PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF METROPOLITAN COMMERCIAL 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.**

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I. - GENERAL INFORMATION

This document is an evaluation (the "Evaluation") of the Community Reinvestment Act ("CRA") performance of Metropolitan Commercial Bank ("MCB" 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 MCB 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 2021, 2022, 2023, and 2024 for lending activities and the period from January 1, 2022 to December 31, 2024 for community development activities. The Department assigned MCB a rating of "**2**," indicating a "**Satisfactory**" record of meeting community credit needs.

This rating is based on the following factors:

A. Lending Test: Low Satisfactory

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

1. Lending Activity:

MCB's lending levels were good 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.

MCB's average LTD ratio for the evaluation period of 82.6% exceeded its peer group's average ratio of 80.5%.

2. Assessment Area Concentration:

During the evaluation period, MCB originated 92.1% by number and 93.4% by dollar value of its total HMDA-reportable and small business lending within the assessment area, demonstrating an excellent concentration of lending.

3. Geographic Distribution of Loans:

MCB's origination of loans in census tracts of varying income levels demonstrated a poor distribution of lending.

The Bank's distribution of HMDA-reportable lending in LMI census tracts demonstrated an excellent distribution of lending, while MCB's distribution of small business loans in LMI census tracts demonstrated a poor distribution of lending. Examiners gave more weight to MCB's small business lending, as the Bank is primarily a commercial lender.

4. Distribution by Borrower Characteristics:

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

The Bank's HMDA reportable 1-4 family lending was not evaluated for this criterion as the majority of these loans were made for investment purposes for which income is not required to be reported.

5. Community Development Lending:

During the evaluation period, MCB originated $532.8 million in new community development loans and had $165.3 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

MCB made occasional use of flexible or innovative lending practices to support community development.

B. Investment Test: Low Satisfactory

1. Qualified Investments:

During the evaluation period, MCB made $6.9 million in new qualified investments and had $32.1 million outstanding from prior evaluation periods. In addition, MCB made $511,168 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:

MCB made limited use of innovative investments to support community development.

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

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

C. Service Test: Low Satisfactory

1. Retail Banking Services:

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

2. Community Development Services:

MCB provided an adequate 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

Founded in 1999, MCB originated as Metropolitan National Bank, a federally chartered commercial bank operating in New York, NY. In 2013, the Bank transitioned to a New York State charter and changed its name to Metropolitan Commercial Bank ("MCB"). MCB is a wholly owned subsidiary of the publicly traded Metropolitan Bank Holding Corp. and is headquartered at 99 Park Avenue, New York City.

During the evaluation period, MCB operated six full-service banking offices, of which four are in New York County, one in Kings County, and one in Nassau County.. Supplementing the banking offices is an automated teller machine ("ATM") network consisting of 12 full-service and five cash-dispensing only machines. All branches located in New York County and Kings County are supplemented with two full service and one cash- dispensing only ATMs except for the Lexington Avenue location which has one full service and one cash-dispensing only ATM and the Great Neck location which has three full-service machines.

The Bank offers personal banking products and services including checking and savings accounts, digital and mobile banking, bill payment, and person to person transfer through Zelle. For businesses, MCB offers business checking and savings accounts, lines of credit, term loans, equipment financing, treasury management, Small Business Administration ("SBA") loans, and commercial lending.

In its Consolidated Report of Condition (the "Call Report") as of December 31, 2024, filed with the Federal Deposit Insurance Corporation ("FDIC"), MCB reported total assets of $7.3 billion, of which $6 billion were net loans and lease financing receivables. It also reported total deposits of $6 billion resulting in an LTD ratio of 99.3%. According to the latest available comparative deposit data as of June 30, 2024, MCB obtained a market share of 0.33% or $6.2 billion in a market of $1.9 trillion, ranking it 25th among 114 deposit-taking institutions in the assessment area.

The following is a summary of the MCB's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2021, 2022, 2023, and 2024 Call Reports:

TOTAL GROSS LOANS OUTSTANDING								
	2021		2022		2023		2024	
Loan Type	$000's	%	$000's	%	$000's	%	$000's	%
1-4 Family Residential Mortgage Loans	129,534	3.5	136,569	2.8	147,014	2.6	159,201	2.6
Commercial & Industrial Loans	646,937	17.3	895,644	18.5	1,034,248	18.4	1,046,146	17.3
Commercial Mortgage Loans	2,261,076	60.6	3,029,419	62.6	3,539,934	62.9	3,997,744	66.3
Multifamily Mortgages	355,290	9.5	468,540	9.7	512,536	9.1	376,737	6.2
Consumer Loans	31,586	0.8	24,151	0.5	17,086	0.3	12,961	0.2
Agricultural Loans	0	0.0	0	0.0		0.0		0.0
Construction Loans	306,726	8.2	285,421	5.9	373,979	6.6	441,287	7.3
Total Gross Loans	**3,731,149**		**4,839,744**		**5,624,797**		**6,034,076**	

As illustrated in the above table, MCB is primarily a commercial lender, with 66.3% of its loan portfolio in commercial real estate, 17.3% in commercial and industrial loans, and 7.3% in construction loans, as of December 31, 2024.

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

B. Assessment Area

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

There are 2,613 census tracts in the Bank's assessment area, of which 295 are low-income, 601 are moderate-income, 873 are middle-income, 686 are upper-income, and 158 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
Nassau	9	10	31	146	90	286	14.3
New York	23	36	44	32	175	310	25.8
Queens	52	26	157	325	165	725	25.2
Richmond	7	3	13	42	61	126	12.7
Total	**158**	**295**	**601**	**873**	**686**	**2,613**	**34.3**

C. Demographic & Economic Data

The assessment area had a population of 10,199,964 during the evaluation period. Approximately 14.7% of the population were over the age of 65 and 22.4% were under the age of 16. Of the 2,248,942 families in the assessment area 28.2% were low-income, 16.0% were moderate-income, 16.9% were middle-income and 38.9% were upper-income. There were 3,641,658 households in

the assessment area, of which 15.8% had income below the poverty level and 4.2% were on public assistance.

The weighted average median family income in the assessment area was $96,794.

There were 3,992,833 housing units within the assessment area, of which 44.3% were one- to four-family units and 55.5% were multifamily units. A majority (55.8%) of the housing units were rental-occupied units, while 35.4% were owner-occupied.

Of the total 2,228,344 rental-occupied units, 48.8% were in LMI census tracts while 49.7% were in middle- and upper-income census tracts. Average monthly gross rent was $1,598.

Of the 1,413,314 owner-occupied housing units, 18% were in LMI census tracts while 81.4% were in middle- and upper-income census tracts. The median age of the housing stock was 76 years, and the median home value in the assessment area was $665,816.

There were 1,783,858 non-farm businesses in the assessment area. Of these, 93.9% were businesses with reported revenues of less than or equal to $1 million, 2.4% reported revenues of more than $1 million and 3.7% did not report their revenues. Of all the businesses in the assessment area, 98.2% were businesses with less than fifty employees while 96.3% operated from a single location. The largest industries in the area were services (31.3%), retail trade (10.3%) and finance, insurance and real estate (10.3%); 35.1% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, average unemployment rates were highest throughout New York State and in the six counties of the assessment area in 2021 due to the continuing impact of the COVID-19 pandemic. A period of recovery followed, marked by decreasing unemployment rates in 2022 and 2023. However, unemployment rates gradually rose in late 2023 and throughout 2024 as job growth slowed. Over the evaluation period, Bronx County maintained the highest average unemployment rate at 8.9% while Nassau County had the lowest average unemployment rate at 3.5%.

Assessment Area Unemployment Rate							
	Statewide	Bronx	Kings	New York (Manhattan)	Nassau	Richmond	Queens
2021	7.1	14.0	10.0	8.2	4.7	8.9	9.8
2022	4.3	8.0	5.7	4.8	3.0	5.4	5.3
2023	4.1	6.7	5.1	4.5	3.1	4.6	4.5
2024	4.3	6.9	5.4	4.8	3.3	4.7	4.7
Avg of Years Above	**5.0**	**8.9**	**6.6**	**5.6**	**3.5**	**5.9**	**6.1**

D. Community Information

DFS examiners conducted community contact interviews with representatives from two nonprofit organizations operating in the Bank's assessment area to obtain their perspectives on the banking and credit needs within the New York City metropolitan area.

The first interview was held with a representative of a Community Development Financial Institution ("CDFI") which specializes in loans and lines of credit financing as well as education support for low-to-moderate small business owners, particularly those underserved by banks. The representative stated that small businesses use credit card financing because it is often their only option, but it often still does not provide the working capital that many small businesses need. The representative further stated that banking institutions have a limited appetite for risk-taking despite the level of available reward, and that there needs to be greater availability of lines of credit and other small business loan products.

The second interview was conducted with a representative from an organization that trains and empowers women to achieve employment and economic sufficiency through free workplace training, support services, and job placement. While the representative stated a few different financial institutions have been working and volunteering with the organization, there is still a need for banking institutions to be more involved in the community through financial literacy and workforce development. Also, the representative mentioned that financial institutions need to offer more financial products and services to women.

IV. - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

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

DFS derived statistics employed in this Evaluation from various sources. MCB submitted bank-specific information both as part of the Evaluation process and in its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS obtained LTD ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from call report data.

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

The evaluation period included calendar years 2021, 2022, 2023, and 2024 for lending activities and the period from January 1st, 2022 to December 31st, 2024 for community development activities.

Examiners considered MCB's HMDA-reportable and small business loans in evaluating factors (2) and (3), but only small business loans for factor (4), of the lending test noted below.

HMDA-reportable loan data represented originated and purchased loans. Small business loan data represented actual originations.

In its prior CRA Performance Evaluation as of December 31, 2021, DFS assigned MCB 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.

MCB's HMDA-reportable and small business activities were adequate considering MCB'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. MCB's level of community development lending was excellent for affordable housing and community service purposes, demonstrating the Bank's commitment to meet its community's credit needs.

1. Lending Activity:

MCB's lending levels were good 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.

MCB's average LTD ratio for the evaluation period of 82.6% exceeded its peer group's average ratio of 80.5%. This is primarily the result of Bank LTD ratios that were significantly higher than peer LTD ratios in 2023 and 2024.

Notably, both the Bank's LTD ratios and peer ratios trended downward throughout most of 2021; however, MCB's ratios significantly trailed the peer LTD ratios during that period. This can be attributed to a rapid increase in deposits during that time that outpaced the Bank's ability to lend. By the end of 2022, the Bank's total deposits and LTD ratios stabilized and the Bank outperformed peer ratios every quarter from that point forward.

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

Loan-to-Deposit Ratios																	
	2021 Q1	2021 Q2	2021 Q3	2021 Q4	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	71.9	64.3	64.7	57.0	68.4	69.9	79.3	90.4	92.8	95.7	95.3	96.5	90.2	93.1	92.4	99.3	82.6
Peer	76.8	76.1	74.2	72.5	72.4	76.0	78.9	82.0	82.9	84.8	85.3	85.4	85.0	86.0	85.1	84.7	80.5

2. Assessment Area Concentration:

During the evaluation period, MCB originated 92.1% by number and 93.4% by dollar value of its

total HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending.

a. HMDA-Reportable Loans:

During the evaluation period, MCB originated 90.3% by number and 93.7% by dollar value of its HMDA-reportable loans within the assessment area.

This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

b. Small Business Loans:

MCB originated 93.3% by number and 90.3% by dollar value of its small business loans within the assessment area during the evaluation period.

This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

The following table shows the percentages of MCB's HMDA-reportable and small business lending 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										
2021	15	83.3%	3	16.7%	18	83,354	79.4%	21,625	20.6%	104,979
2022	28	96.6%	1	3.4%	29	136,488	99.7%	400	0.3%	136,888
2023	10	83.3%	2	16.7%	12	116,550	98.3%	2,000	1.7%	118,550
2024	3	100.0%	-	0.0%	3	23,500	100.0%	-	0.0%	23,500
Subtotal	56	90.3%	6	9.7%	62	359,892	93.7%	24,025	6.3%	383,917
Small Business										
2021	39	97.5%	1	2.5%	40	14,393	98.8%	176	1.2%	14,569
2022	17	85.0%	3	15.0%	20	9,746	81.8%	2,175	18.2%	11,921
2023	15	93.8%	1	6.3%	16	8,075	89.0%	1,000	11.0%	9,075
2024	13	92.9%	1	7.1%	14	8,129	89.2%	989	10.8%	9,118
Subtotal	84	93.3%	6	6.7%	90	40,343	90.3%	4,340	9.7%	44,683
Grand Total	140	92.1%	12	7.9%	152	400,235	93.4%	28,365	6.6%	428,600

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

3. Geographic Distribution of Loans:

MCB's origination of loans in census tracts of varying income levels demonstrated a poor distribution of lending.

MCB's origination of HMDA-reportable lending in LMI census tracts was excellent. However, its small business lending demonstrated a poor distribution of loans in LMI census tracts. Examiners gave more weight to MCB's small business lending, as the Bank is primarily a commercial lender.

a. HMDA-Reportable Loans:

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

During the evaluation period, MCB's average rates of lending in LMI census tracts of 37.5% by number and 36.4% by dollar value were well above the aggregate rates of 17.3% and 21.8%, respectively.

In 2021, 2023, and 2024 a significant majority of loans originated by the Bank were loans collateralized by multifamily buildings and therefore originations for these years were compared to the number of renter-occupied housing units in the assessment area. During the evaluation period between 48.8% and 51.5% of housing units were renter-occupied housing units. The Bank's rates of HMDA-reportable lending in LMI areas in the years 2021, 2023, and 2024 ranged as low as 26.7% by number in 2021 and as high as 33.3% by number in 2024.

MCB purchased thirteen HMDA-reportable loans in 2022 which contributed to the increased loan count in 2022. 53.8% of those purchased loans were in LMI census tracts.

The following table provides a summary of the distribution of MCB'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									
2021									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	1	6.7%	10,150	12.2%	5,768	3.5%	6,815,750	6.0%	20.3%
Moderate	3	20.0%	4,049	4.9%	22,107	13.6%	18,164,175	16.1%	31.2%
LMI	4	26.7%	14,199	17.0%	27,875	17.1%	24,979,925	22.1%	51.5%
Middle	2	13.3%	3,975	4.8%	60,175	37.0%	30,703,425	27.2%	22.7%
Upper	9	60.0%	65,180	78.2%	74,311	45.7%	57,145,715	50.6%	25.5%
Unknown	0	0.0%	0	0.0%	296	0.2%	172,780	0.2%	0.3%
Total	**15**		**83,354**		**162,657**		**113,001,845**		
2022									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	3	10.7%	58,912	43.2%	3,589	3.7%	4,888,085	5.7%	20.4%
Moderate	10	35.7%	19,848	14.5%	13,802	14.3%	13,168,140	15.4%	28.4%
LMI	13	46.4%	78,760	57.7%	17,391	18.1%	18,056,225	21.1%	48.8%
Middle	6	21.4%	4,692	3.4%	36,229	37.6%	21,578,225	25.3%	25.0%
Upper	9	32.1%	53,035	38.9%	41,979	43.6%	44,868,435	52.5%	24.8%
Unknown	0	0.0%	0	0.0%	750	0.8%	899,290	1.1%	1.4%
Total	**28**		**136,488**		***96,349***		**85,402,175**		
2023									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	1,980	3.6%	3,264,330	7.7%	20.4%
Moderate	3	30.0%	20,400	17.5%	7,916	14.6%	6,611,920	15.5%	28.4%
LMI	3	30.0%	20,400	17.5%	9,896	18.2%	9,876,250	23.2%	48.8%
Middle	2	20.0%	35,250	30.2%	21,950	40.4%	12,213,650	28.7%	25.0%
Upper	5	50.0%	60,900	52.3%	22,110	40.7%	20,124,350	47.3%	24.8%
Unknown	0	0.0%	0	0.0%	374	0.7%	368,380	0.9%	1.4%
Total	**10**		**116,550**		**54,330**		**42,582,630**		
2024									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	1	33.3%	17,500	74.5%	2,206	4.0%	3,476,740	7.5%	20.4%
Moderate	0	0.0%	0	0.0%	8,260	14.9%	6,327,520	13.6%	28.4%
LMI	1	33.3%	17,500	74.5%	10,466	18.8%	9,804,260	21.1%	48.8%
Middle	0	0.0%	0	0.0%	22,657	40.8%	12,116,705	26.1%	25.0%
Upper	2	66.7%	6,000	25.5%	22,095	39.7%	23,978,845	51.6%	24.8%
Unknown	0	0.0%	0	0.0%	373	0.7%	605,805	1.3%	1.4%
Total	**3**		**23,500**		**55,591**		**46,505,615**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	5	8.9%	86,562	24.1%	11,337	3.1%	18,444,905	6.4%	
Moderate	16	28.6%	44,297	12.3%	52,085	14.2%	44,271,755	15.4%	
LMI	21	37.5%	130,859	36.4%	63,422	17.3%	62,716,660	21.8%	
Middle	10	17.9%	43,917	12.2%	141,011	38.5%	76,612,005	26.6%	
Upper	25	44.6%	185,115	51.4%	160,495	43.8%	146,117,345	50.8%	
Unknown	-	0.0%	-	0.0%	1,793	0.5%	2,046,255	0.7%	
Total	**56**		**359,892**		**366,721**		**287,492,265**		

b. Small Business Loans:

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

MCB's average rates of small business lending in LMI census tracts during the evaluation period were 15.5% by number and 18.1% by dollar value of loans, well below the aggregate rates of 27.0% and 23.5%, respectively. Although the Bank's rate of lending in LMI census tracts by dollar value of 31.4% in 2021 exceeded the aggregate rate of 21.6% in that year, the Bank's rates of lending by number trailed the aggregate rates of lending by number in each year of the evaluation period. In addition, between 26.7% and 27.8% of businesses in the assessment area were located within LMI census tracts during the evaluation period, which indicates there may be additional opportunity for MCB to originate more loans to businesses located in LMI census tracts.

MCB did not originate any small business loans within LMI census tracts in 2023. The Bank originated one small business loan in an LMI census tract in 2024.

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

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2021									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	2	5.1%	1,083	7.5%	30,254	7.8%	870,714	6.2%	8.2%
Moderate	7	17.9%	3,441	23.9%	75,319	19.4%	2,149,960	15.4%	19.6%
LMI	9	23.1%	4,524	31.4%	105,573	27.2%	3,020,674	21.6%	27.8%
Middle	7	17.9%	4,426	30.8%	109,527	28.2%	3,345,952	23.9%	27.4%
Upper	23	59.0%	5,443	37.8%	164,878	42.5%	7,049,112	50.4%	42.8%
Unknown	0	0.0%	0	0.0%	8,289	2.1%	572,037	4.1%	2.0%
Total	**39**		**14,393**		**388,267**		**13,987,775**		
2022									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	1	5.9%	483	5.0%	27,039	7.8%	665,209	7.7%	8.4%
Moderate	2	11.8%	1,300	13.3%	62,670	18.2%	1,436,056	16.5%	18.3%
LMI	3	17.6%	1,783	18.3%	89,709	26.0%	2,101,265	24.2%	26.7%
Middle	2	11.8%	921	9.5%	102,674	29.8%	2,216,201	25.5%	28.6%
Upper	7	41.2%	2,979	30.6%	138,514	40.2%	3,803,613	43.8%	40.7%
Unknown	5	29.4%	4,063	41.7%	13,736	4.0%	557,974	6.4%	4.1%
Total	**17**		**9,746**		**344,633**		**8,679,053**		
2023									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	30,196	8.6%	659,615	8.1%	8.5%
Moderate	0	0.0%	0	0.0%	66,849	19.0%	1,386,034	17.0%	18.3%
LMI	0	0.0%	0	0.0%	97,045	27.5%	2,045,649	25.1%	26.8%
Middle	0	0.0%	0	0.0%	104,885	29.8%	2,109,562	25.9%	28.7%
Upper	13	86.7%	6,825	84.5%	137,675	39.1%	3,479,599	42.7%	40.5%
Unknown	2	13.3%	1,250	15.5%	12,769	3.6%	510,369	6.3%	4.0%
Total	**15**		**8,075**		**352,374**		**8,145,179**		
2024									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	34,356	8.8%	688,321	7.7%	8.6%
Moderate	1	7.7%	1,000	12.3%	72,013	18.5%	1,488,095	16.7%	18.5%
LMI	1	7.7%	1,000	12.3%	106,369	27.4%	2,176,416	24.4%	27.2%
Middle	1	7.7%	200	2.5%	114,586	29.5%	2,324,162	26.1%	28.8%
Upper	9	69.2%	5,254	64.6%	153,903	39.6%	3,859,576	43.3%	40.1%
Unknown	2	15.4%	1,675	20.6%	13,811	3.6%	558,735	6.3%	4.0%
Total	**13**		**8,129**		**388,669**		**8,918,889**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	3	3.6%	1,566	3.9%	121,845	8.3%	2,883,859	7.3%	
Moderate	10	11.9%	5,741	14.2%	276,851	18.8%	6,460,145	16.3%	
LMI	13	15.5%	7,307	18.1%	398,696	27.0%	9,344,004	23.5%	
Middle	10	11.9%	5,547	13.7%	431,672	29.3%	9,995,877	25.2%	
Upper	52	61.9%	20,501	50.8%	594,970	40.4%	18,191,900	45.8%	
Unknown	9	10.7%	6,988	17.3%	48,605	3.3%	2,199,115	5.5%	
Total	**84**		**40,343**		**1,473,943**		**39,730,896**		

4. Distribution by Borrower Characteristics:

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

This criterion was evaluated exclusively on the Bank's rates of small business lending to

businesses of different revenue sizes. HMDA-reportable loans secured by 1-4 family properties were not evaluated as all loans originated and purchased by the Bank were made to upper-income borrowers or borrowers with unknown income. Additionally, loan volume in most years was not significant enough for comparison as the majority of loans originated by the Bank were multifamily loans.

a. Small Business Loans:

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

During the evaluation period, MCB's average rates of lending to small businesses with annual revenue of $1 million or less were 27.7% by number and 27.3% by dollar value compared to 48.5% and 27.9%, respectively, for the aggregate. While the Bank's dollar value metric generally compared favorably to the aggregate, its performance by number of loans was less consistent. The bank exceeded aggregate performance by dollar value in 2021 and 2024 but underperformed compared to other lenders in both 2022 and 2023. A significant upturn occurred in 2024, during which MCB performed substantially better than the three preceding years in both the number and total dollar value of small business loans.

For each year of the evaluation period, more than 90% of businesses located in the Bank's assessment area were businesses with revenues of less than $1 million. This indicates that the Bank may have additional opportunity to originate more loans to such businesses considering only 27.7% by number of its small business lending during the evaluation period was made to businesses with revenue of less than $1 million.

In 2021, MCB originated 19 PPP loans for $1.7 million within its assessment area. The PPP program did not require banks to collect and maintain revenue information to approve these loans and MCB did not collect and maintain revenue information on loans approved through the PPP loan program. Therefore, the Department excluded these loans from the table below. Notably, of the 19 PPP loans originated by MCB, 14 or 73.7%, of those loans were for loan amounts of less than or equal to $100,000.

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

Distribution of Small Business Lending by Revenue Size of Business									
2021									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	6	30.0%	3,608	28.4%	145,641	37.5%	2,557,266	18.3%	91.6%
Rev. > $1MM	10	50.0%	6,050	47.7%					3.4%
Rev. Unknown	4	20.0%	3,025	23.9%					5.1%
Total	**20**		**12,683**		**388,267**		**13,987,775**		
2022									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	5	29.4%	2,104	21.6%	169,055	49.1%	2,752,105	31.7%	91.9%
Rev. > $1MM	10	58.8%	5,642	57.9%					3.1%
Rev. Unknown	2	11.8%	2,000	20.5%					5.0%
Total	**17**		**9,746**		**344,633**		**8,679,053**		
2023									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	1	6.7%	925	11.5%	190,130	54.0%	2,756,550	33.8%	93.7%
Rev. > $1MM	11	73.3%	6,400	79.3%					2.5%
Rev. Unknown	3	20.0%	750	9.3%					3.9%
Total	**15**		**8,075**		**352,374**		**8,145,179**		
2024									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	6	46.2%	3,900	48.0%	210,764	54.2%	3,004,208	33.7%	93.9%
Rev. > $1MM	4	30.8%	2,229	27.4%					2.4%
Rev. Unknown	3	23.1%	2,000	24.6%					3.7%
Total	**13**		**8,129**		**388,669**		**8,918,889**		
GRAND TOTAL									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	18	27.7%	10,537	27.3%	715,590	48.5%	11,070,129	27.9%	
Rev. > $1MM	35	53.8%	20,321	52.6%					
Rev. Unknown	12	18.5%	7,775	20.1%					
Total	**65**		**38,633**		**1,473,943**		**39,730,896**		

5. Community Development Lending:

During the evaluation period, MCB originated $532.8 million in new community development loans and had $165.3 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.[1]

MCB's total community development lending of $698.1 million for the current evaluation period represented a considerable 58% increase over the $441.4 million recorded in the prior evaluation. On an annualized basis, the $177.6 million per year of new community development lending

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

during the current three-year period represents a 31% increase from the $135.8 million per year approved during the prior 3.25-year evaluation period.

Loans to support community services accounted for 47% by number and 59% by dollar value of the current evaluation period's total amount of new community development loans. These funds financed commercial mortgages and construction projects for facilities such as schools, shelters, and healthcare centers, which mainly benefitted LMI individuals and families. In addition, 39% by number and 31% by dollar value of new community development loans were directed toward multi-family properties providing affordable housing for LMI individuals and families while the remaining 14% by number and 10% by dollar value was utilized to finance projects for neighborhood revitalization and economic development initiatives.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	20	166,852	22	100,713
Economic Development	1	1,000	0	0
Community Services	24	312,995	6	61,078
Revitalization/Stabilization	6	52,000	1	3,473
Total	51	532,847	29	165,264

Below are highlights of MCB's community development lending:

- MCB refinanced a $60 million commercial mortgage for a large skilled rehabilitation and nursing facility located in Bronx County. The majority of this facility's revenues comes from Medicaid.

- MCB refinanced a $38 million commercial mortgage loan for two school facilities in a moderate-income tract in Queens County. These buildings each house a charter school providing educational opportunities for LMI students and all attending students are eligible for free breakfast and lunch. One charter school serves NYC teens who are over-aged and under-credited who are studying to achieve a high-school diploma while the other charter school serves grades kindergarten through four.

- MCB extended a $23.4 million commercial term loan to a nonprofit skilled nursing provider operating a large facility in Kings County. The organization receives the majority of its funding from Medicaid and other government programs.

- MCB originated a $19.3 million commercial mortgage loan that refinanced an existing $11.3 million mortgage collateralized by a residential building in Bronx County. The property includes affordable units. Specifically, 70% of units will have rents subsidized through the Section 8 program and 30% of units will have rents subsidized through New York City's City FHEPS program ("City Fighting Homelessness and Eviction Prevention

Supplement"), which is a voucher program which helps families currently living in New York City shelters to move into affordable apartments in New York City.

- MCB originated a loan of $17.4 million to finance the development of a multi-family apartment building in Bronx County surrounded by an area which is predominantly low-income. The project qualifies for the 35-year, 421-a tax exemption and 100% of the units have been placed with the City FHEPS program.

- MCB renewed an existing $4.6 million commercial first mortgage term loan collateralized by a hotel that will be converted into a homeless shelter in Kings County. The shelter will be operated by a New York City not-for-profit organization that provides housing and social services including youth programs and employment services.

a. Flexible and/or Innovative Lending Practices:

MCB made occasional use of flexible or innovative lending practices:

- PPP Loans: In 2021, the Bank originated 19 PPP loans totaling $1.7 million within its New York assessment area of which two loans were specifically directed toward small businesses in moderate-income census tracts.

- SBA Lending: In December 2024, the Bank became an approved SBA lender.. This designation allows MCB to offer small businesses loan terms which are more accommodating than traditional financing permits.

- CDFI Co-Lending: The Bank launched a CDFI Co-Lending program in the 3rd quarter of 2024. This initiative allows the Bank to collaborate directly with CDFIs in its assessment area, injecting needed liquidity into their operations. Through formalized co-lending agreements, the Bank provides 50% of the loan capital for small businesses, matching the CDFI's contribution. The first co-lending loan under this program was successfully provided to a manufacturer in the Bronx in December 2024, with the partner CDFI managing the servicing of the loan.

B. Investment Test: **Low Satisfactory**

The Department evaluated MCB'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, MCB made $6.9 million in new qualified investments and had $32.1 million outstanding from prior evaluation periods. In addition, MCB made $511,168 in qualified grants. This demonstrated an adequate level of qualified investments and grants over the

course of the evaluation period. By dollar value, 94.9% of total investments (current investments plus prior period outstandings) supported affordable housing and 5.1% supported economic development.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing	2	5,868	14	31,094
Economic Development	3	998	2	1,000
Community Services				
Revitalization/Stabilizatio				
Total	5	6,866	16	32,094
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing	8	135		
Economic Development	3	35		
Community Services	27	341		
Revitalization/Stabilizatio				
Total	38	511		

Below are highlights of MCB's qualified investments and grants.

Investments

- MCB invested $3 million in a specialized community development fund dedicated to addressing the affordable housing needs of low- and moderate-income ("LMI") residents within the Bank's assessment area. This fund strategically identifies and acquires affordable housing investments, primarily those supported by Low-Income Housing Tax Credits ("LIHTC"). This $3 million investment directly financed affordable housing for a LIHTC-funded senior living community located in New York County.

- MCB invested $2.7 million in mortgage-backed securities ("MBS") issued by Freddie Mac. The underlying collateral for these MBS consists of residential mortgage loans extended to LMI properties in Kings, Queens, and Nassau counties.

- MCB made a $498,000 investment into two CDFI banking institutions operating in Bronx and Kings counties. The investments will boost local economies by delivering essential banking, credit, and economic development services to underserved residents in low-income neighborhoods.

Grants

- MCB donated $62,250 to an organization dedicated to serving unemployed and under employed women, particularly women of color and single parents in New York City. The organization provides free workplace training, support services, job placement, and tools needed to enter the workplace.

- MCB donated $51,000 to a nonprofit organization dedicating to inspiring and preparing young people for success. The organization provides high-quality K-12 in-school, workplace-based, after-school, and summer educational programs to young people in high-need communities within the Bank's assessment area.

- MCB donated $42,000 to an organization whose mission is to inspire and guide disadvantaged New York City women to enter the workforce and achieve success. The funds will be used to support the organization's general operating expenses such as providing professional attire, resume and interview coaching, and workshops that provide professional development.

2. Innovativeness of Qualified Investments:

MCB made limited use of innovative investments to support community development. An investment in a Community Development Fund directly impacted a LIHTC affordable housing project in Bronx County. Other qualified investments were made in CDFIs and MBS primarily to support affordable housing initiatives.

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

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

C. Service Test: Low Satisfactory

The Department evaluated MCB'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 MCB'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:

MCB 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:

MCB has an adequate distribution of branches within its assessment area. MCB maintains a network of six full-service branches including its main office at 99 Park Avenue and three other branches in New York County, one branch in Kings County, and a branch in Nassau County. One branch in Boro Park, Kings County is in a low-income census tract. The branch in Great Neck in Nassau County is in a middle-income census tract. Of the four New York County branches, two are in upper-income census tracts, while the income status of the other two census tracts is unknown.

Distribution of Branches within the Assessment Area							
County	**N/A #**	**Low #**	**Moderate #**	**Middle #**	**Upper #**	**Total #**	**LMI %**
Kings	0	1	0	0	0	1	100%
Nassau	0	0	0	1	0	1	0%
New York	2	0	0	0	2	4	0%
Total	2	1	-	1	2	6	17%

b. Record of opening and closing branches:

MCB's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, including in LMI geographies and/or for LMI individuals. MCB did not open or close any branches in its assessment area during the evaluation period.

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

MCB's service delivery systems were readily accessible to geographies and individuals of different income levels in its assessment area. The Bank had several alternative systems including ATM, telephone banking, online banking, and mobile banking options. These systems as described below provided additional availability and access to banking services for both retail and business customers.

- The Bank's ATM network consists of 17 machines. Each branch offers two full service, deposit-taking ATMs and a third cash-only machine except for the Great Neck location, which provides three full-service ATMs including one accessible drive-up ATM, and the Lexington Avenue branch which maintains one full-service and one cash-only ATM.

- Telephone Banking – MCB's telephone banking service gives its clients access to their accounts 24 hours a day, 7 days a week. Clients can check balances, verify deposits, verify checks paid, and withdrawals.

- Online/Mobile Banking – MCB's mobile banking services are available for 24 hours a day, 7 days a week. With mobile and online banking platforms, clients can view account

balances, transactions, pay bills, move money between accounts, and deposit checks remotely. MCB introduced mobile digital account opening in 2022 which allows consumers to open new accounts remotely. Additionally, MCB offers free person-to-person transfers through Zelle on its mobile app and digital website.

d. Range of services provided:

Branch hours are generally Monday through Friday from 8:30 AM to either 4:00 PM or 5:00 PM. Two branches in New York County and the one in Kings County have extended weekday hours at least one day per week until 6:00 PM. One branch in New York County and the Nassau County branch are open on Saturdays by appointment. The Kings County branch also has extended hours on Sundays from 10:00 AM to 2:00 PM during winter months.

MCB offers the following banking products and services that benefit LMI individuals and small businesses:

- Basic Banking Account – This account has no minimum balance requirement and permits 12 free withdrawals each month for a monthly fee of $3.

- Interest on Lawyer Account Fund ("IOLA") – MCB is a Platinum Partner bank in the New York State IOLA program, which provides vital assistance for low-income New Yorkers facing civil legal issues related to essential needs like housing, employment, and healthcare. The Bank pays interest that is the greater of 60% of the Fed Funds Target Rate or 1.00% more, and the interest earned on deposits held in IOLA accounts are remitted to the IOLA Fund, which is then used to finance legal aid for low-income individuals.

- Small Business Lending via SBA-7(a) and CDFI Co-Lending Programs – In 2024, the Bank offered the SBA-7a loan program as an approved SBA lender offering flexible, government-backed loans to small businesses for various operating purposes. In addition, the Bank launched an initiative aimed at supporting small businesses with micro-loan funding through partnerships with local CDFIs.

2. Community Development Services:

MCB provided an adequate level of community development services. MCB's directors, management, and staff provided 29 instances of qualifying community development services. These services included offering financial expertise and technical assistance by having Board and management staff serve as board or committee members for nonprofit organizations. Additionally, MCB partnered with nonprofits to deliver financial literacy education to youth and women in LMI communities.

Community Development Services	
Activity Type	**Number of Activities**
On-Going Board & Committee Memberships	8
Technical Assistance	2
Seminars	19
Credit Counseling	0
Total Community Development Services	29

Below are highlights of MCB's community development services.

- A vice president of the Bank served as the treasurer for a nonprofit organization in New York City that provides music education programs for students from LMI families and financial aid to help LMI students continue their music studies.

- A vice president of MCB served as treasurer for an organization in Bronx County that provides numerous community support services and programs including programs targeted directly to LMI people, such as skill training and social support services, as well as emergency financial assistance to families.

- MCB employees provided financial literacy education in multiple schools in New York City. The majority of students at these schools were economically disadvantaged.

- At its headquarters address, MCB hosted clients of a New York City non-profit organization that helps disadvantaged women become employed. MCB held two of these events. At these events, the organization's clients received individual resume assistance and interview coaching from MCB employees.

D. Additional Factors

The following factors were also considered in assessing MCB'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.

The CRA Director is ultimately responsible for the strategic oversight and execution of the bank's CRA program. This involves proactively identifying opportunities for qualifying lending, services, and investments, while advising business lines and management on CRA compliance. The CRA Director also provides annual CRA training and CRA awareness initiatives across the institution.

The CRA and Fair Banking Committee ("CFBC"), chaired by the CRA Director, is the central-CRA related management committee at the Bank and comprises the Chief Executive Officer, Chief Financial Officer, and Chief Risk Officer plus senior leaders from various divisions including legal, operations, retail, and lending. The CRA Director provides quarterly updates to the CFBC, whose findings and recommendations are then escalated to the Board's Risk Committee.

Furthermore, the Director conducts annual board-level training on regulatory changes and oversees an annual CRA self-assessment to monitor performance. The most recent self-assessment for the 2022-2024 period was independently conducted by a third party, and the results were discussed at the most recent Board meeting.

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

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

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

3. Process Factors

- *Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution*.

The Bank's CRA managing staff has focused on collaborating with community-based organizations to address critical needs such as expanding affordable housing, fostering small business development, enhancing workforce development, and promoting financial health and financial education. Also, the Bank increased its support for CDFIs and community organizations that prioritize small business lending. To ensure continued community engagement and formalize this lending commitment, quarterly service goals for branch teams were implemented.

- *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.*

MCB does not market specific products or credit promotions. However, the Bank has engaged in meetings with NYS-CDFI representatives to discuss small business co-lending opportunities. Additionally, the Bank's deposit-based Basic Banking account is promoted through financial education events with non-profit partners.

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

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

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

During the evaluation period, MCB originated the following three community development credit facilities totaling $25.2 million in New York State, but outside the Bank's assessment area:

- Financing totaling $19.9 million, which included an extension of a term loan and renewed working capital line of credit for a skilled nursing home in Suffolk County, New York. The proceeds originally financed the acquisition of the nursing facility and ongoing operational support. The majority of the nursing facility's revenue is derived from Medicaid reimbursements;

- Renewal of a $3 million working capital line of credit for an additional three-year term to a rehabilitation and nursing center in Suffolk County, New York. The majority of this facility's revenue is received from Medicaid; and

- Renewal of a $2.3 million working capital line of credit for a skilled nursing facility operating in Chautauqua County, New York. The majority of this facility's revenue is received from Medicaid.

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 in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council ("FFIEC").

LMI Individuals/Persons

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

LMI Penetration Rate

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

Low-Income Housing Tax Credit ("LIHTC")

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

Minority Depository Institutions ("MDIs")

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

New Markets Tax Credit ("NMTC")

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

Paycheck Protection Program ("PPP") Loans

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

Qualified Investment

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

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;

- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

Small Business Loan

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