



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: Inter Audi Bank
19 East 54th Street
New York, NY 10022

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 Intermediary Bank (“IB”) 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 banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York 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

Overall CRA Rating: "Satisfactory"

IB's 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. The assessment period covered January 1, 2008 to December 31, 2009. IB is rated "2", indicating a "Satisfactory" record of helping to meet community credit needs. This rating is the same from the prior rating of "2," (Satisfactory) based on the NYSBD Performance Evaluation dated December 31, 2007.

This rating is based on the following factors:

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

IB's community development performance demonstrated adequate responsiveness to community development needs of its assessment area through community development loans, investments and services.

Community Development Loans: "Satisfactory"

During the evaluation period, IB originated \$3 million in new community development loans and had \$1.4 million outstanding from prior evaluation periods. This demonstrated an adequate level of community development lending over the course of the evaluation period.

Community Development Qualified Investments: "Satisfactory"

During the evaluation period, IB made \$874 thousand in new community development investments and had \$100 thousand outstanding from prior evaluation periods. In addition, IB made \$42 thousand donations. This demonstrated an adequate level of community development investments over the course of the evaluation period.

Community Development Services: "Satisfactory"

IB demonstrated an adequate level of community development services over the course of the evaluation period. Below is a description of IB's community development services.

Responsiveness to Credit and Community Development Needs

IB demonstrated an adequate level of responsiveness to credit and community development needs. Due to the size, location and nature of IB's business operations and its expertise, it concentrates its CRA efforts focusing on working with financial intermediaries to help fund community development and reinvestment projects. IB's officers and directors have established relationships with individuals, organizations and

agencies concerned with community development and revitalization to determine community credit needs.

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.

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PERFORMANCE CONTEXT

Institution Profile:

Chartered in 1983, IB is a New York City based wholesale bank with a branch in Miami, Florida , and three financial subsidiaries located at its NYC office; Ameraudi Asset Management, Inc., Ameraudi Investment Services, and the lease holding company of 19 E. 54th St Corporation.

IB provides personal, commercial and asset management banking services to both US and foreign clients, focusing on short-term, fully secured commercial loans. It is not in the business of originating or purchasing residential mortgages, housing rehabilitation or home improvement loans except as an accommodation to its existing clients. Its customer base is primarily Arab-Lebanese American businesses in the New York metropolitan area and elsewhere in the United States.

As per the December 31, 2009 Consolidated Report of Condition (the Call Report) filed with the Federal Deposit Insurance Corporation ("FDIC"), IB reported total assets of \$1.3 billion, of which \$363.7 million were net loans and lease finance receivables. Deposits were \$1 billion. This resulted in a loan-to-deposit ratio of 36.4%. According to the June 30, 2009 comparative deposit data, IB obtained a market share of .17%, or \$716.5 million out of \$429.0 billion inside its market, ranking it 32nd among 97 deposit-taking institutions in New York City.

The following is a summary of the bank's loan portfolio, based on Schedule RC-C of the bank's December 31, 2008 and 2009 Call Reports:

TOTAL GROSS LOANS OUTSTANDING				
Loan Type	2008		2009	
	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	94,718	27.1	110,801	30.1
Commercial & Industrial Loans	104,687	29.9	90,365	24.6
Commercial Mortgage Loans	109,983	31.4	121,521	33.1
Multifamily Mortgages	3,756	1.1	10,008	2.7
Consumer Loans	2,741	0.8	4,340	1.2
Construction Loans	23,249	6.6	23,463	6.4
Obligations of States & Municipalities		0.0		0.0
Other Loans	10,807	3.1	7,031	1.9
Lease financing		0.0		0.0
Total Gross Loans	349,941		367,529	

As illustrated in the above chart, IB is primarily a commercial lender, with 33.1% of its loan portfolio in commercial mortgages and 24.6% commercial and industrial loans as of 12/31/2009.

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

Assessment Area:

IB's assessment area is comprised of the five boroughs of New York City; Manhattan, Kings, Queens, the Bronx, and Richmond Counties.

There are 2,217 census tracts in the area, of which 326 are low-income, 613 are moderate-income, 663 are middle-income, 557 are upper-income and 58 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	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 the location of IB's office and its lending patterns. There is no evidence that LMI areas have been arbitrarily excluded.

Demographic & Economic Data

The assessment area's population was 8 million during the evaluation period, with approximately 11.7% of the population over the age of 65 and 21.6% under the age of 16.

Of the 1,869,809 families in the assessment area, 30.7% were low-income, 16.7% were moderate-income, 17% were middle-income and 35.5% were upper-income families. There were 3,022,477 households in the assessment area, of which 19.7% had income below the poverty level and 7.5% were on public assistance.

The MSA median family income within the assessment area was \$49 thousand. The U.S. Department of Housing and Urban Development ("HUD") estimated median family income for the area was \$65 thousand in 2009. These figures were the same in all five counties comprising the assessment area.

There were 3,200,912 housing units within the assessment area, of which 39.1% were one- to four-family units, and 60.8% were multifamily units. A majority (68.8%) of the area's housing units were rental units, while 28.5% were owner-occupied units. Of the 912,133 owner-occupied housing units, 17.3% were in moderate-

income geographies while 3.3% were in low-income tracts. The median age of the housing stock was 59 years and the median home value in the assessment area was \$241 thousand.

There were 660,446 non-farm businesses in the assessment area. Of these, 74.6% 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% employed less than fifty individuals, while 93.5% operated from a single location. The largest industries in the area were Services (44%), followed by Retail Trade (16.9%), with 11.5% of the businesses in the assessment area not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State increased to 8.4% from 4.5% at the previous evaluation. The economic crisis, which began in the third quarter of 2008, is responsible for the significant jump in the unemployment rate between evaluations. During the evaluation period, Bronx and Kings Counties had the highest unemployment rates in the assessment area. For 2009, Bronx and Kings Counties were both above the State unemployment rate, at 12.2% and 10.1%, respectively.

	Statewide	Bronx	Kings	New York	Queens	Richmond
2007	4.5	6.6	5.3	4.2	4.3	4.4
2008	5.3	7.3	5.8	4.7	4.9	4.9
2009	8.4	12.2	10.1	8.5	8.6	8.4

Community Information

A not-for-profit community group with a client base of 76% low to moderate income households was contacted during the evaluation. The not-for-profit community group commented that credit opportunity was beginning to open up; the economic crisis gave rise to foreclosure counseling, prevention and mitigation. Financial coaching and capabilities, which is helping families understand their financial situation, is next on the horizon. It is hoped that if families have an understanding of their financial situation, they will make informed decisions and be less likely to take actions that would cause them to lose their homes. Financial institutions were interested in hearing what the organization's clients were thinking.

The community contact did not have any adverse comments against Interaudi.

PERFORMANCE TEST AND ASSESSMENT FACTORS

The Banking Department evaluates the CRA performance of wholesale banks pursuant to the “community development test,” as provided for in Section 76.11 of the General Regulations of the Banking Board. Performance criteria 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 institution’s responsiveness to credit and community development needs. In addition, the following factors are also considered in assessing IB’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.

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. Call report data that the institution filed with the FDIC are also used in the analysis.

IB received a rating of “2”, reflecting a “Satisfactory” record of helping meet community credit needs at its prior Performance Evaluation conducted by the New York State Banking Department as of December 31, 2007.

Current CRA Rating: “2” “Satisfactory”

Community Development Activities: “Satisfactory”

IB’s community development performance demonstrated adequate responsiveness to community development needs of its assessment area through community development loans, investments and services.

During the evaluation period, IB originated \$3 million in new community development loans and had \$1.4 million outstanding from prior evaluation periods. Also during the evaluation period, IB made \$874 thousand in new community development investments, had \$100 thousand in investments outstanding from prior evaluation periods. IB had

contributed \$42.3 thousand in community development grants. The \$5.4 million in qualifying community development loans, investments and grants is an increase of \$1.6 million over the \$3.8 million during the previous evaluation. Of this amount, \$3.9 million was new money compared to \$3.3 million at the previous evaluation.

Community Development Lending: “Satisfactory”

During the evaluation period, IB originated \$3 million in new community development loans and had \$1.4 million outstanding from prior evaluation periods. This demonstrated an adequate level of community development lending over the course of the evaluation period.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	1	3,000	1	1,381
Economic Development				
Community Services				
Other (Please Specify)				
Total	1	3,000	1	1,381

Below is a description of IB’s community development lending:

\$3 million loan to Community Preservation Corporation (CPC)

CPC is a non-profit private mortgage lender specializing in financing low-moderate and middle income housing throughout New York and New Jersey.

IB purchased a \$3 million sub-participation in a \$30 million pool of 14 construction loans granted by CPC. The 14 construction loans are all for rental developments in low/moderate income neighborhoods. The projects are located in three of the five boroughs of New York City, with four in upper Manhattan, one in the Bronx, and nine in various Brooklyn neighborhoods. The projects range in size from small three unit buildings to multi-building developments up to 83 units. Five projects involve moderate rehabilitation, two gut rehabilitation, five new construction, and two a combination of rehab and new construction. Eight of the projects target low income tenants.

Although IB does not receive credit for loans made outside its assessment area, it is still noteworthy to mention that it financed a \$10 million loan for an apartment complex in Deerfield Florida, which is located in a moderate income tract with average rents approximately 30% below the median income for the tract.

Community Development Investments: “Satisfactory”

During the evaluation period, IB made \$874 thousand in new community development investments and had \$100 thousand outstanding from prior evaluation periods. This demonstrated an adequate level of community development investments over the course of the evaluation period.

	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	2	\$ 724		
Economic Development	1	\$ 150	1	100
Community Services				
Other (Please Specify)				
Total	3	\$ 874	1	100
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	3	\$ 26		
Economic Development				
Community Services	7	\$ 16		
Other (Please Specify)				
Total	10	\$ 42		

IB purchased a \$2.7million customized CRA loan securitization that included \$700 thousand New York City loans. The remaining \$2 million were CRA loans in Florida, outside of IB’s New York assessment area, but within IB’s Miami branch’s assessment area.

IB maintains a \$250 thousand deposit with Carver Federal Savings Bank. This is an increase of \$150 thousand over the previous evaluation. Carver is a registered Community Development Financial Institution. It serves low and moderate income communities whose residents, businesses, and institutions have limited access to mainstream financial services.

Grants

Following is a brief description of grants made by IB during the evaluation period.

IB gave **Neighborhood Housing Services of New York City (NHS)** grants of \$26.6 thousand. NHS is a citywide non-profit organization dedicated to revitalizing underserved neighborhoods in New York City.

Grants totaling \$10 thousand were made to **Kennedy Child Study Center (KCSC)**, which is a non-profit organization that serves children with developmental disabilities in New York City, from families with very limited annual incomes who otherwise would not be able to provide specialized care. Almost all children served are under five years of age.

IB gave \$4.5 thousand to **Providence House**. Providence House is a non-profit organization that provides assistance to homeless, abused, and formerly incarcerated women and their families in Brooklyn, Queens, and New Rochelle.

In addition to the grants made in its assessment area, IB made three grants to organizations that serve the needs of individuals outside of IB's assessment area. Two grants of \$25 thousand each were given to **Action Against Hunger**, which is an international organization, with offices in NYC, that combats hunger and malnutrition. A \$5 thousand grant was made to the **Miami office of Neighborhood Housing Services**.

Community Development Services: "Satisfactory"

IB demonstrated an adequate level of community development services over the course of the evaluation period. Below is a description of IB's community development services.

Neighborhood Housing Services of NYC

The CEO of IB and other senior bank staff routinely meet with the director and staff of Neighborhood Housing Services of NYC to discuss program development and to counsel on proposed fundraising activities. The last such meeting, during the evaluation period, was held on November 4, 2009.

Kennedy Child Study Center

The First VP, Credit and CRA officer of IB are on the Board of Directors and on the Facilities Committee of the Board. The Board meets quarterly to discuss the finances, development and operations of the school.

Operation Hope, Banking on Our Future

IB is a participant in the Banking on Our Future Program. The mission of the program is to execute a global delivery system for financial education for youth (in the nine to eighteen age bracket), at no cost to school districts, with a focus on urban, underserved communities. In November 2009, four IB staff taught financial literacy classes at the Metropolitan Corporate Academy, in Brooklyn NY.

In addition to the community services listed above, which are inside IB's assessment area, the CEO of IB is a member of the Advisory Board of Directors and Treasurer for **Action Against Hunger**. He provides technical expertise to the organization. The organization has offices and does fund raising in the US, including New York City, but operates outside of United States.

Innovative or Complex Practices

IB partnered with a financial institution for a \$3 million community development loan. IB targets CRA tailored investments and find ways to work with community development organizations. IB feels that it can be most effective by working with financial intermediaries to help fund community development and reinvestment projects that meet the community's needs.

Responsiveness to Credit and Community Development Needs

Due to the size, location and nature of IB's business operations and its expertise, it concentrates its CRA efforts focusing on working with financial intermediaries to help fund community development and reinvestment projects. IB's officers and directors have established relationships with individuals, organizations and agencies concerned with community development and revitalization to determine community credit needs. Management feels that there is a shortage of affordable housing in New York City.

IB demonstrated an adequate level of responsiveness to credit and community development needs. IB responds positively to special funding requests from organizations. In addition to grants, IB has donated furniture, provided financial expertise to the community groups. IB's personnel interact with community groups to understand the needs of the communities. For example they have gone on several tours with NHS to see the various projects the organization is involved in and the impact they are having on the neighborhoods. Furthermore, IB's CEO made a personal donation in response to a request for money to support foreclosure prevention. IB personnel also keep in contact with Kennedy Child Study Center, and Operation Hope, which sponsors financial education programs, where IB staff volunteer their time to conduct financial education sessions in the NYC schools that give students the opportunity to learn about banking, credit cards, retirement accounts, loans and other useful financial information.

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 Board of Directors reviews the report on CRA activities at each meeting. CRA Policy and Strategic Plan, CRA statement, Notice and Community Delineation, are approved annually, by the Board. The CRA program and activities are reviewed regularly by the IB's internal auditor.

Discrimination and other illegal practices

Any practices intended to discourage applications for types of credit set forth in the

banking institution's CRA Public File.

The NYSBD 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.

NYSBD noted no evidence of prohibited discriminatory or other illegal practices.

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

IB has not opened or closed any branches since the prior evaluation. As a wholesale bank with only two locations; midtown Manhattan and downtown Miami, IB is limited in the retail services it provides.

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.*

IB's officers and directors have established relationships with individuals, organizations and agencies concerned with community development and revitalization to determine community credit needs. These organizations include Neighborhood Housing Services of NYC, Kennedy Child Study Center and Operation Hope.

- *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*

Due to the wholesale nature and the limitations of IB's credit products, IB does not market its products and services through the media. IB's marketing efforts are primarily achieved through customer referrals.

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 noted.

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.