



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

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2009

Institution: Mizuho Corporate Bank (USA)
1251 Avenue of the Americas
NY, NY 10020

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 Mizuho Corporate Bank (USA) “Mizuho” 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 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 are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

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

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall CRA Rating: "Outstanding"

Mizuho Corporate Bank (USA)'s ("Mizuho") performance was evaluated according to the community development test for wholesale or limited purpose banking institutions pursuant to Part 76.11 of the General Regulations of the Banking Board. This assessment period included calendar years 2008 and 2009. Mizuho is rated "1" indicating an "**Outstanding**" record of helping to meet community credit needs. This rating is unchanged from the prior rating of "1," ("Outstanding") based on the NYSBD Performance Evaluation dated December 31, 2007.

This rating is based on the following factors:

Community Development Activity (Loans, Investments, Services): "Outstanding"

Mizuho was a leader in making community development loans and investments and in providing community development services. Mizuho participated in community development initiatives primarily by working with intermediaries that serve its assessment area. As of December 31, 2009, the bank's community development loans and qualified investments totaled \$57.5 million, while the bank's assets were \$3.5B.

Mizuho was a leader in making community development loans. During the evaluation period, Mizuho's community development loans totaled \$35.3 million, including \$28.5 million in new money. As of December 31, 2009, Mizuho had community development loans outstanding from the prior evaluation period totaling \$6.8 million. Most of the bank's facilities were revolving lines of credit with terms of two to three years.

During the course of the evaluation period, Mizuho made an excellent level of qualified community development investments and grants. As of December 31, 2009, Mizuho had made qualified investments and grants to 26 nonprofit organizations totaling \$22.2 million. This is an increase of 5.7% from the prior evaluation's total of \$21 million. Most of Mizuho's investments were placed with nonprofit intermediaries whose missions focused on community development. Included in these investments were grants totaling slightly over \$1 million.

Mizuho was a leader in providing community development services. Its executives and officers are actively involved as volunteers and leaders in community development organizations. These organizations provide extensive community development services such as affordable housing seminars, job training programs and, financial literacy programs that serve low- and moderate-income people and geographies.

Innovative or Complex Practices: "Outstanding"

In working with community development financial intermediaries and purchasing complex investments such as Low Income Housing Tax Credits ("LIHTC"), Mizuho made extensive use of flexible lending and investment practices.

Responsiveness to Credit and Community Development Needs: “Outstanding”

Mizuho demonstrated an excellent record of serving the community development needs of its assessment area, as evidenced by its volume of community development activity.

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:

Mizuho is a wholesale commercial bank chartered in 2002. The bank was established through the merger of The Industrial Bank of Japan Trust Company and Fuji Bank & Trust Company. Mizuho is a wholly owned subsidiary of Mizuho Corporate Bank Ltd., which itself is a wholly owned subsidiary of Mizuho Holdings Inc., a bank holding company.

In 1996, the Federal Deposit Insurance Corporation ("FDIC") designated the bank's predecessor, Fuji Bank and Trust Company, as a wholesale institution for purposes of its evaluation under the Community Reinvestment Act. This designation remains intact for Mizuho.

As a wholesale commercial bank, Mizuho offers commercial lending and leasing services as well as other banking products and services to its target market of middle-market corporations, foreign corporations, international institutions and foreign government entities.

Mizuho is not in the business of originating or purchasing residential mortgages, housing rehabilitation, home improvement, small business loans to retail customers, except as an accommodation to its existing clients.

Mizuho's U.S. headquarters are located at 1251 Avenue of the Americas. It has not opened or closed any branches since the previous Performance Evaluation.

As of December 31, 2009, Mizuho had total assets of \$3,479 million with net loans and leases of \$1,729 million. The bank's deposits totaled \$2,249 million, of which \$506.6 million were domestic deposits.

There are no known legal or financial impediments noted that would adversely impact the bank's ability to meet the credit needs of its assessment area.

Affiliates:

Mizuho is affiliated with the following banking entities located in New York City: Mizuho Corporate Bank, Ltd., New York Branch; Mizuho Capital Markets Corporation; Mizuho Trust & Banking Co. (USA); and, Mizuho USA Foundation, Inc., ("Foundation"). The Foundation's principal mission is to provide grants to nonprofit organizations that help improve the quality of life in urban communities, primarily in New York City. This foundation has made \$3.1 million in grants to local community development programs from January 2003 through December 2009, including \$919,000 within the two-year evaluation period.¹

The bank coordinates its CRA activities with these affiliates and activities of these affiliates were considered during this evaluation.

¹ Additional grants were provided directly by Mizuho.

Assessment Area:

Mizuho's assessment area is comprised of the five counties of New York City: Bronx, Kings (Brooklyn), New York, Queens, and Richmond counties. These counties all fall within Metropolitan Division 35644, as defined by the U.S. Office of Management and Budget. This area contains 2,217 census tracts, of which 939 or 42.4% are considered to be LMI.

Distribution of Assessment Area Census Tracts by Income Level							
County	N/A	Low	Moderate	Middle	Upper	Total	LMI %
Bronx	14	132	98	65	46	355	64.8
Kings	15	119	297	235	117	783	53.1
New York	9	60	59	24	144	296	40.2
Queens	18	12	148	310	185	673	23.8
Richmond	2	3	11	29	65	110	12.7
Total	58	326	613	663	557	2,217	42.4

The assessment area appears reasonable based upon Mizuho's location and its designation as a wholesale institution. There is no evidence that LMI areas are arbitrarily excluded.

Demographic & Economic Data

According to the 2000 U.S. Census Bureau, the assessment area had a population of 8 million. About 11.7% or 938 thousand of the population were over the age of 65 and 21.6% or 1.7 million were under the age of 16.

Of the 1.87 million families in the assessment area, 30.8% were low income, 16.7% were moderate-income, 17% were middle-income and 35.5% were upper-income families. There were 3.02 million households in the assessment area, of which 19.7% had income below the poverty level and 7.5% were on public assistance.

According to the 2000 U.S. Census, the MSA median family income within the assessment area was \$49 thousand. The U.S. Department of Housing and Urban Development estimated median family income for the area was 64.8 thousand in 2009.

There were 3.2 million housing units within the assessment area, including 1.26 million (39.2%) one- to four-family units and 1.95 million (60.7%) multifamily units. A majority of the area's housing units (65.8%) were occupied rentals, while 28.5% were owner occupied units.

The assessment area had a total of 663 thousand businesses. Of these 74.7% were businesses with reported revenues of less than or equal to \$1 million, 5.7% reported revenues of more than \$1 million, and 19.7% did not report their revenues. Of all the businesses in the assessment area, 81.8% were businesses with less than fifty employees, and 93.5% operated from a single location. The largest industries in the area were service providers (44.0%), followed by retail trade companies (16.9%) and finance, insurance and

real estate (9.5%), while 11.5% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State rose from 5.4% in 2008 to 8.3% in 2009. For both 2008 and 2009, the unemployment rate was higher in Kings and Bronx Counties compared to the entire state's rate.

Assessment Area Unemployment Rate						
	Statewide	New York	Kings	Queens	Bronx	Richmond
2008 - Annual	5.4	4.9	5.9	4.9	7.4	5.0
2009 - Annual	8.3	8.3	9.9	8.3	11.9	8.1

PERFORMANCE TEST AND ASSESSMENT FACTORS

The Banking Department evaluates the CRA performance of wholesale banks pursuant to the “community development test”, as provided in Section 76.11 of the General Regulations of the Banking Board. Performance criteria may include (1) the number and amount of community development loans, qualified investments or community development services; (2) the use of innovative or complex qualified investments, community development loans or community development services and the extent to which investments are not routinely provided by private investors; and (3) the banking institutions responsiveness to credit and community development needs. 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.

This assessment period included calendar years 2008 and 2009.

Statistics employed in this evaluation were derived from various sources. The demographic data referred to in this report were derived from the 2000 U.S. Census data, with the 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 US businesses, enhanced by Dun & Bradstreet and updated annually.

Mizuho received a rating of “Outstanding” on its prior CRA Performance Evaluation dated December 31, 2007, reflecting an outstanding record of helping to meet its community credit needs.

Current CRA Rating: “Outstanding”

Community Development Activities: “Outstanding”

Mizuho was a leader in making community development loans and investments and in providing community development services. Mizuho participated in community development initiatives primarily by working with intermediaries that serve its assessment area. As of December 31, 2009, the bank’s community development loans and qualified investments totaled \$57.5 million, while the bank’s assets were \$3.5B.

Since the last evaluation period, total outstandings (qualified lending and investments) decreased (from \$79.7MM to \$57.5MM) while assets grew (from \$2.9B to \$3.5B). However, new commitments increased (from \$19.5MM to \$28.5MM) and the commitment within Mizuho’s assessment area also increased.

The bank’s total community development portfolio of loans and investments were comprised as follows:

Community Development Portfolio – 12/31/09					
Type	Number of Commitments	Comm't. Amount (in 000's)	%	Outstanding Amount (in 000's)	%
Affordable Housing	13	23,848	71.1	18,958	79.1
Community Service	17	4,121	12.3	0	0
Economic Develop.	3	5,520	16.5	5,000	20.9
Revitalization/ Stabilization	3	36	0.1	0	0
Total	36	33,525	100	23,958	100

There were 36 new commitments issued during the evaluation period for a total of \$33.5 million. One new relationship was cultivated during the same period.

The majority of loans and investments were made within the assessment area. A small portion of Mizuho's community development activity (12.2% of its lending and investments) went to projects supported by regional or nationwide intermediaries² that largely supported Mizuho's assessment area, but also had projects that were outside of the assessment area. Full credit was given to these activities as the intermediaries' work largely supports the assessment area and Mizuho had adequately addressed the community development needs of its assessment area.

A more detailed description of the bank's community development activity follows:

Community Development Lending: "Outstanding"

Mizuho was a leader in making community development loans. During the evaluation period, Mizuho's community development loans totaled \$35.3 million, including \$28.5 million in new money. As of December 31, 2009, Mizuho had community development loans outstanding from the prior evaluation period totaling \$6.8 million. Most of the bank's facilities were revolving lines of credit with terms of two to three years.

Community development lending decreased during the evaluation period, largely due to the maturation of a \$24.2 million line of credit to a power company damaged by Hurricane Katrina. This facility was outside of Mizuho's assessment area. During the prior evaluation period, credit was given to this endeavor as Mizuho had adequately addressed the community development needs of its assessment area. The maturation of this line, and the subsequent decrease in outstanding loans did not negatively affect the rating of Mizuho,

² Nationwide funds are important sources of investments for low- and moderate-income and underserved communities throughout the country and can be an efficient vehicle for institutions in making qualified investments or loans that help meet community development needs.

particularly since the level of qualified loans and investments remained excellent.

The following chart reflects community development loans made during the evaluation period in 2008 and 2009 as well as the outstanding balance of community development loans made in prior periods.

Loans - Commitments and Outstandings (1/1/2008 to 12/31/09)					
Type	Number of Commitments	Comm't. Amount (in 000's)	%	Outstanding (in 000's)	%
Affordable Housing	6	20,000	70.2	1,797	26.4
Community Service	2	3,500	12.3	0	0.0
Economic Develop.	1	5,000	17.5	5,000	73.6
Revitalization/ Stabilization	0	0	0.0	0	0.0
Total	9	28,500	100	6,797	100

Examples of Mizuho's community development lending are as follows:

Common Ground Community Housing Development Fund Corporation, Inc. ("Common Ground") obtained a \$3 million revolving line of credit in 2009. It is a nonprofit established in 1990 with the mission to solve homelessness. Common Ground is the nation's largest developer of supportive housing.

Local Initiatives Support Corporation ("LISC") received a \$5 million revolving line of credit from Mizuho in June 2008. LISC is a national nonprofit community development intermediary dedicated to helping community based development organizations and to improving distressed communities and neighborhoods.

New York City Acquisition Fund LLC (the "Fund") obtained a \$5 million revolving line of credit in August 2008. The Fund provides local and nonprofit developers with bridge financing to acquire private property for the construction and preservation of affordable housing.

Enterprise Community Loan Fund ("ECLF") received a \$2 million revolving line of credit in December 2009. This fund supports Enterprise Community Partners ("ECP"), one of the nation's largest Community Development Financial Institutions ("CDFIs").

Urban Pathways ("UP") obtained a \$1.5 million revolving line of credit in January 2008. UP's mission is to help homeless adults leave the streets, find permanent shelters and achieve self-sufficiency. UP used the line of credit for the purchase of property in the Bronx targeted for housing development.

Seedco Financial Services ("SFS") received a \$5 million revolving line of credit in December 2009. SFS is a certified CDFI and a national nonprofit organization providing

affordable financing and comprehensive technical assistance to nonprofit and for-profit organizations in economically distressed and underserved communities. The purpose of the loan is to increase SFS' loan fund activities, which offer flexible below market-rate financing to small businesses where conventional financing is not available.

Primary Care Development Corporation (“PCDC”) received a \$2 million revolving line of credit in December 2009. PCDC enhances primary and preventive healthcare in economically distressed and medically-underserved low-income communities in New York City. Mizuho’s loan is for PCDC’s *Target Loan Program*, a small loan program to help primary health care centers make focused investments by adding needed services, reconfiguring operations for increased efficiency, and upgrading systems and equipments.

Community Preservation Corporation (“CPC”) obtained a \$3.5 million revolving line of credit in January 2008. CPC is a nonprofit mortgage lender whose mission is to stabilize, strengthen, and sustain low- and mixed-income communities by financing low-, moderate-, and middle-income affordable housing.

Qualified Investments: “Outstanding”

During the course of the evaluation period, Mizuho made an excellent level of qualified community development investments and grants. As of December 31, 2009, Mizuho had made qualified investments and grants to 26 nonprofit organizations totaling \$22.2 million. This is an increase of 5.7% from the prior evaluation’s total of \$21 million. Included in these investments were grants totaling slightly over \$1 million.

The following chart reflects community development investments and grants made in 2008 and 2009 as well as the outstanding balance of community development investments made in prior periods:

Investments and Grants (1/1/2008 to 12/31/09)					
Type	Number of Commitments	Comm’t. Amount (in 000’s)	%	Outstanding Amount (in 000’s)	%
Affordable Housing	7	3,848	76.6	17,161	100
Community Service	15	621	12.4	0	0
Economic Develop.	2	520	10.3	0	0
Revitalization/ Stabilization	3	36	0.7	0	0
Total	27	5,025	100	17,161	100

Examples of Mizuho’s community development investments follow:

CPC received a new \$3.5 million commitment to purchase its collateralized trust notes. CPC securitized its loan portfolio and sold the securities as collateralized trust notes

("CTNs"). The CTNs allowed CPC to maximize the use of its revolving lines of credit by providing liquidity for its loan portfolio.

National Federation of Community Development Credit Unions received a \$500 thousand Nominee Deposit for investment as non-member share deposits in community development credit unions ("CDCUs) that serve low-income, urban, and rural communities. This investment focuses on New York City's CDCUs located in neighborhoods where access to traditional banking services and bank branches are limited.

In addition to the above-mentioned investments, Mizuho and the Foundation made grants totaling \$1.025 million. Some of the grant recipients included: Enterprise Community Partners, Neighborhood Housing Services of NYC, and the Center for New York City Neighborhoods. The Foundation's largest grants in 2008 and 2009 were to the Center for New York City Neighborhoods, which provides a coordinated response to the city's foreclosure crisis in LMI neighborhoods.

Community Development Services: "Outstanding"

Mizuho was a leader in providing community development services. Its executives and officers were actively involved as volunteers and leaders in community development organizations. These organizations provide extensive community development services such as affordable housing seminars, job training programs and, financial literacy programs that serve low- and moderate-income people and geographies.

Examples of Mizuho's community development lending follow:

Enterprise Community Partners – the CEO and a member of the bank's board of directors serve on its advisory board.

Local Initiatives Support Corp. – The CRA Officer serves on the Advisory Committee and the Assistant CRA Officer serves on the RPA (Request for Program Action) subcommittee, which convenes regularly to review and approve loans and grants.

Low Income Investment Fund – The CRA Officer serves on the New York Advisory Committee.

Neighborhood Housing Services of New York City – The bank's CEO is on the advisory board; the CRA Officer is on its board of directors and is a member of the Nominating Committee; the Assistant CRA Officer is a member of the Resource Development Committee which oversees initiatives to raise philanthropic funding.

Neighborhood Opportunities Fund - The CRA Officer sits on the Donor Committee.

New York City Workforce Development Funders Group –The CRA Officer is a member of this group, which works to improve the workforce development system in the city.

Union Settlement Association – Two bank executives led a job and college preparation seminar for 30 young adults participating in Union Settlement's youth leadership program and led the interactive session on the importance of higher education, financial literacy and job readiness.

Urban Pathways - The AVP and Assistant CRA Officer is a member of its fundraising taskforce; bank employees provided technical and financial assistance to develop a new fundraising initiative in 2008.

The bank is also involved in its community through employee volunteerism as follows:

- Employees participated in an annual coat drive by donating winter clothing.
- Bank employees helped serve meals at two nonprofit organizations. Between 60-70 bank employees took turns serving meals twice a week at one low-income senior citizen home and volunteered annually at a second nonprofit.
- Eight employees participated in a reading program for elementary students.
- Employees participated in holiday food drives for three organizations.
- Employees provided boxes of new school supplies for children living with HIV/AIDS.
- Employees participated in a volunteer day to improve a park in the LMI neighborhood.
- In 2008, 250 employees raised over \$75,000 for the March of Dimes and 300 employees raised over \$70,000 in 2009. Funds raised are used to promote prenatal care and prevent birth defects. Mizuho is ranked among the top ten corporate teams in fundraising for the March of Dimes in the New York City.

Innovative or Complex Practices: “Outstanding”

In working with community development financial intermediaries and purchasing complex investments such as LIHTC, Mizuho made extensive use of innovative and complex lending and investment practices.

Responsiveness to Credit and Community Development Needs: “Outstanding”

Mizuho demonstrated an excellent record of serving the community development needs of its assessment area, as evidenced by its volume of community development activity.

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 bank's CRA Officer made a formal presentation semi-annually to the board of directors, providing a comprehensive report on the activities of the CRA Program and the bank's CRA portfolio. The board also performed an annual review of the bank's CRA Statement and communicated with CRA Compliance staff on an ongoing basis outside of the regularly scheduled presentations. The bank's president is empowered by the board to appoint CRA Committee members and CRA Compliance staff and to approve the Bank's CRA Policy, which is reviewed on an annual basis. The president also chairs the regular meetings of the CRA Committee, which is responsible for formulating and reviewing CRA-related policies.

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

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

Evidence of prohibited discriminatory or other illegal credit practices.

No evidence of prohibited discrimination or other illegal credit practices was noted.

The banking institution's record of opening and closing offices and providing services at offices

Mizuho has not opened or closed any branches since the previous Performance Evaluation.

Process Factors

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

The bank ascertained the community's credit needs from a variety of activities. The bank's Community Relations Unit manages a wide range of activities serving the community, and its staff members were in constant contact with community organizations. CRA Compliance staff members regularly make site visits to low-income neighborhoods within New York City. Meetings were conducted over the course of a year with representatives of community groups, nonprofit organizations, government, and other financial institutions and funders to determine unmet financial needs within the LMI population and communities of New York City. Bank executives and CRA Compliance staff members served in a wide range of capacities for several leading community development organizations serving LMI individuals and communities.

Philanthropic outreach was conducted through The Foundation; a charitable

foundation which made donations to nonprofit organizations for community development purposes. Its focus is to support affordable housing, foster economic self sufficiency, and economic development. Meetings were held with nonprofit organizations throughout the year exploring their needs within these areas. CRA Compliance staff members regularly attended seminars related to CRA compliance, affordable housing, financial literacy, economic development and workforce development, and current issues such as foreclosure prevention, brownfields development, and greening affordable housing, particularly as they related to Mizuho's assessment area. Staff also frequently monitored research and media for relevant information about community needs and news.

- *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*

While Mizuho does not engage in marketing or outreach similar to that of the retail banking industry, it made an effort to keep the community aware of its credit services. Bank personnel engaged in a range of activities designed to attract attention to the bank's community development resources and commitment; primarily through its community service involvement. The bank also prepared an annual CRA Statement which is available to the public. The Foundation's process to identify outstanding nonprofit organizations to support uses both proactive outreach and the acceptance of unsolicited proposal submissions. The Foundation also distributed an annual press release detailing its year-end grants.

Mizuho's community-related activities and the Foundation-funded programs sometimes received publicity in local newspapers, and the Foundation was frequently acknowledged publicly for its community development programs. Outreach also included participation in community events, including purchasing journal ads for the annual galas of several nonprofits the bank supports.

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.