



NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION
One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2009

Institution: Gold Coast Bank
2929 Expressway Drive North, Suite 101
Islandia, NY 11749

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 Banking Department concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Gold Coast Bank (“GCB”) prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2009.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks 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 Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking 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 record of meeting community credit needs; and
- (4) substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations of small banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Section 76.12. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

GCB's performance was evaluated according to the small bank performance criteria pursuant to Part 76.12 of the General Regulations of the Banking Board. This assessment period included calendar years 2008 and 2009. GCB is rated "1," indicating an "**Outstanding**" record of helping to meet community credit needs. This is the first New York State CRA examination of GCB.

This rating is based on the following factors:

- **Loan-to-Deposit (LTD") Ratio and Other Lending-Related Activities:** "Outstanding"
GCB is a de novo bank; it has been in business for less than two years. GCB's average LTD ratio for the 3 quarters since its inception in 2008 was 34.6%. In 2009, its average LTD ratio improved to 53.4%. Although lower than its peer group's LTD ratios, GCB's ratios were considered reasonable in light of the size and financial condition of a de novo bank. GCB's lending record was enhanced by its \$100,000 line of credit to the New York Business Development Corporation ("NYBDC").
- **Assessment Area Concentration:** "Outstanding"
GCB originated a substantial majority of its small business loans within its assessment area. During 2008 and 2009, GCB originated 95.2% by number and 95.9% by dollar volume of its loans inside its assessment area.
- **Distribution by Borrowers Characteristics:** "Outstanding"
GCB's distribution of loans based on borrower characteristics reflected excellent penetration among individuals of different income levels. During 2008, GCB extended 22.2% of its small business loans to LMI borrowers, which was comparable to the aggregate's penetration rate of 22%. GCB's LMI penetration rate improved to 46.2% in 2009, more than double its level in 2008.
- **Geographic Distribution of Loans:** "Satisfactory"
GCB's distribution of loans based on the geography income level reflected a reasonable dispersion throughout the assessment area. In 2008, GCB's penetration ratio of 14.8% was slightly below the aggregate banks' 16.1%. In 2009, the bank's penetration ratio increased to 15.4% of small business loans in LMI geographies.
- **Action Taken in Response to Written Complaints With Respect to CRA:** "Satisfactory"
Neither the bank nor the New York State Banking Department has received any written complaints regarding the bank's CRA performance.

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

PERFORMANCE CONTEXT

Institution's Profile:

Gold Coast Bank ("GCB") opened on March 10, 2008 as a state-chartered commercial bank. It is insured by the Federal Deposit Insurance Corporation (FDIC). GCB operates one branch, located in Islandia, New York, which is also the bank's official headquarters. No branches were opened or closed during the evaluation period.

According to its Call Report as of December 31, 2009, GCB reported total assets of \$92.1 million, including \$41.3 million in net loans.

The following is a summary of GCB's lending portfolio, based on Schedule RC-C of the bank's Call Reports for calendar years 2008, and 2009:

TOTAL GROSS LOANS OUTSTANDING				
LOAN TYPE	12/31/2008		12/31/2009	
	\$(000s)	%	\$(000s)	%
Multifamily Mortgages	0	0.0	0	0.0
Commercial and Industrial Loans	4,200	22.9	6,239	14.9
1-4 Residential Mortgage Loans	2,555	13.9	3,226	7.7
Construction and Land Dev.	843	4.6	2,978	7.1
Commercial Mortgage Loans	10,073	54.9	29,486	70.2
Consumer Loans	680	3.7	54	0.1
Other Loans	0	0.0	0	0.0
Total Gross Loans	18,351	100.0	41,983	100.0

As illustrated in the table above, GCB is primarily a commercial mortgage loan lender. As of December 31, 2009, commercial mortgage loans accounted for 70.2% of the bank's total gross loans, the most significant category within the loan portfolio. Commercial and industrial loans and 1 - 4 family residential loans represented 14.9% and 7.7% of GCB's total gross loans, respectively. The loans noted in the above chart as 1-4 family residential loans are home equity loans and were not HMDA-reportable. Construction and land development loans accounted for 7.1%. All other loans accounted for .1% of the loan portfolio. GCB operates in a very competitive marketplace. The bank's target market is small and medium-sized businesses, professionals and entrepreneurs on Long Island. GCB's products are designed to appeal to this demographic.

GCB's lending products include commercial business loans, multifamily real estate loans, SBA loans and consumer loans. In addition, GCB offers various deposit products and services, including omnibus escrow accounts, ATM network access, debit cards, online banking capabilities and night depository services.

According to FDIC's deposit market data compiled as of June 30, 2009, GCB's market share was .04% and it ranked 63rd among 74 deposit-taking institutions within Queens,

Nassau and Suffolk counties. During its two-year operation, the bank has established itself as a local community bank. Its peer competitors are institutions such as Empire National Bank and Hanover Community Bank.

There are no known financial impediments that adversely impacted the bank's ability to meet the credit needs of its community.

Assessment Area:

GCB's assessment area includes all of Queens, Nassau and Suffolk counties in New York State. The assessment area contains 1270 census tracts.

The following chart illustrates the distribution of census tracts inside the assessment area:

Distribution of Census Tracts Within the Assessment Area								
County	NA	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total Census	LMI Tracts	
							#	%
Queens	18	12	148	310	185	673	160	23.8
Nassau	8	2	20	178	69	277	22	7.9
Suffolk	8	2	64	197	49	320	66	20.6
Total	34	16	232	685	303	1270	248	19.5

The assessment area appears reasonable based upon the location of the bank and its lending patterns. There is no evidence that LMI areas have been arbitrarily excluded.

Demographic and Economic Data:

According to the 2000 U.S. Census data, the assessment area population totaled 5 million residents, including 651 thousand (13%) people over the age of 65 and 1.1 million (21.7%) people under the age of 16.

The number of households and families within the assessment area totaled 1.7 million and 1.3 million, respectively. Of total households, 9.4% lived below poverty level, and 2.76% were receiving public assistance. According to estimates from the U.S. Department of Housing and Urban Development ("HUD"), the estimated median family income for the assessment area was \$67 thousand during 2009.

The assessment area contained 1.8 million housing units, of which 5.45% were vacant, 59.2% were owner-occupied, and 34.96% were renter-occupied. As of the 2000 Census, the median housing price within the area was \$221.8 thousand.

The largest industry category within the assessment area was the service industry, accounting for 45.05% of all businesses. Retail trade and construction firms represented 15.4% and 8.6% of the area's employers, respectively. Almost 8% of businesses within the area were categorized as non-classifiable establishments.

Of the total number of businesses, 377.5 thousand (86.4%) had less than 50 employees, and 412.9 thousand (94.5%) operated from a single location.

The following table indicates the annual unemployment rates for the corresponding assessment areas. The 2009 increase in unemployment rates was associated with the nationwide recession.

Assessment Area Annual Unemployment Rate				
	State-wide	Queens County	Nassau County	Suffolk County
2008	5.3	4.9	4.7	5
2009	8.4	8.6	6.9	7.3

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

GCB's performance was evaluated according to the small bank performance criteria, which include the following: (1) Loan-to-Deposit Ratio and other Lending-Related Activities; (2) Assessment Area Concentration; (3) Distribution by Borrower Characteristics; (4) Geographic Distribution of Loans; and (5) Action Taken in Response to Written Complaints Regarding CRA. The following factors were also considered in assessing the Bank's record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications, evidence of prohibited discriminatory or other illegal credit practices; record of opening and closing offices and providing services at offices; and process factors such as activities to ascertain credit needs and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

The assessment period included calendar years 2008 and 2009. Examiners considered small business loans in evaluating factors (2), (3) and (4), as noted above. GCB did not make any HMDA-reportable loans. Small business loan aggregate data are shown for comparative purposes. GCB is not required to report small business loan originations. As such, GCB is not included in the aggregate data.

Statistics employed in this evaluation were derived from various sources. In addition to bank-specific loan information submitted by the bank, aggregate data for small businesses were obtained from the Federal Financial Institutions Examination Council ("FFIEC"). The demographic data referred to in this report were obtained from the 2000 U.S. Census data, with updated median family income figures provided by the U.S. Department of Housing and Urban Development ("HUD"). Business demographic data used in this report derive from information on U.S. businesses, enhanced by Dun & Bradstreet and updated annually. As GCB does not make farm loans, the data only include non-farm loans.

This is the first CRA examination conducted by the New York State Banking Department. GCB is rated "1," indicating an "Outstanding" record of helping to meet community credit needs.

Overall CRA Rating: "Outstanding"

- **Loan-to-Deposit Ratio Analysis and other Lending-Related Activities:**
"Outstanding"

GCB is a de novo bank; it has been in business for less than two years. GCB's average LTD ratio for the 3 quarters since its inception in 2008 was 34.6%.¹ In 2009, its average

¹ These ratios were calculated from information shown in the bank's Uniform Bank Performance Report ("UBPR") as prepared by the FDIC. The bank's peer group includes all insured commercial banks having assets less than \$750

LTD ratio improved to 53.4%. Although lower than its peer group's LTD ratios, GCB's ratios were considered reasonable in light of the size and financial condition of a de novo bank.

The following chart illustrates GCB's and its peer group's LTD ratios for the 2008 and 2009:

Loan-to-Deposit Ratios										
	2008 Q1	2008 Q2	2008 Q3	2008 Q4	Average ¹ 2008	2009 Q1	2009 Q2	2009 Q3	2009 Q4	Average 2009
Bank	0	10.79	42.73	50.42	34.65	58.22	48.5	51.23	55.68	53.41
Peer	73.58	93.19	84.77	85.44	84.25	79.37	81.99	79.51	80.84	80.43

¹ GCB Average for three quarters only.

GCB's lending record was enhanced by its \$100,000 line of credit to the New York Business Development Corporation ("NYBDC"). GCB extended two loans under this program. NYBDC works in partnership with banks to provide term loans to businesses that may not meet the requirements for traditional financing. As a small, de novo institution, this loan reflected an excellent commitment to community development.

- **Assessment Area Concentration: "Outstanding"**

GCB originated a substantial majority of its small business loans within its assessment area. During 2008 and 2009, GCB originated 93% by number and 94.6% by dollar volume of its loans inside its assessment area.

The following table illustrates the distribution of loans originated inside and outside of the assessment area:

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
SBL -2008	27	93.1	2	6.9	29	12,506	99.2	104	0.8	12,610
SBL -2009	39	92.9	3	7.1	42	11,279	90.0	1254	10.0	12,533
2-year total	66	93.0	5	7.0	71	23,785	94.6	1,358	5.4	25,143

million, such that were established in 2005. The UBPR peer group is a national peer group and includes banks that may be operating in very different economic environments.

- **Distribution by Borrower Characteristics: “Outstanding”**

GCB’s distribution of loans based on borrower characteristics reflected excellent penetration among individuals of different income levels.

During 2008, GCB extended 22.2% of its small business loans to LMI borrowers, which was comparable to the aggregate’s penetration rate of 22%. GCB’s LMI penetration rate improved to 46.2% in 2009, more than double its level in 2008. No aggregate data were available for 2009 at the time of the examination.

The following table illustrates the distribution of small business loans originated by borrowers’ income level:

Distribution of Small Business Loans by Business Revenue Size									
2008									
Business Revenue Level	Bank				Aggregate				Bus. Demographics
	#	%	\$(000's)	%	#	%	\$(000's)	%	
\$1million or less	6	22.2	2,840	22.7	51,808	22.03	1,420,749	28.8	69.3%
Over \$1 million	21	77.8	9,666	77.3				-	5.5%
No Revenue Info	0	-		-					25.2%
Total	27	100.0	12,506	100.0	235,151	100.0	4,930,499	100.0	100.0%
2009									
Business Revenue Level	Bank				Aggregate				Percentage of all
	#	%	\$(000's)	%	#	%	\$(000's)	%	
\$1million or less	18	46.2	3,932	34.9	Aggregate Data Not Available				79.5%
Over \$1 million	21	53.8	7,347	65.1					5.3%
No Revenue Info		-		-					15.2%
Total	39	100.0	11,279	100.0					100.0%
2 Year Total	66	100.0	23,785	100.0	235,151	100.0	4,930,499	100.0	
Total <\$1 million	24	36.4	6,772	28.5	51,808	22.0	1,420,749	28.8	

- **Geographic Distribution of Loans: “Satisfactory”**

GCB’s distribution of loans based on the geography income level reflected a reasonable dispersion throughout the assessment area.

In 2008, GCB’s penetration ratio of 14.8% was slightly below the aggregate banks’ 16.1%. In 2009, the bank’s penetration ratio increased to 15.4% of small business loans in LMI geographies. No aggregate loan data were available for 2009 for comparison at the time of the examination.

The following table illustrates distribution of GCB's small business loans by geographic income level:

Distribution of Small Business Loans by Geographic Income Level									
2008									
Geography Income Level	Bank				Aggregate				Bus. Dem. %
	#	%	\$000's	%	#	%	\$000's	%	
Low	0	0.0	0	0.0	1,513	0.6	38,530	0.8	0.9
Moderate	4	14.8	3,056	24.4	36,429	15.5	849,836	17.2	17.9
Middle	17	63.0	8,120	64.9	135,120	57.5	2,759,792	56.0	57.6
Upper	6	22.2	1,330	10.6	61,533	26.2	1,243,541	25.2	23.3
NA	0	0	0	0	556	0.2	38,800.00	0.79	0.4
Total	27	100.0	12,506	100.0	235,151	100.0	4,930,499	100.0	100.0
2009									
Geography Income Level	Bank				Aggregate				Bus. Dem. %
	#	%	\$000's	%	#	%	\$000's	%	
Low	0	0.0	0	0.0	Aggregate Data Not Available				0.9
Moderate	6	15.4	1,230	10.9					17.8
Middle	23	59.0	8,352	74.0					57.6
Upper	10	25.6	1,697	15.0					23.3
NA	0	0.0	0	0.0					0.3
Total	39	100.0	11,279	100.0	100.0				
LMI 2-year	10	15.2	4,286	18.0	37,942	16.1	888,366	18.0	
Total	66	100.0	23,785	100.0	235,151	100.0	4,930,499	100.0	

- **Action Taken In Response to Written Complaints With Respect to CRA**

Neither the bank nor the New York State Banking Department has received any written complaints regarding the bank's CRA performance.

- **Additional factors:**

The extent of participation by the banking institution's board of directors/trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act

The Loan Committee of the board of directors receives monthly reports on CRA eligible loans. The board of directors approved the CRA policy in May 2009.

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

Examiners noted no practices that were intended to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices

The most recent regulatory compliance and fair lending examinations conducted found satisfactory adherence to anti-discrimination and other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

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

GCB ascertained the credit needs of its community through ongoing contact with business and civic leaders. The lending staff attended small business networking events including several sponsored by the Hauppauge Industrial Association (HIA), and Advancement of Commerce, Industry and Technology (ACIT). In addition, GCB is a member of the Huntington and Islandia Chambers of Commerce, which provides an opportunity for staff to network with the small business members of these organizations.

- 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

In addition to promoting its products and services in the regular course of business, GCB sponsored several networking breakfasts with local CPAs. These were designed to establish relationships that would yield small business referrals. GCB also participated in the J Kings Foods annual restaurant owners and vendor trade show at Hofstra University in Long Island. Staff members dispersed information about the services offered by GCB and spoke to the small business owners attending the show. Lending staff is required to and does attend small business networking events. For example, staff attended events sponsored by the HIA (Hauppauge Industrial Association) and ACIT (Advancement of Commerce, Industry and Technology).

Other factors that in the judgment of the Superintendent and Banking Board bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

None.

GLOSSARY

Aggregate Penetration Rate

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.

Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. 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;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3) above.

A “community development loan” is defined as a loan that has as 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 low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- 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.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. 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.

A “community development service” is defined as a service that has as its *primary purpose* community development, 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.

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 of the person, family or household is based on the income of person, family or household. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the 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

Loans to Small Businesses

Small business loans to businesses with gross annual revenues (“GAR”) of \$1 million or less (“< = \$ 1MM”).

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 2000 US 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 Metropolitan Statistical Area (“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 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

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 the case where the residential property is located in a MSA or PMSA, this would

relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

LMI Individuals/Persons

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 HUD.

LMI Penetration Rate

A number that depicts the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Small Business Loans

Loans to businesses with original amounts of \leq \$1MM.