Satisfactory

CCSB's HMDA-reportable lending activities were reasonable in considering CCSB's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of the assessment area.

1. Loan-to-Deposit Ratio and other Lending-Related Activities:

CCSB's average LTD ratio was reasonable considering its size, business strategy, financial condition and peer group activity.

The Bank's average LTD ratio of 86.5% exceeded its peer group's average LTD ratio of 84.3% for the evaluation period. The Bank's LTD ratios ranged from a low of 75.0% to a high of 91.8% during the evaluation period.

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

Loan-to-Deposit Ratios													
	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Avg.
Bank	75.0	75.9	82.5	86.0	87.5	91.6	89.9	91.8	91.1	89.1	89.7	88.5	86.5
Peer	75.5	78.2	80.8	82.9	83.7	85.6	86.5	87.4	86.9	88.2	87.6	88.1	84.3

2. Assessment Area Concentration:

During the evaluation period, CCSB originated 74.1% by number and 75.2% by dollar value of its HMDA-reportable loans within the assessment area.

This majority of lending inside of CCSB's assessment area reflects a reasonable concentration of lending.

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

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		$	%	$	%	
HMDA-Reportable										
2022	40	83.3%	8	16.7%	48	43,797	78.6%	11,922	21.4%	55,719
2023	14	66.7%	7	33.3%	21	14,410	77.7%	4,139	22.3%	18,549
2024	6	50.0%	6	50.0%	12	4,016	47.1%	4,505	52.9%	8,521
Grand Total	60	74.1%	21	25.9%	81	62,223	75.2%	20,566	24.8%	82,789

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

3. Distribution by Borrower Characteristics:

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

During the evaluation period, CCSB made loans to LMI borrowers only in 2022. The Bank originated only 3.6% by number and 1.7% by dollar value of its HMDA-reportable loans to LMI borrowers, which was well below the aggregate lending rates of 15.0% by number and 7.9% by dollar value during the evaluation period. In addition, CCSB's rate of lending to LMI borrowers significantly trailed the family demographics during the evaluation period.

A majority (61.8%) of the Bank's HMDA reported loans were made to real estate investors for which income data is not required to be collected or reported.

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

Distribution of One-to-Four Family Loans by Borrower Income									
2022									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	2,615	3.7%	737,575	1.9%	29.5%
Moderate	2	5.4%	892	2.4%	9,759	13.9%	3,037,235	7.8%	17.1%
LMI	2	5.4%	892	2.4%	12,374	17.6%	3,774,810	9.7%	46.6%
Middle	1	2.7%	400	1.1%	17,165	24.4%	6,896,885	17.6%	18.0%
Upper	12	32.4%	9,343	25.1%	35,179	50.0%	24,395,655	62.4%	35.4%
Unknown	22	59.5%	26,616	71.5%	5,701	8.1%	4,042,935	10.3%	
Total	**37**		**37,251**		**70,419**		**39,110,285**		
2023									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low		0.0%	0	0.0%	1,287	3.1%	299,075	1.4%	29.5%
Moderate		0.0%		0.0%	4,686	11.3%	1,239,930	5.7%	17.1%
LMI	0	0.0%	0	0.0%	5,973	14.3%	1,539,005	7.0%	46.6%
Middle		0.0%		0.0%	9,539	22.9%	3,481,245	15.9%	18.0%
Upper	3	23.1%	3,570	27.7%	21,612	51.9%	13,891,920	63.3%	35.4%
Unknown	10	76.9%	9,340	72.3%	4,512	10.8%	3,018,880	13.8%	
Total	**13**		**12,910**		**41,636**		**21,931,050**		
2024									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low		0.0%		0.0%	704	2.7%	289,390	1.9%	32.0%
Moderate		0.0%		0.0%	1,755	6.7%	404,435	2.6%	17.2%
LMI	0	0.0%	0	0.0%	2,459	9.4%	693,825	4.5%	49.3%
Middle		0.0%		0.0%	4,479	17.0%	1,460,275	9.5%	17.3%
Upper	3	60.0%	1,299	33.7%	15,715	59.8%	10,519,855	68.1%	33.4%
Unknown	2	40.0%	2,560	66.3%	3,623	13.8%	2,772,645	17.9%	
Total	**5**		**3,859**		**26,276**		**15,446,600**		
GRAND TOTAL									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	4,606	3.3%	1,326,040	1.7%	
Moderate	2	3.6%	892	1.7%	16,200	11.7%	4,681,600	6.1%	
LMI	2	3.6%	892	1.7%	20,806	15.0%	6,007,640	7.9%	
Middle	1	1.8%	400	0.7%	31,183	22.5%	11,838,405	15.5%	
Upper	18	32.7%	14,212	26.3%	72,506	52.4%	48,807,430	63.8%	
Unknown	34	61.8%	38,516	71.3%	13,836	10.0%	9,834,460	12.9%	
Total	**55**		**54,020**		**138,331**		**76,487,935**		

4. Geographic Distribution of Loans:

CCSB's origination of HMDA-reportable loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

During the evaluation period, CCSB originated 31.7% by number and 30.0% by dollar value of its HMDA-reportable loans in LMI census tracts, above the aggregate's average lending rates of 22.5% by number and 29.0% by dollar value of loans. CCSB's rates of lending in LMI census tracts exceeded the owner-occupied housing demographics in 2022 and 2023. However, in 2024, the Bank did not originate any HMDA-reportable loans in LMI census tracts.

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

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2022									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	3	7.5%	2,158	4.9%	3,073	4.2%	4,015,045	7.3%	3.3%
Moderate	7	17.5%	6,720	15.3%	12,464	17.0%	11,249,860	20.6%	17.4%
LMI	10	25.0%	8,878	20.3%	15,537	21.2%	15,264,905	27.9%	20.7%
Middle	19	47.5%	20,079	45.8%	32,564	44.5%	19,117,770	35.0%	48.2%
Upper	10	25.0%	13,315	30.4%	24,718	33.8%	19,947,130	36.5%	30.6%
Unknown	1	2.5%	1,525	3.5%	378	0.5%	358,480	0.7%	0.5%
Total	**40**		**43,797**		**73,197**		**54,688,285**		
2023									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	3	21.4%	3,850	26.7%	1,705	4.0%	2,844,085	9.6%	3.3%
Moderate	6	42.9%	5,922	41.1%	7,218	16.9%	5,805,840	19.6%	17.4%
LMI	9	64.3%	9,772	67.8%	8,923	20.8%	8,649,925	29.2%	20.7%
Middle	4	28.6%	3,912	27.1%	19,976	46.6%	11,015,270	37.2%	48.2%
Upper	1	7.1%	726	5.0%	13,721	32.0%	9,755,335	33.0%	30.6%
Unknown	0	0.0%	0	0.0%	216	0.5%	152,550	0.5%	0.5%
Total	**14**		**14,410**		**42,836**		**29,573,080**		
2024									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	1,705	6.2%	2,534,865	10.9%	4.3%
Moderate	0	0.0%	0	0.0%	6,038	22.1%	4,800,810	20.6%	21.5%
LMI	0	0.0%	0	0.0%	7,743	28.4%	7,335,675	31.4%	25.8%
Middle	3	50.0%	2,717	67.7%	11,106	40.7%	6,819,540	29.2%	44.1%
Upper	3	50.0%	1,299	32.3%	8,252	30.2%	8,928,850	38.3%	29.5%
Unknown		0.0%	0	0.0%	201	0.7%	244,785	1.0%	0.7%
Total	**6**		**4,016**		**27,302**		**23,328,850**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	6	10.0%	6,008	9.7%	6483	4.5%	9,393,995	8.7%	
Moderate	13	21.7%	12,642	20.3%	25,720	17.9%	21,856,510	20.3%	
LMI	19	31.7%	18,650	30.0%	32,203	22.5%	31,250,505	29.0%	
Middle	26	43.3%	26,708	42.9%	63,646	44.4%	36,952,580	34.3%	
Upper	14	23.3%	15,340	24.7%	46,691	32.6%	38,631,315	35.9%	
Unknown	1	1.7%	1,525	2.5%	795	0.6%	755,815	0.7%	
Total	**60**		**62,223**		**143,335**		**107,590,215**		

5. Action Taken in Response to Written Complaints with Respect to CRA:

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

B. Community Development Test: Satisfactory

CCSB's community development performance demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments and community development services, considering CCSB's capacity, and the need for and availability of opportunities for community development in its assessment area.

1. Community Development Lending:

During the evaluation period, CCSB originated $2.6 million in new community development loans, and had $12.7 million outstanding from prior evaluation periods.

This demonstrated an adequate level of community development lending over the course of the evaluation period.

The majority of CCSB's community development loans by number and dollar value supported the community development purpose of affordable housing as illustrated in the table below.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	5	1,465	13	9,774
Economic Development				
Community Services				
Revitalization/Stabilization	2	1,089	3	2,906
Total	7	2,554	16	12,680

Below is a highlight of CCSB's community development lending.

- CCSB provided a loan for $850,000 for refinancing an existing mortgage collateralized by a mixed-use building located in a moderate-income census tract with four retail stores and four apartments. All four residential units were rented below fair market rent. The residential units provide affordable housing, and the retail stores help to revitalize and stabilize the area.

2. Qualified Investments:

During the evaluation period, CCSB did not make any new qualified community development investments and had $5.5 million in outstanding investments from prior evaluation periods. In addition,

CCSB made $25,250 in qualified grants. This demonstrated an adequate level of qualified investments over the course of the evaluation period.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing			7	5,478
Economic Development				
Community Services				
Other (Please Specify)				
Total	0	$ -	7	5,478
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing				
Economic Development				
Community Services	6	$ 25		
Other (Please Specify)				
Total	6	$ 25		

Below are highlights of CCSB's qualified CD grants.

- CCSB donated $15,600 in total to a local organization in its assessment area that provides education assistance to underserved students.

- The Bank donated $1,000 to a local institution within the Bank's assessment area that provides education to LMI students.

- CCSB donated $450 to an organization in the Bank's assessment area that provides person-centered services and supports to LMI children and adults with developmental disabilities. Most of the organization's revenues are from Medicaid and other Governmental grants.

3. Community Development Services:

CCSB demonstrated an adequate level of community development services over the course of the evaluation period with 46.25 instances as follows:

Community Development Services	
Activity Type	**Number of Activities**
On-Going Board & Committee Memberships	10.25
Technical Assistance	
Seminars	10
Credit Counseling	26
Other Services	
Total Community Development Services	46.25

Below are highlights of CCSB's community development services.

- CCSB's staff participated in a weeklong financial education seminar, organized by a nonprofit organization annually. The seminar offers financial education to first-time homebuyers and various plans to save money, reduce debt and build wealth for LMI families and households.

- In 2023 and 2024, CCSB's branch personnel organized various seminars to foster and promote financial awareness and the importance of saving at an early age among all children and children of LMI families.

- A regional officer of CCSB served on the board of an organization dedicated to advancing small business growth in LMI areas, including support for women- and minority-owned enterprises. The organization offers free multilingual consultations in legal, financial, and human resources matters, alongside regular business planning, workforce development, and credit-building events that help in job creation and economic development in Queens County.

Responsiveness to Community Development Needs:

CCSB demonstrated an adequate level of responsiveness through community development lending, investments and service needs.

The Bank's community development lending and qualified investments mainly supported affordable housing. CCSB also made grants to various nonprofit organizations and its management and employees conducted various community development services including seminars for homebuyers and financial education seminars.

C. Additional Factors

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.

CCSB's Board of Trustees established a CRA/Mortgage Committee to monitor the Bank's CRA activities and ensure compliance with CRA regulatory requirements. Each of the Trustees has a standing invitation to attend any meetings of the CRA/Mortgage Committee. The committee meets at least quarterly to review the Bank's CRA activities, strategies, and initiatives for CRA compliance, and to discuss the Bank's qualification of community development loans, grants, investments, and services. The Bank's CRA Officer serves as the primary management liaison to the CRA/Mortgage Committee.

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

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

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

3. Record of opening and closing offices and providing services at offices

CCSB did not open or close any branch offices during the evaluation period. CCSB operates six branches, four of which are in Queens County, one in Bronx County, and one in Kings County. All CCSB's branches are accessible by public transportation. The Bank currently has 10 ATMs - the Maspeth and Morris Park branches have one ATM each and the other four branches have two ATMs each.

Branch hours are typically from 9:00 a.m. to 5:00 p.m., with each branch office offering extended hours (up to 6:00 p.m.) one day of the week. All branches are open on Saturday either from 9:00 a.m. to 1:00 p.m. or 2:00 p.m.

The Bank provides alternative delivery systems to its customers, such as online, mobile and text banking to access various services and products and supplementing its services offered through its branch network.

Distribution of Branches within the Assessment Area							
County	**N/A #**	**Low #**	**Moderate #**	**Middle #**	**Upper #**	**Total #**	**LMI %**
Bronx			1			1	100%
Kings				1		1	0%
Queens	1				3	4	0%
Total	**1**	**-**	**1**	**1**	**3**	**6**	17%

4. 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*.

  CCSB ascertained its community credit needs through the Bank's Board of Trustees' participation with local nonprofit and trade organizations. Additionally, CCSB staff, including its Chief Lending Officer actively engages with local nonprofit and business communities through multiple outreach activities and events including financial education, first-time home buyer seminars, and bi-monthly meetings of community networking resource groups to make local communities aware of the credit and banking services offered by the Bank.

- *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*

  CCSB's methods of marketing its credit services and products to the community include advertising them on the Bank's website, local newspaper advertising, customer statement inserts, and branch office lobby display signs and banners.

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

   During the evaluation period, CCSB made the following qualified community development investments/grants, both outside of its assessment area:

   - Originated $1.2 million in a commercial mortgage loan for the purchase of a rent-stabilized multifamily property in a low-income census tract in New York County (Manhattan). The loan supported affordable housing within the New York metropolitan area.

   - Donated $10,000 to a nonprofit organization that supports LMI students in Nassau County.

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) ;
- Nonprofit organizations serving primarily LMI or other community development needs;
- 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.

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

LMI Geographies

"LMI geographies" means those census tracts or block numbering areas where, according to the most current U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of Block Numbering Areas ("BNAs") and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

"LMI borrowers" means borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council ("FFIEC").

LMI Individuals/Persons

"LMI individuals" or "LMI persons" means individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the FFIEC.

LMI Penetration Rate

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

Low-Income Housing Tax Credit ("LIHTC")

LIHTC were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

Minority Depository Institutions ("MDIs")

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

New Markets Tax Credit ("NMTC")

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities ("CDEs"). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

Paycheck Protection Program ("PPP") Loans

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") temporarily permits the U.S. Small Business Administration ("SBA") to guarantee 100% of 7(a) loans under a new program titled the "Paycheck Protection Program". The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any

existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

Qualified Investment

"Qualified investment" means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

Small Business Loan

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