

# **PUBLIC DISCLOSURE**

March 11, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Adirondack Trust Company  
RSSD No. 645317

473 Broadway  
Saratoga Springs, New York 12866

FEDERAL RESERVE BANK OF NEW YORK  
33 LIBERTY STREET  
NEW YORK, NY 10045

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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**INSTITUTION'S CRA RATING: This institution is rated Satisfactory.**  
**The Lending Test is rated: Satisfactory.**  
**The Community Development Test is rated: Outstanding.**

The major factors supporting the Satisfactory performance rating for Adirondack Trust Company (“ATC”) with regard to the Community Reinvestment Act (“CRA”) include the following:

- A substantial majority of loans and other lending-related activity were made in the assessment areas;
- The loan-to-deposit ratio was reasonable given the bank’s size, financial condition and assessment areas credit needs;
- The geographic distribution of loans reflected reasonable dispersion throughout the assessment areas;
- There was reasonable penetration among individuals of different income (including low- and moderate-income) levels and businesses of different sizes;
- The bank’s community development performance demonstrated excellent responsiveness to the community development needs of its assessment areas through community development loans, qualified investments and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment areas; and,
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

## **SCOPE OF EXAMINATION**

### **Procedures**

ATC was examined using the Federal Financial Institutions Examination Council’s (“FFIEC”) Interagency Intermediate Small Institution Examination Procedures. These procedures include a lending test, which evaluates the bank’s record of meeting the credit needs of its assessment area through its lending activities and a community development test, which evaluates the bank’s responsiveness to community development needs in its assessment area.

As shown in the table on the next page, the lending test evaluation covered the period from January 1, 2016 through December 31, 2017. The assessment period for ATC’s community development activities was from July 1, 2016 through December 31, 2018.

PERFORMANCE CRITERION	EVALUATION PERIOD
Loan-to-Deposit Ratio	July 1, 2016 – December 31, 2018
Lending in Assessment Area	January 1, 2016 – December 31, 2017
Borrower Distribution of Loans	January 1, 2016 – December 31, 2017
Geographic Distribution Of Loans	January 1, 2016 – December 31, 2017
Response to CRA Complaints	July 1, 2016 – December 31, 2018
Community Development Lending	July 1, 2016 – December 31, 2018
Qualified Investments	July 1, 2016 – December 31, 2018
Community Development Services	July 1, 2016 – December 31, 2018

### **Products**

Retail loan products evaluated for overall lending activity included home purchase, refinance, and home improvement loans reported under the Home Mortgage Disclosure Act (“HMDA”), as well as small business loans reported under the CRA. Examiners verified the integrity of the 2016 and 2017 HMDA and small business loan data reported by ATC. Multifamily and small farm loans were not analyzed for geographic and borrower loan distribution, as the volume was insufficient. Multifamily loans were considered in the evaluation of community development lending. In analyzing the data the greatest weight, based on number and volume, was given to small business lending followed by home purchase lending as small business lending represented 58.4% of combined small business and HMDA lending, while home purchase lending represented 26.7% of combined HMDA and small business lending. The least weight was given to refinance lending at 8.8% of total loans and home improvement lending at 6.0% of total loans.

### **Lending Distribution Analysis**

The geographic and borrower loan distribution analyses were based on loan activity conducted in ATC’s assessment areas. To analyze the borrower characteristics of HMDA-related loans, the proportion of originations to low- and moderate-income (“LMI”) borrowers was compared with the proportion of LMI families. Income estimates from U.S. Department of Housing and Urban Development (“HUD”) and the FFIEC were used to categorize borrower income. For small business loans, the proportion of loans to borrowers with gross annual revenues (“GAR”) of \$1 million or less were compared with the proportion of such businesses as reported by Dun and Bradstreet (“D&B”). The size of the small business loan was also used as a proxy to identify lending to businesses with GAR of \$1 million or less.

For evaluation of the geographic distribution of loans, performance was rated based on penetration in LMI areas. Demographic data from the U.S. Department of Commerce’s 2010 Census (“2010 Census”) and 2015 American Community Survey (“2015 ACS”) was used to categorize LMI areas. The proportion of HMDA-related loan originations in LMI geographies were compared with the proportion of owner-occupied units located in LMI geographies in the assessment area.

For small business loans, the analysis compared the proportion of loan originations with the proportion of businesses located in LMI areas as reported by D&B.

ATC's HMDA-related and small business lending performance in 2016 and 2017 was also compared to the 2016 and 2017 performance of the aggregate of all lenders in the assessment area subject to HMDA and/or CRA small business loan reporting.

Peer data was used for the loan-to-deposit analysis. Local peer banks were selected based on the amount of deposits and number of branches in order to choose banks similarly-sized to ATC within their assessment areas. ATC's loan-to-deposit ratio was also compared to its national peer group. ATC's performance in making community development loans and qualified investments was also compared with peer banks in ATC's assessment areas.

### **Community Contacts**

In order to learn more about community credit needs, examiners conducted interviews with three government organizations that are actively involved with affordable housing and community services in the assessment area. Details from these interviews are presented within the performance context of the assessment area in this evaluation.

### **DESCRIPTION OF INSTITUTION**

ATC is a full service commercial bank headquartered in Saratoga Springs, NY. ATC is a subsidiary of 473 Broadway Holding Corporation, a bank holding company. ATC operates 13 full service branch locations, as well as 13 ATM locations and 2 insurance offices throughout the central portion of Saratoga County and the southeastern portion of Warren County. Both counties are located in the eastern-central part of New York State.

ATC offers various consumer and commercial lending and deposit products, trust services, and insurance services. The bank offers a variety of credit products to consumers and businesses. Consumer products include residential mortgages (fixed and adjustable rate), home equity loans and lines of credit, and consumer loans. Commercial products include commercial mortgages, term loans, lines of credit, construction loans, and SBA 7A and 504 loans to small businesses.

As of December 31, 2018, ATC has \$1.1 billion in assets, gross loans and leases of \$761 million, and total domestic deposits of \$1.0 billion. The chart on the next page shows the composition of ATC's loan portfolio as of December 31, 2018.

COMPOSITION OF LOAN PORTFOLIO		
Loan Type	12/31/2018	
	\$(000s)	Percent
Construction and Development	28,859	3.8
Secured by One to Four Family Dwellings	209,060	27.5
Other Real Estate - Multifamily	51,383	6.8
Other Real Estate - Nonfarm nonresidential	306,220	40.2
Commercial and Industrial	94,929	12.5
Agricultural	0	0.0
Loans to Individuals	60,733	8.0
All Other	9,944	1.3
<b>Total</b>	<b>761,128</b>	<b>100.0</b>

This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, banker’s acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are not included in this table.

ATC’s market area is highly competitive with branches of local, regional, and national banks, mortgage companies, and other financial institutions operating within the assessment area. Primary bank competitors in the local market include KeyBank National Association, Bank of America NA, TrustCo Bank, Pioneer Savings Bank, Glenn Falls National Bank and Trust Company, Saratoga National Bank, NBT National Association, Ballston Spa National Bank and Chemung Canal Trust Company.

Based on deposits reported to the Federal Deposit Insurance Corporation on June 30, 2017, ATC ranked 1<sup>st</sup> of 16 banks in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area, with 21.1 percent of deposit market share. In the MSA 24020 (Glens Falls, NY) assessment area, ATC is ranked 9<sup>th</sup> out of 10 banks with 2.0 percent of the deposit market share.

ATC’s previous CRA performance evaluation was dated September 12, 2016, and ATC received an overall rating of “Satisfactory.” There are no financial or legal factors that would prevent ATC from fulfilling its obligations under CRA.

## DESCRIPTION OF ASSESSMENT AREAS

ATC had two assessment areas comprised of portions of Saratoga County and Warren County, which are contiguous counties in New York State. The combined assessment areas are predominantly rural and consist of a total of 43 census tracts (unchanged from the last evaluation), of which 7 are moderate income tracts, 35 are middle and upper income tracts, and one tract that has no income designation. There are no low income tracts in ATC's assessment areas. A description of the assessment areas follows:

## **FULL SCOPE**

**MSA 10580 (Albany-Schenectady-Troy, NY):** consists of portions of Saratoga County and includes the municipalities of Saratoga, Saratoga Springs, Stillwater, Malta, Ballston, Milton, Greenfield, Wilton, Northumberland, Moreau, Town of Corinth, and Village of Corinth.

## **LIMITED SCOPE**

**MSA 24020 (Glens Falls, NY):** consists of a small portion of Warren County, which includes the municipalities of Glen Falls, Glen Falls North, West Glen Falls, Town of Queensbury, and Town of Lake George.

The assessment area delineation remained unchanged since the previous evaluation. ATC's assessment areas are in compliance with the requirements of 12 CFR §228.41 and do not arbitrarily exclude low- and moderate-income ("LMI") geographies.

<b>Summary of Key Assessment Area Data</b>			
	<b>MSA 10580 (Saratoga County, NY)</b>	<b>MSA 24020 (Warren County, NY)</b>	<b>Totals</b>
<b>Total Population<sup>4</sup></b>	141,586	49,064	190,650
<b>Population % of AA population<sup>(6)</sup></b>	74.3%	25.7%	100.0%
<b>Families</b>	36,563	12,572	49,135
<b>Families % of AA families<sup>(6)</sup></b>	74.4%	25.6%	100.0%
<b>Total Census Tracts<sup>4</sup></b>	30	13	43
<b>Tracts % AA tracts</b>	69.8%	30.2%	100.0%
<b>LMI tracts</b>	5	2	7
<b>LMI tracts % all AA LMI tracts</b>	71.4%	28.6%	100.0%
<b>Total Owner-Occupied Units<sup>4</sup></b>	39,529	13,501	53,030
<b>Units % of AA units<sup>(6)</sup></b>	74.5%	25.5%	100.0%
<b>Business Establishments<sup>5</sup></b>	5,307	2,473	7,780
<b>Bus. est. % AA bus. est.</b>	68.2%	31.8%	100.0%
<b>Number of Branches<sup>1</sup></b>	11	2	13
<b>Branches % all branches</b>	84.6%	15.4%	100.0%
<b>Branches in LMI tracts</b>	0	0	0
<b>LMI branches % AA LMI branches</b>	0.0%	0.0%	100.0%
<b>Branch Deposits (\$'000s)<sup>2</sup></b>	994,720	35,402	1,030,122
<b>Deposits % AA deposits</b>	96.6%	3.4%	100.0%
<b>Deposit Market Share (%) / Rank in Mkt.</b>	21.1/1	2.0/8	
<b>Home Purchase Originations<sup>3</sup></b>	180	52	232
<b>HP originations % AA orig.<sup>(6)</sup></b>	77.6%	22.4%	100.0%
<b>Refinance Originations<sup>3</sup></b>	62	14	76
<b>Refi orig. % AA orig.<sup>(6)</sup></b>	81.6%	18.4%	100.0%
<b>Home Improvement Originations<sup>3</sup></b>	48	4	52
<b>Home Improvement orig. % AA orig.<sup>(6)</sup></b>	92.3%	7.7%	100.0%
<b>Small Business Originations<sup>3</sup></b>	377	128	505
<b>SB orig. % AA orig.<sup>(6)</sup></b>	74.7%	25.3%	100.0%
<b>Combined Loan Totals</b>	667	198	865
<b>% of AA Orig.<sup>(6)</sup></b>	77.1%	22.9%	100.0%
<b>(1) Branch numbers are as of 12/31/2017. (2) Branch deposits and deposit market share are from the FDIC as of 6/30/17. (3) Originations are loans reported under HMDA and small business loans provided by the bank for 2016 through 2017. (4) Demographic information was obtained from the 2010 Census and 2015 ACS. (5) Business establishments information was reported by D&amp;B for 2017. (6) Due to rounding, total percentages may not equal 100%.</b>			



## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

ATC's record of meeting the credit needs of its assessment areas through its lending performance is rated Satisfactory. ATC's loan-to-deposit ratio was reasonable and a substantial majority of its loans were originated within its assessment areas. The geographic distribution of loans reflected reasonable penetration among geographies of different income levels throughout the bank's assessment areas. The overall distribution of loans to borrowers of different income levels and businesses of different sizes was also reasonable.

#### Loan-to-Deposit Ratio

ATC's loan-to-deposit ratio was reasonable given the bank's size, financial condition, and the credit needs of its assessment area. ATC's average loan-to-deposit ratio for the 10 quarters between July 1, 2016 and December 31, 2018 was 71.7%, based on information contained in its Consolidated Report of Condition and Income. This ratio was below the national peer average of 85.1% and the average of 83.8% for eight similarly-situated banks with branches located in ATC's assessment areas during the evaluation period. ATC's average loan-to-deposit ratio increased from the prior CRA evaluation period when the bank had an average loan-to-deposit ratio of 65.0%.

#### Lending in Assessment Areas

ATC originated a substantial majority of its loans, 83.5% by number and 71.9% by dollar amount, in its assessment areas over the evaluation period from January 1, 2016 through December 31, 2017. ATC originated 83.3% of its HMDA-related loans and 83.7% of its small business loans by number within its assessment areas over the same period. See the Lending Inside and Outside the Assessment Area Table for further details of the bank's lending.

Lending Inside and Outside the Assessment Area								
1/1/2016 -12/31/2017								
Loan Type	Inside				Outside			
	#	%	\$ ( '000s)	%	#	%	\$ ( '000s)	%
Home Purchase	232	84.4	60,562	86.2	43	15.6	9,699	13.8
Refinancing	76	84.4	18,073	80.7	14	15.6	4,327	19.3
Home Improvement	52	83.9	3,781	87.2	10	16.1	554	12.8
Multifamily Housing	3	33.3	667	3.0	6	66.7	21,480	97.0
<b>Total HMDA Related</b>	<b>363</b>	<b>83.3</b>	<b>83,083</b>	<b>69.7</b>	<b>73</b>	<b>16.7</b>	<b>36,060</b>	<b>30.3</b>
Small Business	505	83.7	62,949	75.1	98	16.3	20,886	24.9
<b>All Loans</b>	<b>868</b>	<b>83.5</b>	<b>146,032</b>	<b>71.9</b>	<b>171</b>	<b>16.5</b>	<b>56,946</b>	<b>28.1</b>

## **Geographic Distribution of Loans**

ATC's overall geographic distribution of loans was reasonable overall based on reasonable penetration of geographies of different income levels in MSA 10580 (Albany-Schenectady-Troy, NY).

## **Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

ATC's overall lending distribution among borrowers of different incomes (including LMI individuals) and businesses of different sizes was reasonable based on reasonable performance in MSA 10580 (Albany-Schenectady-Troy, NY).

## **Response to Complaints**

Since the previous evaluation, there were no CRA-related complaints filed with the Federal Reserve Bank of New York.

## **COMMUNITY DEVELOPMENT TEST**

ATC's performance under the community development test was Outstanding. ATC demonstrated excellent responsiveness to community development needs of its assessment area through community development loans, qualified investments, and community development services, given the bank's capacity and the need and availability of such opportunities in the assessment area. Compared to similarly situated peer institutions ATC's volume of CD loans and qualified investments remained outstanding.

During the evaluation period, ATC's community development loans and qualified investments totaled \$37.7 million, of which \$29.9 million, or 79.2%, was made within the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area and \$4.5 million, or 12%, benefited the MSA 24020 (Glens Falls, NY) assessment area. Additionally, community development activity included \$3.3 million (8.8%) in community development loans and qualified investments that benefited cities and towns within the broader statewide/regional area that included the assessment area.

Community development loan and qualified investment volume decreased from the \$46.6 million reported at the last evaluation. The last evaluation however, included 32 community development loans totaling \$10.4 million that were originated in prior periods, while in this evaluation no prior period community development loans were considered. Adjusting for the prior period loans at the last evaluation, community development loans and investments increased 7.6% on an annualized basis. The evaluation also considered ATC's capacity, the need and availability of opportunities for community development in the assessment area, and the performance of local competitors and their responsiveness to community development needs. ATC was a leader in community

development activities among peer institutions. See details in the community development loans and qualified investments tables below.

<b>Adirondack Trust Company</b>										
<b>July 1, 2016 - December 31, 2018</b>										
<b>Community Development Loans and Qualified Investments (combined)</b>										
<b>Assessment Areas</b>	Affordable Housing		Community Services		Economic Development		Revitalize and Stabilize		<b>Total</b>	
	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)
MSA 10580 (Albany-Schenectady-Troy, NY)	29	11,389	121	11,143	3	966	6	6,362	159	29,860
MSA 24020 (Glens Falls, NY)	3	2,008	18	7	0	0	4	2,500	25	4,515
Broader Statewide / Regional including AA	1	1,100	5	29	2	2	7	2,185	15	3,316
Total CD Loans and Qualified Investments	33	14,497	144	11,179	5	968	17	11,047	199	37,691

*\*Lending activity includes new loans and investments made during the examination period as well as investments with existing balances from the prior examination period that were outstanding as of 12/31/2018.*

In terms of dollar amount, affordable housing represented the majority of community development loans and qualified investments at 38.5% of total community development loans and qualified investments, while community services represented 29.7%, revitalization and stabilization represented 29.3%, and economic development 2.6%. Community contacts identified affordable housing as a critical need throughout ATC’s assessment areas.

ATC also provided a significant amount of community development services. During the 30-month evaluation period, ATC held 53 technical assistance, financial literacy, mortgage education, and small business assistance sessions targeted to LMI individuals and small businesses. ATC’s officers, directors, and employees served on boards or committees of 73 non-profit organizations located throughout its assessment areas. ATC also developed ongoing partnerships with various community development organizations in order to gain knowledge of and to better meet the community lending needs of the assessment area.

### **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

ATC was in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practice was identified as being inconsistent with helping to meet the credit needs of the assessment area.

## METROPOLITAN AREA

### MSA 10580 (Albany-Schenectady-Troy, NY) Full Review

#### DESCRIPTION OF OPERATIONS IN MSA 10580 (Albany-Schenectady-Troy, NY)

ATC's banking activities within its assessment areas were primarily conducted within the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. The bank's assessment area includes a portion of Saratoga County. As of December 31, 2017, ATC operated 11 of its 13 branches (84.6%) in this MSA. These branches generated \$995 million in deposits as of June 30, 2017, which accounted for 96.6% of the bank's total branch deposits. Of the bank's 865 HMDA-related and small business loans originated in the assessment areas during the evaluation period, 77.1% were originated in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. For additional assessment area data, see the Summary of Key Assessment Area Data Table.

ATC's market area was competitive with branches of local and regional banks operating in the assessment area. With a deposit market share of 21.1%, ATC had the highest market share in the assessment area. Primary bank competitors in this assessment area included: KeyBank NA, Bank of America NA, TrustCo Bank, Pioneer Savings Bank, Glenn Falls National Bank and Trust Company, Saratoga National Bank, NBT National Association, Ballston Spa National Bank and Chemung Canal Trust Company.

#### PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the 2010 Census, 2015 ACS, the FFIEC, HUD, D&B, U.S. Department of Labor, and the New York State Department of Labor.

##### Demographic Characteristics

The MSA 10580 (Albany-Schenectady-Troy, NY) assessment area consisted of portion of Saratoga County. According to the 2015 ACS, the thirty census tracts that the Bank included in its MSA 10580 (Albany-Schenectady-Troy, NY) assessment area consisted of 20 (66.7%) middle-income, five (16.7%) moderate-income, and four (13.3%) were upper-income. One tract was classified as unknown-income. In 2016, according to the 2010 Census, 21 census tracts (70.0%) were classified as middle-income and four census tracts (13.3%) were classified as moderate-income. The other tract income classifications were unchanged.

According to the 2015 ACS, the population of the 10580 (Albany-Schenectady-Troy, NY) assessment area was 141,586, which accounted for 74.3% of the population of the combined assessment areas.

### Income Characteristics

Based on the 2015 ACS data, the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area had 36,563 families, of which 6,349 (17.4%) were low-income, 6,961 (19.0%) were moderate-income, and 4.7% of families were living below the poverty level. As shown in the table to the right, the FFIEC adjusted median family income (“MFI”) for MSA 10580 (Albany-Schenectady-Troy, NY) was \$83,100 in 2017, which represented a 0.5% increase since the prior evaluation. The table shows that the income levels during the evaluation period were higher than the FFIEC adjusted MFI for New York State.

FFIEC MEDIAN FAMILY INCOMES			
Area	2015	2016	2017
MSA 10580	\$82,700	\$82,000	\$83,100
New York State	\$72,000	\$72,300	\$73,400

### Housing Characteristics

According to the 2015 ACS, the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area had 62,498 housing units, of which 39,529 (63.2%) were owner-occupied, 16,979 (27.2%) were rental, and 5,990 (9.6%) were vacant. Of the total number of owner-occupied units, 3,800 (9.6%) were located in moderate-income geographies. In moderate-income geographies, 56.7% were owner-occupied, 35.8% were rental, and 7.5% vacant.

The 2015 ACS shows that the median age of housing stock in the assessment area was 42 years old, which is much lower than the New York State median age of housing stock of 59 years. However, within moderate income tracts in the assessment area, the median age of housing stock was 61 years. According to a January 5, 2017 study, *The Aging Housing Stock* conducted by the National Association of Home Builders, older homes typically require renovations which infers the additional need for home improvement loans.

According to the 2015 ACS, the median housing value in the assessment area was \$219,555 and the median household income was \$68,039, with an affordability ratio<sup>1</sup> of 31.05. Zillow currently estimates the median housing value in Saratoga County to be \$264,000. The median gross rent in the assessment area was \$979 with 39.7% of all renters having rents that exceed 30% of their income. Community contacts indicated that affordable housing stock continues to be a challenge and limits opportunities to lend to LMI borrowers, particularly in Saratoga Springs.

### Labor, Employment and Economic Characteristics

Saratoga County’s primary industries include retail, manufacturing, technology, sports and recreation, and tourism. The area benefits from its relative proximity to New York City, Boston and Montreal, Canada and Albany, the state capital of New York.

<sup>1</sup> The affordability ratio is derived by dividing the median household income by the median housing value. The higher the affordability ratio, the more affordable a home is considered.

The area also has proximity to a number of leading universities, which enables the region to attract firms that take advantage of academic research and a concentration of skilled workers.

The area's dominant industry is state government, which has helped to insulate it from recent economic downturns. Within Saratoga Springs, tourism is a main source of income, especially during the summer months, when Saratoga Race Course is open. Tourism revenue contributes significantly to local retail shops, restaurants, hotels, and entertainment venues located in the city. Major companies doing business in Saratoga County include Quad/Graphics, State Farm Insurance, Target, Stewart's Ice Cream, Sysco Food Services, the Ball Corporation, and, Global Foundries. Global Foundries, which opened in Malta, NY in December 2011, is the world's first full-service semiconductor foundry.

As shown in the table to the right, according to the DOL, the average annual unemployment rate was 4.0% for Saratoga County in 2017, below both the 4.3% for the MSA as a whole, and 4.7% for New York State.

AVERAGE ANNUAL UNEMPLOYMENT RATES		
Area	2016	2017
Saratoga County	3.8%	4.0%
MSA 10580 (Albany-Schenectady-Troy, NY)	4.1%	4.3%
Statewide	4.8%	4.7%

The subsequent table provides a summary of the Assessment Area Demographics in the bank's assessment area MSA 10580 (Albany-Schenectady-Troy, NY).

**Assessment Area Demographic Report**  
**Assessment Area: MSA 10580 - 2017**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	6,349	17.4
Moderate-income	5	16.7	3,810	10.4	401	10.5	6,961	19.0
Middle-income	20	66.7	27,745	75.9	1,167	4.2	8,119	22.2
Upper-income	4	13.3	5,008	13.7	152	3.0	15,134	41.4
Unknown-income	1	3.3	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>30</b>	<b>100.0</b>	<b>36,563</b>	<b>100.0</b>	<b>1,720</b>	<b>4.7</b>	<b>36,563</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	6,706	3,800	9.6	56.7	2,403	35.8	503	7.5
Middle-income	46,445	30,240	76.5	65.1	11,673	25.1	4,532	9.8
Upper-income	9,347	5,489	13.9	58.7	2,903	31.1	955	10.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>62,498</b>	<b>39,529</b>	<b>100.0</b>	<b>63.2</b>	<b>16,979</b>	<b>27.2</b>	<b>5,990</b>	<b>9.6</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	463	8.7	418	8.7	31	7.3	14	19.4
Middle-income	3,567	67.2	3,229	67.2	289	67.7	49	68.1
Upper-income	1,276	24.0	1,160	24.1	107	25.1	9	12.5
Unknown-income	1	0.0	1	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>5,307</b>	<b>100.0</b>	<b>4,808</b>	<b>100.0</b>	<b>427</b>	<b>100.0</b>	<b>72</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>90.6</b>		<b>8.0</b>		<b>1.4</b>

Based on 2015 ACS Information.

## Community Contacts

In order to learn more about community credit needs, examiners conducted interviews with three governmental organizations that are actively involved with affordable housing and community services in the assessment area. Details from these interviews are presented within the performance context of the assessment area in this evaluation.

The first contact was a public housing authority that operates affordable housing for seniors and persons with disabilities. It also administers the Section 8 housing program and HUD's rental assistance programs. The contact indicated that Saratoga Springs is an affluent community and there is not a large percentage of low- or moderate-income individuals. The town is predominately service industry oriented and only a small percentage of its workforce lives in Saratoga. There is a need for better transportation to support the community. The contact indicated a need for local institutions to provide financing for their programs and a need for programs for entrepreneurs and small businesses.

A second contact was with a public agency that seeks to increase access to affordable housing, improve the living environment, and improve economic opportunities for LMI individuals and families. It operates the community block grant program, which has been utilized to support affordable housing and establish a residential rehabilitation grant program for LMI homeowners, and a revolving loan program for businesses with the goal of creating one job for every \$25,000 loaned. The contact indicated that high rents have been a barrier for LMI families and individuals and that no entry level homes have been built in a long time. Recently, the city was able to obtain financing for 400 units of affordable housing. The contact indicated that banks have been strong partners for their programs. The contact also indicated there is also a need for financial literacy training and matched savings programs.

A third contact was with a government agency that operates social service programs for LMI individuals and families and seeks opportunities to strengthen the community and improve the conditions in which low-income families live. The contact indicated there is a need for improved public transportation and a need for donations to support food programs.



## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 10580 (Albany-Schenectady-Troy, NY)**

### **LENDING TEST**

Lending performance in MSA 10580 (Albany-Schenectady-Troy, NY) was considered reasonable based on a reasonable geographic distribution of lending and reasonable penetration among individuals of different income levels and businesses of different sizes. The greatest weight, based on number and volume, was given to small business lending followed by home purchase lending as small business lending represented 58.4% of combined small business and HMDA lending, while home purchase lending represented 26.7% of combined HMDA and small business lending. The least weight was given to refinance lending at 8.8% of total loans and home improvement lending at 6.0% of total loans. In addition, ATC's lending performance was compared to the 2016 and 2017 aggregate of all lenders required to report HMDA and small business data within the assessment area respectively. See the Aggregate Comparison Loan Distribution tables in CRA Appendix A for details of ATC's 2017 and 2016 geographic distribution of lending and loan distribution by borrower income and business revenue size.

### **Geographic Distribution of Loans**

ATC's overall geographic distribution of loans reflects reasonable dispersion throughout MSA 10580 (Albany-Schenectady-Troy, NY). The evaluation is based on ATC's penetration in moderate-income census tracts, as there are no low-income census tracts in MSA 10580. ATC's performance in 2016 was compared to 2010 Census demographic data, while 2017's performance was compared to 2015 ACS demographic data. ATC's performance was also compared to 2016 and 2017 aggregate data. As stated above greater weight was placed on small business lending followed by home purchase lending for this evaluation while the least weight was given to refinance and home improvement lending. Greater weight was also given to performance in 2017 as compared to 2016 as 2017 as it indicates the bank's performance trend.

As shown in the table below, during the evaluation period ATC's penetration in census tracts of different income levels was excellent. ATC originated loans in 90.0% of the census tracts in the assessment area in both 2016 and 2017 and also originated loans in all but one of the moderate-income census tracts for both years.

**Adirondack Trust Company**

<b>MSA 10580</b>			
<b>Census Tract Penetration</b>			
<b>Tract Income Levels</b>	<b>Number of Tracts</b>	<b>Tracts with no Loans</b>	<b>Penetration</b>
<b>2017</b>			
Low	0	NA	NA
Moderate	5	1	80.0%
Middle	20	1	95.0%
Upper	4	0	100.0%
Unknown	1	1	0.0%
Total Tracts	30	3	90.0%
<b>2016</b>			
Low	0	NA	NA
Moderate	4	1	75.0%
Middle	21	1	95.2%
Upper	4	0	100.0%
Unknown	1	1	0.0%
Total Tracts	30	3	90.0%

*Home Purchase Loans*

ATC's overall home purchase lending distribution was considered reasonable based on reasonable performance in moderate-income geographies in 2017, while performance in 2016 was poor. In 2017, ATC originated 7.2% of its home purchase loans in moderate-income geographies by number and 3.4% by dollar compared to the demographic, which according to 2015 ACS data, indicated that 9.6% of owner-occupied housing units were located in moderate-income geographies in the MSA. ATC's performance in moderate-income geographies was below the market aggregate, which made 8.6% of its home purchase loans in moderate-income geographies by number and 5.2% by dollar in 2017. Home purchase lending performance in moderate-income geographies in 2016 was below performance in 2017.

*Refinance Loans*

ATC's distribution of refinance loans in moderate-income census tracts was poor. In 2017, ATC originated 4.5% of its refinance loans in moderate-income census tracts by number and 6.5% by dollar compared to the demographic, which indicated that 9.6% of owner-occupied housing units were located in moderate-income census tracts in this MSA. ATC's performance was below the market aggregate, which originated 9.3% of its refinance loans in moderate-income census tracts by number and 5.9% by dollar. In 2016, ATC did not originate any refinance loans in moderate-income census tracts.

### *Home Improvement Loans*

ATC's overall home improvement lending performance in moderate-income census tracts was poor based on poor performance in 2017 and reasonable performance in 2016. In 2017, ATC did not make any home improvement loans in moderate-income census tracts, while 9.6% of owner-occupied housing units were located in moderate-income census tracts. The market aggregate also made 7.9% by number and 4.8% by dollar of its home improvement loans in moderate-income census tracts. ATC's 2016 performance was reasonable as performance exceeded the market aggregate but was below the demographic. In 2016, ATC made 6.9% by number and 5.9% by dollar of its home improvement loans in moderate income tracts, compared to the demographic where 7.7% of owner-occupied housing units were in moderate-income census tracts and compared to the market aggregate, which made 4.3% by number and 2.5% by dollar of its home improvement loans in moderate-income census tracts.

### *Small Business Loans*

ATC's overall small business lending performance in moderate-income census tracts was reasonable based on reasonable performance in 2017, while performance in 2016 poor. In 2017, ATC made 8.6% by number and 8.0% by dollar of its small business loans in moderate-income census tracts compared to 8.7% of business establishments located in moderate-income census tracts. ATC's performance in moderate-income census tracts was above the market aggregate, which had 6.2% of its small business loans by number and 3.7% by dollar in moderate-income census tracts. ATC's performance in 2016 was below both demographic data and aggregate lending.

### **Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

ATC's distribution of loans among individuals of different income levels (including LMI) and businesses of different sizes reflected reasonable penetration. In reaching conclusions about performance, consideration was given to performance context factors, such as the high cost of housing for LMI persons. As noted in the performance context section, the median housing value for the Saratoga County portion of MSA 10580 (Albany-Schenectady-Troy, NY), per Zillow, is estimated to be approximately four times the income of moderate-income borrowers and six times the income of low-income borrowers. Therefore, additional weight was given to loans made to moderate-income borrowers, due to the available opportunities for mortgage lending for these borrowers. Additionally, more weight was given to small business lending which represented 58.4% of combined HMDA and small business lending. The least weight was given to refinance lending at 8.8% of total loans and home improvement lending at 6.0% of total loans.

### *Home Purchase Loans*

ATC's overall distribution of home purchase loans to LMI borrowers was reasonable based on poor performance to low-income borrowers and reasonable performance to moderate-income

borrowers. ATC's performance to low-income borrowers was poor based on comparisons to demographic and market aggregate data. In 2017, ATC made 3.6% of its home purchase loans by number and 1.3% by dollar to low-income borrowers, while 17.4% of the families in the assessment area were of low income. ATC's performance was below the market aggregate, which made 5.5% of its home purchase loans to low-income borrowers by number and 2.4% by dollar. ATC's 2016 performance was comparable to its 2017 performance.

ATC's home purchase performance lending to moderate-income borrowers was reasonable. In 2017, 14.5% of ATC's home purchase loans by number and 10.0% by dollar were made to moderate-income borrowers, while 19.0% of families in the assessment area were of moderate-income. ATC's performance was below the market aggregate, which made 20.7% of its home purchase loans by number and 14.7% by dollar to moderate-income borrowers in 2017. ATC's 2016 performance was also reasonable.

### *Refinance Loans*

ATC's overall distribution of refinance loans to LMI borrowers was poor based on poor performance for low-income borrowers and poor performance for moderate-income borrowers. In 2017, 4.5% of refinance loans by number and 3.0% by dollar were made to low-income borrowers by ATC, while 17.4% of all families in the assessment area were of low income. ATC's performance was below the market aggregate, which made 7.9% of its refinance loans to low-income borrowers by number and 4.0% by dollar. ATC's 2016 performance was comparable to 2017's performance.

ATC's distribution of refinance loans to moderate-income borrowers was poor based on reasonable performance in 2016 and poor performance in 2017. In 2017, 4.5% of refinance loans by number and 3.9% by dollar were made to moderate-income borrowers, compared to the 19.0% of all families in the assessment area that were of moderate-income. ATC's performance was below the market aggregate, which made 18.3% of its refinance loans to moderate-income borrowers by number and 13.1% by dollar. ATC's 2016 performance was reasonable, as 15.0% by number and 8.9% by dollar were made to moderate-income borrowers by ATC, which was below the demographic of 18.8% of families that were of moderate-income and similar to the aggregate, which made 16.3% by number and 11.8% by dollar to moderate-income borrowers.

### *Home Improvement Loans*

ATC's overall distribution of home improvement loans to LMI borrowers was reasonable based on reasonable performance for both low- and moderate-income borrowers. ATC's distribution of home improvement loans to low-income borrowers was reasonable. In 2017, ATC made 10.5% of its home improvement loans by number and 15.5% by dollar to low-income borrowers while 17.4% of the families in the assessment area were of low income. ATC's performance was above the market aggregate, which made 8.2% of its home improvement loans to low-income borrowers by number and 3.8% by dollar. ATC's home improvement performance in 2016 was below its

2017 performance.

ATC's distribution of home improvement loans to moderate-income borrowers was reasonable. In 2017, 10.5% of its home improvement loans by number and 13.6% by dollar were made to moderate-income borrowers, compared to the 19.0% of all families in the assessment area that were of moderate-income. ATC's performance was below the market aggregate, which made 16.5% of its home improvement loans to moderate-income borrowers by number and 11.0% by dollar. ATC's 2016 performance was comparable to its 2017 performance.

### *Small Business Loans*

The overall level of lending to small businesses was reasonable based on comparisons to demographic and market aggregate data. During 2017, ATC made 57.0% of its small business loans to businesses with GAR of \$1 million or less by number and 54.2% by dollar while 90.6% of business establishments in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area had GAR of \$1 million or less. Performance was above the aggregate, which made 46.8% of its loans to businesses with GAR of \$1 million or less by number and 27.4% by dollar.

During 2017, 67.7% by number and 19.1% by dollar of ATC's small business loans were in amounts of \$100,000 or less, demonstrating the bank's willingness to meet the credit needs of small businesses in the assessment area. Performance in 2016 was comparable to 2017's small business performance.

## **COMMUNITY DEVELOPMENT TEST**

ATC's community development performance in MSA 10580 (Albany-Schenectady-Troy, NY) demonstrates excellent responsiveness to the community development needs of the assessment area. This assessment of ATC's performance considers ATC's capacity and the need and availability of opportunities for community development activities in MSA 10580.

Community development activity in MSA 10580 (Albany-Schenectady-Troy, NY) totaled \$29.9 million. Community development activity focused on both affordable housing and community services and was responsive to identified credit needs. Approximately thirty-eight percent of community development activity went to affordable housing activities, while 37.3% went to community service activities. Discussions with community contacts had also identified affordable housing as an important assessment area need, due to both elevated housing prices relative to other areas of the state, as well as the additional need for workforce housing supporting Saratoga's tourist industry.

ATC was a leader in community development activities among peer institutions in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. When compared to five similarly situated banks operating in the assessment area, ATC's annualized community development loans and

qualified investments as a percentage of average assets and Tier 1 capital compared favorably. A summary of community development activity follows:

MSA 10580 (Albany-Schenectady-Troy, NY)						
Summary of Community Development Loans and Qualified Investments						
By Primary Purpose Designation						
July 1, 2016 - December 31, 2018						
Designation	Loans		Qualified Investments		TOTAL	
	(\$000)	%	(\$000)	%	(\$000)	%
Affordable Housing	11,351	44.0%	38	0.9%	11,389	38.1%
Community Services	9,700	37.6%	1,443	35.7%	11,143	37.3%
Economic Development	966	3.7%	0	0.0%	966	3.2%
Revitalize and Stabilize	3,803	14.7%	2,559	63.3%	6,362	21.3%
<b>TOTAL</b>	<b>25,820</b>	<b>100.0%</b>	<b>4,040</b>	<b>100.0%</b>	<b>29,860</b>	<b>100.0%</b>

### Community Development Loans

ATC made \$25.8 million in community development loans in MSA 10580 (Albany-Schenectady-Troy, NY), which primarily financed affordable housing.

Examples of ATC’s community development loans include:

- A \$2.2 million loan to a public authority that operates affordable housing for low- and moderate-income individuals and families. The loan finances the installation of new energy efficient boilers at three apartment buildings.
- A \$5.3 million loan to refinance and provide renovations to a multifamily apartment building, providing 61 units of housing for low- and moderate- individuals and families. All units have rents that are below HUD’s fair market rent guidelines.
- A \$4.5 million construction and permanent mortgage to finance a new building for the Saratoga Regional YMCA to replace leased space. Construction of the building will allow the “Y” to expand its child care program and fitness center. The “Y” is a charitable not-for profit organization that focuses on strengthening the community through social service programs focusing on youth development, healthy living and social services. Many of the programs target low- and moderate-individuals and families.

## Community Development Investments

ATC made a total of \$4.0 million in qualified investments and grants and donations in MSA 10580 (Albany, Schenectady-Troy, NY) demonstrating adequate responsiveness to community needs. Additionally, the bank made \$316,000 in grants and donations that primarily supported community service activity.

- A \$1.2 million bond for the acquisition of land for park and recreational purposes, located in a LMI area, which will revitalize the area and include a community farm.
- A \$1.8 million municipal bond that was approved in the prior evaluation period for infrastructure repairs for water mains, sanitary and storm sewer lines, repairs to the fire station's roof, and various other projects that assisted in revitalizing the assessment area.
- Two municipal bonds totaling \$724,000 approved at the last evaluation that benefited the moderate-income areas of two towns in Saratoga County.

## Community Development Services

ATC provided a significant level of community development services in the MSA. A total of 22 bank employees held 38 technical assistance, financial literacy, mortgage education, and small business assistance sessions targeted to LMI individuals and small businesses since the last examination. Bank employees serve in the capacity of financial experts, board, and planning committees of 63 non-profit or community organizations. Examples include:

- A Vice President serves as a member of the Board of Directors and Treasurer of a non-profit organization that operates as a community center. The organization provides a variety of social services such as a food pantry and a free store to low- and moderate-income individuals and families in Saratoga County.
- A Senior Vice President is a member of the finance committee of a community food pantry in Saratoga County.
- A member of ATC's Board of Directors is also a member of the Board of Directors and finance committee of a non-profit organization providing social services to low- and moderate-income individuals and their families.

**METROPOLITAN AREA**  
**MSA 24020 (Glens Falls, NY)**  
**Limited Review**

**DESCRIPTION OF OPERATIONS IN MSA 240200 (Glens Falls, NY)**

A limited evaluation of ATC’s performance in the MSA 24020 (Glens Falls, NY) assessment area was completed. Key demographic highlights are listed below.

Assessment Area 2017 Demographics – MSA 24020 (Glens Falls, NY)				
<i>Income Category</i>	<i>Tract Distribution</i>		<i>Percentage of Owner Occupied Housing Units by Tract</i>	<i>Percentage of Families by Income Level</i>
	#	%		
Low Income	0	0.0	0.0	18.6
Moderate Income	2	15.4	4.4	13.9
Middle Income	9	69.2	73.7	22.9
Upper Income	2	15.4	21.9	44.7
Unknown	0	0.0	0.0	0.0
<b>Total</b>	<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

During the evaluation period, ATC operated two branches in this assessment area, both of which are located in middle-income census tracts. According to the 2017 ACS, the MSA 24020 (Glens Falls, NY) assessment area had 25.7% of the population of ATC’s combined assessment area and, according to 2017 D&B data, 31.8% of all business establishments. Lending activity represented 22.9% of the ATC’s lending in the combined assessment area. Additional information can be found in the Summary of Key Assessment Area Data table.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 24020 (Glens Falls, NY)**

ATC’s performance in the MSA 24020 (Glens Falls, NY) assessment area was consistent with its overall satisfactory performance, based on the full-scope assessment area performance. As shown in the table on the next page, the lending test performance was consistent while the community development test was below the outstanding performance in the full scope assessment area.



Assessment Area	Lending Test	Community Development Test
MSA 24020 (Glens Falls, NY)	Consistent	Below

During the evaluation period, ATC's performance under the lending test was consistent with the bank's overall reasonable performance. ATC's geographic distribution of loans reflected a reasonable distribution based on the poor HMDA penetration of LMI geographies and excellent small business penetration. The distribution of loans to borrowers of different income levels and businesses of different sizes was reasonable. Refer to the Aggregate Comparison Loan Distribution tables and the Consumer Loan Distribution tables in CRA Appendix A for details of the bank's 2017 and 2016 performance.

Community development test performance was below ATC's outstanding performance in the full scope assessment area, with \$4.5 million in community development loans and investments in the MSA 24020 (Glens Falls, NY) assessment area. Community development performance was also below performance at the prior evaluation when the bank reported \$11.1 million in community development loans and qualified investments.

CRA APPENDIX A

2017 Aggregate Comparison Loan Distribution Table  
Assessment Area/Group: MSA 10580

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
<b>Home Purchase</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	3	3.6%	1.3%	5.5%	2.4%
Moderate	6	7.2%	3.4%	8.6%	5.2%	12	14.5%	10.0%	20.7%	14.7%
Middle	49	59.0%	56.9%	77.6%	75.6%	6	7.2%	6.0%	25.0%	22.5%
Upper	28	33.7%	39.6%	13.7%	19.2%	53	63.9%	71.5%	39.7%	52.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	9	10.8%	11.1%	9.1%	8.2%
<b>Total</b>	<b>83</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>83</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Refinance</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	1	4.5%	3.0%	7.9%	4.0%
Moderate	1	4.5%	6.5%	9.3%	5.9%	1	4.5%	3.9%	18.3%	13.1%
Middle	16	72.7%	65.7%	76.5%	68.6%	5	22.7%	18.8%	23.8%	20.0%
Upper	5	22.7%	27.8%	14.2%	25.5%	13	59.1%	68.8%	36.2%	41.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	9.1%	5.5%	13.9%	21.1%
<b>Total</b>	<b>22</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>22</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Home Improvement</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	2	10.5%	15.5%	8.2%	3.8%
Moderate	0	0.0%	0.0%	7.9%	4.8%	2	10.5%	13.6%	16.5%	11.0%
Middle	15	78.9%	87.3%	77.1%	74.8%	7	36.8%	38.2%	24.1%	17.5%
Upper	4	21.1%	12.7%	14.9%	20.3%	6	31.6%	29.5%	47.3%	58.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	10.5%	3.3%	4.0%	9.6%
<b>Total</b>	<b>19</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>19</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Multi-Family</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	20.0%	2.5%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	50.0%	34.6%	50.0%	30.7%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	50.0%	65.4%	30.0%	66.8%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	100.0%	100.0%	100.0%	100.0%
<b>Total</b>	<b>2</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>HMDA Totals</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	6	4.8%	1.9%	6.3%	2.4%
Moderate	7	5.6%	3.8%	8.8%	4.9%	15	11.9%	8.8%	19.6%	11.9%
Middle	81	64.3%	59.0%	77.2%	67.0%	18	14.3%	9.1%	24.5%	18.3%
Upper	38	30.2%	37.2%	14.0%	28.1%	72	57.1%	68.7%	39.2%	41.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	15	11.9%	11.4%	10.4%	25.5%
<b>Total</b>	<b>126</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>126</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>SMALL BUSINESS</b>										
<b>By Tract Income</b>										
		<b>Bank</b>			<b>Aggregate</b>					
	<b>#</b>	<b>%</b>	<b>% \$(000s)</b>	<b>%</b>	<b>% \$(000s)</b>					
Low	0	0.0%	0.0%	0.0%	0.0%					
Moderate	16	8.6%	8.0%	6.2%	3.7%					
Middle	105	56.5%	52.3%	64.8%	56.2%					
Upper	65	34.9%	39.7%	29.0%	40.1%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%					
<b>Total</b>	<b>186</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>					
<b>By Revenue</b>										
\$1 Million or Less	106	57.0%	54.2%	46.8%	27.4%					
<b>By Loan Size</b>										
\$100,000 or less	126	67.7%	19.1%	92.8%	27.1%					
\$100,001-\$250,000	29	15.6%	18.2%	3.1%	13.0%					
\$250,001-\$1 Million	31	16.7%	62.7%	4.2%	59.9%					
<b>Total</b>	<b>186</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>					

Originations and Purchases

**2016 Aggregate Comparison Loan Distribution Table**  
Assessment Area/Group: MSA 10580

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
<b>Home Purchase</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	1	1.0%	0.7%	6.0%	2.7%
Moderate	1	1.0%	1.2%	6.1%	3.7%	11	11.3%	8.7%	21.0%	14.6%
Middle	65	67.0%	60.4%	77.2%	76.3%	17	17.5%	13.3%	22.1%	19.3%
Upper	31	32.0%	38.4%	16.7%	20.1%	56	57.7%	65.8%	38.5%	49.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	12	12.4%	11.5%	12.4%	14.1%
<b>Total</b>	<b>97</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>97</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Refinance</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	1	2.5%	1.3%	4.4%	2.2%
Moderate	0	0.0%	0.0%	5.5%	4.2%	6	15.0%	8.9%	16.3%	11.8%
Middle	24	60.0%	61.0%	77.2%	75.2%	6	15.0%	11.4%	20.9%	18.7%
Upper	16	40.0%	39.0%	17.2%	20.7%	25	62.5%	74.2%	39.2%	49.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	5.0%	4.3%	19.2%	18.3%
<b>Total</b>	<b>40</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>40</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Home Improvement</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	1	3.4%	1.4%	4.5%	0.7%
Moderate	2	6.9%	5.9%	4.3%	2.5%	4	13.8%	12.4%	16.3%	12.4%
Middle	20	69.0%	75.1%	74.6%	68.0%	12	41.4%	35.0%	26.4%	24.0%
Upper	7	24.1%	19.1%	21.1%	29.5%	11	37.9%	43.3%	49.5%	59.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	3.4%	7.8%	3.3%	3.5%
<b>Total</b>	<b>29</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>29</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Multi-Family</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	26.7%	1.2%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	100.0%	100.0%	66.7%	98.1%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	6.7%	0.7%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	100.0%	100.0%
<b>Total</b>	<b>1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>HMDA Totals</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	3	1.8%	0.9%	5.3%	2.3%
Moderate	3	1.8%	1.2%	5.8%	3.6%	21	12.6%	9.0%	19.0%	12.9%
Middle	110	65.9%	61.7%	76.9%	76.7%	35	21.0%	14.1%	22.0%	18.3%
Upper	54	32.3%	37.1%	17.2%	19.6%	92	55.1%	66.3%	39.6%	47.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	16	9.6%	9.7%	14.1%	19.3%
<b>Total</b>	<b>167</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>167</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>SMALL BUSINESS</b>										
<b>By Tract Income</b>										
	<b>#</b>	<b>Bank</b>			<b>Aggregate</b>					
		<b>%</b>	<b>% \$(000s)</b>		<b>%</b>	<b>% \$(000s)</b>				
Low	0	0.0%	0.0%		0.0%	0.0%				
Moderate	4	2.1%	0.4%		5.2%	3.4%				
Middle	147	77.0%	80.8%		77.9%	84.7%				
Upper	40	20.9%	18.8%		16.8%	12.0%				
Unknown	0	0.0%	0.0%		0.0%	0.0%				
Tract Unknown	0	0.0%	0.0%		0.0%	0.0%				
<b>Total</b>	<b>191</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>				
<b>By Revenue</b>										
\$1 Million or Less	107	56.0%			46.0%			26.7%		
<b>By Loan Size</b>										
\$100,000 or less	141	73.8%			93.8%			32.4%		
\$100,001-\$250,000	34	17.8%			2.8%			12.7%		
\$250,001-\$1 Million	16	8.4%			3.4%			54.9%		
<b>Total</b>	<b>191</b>	<b>100.0%</b>			<b>100.0%</b>			<b>100.0%</b>		

Originations and Purchases

**2017 Aggregate Comparison Loan Distribution Table**  
Assessment Area/Group: MSA 24020

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$ (000s)	Aggregate %	% \$ (000s)	#	Bank %	% \$ (000s)	Aggregate %	% \$ (000s)
<b>Home Purchase</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	4.0%	2.2%
Moderate	0	0.0%	0.0%	6.1%	3.8%	2	7.4%	4.5%	19.2%	12.7%
Middle	23	85.2%	86.1%	73.4%	74.8%	6	22.2%	20.2%	23.8%	20.0%
Upper	4	14.8%	13.9%	20.4%	21.5%	17	63.0%	70.2%	43.6%	57.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	7.4%	5.1%	9.3%	8.0%
<b>Total</b>	<b>27</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>27</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Refinance</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.2%	3.0%
Moderate	0	0.0%	0.0%	3.1%	2.2%	0	0.0%	0.0%	11.8%	7.9%
Middle	3	75.0%	69.7%	76.4%	78.5%	2	50.0%	56.6%	19.9%	15.2%
Upper	1	25.0%	30.3%	20.5%	19.3%	1	25.0%	30.3%	46.3%	54.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	25.0%	13.1%	15.8%	19.4%
<b>Total</b>	<b>4</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Home Improvement</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	5.4%	2.1%
Moderate	0	0.0%	0.0%	3.6%	1.9%	0	0.0%	0.0%	14.4%	7.1%
Middle	0	0.0%	0.0%	73.9%	75.4%	0	0.0%	0.0%	25.2%	31.9%
Upper	0	0.0%	0.0%	22.5%	22.6%	0	0.0%	0.0%	50.5%	55.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	4.5%	3.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Multi-Family</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>HMDA Totals</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	4.7%	2.3%
Moderate	0	0.0%	0.0%	5.1%	3.2%	2	6.5%	4.1%	16.9%	10.7%
Middle	26	83.9%	84.6%	74.3%	76.9%	8	25.8%	23.5%	22.9%	18.3%
Upper	5	16.1%	15.4%	20.5%	19.9%	18	58.1%	66.6%	44.7%	53.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	9.7%	5.9%	10.9%	15.1%
<b>Total</b>	<b>31</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>31</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>SMALL BUSINESS</b>										
<b>By Tract Income</b>										
	#	Bank %	% \$ (000s)	Aggregate %	% \$ (000s)					
Low	0	0.0%	0.0%	0.0%	0.0%					
Moderate	13	18.3%	11.4%	11.4%	15.0%					
Middle	50	70.4%	83.0%	74.4%	79.9%					
Upper	8	11.3%	5.5%	10.5%	3.8%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%					
<b>Total</b>	<b>71</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>					
<b>By Revenue</b>										
\$1 Million or Less	45	63.4%	46.1%	32.4%						
<b>By Loan Size</b>										
\$100,000 or less	52	73.2%	91.8%	33.0%						
\$100,001-\$250,000	8	11.3%	3.6%	15.1%						
\$250,001-\$1 Million	11	15.5%	4.6%	51.9%						
<b>Total</b>	<b>71</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>						

Originations and Purchases

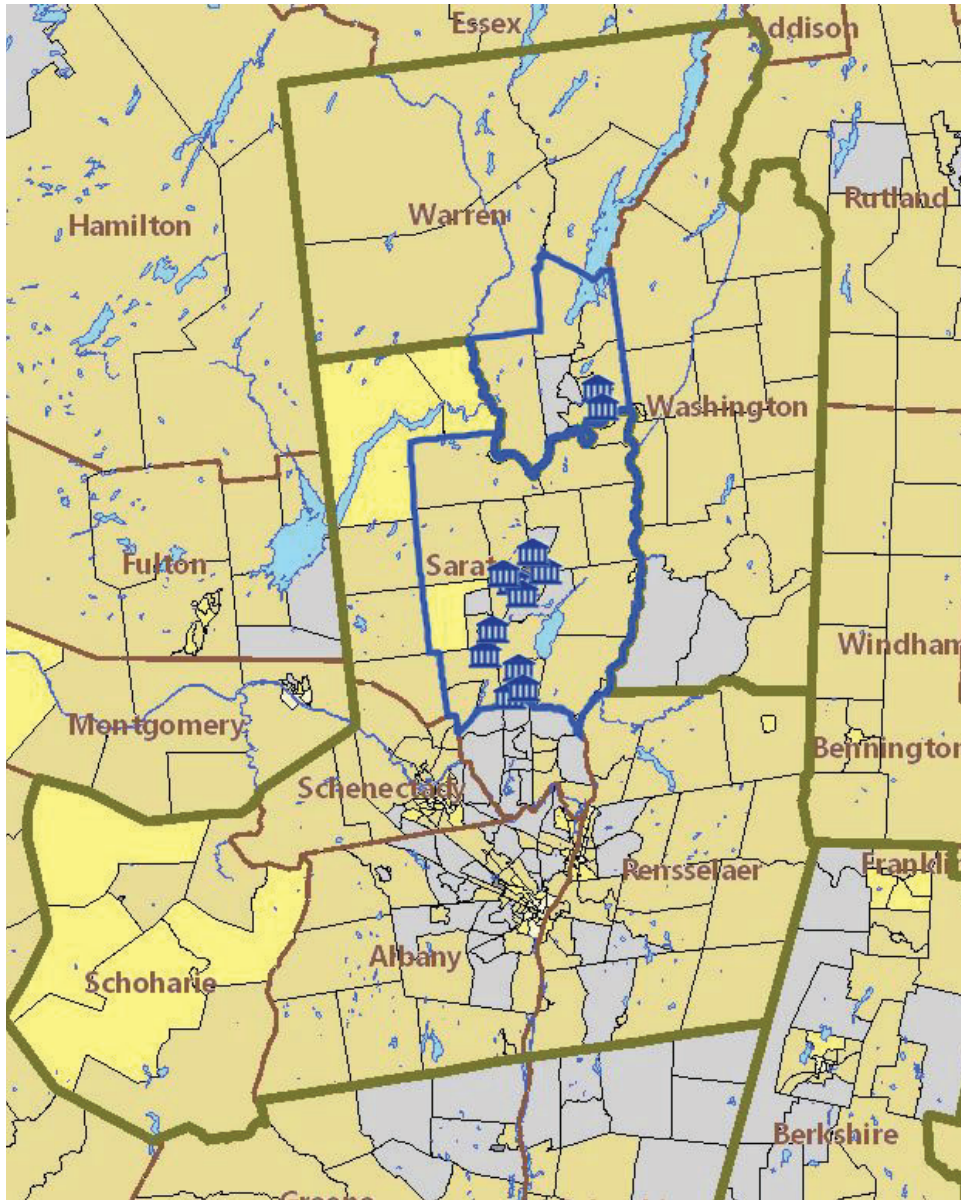
**2016 Aggregate Comparison Loan Distribution Table**  
Assessment Area/Group: MSA 24020

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank		Aggregate		#	Bank		Aggregate	
	%	% \$(000s)	%	% \$(000s)	%	%	% \$(000s)	%	% \$(000s)	
<b>Home Purchase</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	3.4%	1.5%
Moderate	4	16.0%	5.2%	4.3%	3.1%	3	12.0%	5.0%	17.9%	12.2%
Middle	14	56.0%	67.1%	60.9%	54.6%	5	20.0%	9.3%	24.6%	20.2%
Upper	7	28.0%	27.8%	34.7%	42.3%	17	68.0%	85.7%	41.5%	54.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	12.5%	11.3%
<i>Total</i>	<i>25</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>25</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>Refinance</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	4.0%	1.8%
Moderate	1	10.0%	7.7%	4.2%	2.3%	1	10.0%	8.0%	11.2%	7.9%
Middle	4	40.0%	31.5%	57.2%	49.9%	4	40.0%	37.6%	20.5%	16.4%
Upper	5	50.0%	60.9%	38.6%	47.7%	5	50.0%	54.4%	44.9%	54.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	19.5%	19.6%
<i>Total</i>	<i>10</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>10</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>Home Improvement</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	3.8%	0.6%
Moderate	0	0.0%	0.0%	6.7%	6.9%	0	0.0%	0.0%	17.1%	11.4%
Middle	1	25.0%	11.1%	50.5%	34.9%	1	25.0%	25.4%	21.9%	15.1%
Upper	3	75.0%	88.9%	42.9%	58.2%	3	75.0%	74.6%	57.1%	72.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
<i>Total</i>	<i>4</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>4</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>Multi-Family</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	25.0%	0.7%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	25.0%	4.8%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	50.0%	94.5%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>HMDA Totals</b>										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	3.6%	1.4%
Moderate	5	12.8%	5.3%	4.5%	2.8%	4	10.3%	5.3%	15.6%	9.9%
Middle	19	48.7%	58.2%	58.8%	48.5%	10	25.6%	14.9%	23.0%	17.2%
Upper	15	38.5%	36.5%	36.7%	48.7%	25	64.1%	79.8%	43.7%	50.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	14.1%	20.7%
<i>Total</i>	<i>39</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>39</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>SMALL BUSINESS</b>										
<b>By Tract Income</b>										
	#	Bank		Aggregate			Bank		Aggregate	
		%	% \$(000s)	%	% \$(000s)		%	% \$(000s)	%	% \$(000s)
Low	0	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%
Moderate	9	15.8%	11.5%	11.5%	13.7%		13.7%	18.2%	18.2%	18.2%
Middle	34	59.6%	64.0%	64.0%	56.5%		56.5%	50.2%	50.2%	50.2%
Upper	14	24.6%	24.5%	24.5%	29.8%		29.8%	31.5%	31.5%	31.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%
<i>Total</i>	<i>57</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>		<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>By Revenue</b>										
\$1 Million or Less	38	66.7%	46.7%	46.7%	44.4%		44.4%	37.8%	37.8%	37.8%
<b>By Loan Size</b>										
\$100,000 or less	37	64.9%	14.5%	14.5%	91.4%		91.4%	34.3%	34.3%	34.3%
\$100,001-\$250,000	6	10.5%	9.7%	9.7%	4.6%		4.6%	18.1%	18.1%	18.1%
\$250,001-\$1 Million	14	24.6%	75.8%	75.8%	4.0%		4.0%	47.6%	47.6%	47.6%
<i>Total</i>	<i>57</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>		<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>

Originations and Purchases

### CRA APPENDIX B

### MAP OF THE ASSESSMENT AREA



LEGEND	
2015 Census Year	
<b>INCOME</b>	
	Low
	Moderate
	Middle
	Upper
	Unknown
	AA Boundary
<b>BANK BRANCHES</b>	
Inside AA - 13	
	All Branches
<b>FEATURES</b>	
	Water Body

## CRA APPENDIX C

### GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Census tract:** A small, relatively permanent statistical subdivision of a county or statistically equivalent entity delineated for data presentation purposes by a local group of census data users or the geographic staff of a regional census center in accordance with Census Bureau guidelines. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time they are established, census tracts generally contain between 1,000 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries are delineated with the intention of being stable over many decades, so they generally follow relatively permanent visible features. However, they may follow governmental unit boundaries and other invisible features in some instances; the boundary of a state or county (or statistically equivalent entity) is always a census tract boundary.

**Community development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and

dispersion if they help to meet essential community needs, including needs of LMI individuals.

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** A family is a group of two or more people related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (“HMDA”):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

**Household:** A household consists of all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters.

**Low-income:** Individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of geography.

**Metropolitan Statistical Area (“MSA”):** A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core.



**Middle-income:** Individual income that is at least 80% and less than 120% of the area median income, or a median family income that is at least 80% and less than 120%, in the case of a geography.

**Moderate-income:** Individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, in the case of a geography.

**Owner-occupied units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share or grant that has as its primary purpose community development.

**Small loan(s) to business(es):** A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (“Call Report”) and the Thrift Financial Reporting (“TFR”) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Upper-income:** Individual income that is more than 120% of the area median income, or a median family income that is more than 120%, in the case of a geography.