



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF GOLDMAN SACHS BANK USA

AS OF DECEMBER 31, 2021

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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I. - GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Goldman Sachs Bank (USA) (“GS Bank” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This evaluation represents the Department’s current assessment and rating of the Bank’s CRA performance based on an evaluation conducted as of December 31, 2021.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent (“GRS”) implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions’ performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve in meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary (“Evaluation”) be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the glossary at the end of this report.

II. - OVERVIEW OF INSTITUTION’S PERFORMANCE

The Department evaluated GS Bank’s performance according to the community development test for wholesale or limited purpose banking institutions pursuant to Section 76.11 of the GRS. The evaluation period covered January 1, 2019 to December 31, 2021. GS Bank is rated “**1**,” indicating an “**Outstanding**” record of helping to meet community credit needs. This rating is the same rating the Bank received at its prior DFS Community Reinvestment Act Performance Evaluation dated December 31, 2018.

This rating is based on the following criteria:

Community Development Test:

GS Bank’s community development performance demonstrated an excellent level of community development lending, qualified investments, and services, considering the Bank’s capacity and the need and availability of such opportunities for community development in its assessment area.

Community Development Lending:

During the evaluation period, GS Bank originated \$807.7 million in new community development loans, and still had \$189.9 million outstanding from prior evaluation periods.

In addition to community development loans originated inside the assessment area, GS Bank originated \$661.5 million in community development loans outside the assessment area, including \$592.8 million to CDFIs and MDIs to make PPP loans and other small business loans in New York State (outside the assessment area), and the regional area.

Qualified Investments:

During the evaluation period, GS Bank made \$845.9 million in new qualified investments and still had \$732.9 million in qualified investments outstanding from prior evaluation periods. The Bank also made investments outside the assessment area but within New York State in the amount of \$85.7 million. In addition, the Bank made \$38.6 million in qualified grants.

Community Development Services:

During the evaluation period, GS Bank performed 195 community development activities.

Innovative or Complex Practices:

GS Bank demonstrated an excellent level of innovative or flexible community development practices.

Responsiveness to Credit and Community Development Needs:

GS Bank demonstrated an excellent level of responsiveness to credit and community development needs.

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

III. - PERFORMANCE CONTEXT

A. - Institution Profile

Chartered in 2008, GS Bank is a New York State-chartered bank, with its principal office is located at 200 West Street, in New York City. . GS Bank is a wholly owned subsidiary of The Goldman Sachs Group, Inc. (“GS Group”), a bank holding company regulated by the FRBNY. Other subsidiaries of GS Group include Goldman Sachs & Co, a US investment bank regulated by the Securities and Exchange Commission, and Goldman Sachs International, an overseas investment firm based in London.

GS Bank operates two domestic branches in Utah and has a foreign branch in London, England. The Bank does not offer traditional retail teller or ATM services and received its wholesale bank designation from the FRB for CRA purposes on July 9, 2009. GS Bank’s clients include individuals, small and large corporations, financial institutions, and investment funds. The Bank offers both deposit and loan products through its private banking platform serving high-net worth individuals and through its online Marcus by Goldman Sachs (“Marcus”) platform, serving the general consumer market. During the current evaluation period, it began offering credit cards to the general consumer market, typically in conjunction with consumer brands, including Apple and General Motors.

In its Consolidated Report of Condition (the “Call Report”) as of December 31, 2021, filed with the FDIC, GS Bank reported total assets of \$434.1 billion, of which \$138.3 billion were net loans and lease financing receivables. It also reported total deposits of \$321.9 billion, resulting in an LTD ratio of 43%. According to the latest available comparative deposit data as of June 30, 2021, GS Bank obtained a market share of 11.2%, or \$208.9 billion in a market of \$1.9 trillion, ranking it second among 111 deposit-taking institutions in the assessment area.

The following is a summary of the Bank’s loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2019, 2020, and 2021 Call Reports:

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TOTAL GROSS LOANS OUTSTANDING						
Loan Type	2019		2020		2021	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	11,573,000	13.7	11,857,000	12.7	16,942,000	12.0
Commercial & Industrial Loans	15,416,000	18.3	17,539,000	18.7	25,060,000	17.8
Commercial Mortgage Loans	5,818,000	6.9	4,140,000	4.4	7,680,000	5.5
Multifamily Mortgages	331,000	0.4	1,308,000	1.4	1,516,000	1.1
Consumer Loans	9,863,000	11.7	12,943,000	13.8	20,871,000	14.8
Farmland Loans	14,000	0.0	36,000	0.0	38,000	0.0
Construction Loans	2,872,000	3.4	3,359,000	3.6	3,299,000	2.3
Obligations of States & Municipalities	821,000	1.0	831,000	0.9	771,000	0.5
Loans to Non-depository Financial Institutions	37,668,000	44.6	41,537,000	44.4	64,563,000	45.9
Total Gross Loans	84,376,000		93,550,000		140,740,000	

As illustrated in the above table, GS Bank is primarily a commercial lender, with a combined 69.2% of its loan portfolio in loans to small and large business, including Commercial and Industrial and Industrial Loans (17.8%), Commercial Mortgage Loans (5.5%), and Loans to Non-depository Financial Institutions (45.9%).

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

B. - Assessment Area

GS Bank's New York assessment area consists of the five boroughs of New York City: The Bronx (Bronx County), Brooklyn (Kings County), Manhattan (New York County), Queens (Queens County), and Staten Island (Richmond County).

There are 2,167 census tracts in the Bank's assessment area, of which 289 are low-income, 570 are moderate-income, 642 are middle-income, 600 are upper-income, and 66 are tracts with no income indicated. In the New York assessment area overall, LMI areas comprised 39.6% of total census tracts, ranging from a high of 70.5% in Bronx County to a low of 10.9% in Richmond County. While total number of census tracts remained the same as noted in the prior evaluation, LMI areas decreased 4.5% from the prior evaluation period's 44.1%. This was caused by reclassification of census tracts from low and moderate to middle and upper income; there was no change in the number of census tracts with no income indicated. Census tract income level reclassifications affected all counties in the assessment area, and in all counties except Richmond, the number of low-income tracts decreased. The number of moderate-income census tracts also decreased in Kings, Queens, and Richmond Counties, but increased in Bronx and New York Counties.

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Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	7	140	99	60	33	339	70.5
Kings	14	95	260	230	162	761	46.6
New York	15	34	57	21	161	288	31.6
Queens	27	16	146	303	177	669	24.2
Richmond	3	4	8	28	67	110	10.9
Total	66	289	570	642	600	2,167	39.6

C. - Demographic & Economic Data

The assessment area had a population of 8,426,743 during the evaluation period. Approximately 12.7% was over the age of 65 and 19% was under the age of 16.

Of the 1,865,277 families in the assessment area, 32.5% were low-income, 16.3% were moderate-income, 15.7% were middle-income, and 35.5% were upper income. There were 3,113,535 households in the assessment area, of which 19.4% had income below the poverty level and 4.1% were on public assistance.

The weighted average of median family income in the assessment area was \$70,541.

There were 3,422,225 housing units within the assessment area, of which 39.4% were one- to four-family units and 60.4% were multifamily units. A majority (62%) of the housing units were rental-occupied units while 29% were owner-occupied.

Of the total 2,223,458 rental units, 52% were in LMI census tracts while 47.7% were in middle- and upper-income census tracts. Average monthly gross rent was \$1,342.

Of the 991,350 owner-occupied housing units, 20.2% were in LMI census tracts while 79.6% were in middle- and upper-income census tracts. The median age of the housing stock was 70 years, and the median home value in the assessment area was \$536,278.

There were 1,066,191 non-farm businesses in the assessment area. Of these, 91.6% were businesses with reported revenues of less than or equal to \$1 million, 3.4% reported revenues of more than \$1 million and 5.1% did not report their revenues. Of all the businesses in the assessment area, 97.1% were businesses with less than fifty employees while 95.3% operated from a single location. The largest industries in the area were services (34.2%), retail trade (11.8%), and finance, insurance & real estate (9.4%); 30.9% of businesses were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State increased dramatically in 2020 compared to 2019, with the onset of the COVID-19 pandemic. However, some improvement occurred in 2021.

Overall, the three-year average unemployment rates for the five counties in the assessment area

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compared to statewide average are as follows: Bronx, Kings, Queens, and Richmond counties had unemployment rates higher than statewide average with Bronx County showing the highest average rate at 11.7%, while New York County's average rate of 6.9% was lower than statewide average.

Assessment Area Unemployment Rate						
	Statewide	Bronx	Kings	New York	Queens	Richmond
2019	3.8%	5.3%	4.0%	3.4%	3.4%	3.8%
2020	10.0%	16.0%	12.5%	9.5%	12.5%	10.6%
2021	7.2%	13.9%	10.4%	7.8%	9.9%	9.0%
Average of Years Above	7.0%	11.7%	9.0%	6.9%	8.6%	7.8%

D. - Community Information

Examiners conducted community contact interviews to gain an understanding of the banking and credit needs of GS Bank's assessment area.

In relation to the first community contact, DFS examiners interviewed the CEO of an organization that focuses its programs on serving small businesses, including minority-owned and immigrant-owned businesses. The organization's services include financing, promotion, assistance programs, business solutions, and advocacy. The organization liaises with city, state and federal agencies in furthering its mission serving the borough of Brooklyn (Kings County). The interviewee stated that much of the borough's economy is derived from small businesses that have less than 10 workers and a large portion of these are minority- and immigrant-owned businesses. Many new businesses opened to replace those that shut down during the pandemic; however, these businesses had to contend with a severe labor shortage. Reportedly many businesses could not take advantage of the PPP¹ program because they did not properly document payrolls. Early in the pandemic, most assistance from large financial institutions went to larger businesses with better documentation of their operations. As the pandemic continued, larger financial institutions increased lending operations. Additionally, as the pandemic wore on, Community Development Financial Institutions ("CDFIs")² and other organizations began to provide significant levels of assistance. Nonetheless, some small businesses complained that eligibility requirements for PPP loans and government aid were overly stringent.

In relation to the second community contact, DFS conducted a joint interview with leaders of two organizations that seek to provide leadership and create a favorable climate for economic development and job creation in the Bronx. Both the interviewees stated that prior to the COVID-19 pandemic, unemployment was at historically low levels, but the pandemic brought about dramatic increases in unemployment and homelessness and caused businesses to struggle. One interviewee opined that the Bronx is an arrival point for immigrants from all over the world, a lack of affordable, high-quality housing was causing the quality of life to diminish. Additionally, much of the population cannot afford down payments on home purchases.

¹ Refer to the Glossary for a definition of the PPP program

² Refer to the Glossary for a definition of a Community Development Financial Institution.

The interviewees stated that small businesses constitute a large proportion of businesses in the Bronx. They stated that many banks made PPP loans, but that small businesses struggling to make loan payments and pay rent. Although CDFIs offered assistance, interviewees stated that their efforts were not sufficient to address the situation. Both interviewees stated that small businesses often did not have sufficient documentation of their payroll or operations to obtain loans from banks, and expressed hope that large banks, especially, would be able to provide credit to small businesses.

IV. - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated GS Bank under the wholesale banking institution performance standards pursuant to the “community development test,” as provided in Section 76.11 of the GRS.

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 GS 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; the Bank’s 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 New York 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 evaluation period included the period from January 1, 2019 to December 31, 2021.

At its prior Performance Evaluation as of December 31, 2018, DFS assigned GS Bank a rating of “1”, reflecting an “Outstanding” record of helping to meet community credit needs

Current CRA Rating: Outstanding

A. - Community Development Test:

GS Bank’s community development performance demonstrated an excellent level of community development lending, qualified investments, and services, considering GS Bank’s capacity and the need and availability of such opportunities for community development in its assessment area.

GS Bank’s directed its community development strategy towards responding to the needs of underserved communities and neighborhoods both inside and outside the assessment area but

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within New York State.

As part of this effort, GS Bank provided funds to CDFIs, Minority Depository Institutions³ (“MDIs”) and other nonprofit organizations in New York, enabling them to make Paycheck Protection Program (“PPP”) loans to small businesses.

Additionally, GS Bank made use of transaction programs such as the Low-Income Housing Tax Credits (“LIHTC”), New Markets Tax Credit (“NMTC”) and Brownfield Tax Credit⁴ (“BTC”).

A more detailed description of the Bank’s community development activity follows:

1. Community Development Lending:

During the evaluation period, GS Bank originated \$807.7 million in new community development loans, and still had \$189.9 million outstanding from prior evaluation periods. In addition to community development loans originated inside the assessment area, GS Bank originated \$661.5 million in community development loans outside the assessment area, including \$592.8 million to CDFIs and MDIs to make PPP loans and other small business loans in New York State (outside the assessment area) and the regional area.

Community Development Loans Inside Assessment Area				
	This Evaluation Period		Outstanding from Prior Evaluation Periods	
Purpose	# of Loans	\$000	# of Loans	\$000
Affordable Housing	5	153,457	2	118,583
Community Services	5	166,744	1	6,789
Economic Development	3	57,114	1	17,495
Revitalize and Stabilize	8	430,368	8	47,044
Total	21	807,683	12	189,911

Below are highlights of GS Bank’s community development lending.

a. Affordable Housing

- GS Bank extended a \$34.4 million standby letter of credit to support the development of a mixed-use project with 133 multifamily units and a ground floor commercial space located in a moderate-income census tract in Bronx County. The project was developed pursuant to the Extremely Low and Low-Income Affordable Program⁵ of the New York City Department of

³ Refer to the Glossary for a definition of Minority Deposit Institution

⁴ A brownfield is a contaminated property where the presence of pollution has impeded redevelopment, abandoned and contribute to urban blight. The NYS brownfield cleanup program encouraged the cleanup and redevelopment of Brownfield sites using tax credits as incentives. Further information pertaining to the brownfield program may be found at <https://www.dec.ny.gov/chemical/8450.html>

⁵ For further information relating to this program, see <https://www1.nyc.gov/site/hpd/services-and->

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Housing and Preservation. All residential units are restricted to households earning between 30% and 80% of the area median income (“AMI”).

- GS Bank took a \$16 million position as a participant in a standby letter of credit to support the development of a 348-unit mixed-use building in Upper Manhattan (New York County). The majority of the building’s residential units will have their respective rents set at affordable levels for individuals with income not exceeding 60% of AMI. In addition, a community facility space will be leased to two nonprofit organizations that provide community advocacy and supportive services.

b. Community Services

- GS Bank extended a total of \$106 million in loans to a nonprofit organization that provides housing and supportive services to youth facing homelessness, for the construction and development of an 11-story facility to enable the organization to expand its services.
- GS Bank originated a \$45.4 million loan to the COVID-19 Hospital Loan Fund. This fund is controlled by a New York City-affiliated quasi-governmental agency. The proceeds of the loan supported staffing needs at New York City’s safety-net hospitals⁶, which are primarily located in low-income, majority-minority neighborhoods. The credit facility enabled these hospitals to meet staffing needs to assist with the COVID-19 vaccination process and COVID-19 patient care.

c. Economic Development

- GS Bank extended a \$40 million loan to a New York State-affiliated quasi-governmental entity. This entity in turn further loaned the proceeds, in the form of PPP loans, to New York small businesses impacted by the COVID-19 pandemic.

d. Revitalize and Stabilize

- GS Bank made a \$40 million loan to a certified minority business enterprise that partners with utility companies and governments to upgrade building energy systems. The proceeds of the loan were used to finance the acquisition and installation of electric heating and cooling systems across 350 multifamily buildings in New York City, focusing on LMI areas in the Bronx.
- GS Bank extended a total of \$169 million in several credit facilities to finance the construction of a facility consisting of 171 units of affordable housing units and the headquarters of a civil rights organization, and space for three nonprofit organizations.

information/extremely-low-and-low-income-affordability-program-ella.page

⁶ A safety net hospital (“SNH”) is a type of medical center in the United States that by legal obligation or mission provides healthcare for individuals regardless of their insurance status or ability to pay. For further information, see here: https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/safety_net_definition.htm

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2. Qualified Investments:

During the evaluation period, GS Bank made \$845.9 million in new qualified investments and still had \$732.9 million investments outstanding from prior evaluation periods. In addition, GS Bank made \$38.6 million in qualified grants.

The Bank's investments were comprised primarily of flexible, innovative, and highly complex transactions, such as LIHTCs combined with Brownfield tax credits, NMTCs and other real estate joint venture investments with similar financial characteristics.

Qualified Investments and Grants				
	This Evaluation Period		Outstanding from Prior Evaluation Periods	
CD Investments	# of Inv.	\$000	# of Inv.	\$000
Affordable Housing	18	600,806	29	250,489
Economic Development	6	19,640	2	18,318
Community Services	5	107,042	2	21,863
Revitalize/Stabilize	9	118,412	6	442,194
Total	38	845,900	39	732,864
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	14	1,231		
Economic Development	11	3,567		
Community Services	127	32,680		
Revitalize/Stabilize	9	1,078		
Total	161	38,556		

Below are highlights of GS Bank's community development investments:

a. Affordable Housing

- GS Bank made an \$80.4 million LIHTC equity investment to finance the construction and development of an affordable multifamily residential development with 353 units located in an Opportunity Zone in Queens County.
- GS Bank made an \$86.1 million equity investment in a LIHTC venture to finance the development of a condominium building in northern Manhattan (New York County). The project includes 208 units of affordable housing for formerly homeless and other individuals with income not exceeding 60% AMI, in addition to 139 middle-income residential units, and 22,801 square feet of community facility space leased to nonprofit organizations. This project is located in a moderate-income area and also qualified for the New York State Brownfield Tax Credit. Of the total equity investment, \$77.5 million qualified for affordable housing, and \$8.6 million towards community service and economic development.
- GS Bank made a \$73.8 million investment in a LIHTC housing project to finance the redevelopment of a 100% affordable housing facility with 279 units that constitutes part of a

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multi-phase redevelopment located in Bronx County. All of the units qualify for the Section 8 housing program.

- GS Bank invested \$75 million in a housing fund that planned to acquire and improve affordable multifamily properties, including Section 8-eligible properties. (The fund's sponsor has partnered with GS Bank since 2001 for CRA-qualifying projects.)
- GS Bank made a \$91.6 million LIHTC equity investment to finance construction of a 100% affordable development with 270 multifamily units and 9,900 square feet of ground floor commercial space located in a moderate-income area in Staten Island (Richmond County). All the rents for the housing units are below the HUD Fair Market Rate. Of the total investment, \$78.8 million qualified as supporting affordable housing and \$12.8 million qualified as supporting to economic development. This investment also qualified for the New York Brownfield Tax Credit.

b. Community Service

- GS Bank made an \$99.6 million investment in a mixed-use, mixed-income development, of which \$89.6 million qualified as supporting a community service purpose. The investment primarily financed the construction of a new 80,000 square foot health center and new office space for a not-for-profit organization that provides housing and services to underserved youth. The balance of the investment qualified as supporting affordable housing.

c. Revitalization and Stabilization

- GS Bank made a \$60.4 million equity investment in a joint venture to finance early development activities for an affordable housing and community facility in a low-income tract in the Lower East Side of Manhattan. DFS credited \$40.6 million to revitalization/stabilization and \$19.8 million to affordable housing, community services and economic development.
- GS Bank made a \$16.5 million equity investment to finance a multi-phase, mixed-use and mixed-income development across nine buildings in a moderate-income area in the Lower East Side of Manhattan. The project is expected to revitalize the area and to create approximately 4,400 construction jobs and 2,000 permanent jobs, the majority of which are targeted to LMI individuals.
- GS Bank invested \$27.4 million in a joint venture an area of Jamaica, Queens designated by the State of New York for revitalization and stabilization. The project includes mixed income rental housing and retail spaces and is expected to be LEED Silver⁷ certified.

⁷ More information concerning LEED Certification may be found here: <https://greenworkexperience.com/leed-certification>

3. Community Development Grants

The majority of the grants GS Bank made during the current evaluation period were for community support services (approximately 79% by number and 85% by dollar volume). The grants were mostly made to nonprofit organizations that provide various social and supportive services to LMI individuals and families within the Bank's assessment area. The Bank also contributed more than \$3.6 million in grants to address economic development needs within its assessment area.

Below are examples of grants made by GS Bank;

- The Bank contributed \$3.8 million to a nonprofit organization that addresses issues such as hunger, unemployment, as well as helping those in need achieve economic stability. The organization also responds to local and global crisis, such as natural and other disasters, by funding other nonprofit organizations that address various individual and community needs.
- The Bank contributed \$2.3 million to a foundation whose mission is to provide educational services to diverse student populations, including immigrants.
- The Bank contributed \$2 million to a nonprofit organization that provides educational and career support to individuals and families from underserved and underrepresented communities. The organization has an eight-year academic program that helps low-income public high school students have access to educational and career opportunities.
- The Bank contributed \$1.8 million to a quasi-governmental entity that lends to start-ups, established businesses, minority- and women-owned businesses that do not meet the requirements for traditional financing. This entity also assists entrepreneurs and business owners through programs and services such as business training, coaching, counseling, financing, and marketing services.
- The Bank contributed \$1.5 million to a nonprofit agency that provides shelter, food, and other services to homeless and runaway youths. The agency's programs and services include healthcare, educational support, job training, substance abuse, legal services, mental health services, and transitional living programs.
- The Bank contributed \$985,500 to a foundation that seeks to improve the quality of life for Brooklyn residents in low-income communities. Among other services, the foundation provides career opportunities, advocates for racial justice, and works in collaboration with other community development organizations to help create more equitable opportunities for low- and moderate-income families and communities in the Bank's assessment area.

4. Community Development Services:

GS Bank performed 195 community development service activities over the course of the evaluation period.

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Community Development Services	
Activity Type	Number of Activities
On-Going Board & Committee Memberships	67
Technical Assistance	128
Seminars	
Credit Counseling	
Other Services	
Total Community Development Services	195

The Bank's employees served on boards and as trustees of nonprofit organizations supporting LMI individuals and communities. Services provided included direct and indirect educational services to frontline workers' children and helped students transition to remote learning during the COVID-19 pandemic and provided services and economic opportunities for underserved communities.

Below are highlights of GS Bank's community development services:

- Senior officers of the GS Group, including its subsidiaries GS Bank and Goldman Sachs & Co., provided various community development services, including the following:
 - A managing director serves on the board of directors of a nonprofit organization that seeks to provide a level playing field for under-resourced students in New York City who are performing below grade level at the earliest stages of development.
 - A managing director sits on the board of directors of a nonprofit organization that provides a free academic program which helps low-income individuals in public high school students to graduate and later complete college.
 - A managing director serves on the board of directors of a nonprofit organization that advocates for a high-quality education for New York students who face barriers to academic success, focusing on students from low-income backgrounds.
- GS Bank employees provided various services to help LMI individuals and small businesses, including the following:
 - 117 GS Bank employees provided individual mentoring to high school students through a nonprofit organization with a mission of improving the lives of young people from underprivileged communities in New York City.
 - 79 employees worked with a nonprofit organization and provided lessons to students pertaining to financial literacy, entrepreneurship, and workforce readiness. The organization's overall mission is to serve students from kindergarten to high school by providing them with knowledge and skills to enable them to plan for their futures and make wise academic and economic choices.
 - 68 employees provided educational services for the children of the employees at a New

York City hospital located in a low-income area. As part of this effort, Bank employees assisted these children transition to remote schooling in order to ensure they continued their educational progress during the COVID-19 pandemic.

B. - Innovative or Complex Practices:

GS Bank engaged in many innovative and/or flexible community development practices over the course of the evaluation period.

Examples of such practices appear below:

- GS Bank committed capital to provide a new headquarters in Harlem (New York County) for a prominent civil rights organization. This was expected to create 171 high-quality, affordable housing units and provide free space to three local nonprofit organizations. This development project took approximately seven years to come to fruition, during which period the Bank worked with community leaders and partners.
- GS Bank provided a loan to a minority-led privately held company to finance the acquisition and installation of energy efficient heating and cooling systems in multifamily buildings with a special focus on LMI areas in the Bronx. Residents in these buildings are expected to further benefit from improved air quality resulting from this new building infrastructure. This innovative project will also contribute to climate resiliency efforts.
- GS Bank provided financing for the construction and development of a community organization's state-of-the-art facility. This organization provides various community services including healthcare, job training, shelter, meals and toiletries, psychiatric care and psychological services, and educational services to runaway and homeless youth in the Bank's assessment area. This organization is the largest provider of runaway and homeless youth services in New York City serving about 1,800 young adults on an annual basis.
- GS Bank provided financing for the development of a 348-unit mixed use building in East Harlem, of which 208 housing units will be affordable to LMI individuals. This development is innovative since its being built to "Passive House" standards, signifying minimal-to-no energy usage for space heating and cooling. Upon completion, this will be the largest fully affordable Passive House development in the world.
- GS Bank continued its commitment to its long-standing "10,000 Small Businesses" initiative, which makes business education, support services and access to capital available to small business owners.
- The Bank launched a new investment initiative called "One Million Black Women" which involves commitment of direct investment and philanthropic support. Related to this effort, the Bank is providing investment capital and philanthropic funds to the following two projects in the assessment area:
 - Construction of a mixed-income residential development in Jamaica, Queens (moderate income area) in partnership with a minority-led developer, consisting of 181 affordable

units, 13,900 square feet of retail space, and 224 parking spaces. This investment is projected to provide stable, quality, affordable housing in a cost-prohibitive area.

- Investment in a minority-led company to expand broadband services across the Bronx and Upper Manhattan, with a focus on low-income neighborhoods. The lack of affordable broadband access often creates barriers to education, employment, banking services, healthcare, and other services for minority women.

C. - Responsiveness to Credit and Community Development Needs:

GS Bank demonstrated an outstanding level of responsiveness to credit and community development needs.

GS Bank's Urban Investment Group ("UIG") is primarily responsible for implementing the Bank's CRA strategy, which states that it is focused on helping to revitalize distressed communities and improve access to economic opportunity for small businesses and low-income individuals. Among UIG's primary initiatives are the aforementioned "One Million Black Women" and "10,000 Small Businesses" programs, the stated purposes of which are to create opportunities for LMI individuals and communities.

At the onset of the COVID-19 pandemic in March 2020, the Bank deployed loan capital, philanthropic grants, and technical assistance to aid families and small businesses in need, with a particular emphasis on increasing community assistance and access to capital in minority communities;

D. - Additional Factors

1. The Extent of Participation by the Banking Institution's Board of Directors or Board of Trustees in Formulating the Banking Institution's Policies and Reviewing its Performance with Respect to the Purposes of the CRA.

GS Bank's Board of Directors and the Bank Management Committee ("BMC") provide oversight of and periodically review the Bank's CRA program. The CRA Program Working Group ("Working Group") is responsible for monitoring compliance with the Bank's CRA objectives and reports its findings and recommendations directly to the Board of Directors and to the BMC.

The UIG has day-to-day responsibility for the Bank's community development activities and periodically provides briefings of its strategy and performance to the Working Group, the BMC, and the Board of Directors. In addition, GS Bank conducts a CRA self-assessment to track the effectiveness of the Bank's community development activities.

2. Discrimination and Other Illegal Practices

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

DFS examiners did not note practices by GS Bank intended to discourage applications for the types

of credit offered by GS Bank

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

DFS examiners did not note evidence of GS Bank engaging in prohibited discriminatory or other illegal practices.

2. The Banking Institution's Record of Opening and Closing Offices and Providing Services at Offices

The Bank has not opened or closed any branches since the prior evaluation. As a wholesale bank, GS Bank does not offer retail services at its offices.

3. Process Factors

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

GS Bank has developed a Community Development Strategy and CRA Plan to help direct its CRA activities towards identifying and addressing the needs of LMI individuals and geographies. The Bank also works closely with local nonprofit organizations and CDFIs in ascertaining the needs of its assessment area. In addition, GS Bank officers serve on the board of directors and committees of many local community organization, participation on advisory board focusing on community development issues, and conduct meetings with community stakeholders and public sector partners.

- *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*

The Bank utilizes its extensive network of community and public sector partners that serve LMI geographies to raise awareness of its community development lending and investing products.

4. Other Factors That, in the Judgment of the Superintendent, Bear Upon the Extent to Which a Banking Institution is Helping to Meet the Credit Needs of Its Entire Community

As part of its response to the COVID-19 pandemic, the Bank committed \$2.2 billion in lending directly to CDFIs, MDIs and other mission-driven lenders to make PPP loans and other small business loans across the United States. Of the total committed amount, DFS qualified \$592.8 million towards economic development for loans made in New York State (outside the assessment area), and the regional area. The Bank also made investments outside the assessment area, but within New York State, in the amount of \$85.7 million.

V. - GLOSSARY

Aggregate Lending

“Aggregate lending” means the number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Banking Development District (“BDD”) Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at <https://www.dfs.ny.gov> and search for the BDD Program.

Community Development

“Community development” means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

“Community development loan” means a loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving LMI persons;
- 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.

Community Development Service

“Community development service” means a service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and

- ❖ Assisting in fund raising, including soliciting or arranging investments.

Community Development Financial Institution (“CDFI”)

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department’s CDFI Fund.

Fair Market Rents (“FMRs”)

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development (“HUD”) and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas (“MSAs”) nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

“Geography” means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area (“MSA”) or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Small Business Loan

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

LMI Geographies

“LMI geographies” means those census tracts or block numbering areas where, according to the most current U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of Block Numbering Areas (“BNAs”) and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

“LMI borrowers” means borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is 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 Federal Financial Institutions Examination Council (“FFIEC”).

LMI Individuals/Persons

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

LMI Penetration Rate

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

Low-Income Housing Tax Credit (“LIHTC”)

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

Minority Depository Institutions (“MDIs”)

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

New Markets Tax Credit (“NMTC”)

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

Paycheck Protection Program (“PPP”) Loans

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

Qualified Investment

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

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

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- 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.