



**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
FINANCIAL FRAUDS AND CONSUMER PROTECTION DIVISION**

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2016

Institution: Greater Hudson Bank
715 Route 304
Bardonia, NY 10954

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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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Greater Hudson Bank (“GHB”) 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 institution’s CRA performance based on an evaluation conducted as of December 31, 2016.

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 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 the 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 back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

DFS evaluated Greater Hudson Bank ("GHB") according to the intermediate small bank performance criteria pursuant to Part 76.7 and Part 76.12 of the General Regulations of the Superintendent ("GRS"). This evaluation period included calendar years 2012, 2013, 2014, 2015 and 2016. GHB is rated "2," indicating a "Satisfactory" record of helping to meet community credit needs.

The rating is based on the following factors:

Lending Test: "Satisfactory"

Loan-to-Deposit ("LTD") Ratio and Other Lending-Related Activities: "Satisfactory"

GHB's LTD ratio was reasonable considering its size, business strategy, financial condition and peer group activity.

GHB had an average LTD ratio of 77.4% for the evaluation period, which was comparable to its peer group average of 77.1%.

Assessment Area Concentration: "Satisfactory"

During the evaluation period, GHB originated 79.7% by number, and 74.6% by dollar value, of its loans within the assessment area. This majority of lending inside of its assessment area was a reasonable record of lending.

Distribution by Borrower Characteristics: "Outstanding"

GHB's small business lending demonstrated an excellent distribution of loans among businesses of different revenue sizes.

Geographic Distribution of Loans: "Needs to Improve"

GHB's origination of loans in census tracts of varying income levels demonstrated a less than adequate distribution of lending. This was based solely on GHB's small business lending.

The primary reasons for the needs to improve rating for this factor are the declining trend in GHB's small business lending rates in LMI geographies, highlighted by GHB's less than adequate LMI lending performance in 2015 and 2016 compared to its aggregate, and GHB's less than adequate lending in low-income census tracts, as GHB made only two loans in low-income census tracts during the evaluation period.

Action Taken in Response to Written Complaints with Respect to CRA: "Not Rated"

Neither DFS nor GHB received any written complaints during the evaluation period regarding GHB's CRA performance.

Community Development Test: “Satisfactory”

GHB’s community development performance demonstrated reasonable responsiveness to the community development needs of its assessment area through community development loans, investments and services, considering GHB’s capacity and the need and availability of opportunities for community development in its assessment area.

Community Development Lending: “Satisfactory”

During the evaluation period, GHB originated \$22.2 million in new community development loans. This demonstrated an adequate level of community development lending over the course of the evaluation period.

Community Development Investments: “Satisfactory”

During the evaluation period, GHB made \$3.9 million in new community development investments. In addition, GHB made \$56,614 in community development grants. This demonstrated a reasonable level of community development investments over the course of the evaluation period.

Community Development Services: “Satisfactory”

GHB demonstrated a reasonable level of community development services over the course of the evaluation period.

Innovativeness of Community Development Investments:

GHB made occasional use of innovative investments to support community development.

Responsiveness to Credit and Community Development Needs:

GHB demonstrated a reasonable 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 GRS.

PERFORMANCE CONTEXT

Institution Profile

GHB is a commercial bank headquartered in Bardonia, NY. The bank was founded in 2002 and chartered as a national bank. GHB converted to a New York State charter in 2015.

GHB provides banking services to Hudson Valley based businesses, nonprofits, and municipal agencies. GHB offers traditional banking services and products. Deposit products include personal and business checking accounts, money market accounts, and savings accounts as well as overdraft protection, CDs and IRAs. GHB offers various loan products including commercial loans, commercial mortgage loans, multifamily mortgage loans, small business loans and home equity loans.

In the Consolidated Report of Condition (“Call Report”) as of December 31, 2016 that GHB filed with the Federal Deposit Insurance Corporation (“FDIC”), the bank reported total assets of \$505.7 million, of which \$327.4 million were net loans and lease financing receivables. GHB also reported total deposits of \$398.2 million, resulting in a loan-to-deposit (“LTD”) ratio of 82.2%. Per the latest available comparative deposit data as of June 30, 2016, GHB had a market share of 0.3%, or \$343.2 million in a market of \$108.5 billion, ranking it 25th among 48 deposit-taking institutions in the assessment area.

The following is a summary of GHB’s loan portfolio, based on Schedule RC-C of the bank’s December 31, 2012, 2013, 2014, 2015 and 2016 Call Reports:

TOTAL GROSS LOANS OUTSTANDING											
Loan Type	2012		2013		2014		2015		2016		
	\$000's	%	\$000's	%	\$000's	%	\$000's	%	\$000's	%	
1-4 Family Residential Mortgage Loans	6,191	3.4	6,280	2.8	6,675	2.6	7,352	2.6	16,623	5.0	
Commercial & Industrial Loans	39,753	22.0	60,187	27.2	67,249	26.1	73,402	25.9	71,330	21.4	
Commercial Mortgage Loans	91,888	50.8	110,848	50.0	124,188	48.2	128,001	45.2	157,127	47.2	
Multifamily Mortgages	8,582	4.7	10,847	4.9	12,746	4.9	12,899	4.6	18,034	5.4	
Consumer Loans	117	0.1	131	0.1	154	0.1	163	0.1	199	0.1	
Agricultural Loans	0	0.0	0	0.0	362	0.1	286	0.1	190	0.1	
Construction Loans	34,219	18.9	33,355	15.0	46,257	18.0	61,110	21.6	69,645	20.9	
Other Loans	10	0.0	10	0.0	10	0.0	210	0.1	31	0.0	
Total Gross Loans	180,760		221,658		257,641		283,423		333,179		

As illustrated in the above table, GHB is primarily a commercial lender. Commercial mortgage loans and commercial and industrial loans totaled 47.2% and 21.4%, respectively, of the bank’s gross loan portfolio as of December 31, 2016.

GHB operates six full-service branches: three in Orange County, two in Westchester County, and one in Rockland County. An automated teller machine (“ATM”) network of eleven ATMs supplements the banking offices. All branches except the Tarrytown branch have a 24-hour deposit-taking ATM; in addition, GHB has six off-site non-deposit taking ATMs which are branded with the Greater Hudson Bank logo but are owned and operated by a third-party provider.

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

Assessment Area

GHB’s assessment area consists of the full counties of Orange, Rockland and Westchester. There are currently 367 census tracts in the area, of which 14 are low-income, 44 are moderate-income, 82 are middle-income, 221 are upper-income and 6 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Orange	0	5	10	17	47	79	19.0
Rockland	0	4	6	10	45	65	15.4
Westchester	6	5	28	55	129	223	14.8
Total	6	14	44	82	221	367	15.8

Demographic & Economic Data

The assessment area had a population of 1.6 million during the examination period. Approximately 13.1% of the residents were over the age of 65 and 22.4% were under the age of sixteen.

Of the 401,770 families in the assessment area, 15.2% were low-income, 12.0% were moderate-income, 15.6% were middle-income, and 57.3% were upper-income families. There were 567,731 households in the assessment area, of which 8.2% had income below the poverty level and 1.7% were on public assistance.

The weighted average median family income in the assessment area was \$104,945.

There were 606,593 housing units within the assessment area, of which 73.6% were one-to-four family units, and 25.5% were multifamily units. A majority (61.8%) of the area’s housing units were owner-occupied, while 31.8% were rental units. Of the 374,686 owner-occupied housing units, 5.3% were in low- and moderate-income

census tracts while 94.7% were in middle- and upper-income census tracts. The median age of the housing stock was 59 years, and the median home value in the assessment area was \$467,901.

There were 118,250 non-farm businesses in the assessment area. Of these, 86.2% were businesses with reported revenues of less than or equal to \$1 million, 5.9% reported revenues of more than \$1 million, and 7.9% did not report their revenues. Of all the businesses in the assessment area, 97.2% were businesses with less than fifty employees while 91.0% operated from a single location. The largest industries in the area were services (50.6%), followed by retail trade (13.5%) and finance, insurance & real estate (8.5%), while 5.6% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average annual unemployment rates for New York State steadily declined each year of the evaluation period, as illustrated in the table below. Similarly, the average annual unemployment rates for the three counties within the assessment area steadily declined. Orange County had the highest average annual unemployment rates of the three counties in each year of the evaluation period. However, its unemployment rates were lower than the statewide rates for each year of the evaluation period.

Assessment Area Unemployment Rate				
	Statewide	Orange	Rockland	Westchester
2012	8.5	7.9	7.3	7.3
2013	7.7	6.8	6.3	6.2
2014	6.3	5.5	5.1	5.1
2015	5.3	4.7	4.5	4.5
2016	4.8	4.3	4.2	4.2

Community Information

Examiners conducted interviews with the presidents of two nonprofit community organizations. One is a local business organization whose mission is to create and support an environment for businesses to succeed and quality of life to be enhanced, while the other focuses on resolving pressing community issues and making measurable changes in communities through partnerships with schools, government agencies, businesses, neighborhood associations and financial institutions.

One interviewee mentioned that there are two large projects being discussed in Orange County. One of the projects is a theme park with a projected cost of \$500 million. The site for the theme park is on Route 17, in Goshen, NY. The project is expected to provide economic benefit to the Hudson Valley region by bringing jobs and having a positive effect on local businesses. The other project is a \$900 million natural gas-fired plant generating electricity. The project is currently under construction in the Town of Wawayanda. The facility will create jobs, ease the demand

for electricity and provide a reliable source of electricity to the lower Hudson Valley region.

The other interviewee stated that approximately 31% of the households and 42% of the population in Rockland County are considered working poor. Thus, their budgets, after covering essential expenses, do not allow for any savings leaving them vulnerable to unexpected expenses. The interviewee also noted that GHB has been supportive and a sponsor of the organization.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

DFS evaluated GHB under the intermediate small banking institutions performance standards in accordance with GRS Parts 76.7 and 76.12, which consist of the lending test and the community development test.

The lending test includes:

- 1. Loan-to-deposit ratio and other lending-related activities;*
- 2. Assessment area concentration;*
- 3. Distribution by borrower characteristics;*
- 4. Geographic distribution of loans; and*
- 5. Action taken in response to written complaints regarding CRA.*

The community development test includes:

- 1. Community development lending;*
- 2. Community development investments;*
- 3. Community development services; and*
- 4. Responsiveness to community development needs.*

DFS also considered the following factors in assessing the bank's record of performance:

- 1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;*
- 2. Any practices intended to discourage credit applications,*
- 3. Evidence of prohibited discriminatory or other illegal credit practices;*
- 4. Record of opening and closing offices and providing services at offices; and*
- 5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit-related programs.*

DFS derived statistics employed in this evaluation from various sources. GHB submitted bank-specific information both as part of the examination process and on its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS calculated loan-to-deposit ratios from information the bank reported to the FDIC in its Uniform Bank Performance Report.

DFS derived demographic data referred to in this report from the 2010 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2012, 2013, 2014, 2015 and 2016.

Examiners considered GHB's small business loans in evaluating factors (2), (3) and (4) of the lending test noted above. Examiners considered GHB's HMDA-reportable loans only for factor (2) of the lending test.

All of GHB's HMDA-reportable loans were to commercial borrowers because GHB does not offer 1-4 family residential home mortgage loans to individuals. Therefore, the income reported for these loans was not representative of income for an individual borrower and GHB's HMDA lending was not evaluated under criterion (3) "Distribution by Borrower Characteristics" of the lending test. Furthermore, GHB's HMDA lending was not evaluated under criterion (4) "Geographic Distribution of Loans" of the lending test because its annual HMDA-reportable loan volume was too low for a meaningful analysis.

GHB is not required to report small business data, so its small business data is not included in the aggregate data. The aggregate data are shown only for comparative purposes.

GHB changed its charter to a New York State charter in 2015; therefore, this is the Department's first CRA evaluation of GHB.

Current CRA Rating: "Satisfactory"

Lending Test: "Satisfactory"

GHB's small business and HMDA-reportable lending activities were reasonable considering the aggregate and peer group activity and the demographic characteristics and credit needs of the assessment area.

Loan-to-Deposit Ratio and other Lending-Related Activities: "Satisfactory"

GHB's average loan-to-deposit ("LTD") ratio was reasonable considering its size, business strategy, financial condition and peer group activity.

GHB had an average LTD ratio of 77.4% for the evaluation period, which was comparable to its peer group average of 77.1%. While GHB's average quarterly LTD ratios ranged from low of 61.7% in the first quarter of 2012 to high of 82.5% in the third quarter of 2015, it was at 80.0% or above for the last nine quarters of the evaluation period.

The table below shows GHB's LTD ratios in comparison with its peer group's ratios for the 20 quarters of the evaluation period.

Loan-to-Deposit Ratios																					
	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	Avg.
Bank	61.7	67.8	69.3	72.4	71.3	78.8	79.0	81.2	81.0	77.6	75.4	80.0	82.2	80.0	82.5	82.1	81.2	81.8	80.9	82.2	77.4
Peer	73.3	74.3	74.5	73.9	73.2	74.8	75.1	75.8	74.8	77.0	77.6	78.3	77.4	79.3	79.8	80.1	80.0	81.3	81.2	81.1	77.1

Assessment Area Concentration: “Satisfactory”

During the evaluation period, GHB originated 79.7% by number, and 74.6% by dollar value, of its loans within the assessment area. This majority of lending inside of its assessment area was a reasonable record of lending.

Small Business Loans

During the evaluation period, GHB originated 79.7% by number, and 69.8% by dollar value, of its small business loans within the assessment area. This majority of lending inside of its assessment area was a reasonable record of lending.

HMDA-reportable Loans

During the evaluation period, GHB originated 79.6% by number, and 82.5% by dollar value, of its HMDA-reportable loans within the assessment area. This majority of lending inside of GHB’s assessment area was a reasonable record of lending.

The following table shows the percentages of GHB’s small business and HMDA-reportable loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Small Business										
2012	25	96.2%	1	3.8%	26	5,513	93.2%	400	6.8%	5,913
2013	29	69.0%	13	31.0%	42	9,172	62.9%	5,414	37.1%	14,586
2014	35	74.5%	12	25.5%	47	9,334	66.0%	4,800	34.0%	14,134
2015	13	86.7%	2	13.3%	15	2,142	59.7%	1,443	40.3%	3,585
2016	20	87.0%	3	13.0%	23	5,799	76.9%	1,739	23.1%	7,538
Subtotal	122	79.7%	31	20.3%	153	31,960	69.8%	13,796	30.2%	45,756
HMDA-Reportable										
2012	6	75.0%	2	25.0%	8	5,262	89.9%	592	10.1%	5,854
2013	9	90.0%	1	10.0%	10	8,113	94.7%	450	5.3%	8,563
2104	14	82.4%	3	17.6%	17	5,007	94.7%	695	8.1%	5,702
2015	5	71.4%	2	28.6%	7	2,113	80.9%	500	8.8%	2,613
2016*	5	71.4%	2	28.6%	7	2,591	49.3%	2,664	50.7%	5,255
Subtotal	39	79.6%	10	20.4%	49	23,086	82.5%	4,901	17.5%	27,987
Grand Total	161	79.7%	41	20.3%	202	55,046	74.6%	18,697	66.8%	73,743

*In 2016, of the two loans that GHB originated outside of its assessment area, one loan was in the amount of \$2.4 million which was 45.7% of the total dollar value.

Distribution by Borrower Characteristics: “Outstanding”

GHB’s small business lending demonstrated an excellent distribution of loans among businesses of different revenue sizes.

This criterion was rated solely on small business lending because GHB only makes residential 1-4 family HMDA-reportable loans to commercial borrowers, whose income is not representative of the income of an individual borrower.

Small Business Loans

GHB’s average lending rates of 69.7% by number and 74.8% by dollar value of loans to small businesses with gross annual revenues of \$1.0 million or less were well above its aggregate rates of 45.7% and 33.6%, respectively. Furthermore, GHB’s lending rates to small businesses with gross annual revenue of \$1.0 million or less outperformed its aggregate rates of lending every year of the evaluation period.

In 2012, GHB recorded its highest rates of lending of 80.0% by number and 89.7% by dollar value of loans, doubling the aggregate rates and exceeding the business demographics (70.4%) of small businesses with gross annual revenue of \$1.0 million or less located in the assessment area.

The following table provides a summary of the distribution of GHB’s small business loans by revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2012									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	20	80.0%	4,945	89.7%	15,763	40.3%	325,243	32.1%	74.1%
Rev. > \$1MM	5	20.0%	568	10.3%	23,395	59.7%	687,129	67.9%	4.2%
Rev. Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	21.7%
Total	25		5,513		39,158		1,012,372		
2013									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	19	65.5%	6,214	67.7%	16,440	46.4%	371,895	35.0%	75.2%
Rev. > \$1MM	10	34.5%	2,958	32.3%	18,959	53.6%	691,919	65.0%	4.5%
Rev. Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	20.3%
Total	29		9,172		35,399		1,063,814		
2014									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	24	68.6%	6,229	66.7%	18,179	44.5%	368,336	33.0%	75.2%
Rev. > \$1MM	11	31.4%	3,105	33.3%	22,680	55.5%	746,399	67.0%	4.9%
Rev. Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	19.9%
Total	35		9,334		40,859		1,114,735		
2015									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	9	69.2%	1,092	51.0%	22,779	51.1%	419,234	34.0%	80.0%
Rev. > \$1MM	4	30.8%	1,050	49.0%	21,786	48.9%	812,441	66.0%	5.1%
Rev. Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	14.9%
Total	13		2,142		44,565		1,231,675		
2016									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	13	65.0%	5,415	93.4%	23,015	48.9%	463,751	34.5%	86.2%
Rev. > \$1MM	7	35.0%	384	6.6%	24,068	51.1%	880,777	65.5%	5.9%
Rev. Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	7.9%
Total	20		5,799		47,083		1,344,528		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	85	69.7%	23,895	74.8%	96,176	46.4%	1,948,459	33.8%	
Rev. > \$1MM	37	30.3%	8,065	25.2%	110,888	53.6%	3,818,665	66.2%	
Rev. Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Total	122		31,960		207,064		5,767,124		

Geographic Distribution of Loans: “Needs to Improve

GHB’s origination of loans in census tracts of varying income levels demonstrated a less than adequate distribution of lending. The rating was based solely on GHB’s small business lending.

Small Business Loans

The distribution of GHB’s small business loans in census tracts of varying income levels demonstrated a less than adequate distribution of lending.

GHB’s average rates of lending in LMI geographies of 13.1% by number and 11.6% by dollar value of loans during the evaluation period trailed the aggregate’s rates of 15.5% and 14.6%, respectively. GHB’s average rates of lending in LMI geographies exceeded the aggregate’s rates in 2012 and were comparable with the aggregate’s rates in 2013 and 2014. However, its rates of lending in LMI geographies for 2015 and 2016 declined to well below the aggregate’s rates for those years.

GHB’s lending rates in moderate-income census tracts were the main basis for its LMI lending rates. GHB’s rates of lending in moderate-income census tracts exceeded the aggregate’s rates every year of the evaluation except for 2015, while its rates in low-income census tracts trailed both the aggregate’s rates and the assessment area’s business demographics (percent of small businesses located in low-income census tracts) every year of the evaluation period except in 2014 and 2015. GHB originated only two loans in low-income census tracts during the evaluation period, one loan each in 2014 and 2015.

The primary reasons for the needs to improve rating for this factor are the declining trend in GHB’s small business lending rates in LMI geographies, highlighted by GHB’s less than adequate LMI lending performance in 2015 and 2016 compared to its aggregate, and GHB’s less than adequate lending in low-income census tracts, as GHB made only two loans in low-income census tracts during the evaluation period.

The following table provides a summary of GHB’s small business lending distribution based on the income level of the geography.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2012									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	1,617	4.1%	33,028	3.3%	2.9%
Moderate	4	16.0%	822	14.9%	2,886	7.4%	94,585	9.3%	9.9%
LMI	4	16.0%	822	14.9%	4,503	11.5%	127,613	12.6%	12.8%
Middle	5	20.0%	938	17.0%	8,974	22.9%	237,860	23.5%	25.9%
Upper	16	64.0%	3,753	68.1%	25,671	65.6%	646,716	63.9%	61.3%
Unknown	0	0.0%	0	0.0%	10	0.0%	183	0.0%	0.1%
Total	25		5,513		39,158		1,012,372		
2013									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2,054	5.8%	35,147	3.3%	2.9%
Moderate	3	10.3%	1,315	14.3%	2,614	7.4%	97,782	9.2%	9.9%
LMI	3	10.3%	1,315	14.3%	4,668	13.2%	132,929	12.5%	12.8%
Middle	12	41.4%	2,818	30.7%	8,327	23.5%	259,269	24.4%	25.7%
Upper	14	48.3%	5,039	54.9%	22,399	63.3%	671,569	63.1%	61.5%
Unknown	0	0.0%	0	0.0%	5	0.0%	47	0.0%	0.0%
Total	29		9,172		35,399		1,063,814		
2014									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	2.9%	250	2.7%	2,996	7.3%	50,446	4.5%	2.6%
Moderate	5	14.3%	660	7.1%	3,722	9.1%	120,903	10.8%	10.7%
LMI	6	17.1%	910	9.7%	6,718	16.4%	171,349	15.4%	13.3%
Middle	7	20.0%	2,538	27.2%	7,613	18.6%	228,325	20.5%	18.9%
Upper	22	62.9%	5,886	63.1%	26,519	64.9%	714,983	64.1%	67.7%
Unknown	0	0.0%	0	0.0%	9	0.0%	78	0.0%	0.0%
Total	35		9,334		40,859		1,114,735		
2015									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	7.7%	150	7.0%	4,163	9.3%	67,566	5.5%	2.7%
Moderate	0	0.0%	0	0.0%	4,111	9.2%	118,470	9.6%	10.8%
LMI	1	7.7%	150	7.0%	8,274	18.6%	186,036	15.1%	13.5%
Middle	4	30.8%	771	36.0%	8,167	18.3%	252,224	20.5%	18.7%
Upper	8	61.5%	1,221	57.0%	28,121	63.1%	793,413	64.4%	67.8%
Unknown	0	0.0%	0	0.0%	3	0.0%	2	0.0%	0.0%
Total	13		2,142		44,565		1,231,675		
2016									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	3,590	7.6%	76,539	5.7%	2.9%
Moderate	2	10.0%	500	8.6%	4,411	9.4%	145,282	10.8%	10.9%
LMI	2	10.0%	500	8.6%	8,001	17.0%	221,821	16.5%	13.8%
Middle	6	30.0%	3,402	58.7%	8,347	17.7%	248,678	18.5%	18.7%
Upper	12	60.0%	1,897	32.7%	30,716	65.2%	873,782	65.0%	67.4%
Unknown	0	0.0%	0	0.0%	19	0.0%	247	0.0%	
Total	20		5,799		47,083		1,344,528		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	1.6%	400	1.3%	14,420	7.0%	262,726	4.6%	
Moderate	14	11.5%	3,297	10.3%	17,744	8.6%	577,022	10.0%	
LMI	16	13.1%	3,697	11.6%	32,164	15.5%	839,748	14.6%	
Middle	34	27.9%	10,467	32.8%	41,428	20.0%	1,226,356	21.3%	
Upper	72	59.0%	17,796	55.7%	133,426	64.4%	3,700,463	64.2%	
Unknown	0	0.0%	0	0.0%	46	0.0%	557	0.0%	
Total	122		31,960		207,064		5,767,124		

HMDA-Reportable Loans

GHB originated 39 HMDA-reportable loans (all to commercial borrowers) during the five-year evaluation period. Except for 2014 (14), GHB originated less than ten HMDA-reportable loans each year; therefore, the loan volume on an annual basis was deemed too low for a meaningful analysis.

Action Taken in Response to Written Complaints with Respect to CRA: “Not Rated”

Neither DFS nor GHB received any written complaints during the evaluation period regarding GHB’s CRA performance.

Community Development Test: “Satisfactory”

GHB’s community development performance demonstrated reasonable responsiveness to the community development needs of its assessment area through community development loans, investments and services, considering GHB’s capacity and the need and availability of opportunities for community development in its assessment area.

During the evaluation period, GHB originated \$22.2 million in new community development loans. Also during the evaluation period, GHB made \$2.9 million in new community development investments and made \$54,529 in CD grants.

Community Development Lending: “Satisfactory”

During the evaluation period, GHB originated \$22.2 million in new community development loans. This demonstrated an adequate level of community development lending over the course of the evaluation period.

GHB’s annualized community development loans to average assets ratio totaled 1.2% for the 5-year evaluation period. Most of GHB’s community development loans were made for revitalization and stabilization, as shown in the table below.

Community Development Loans		
Purpose	This Evaluation Period	
	# of Loans	\$000
Affordable Housing	1	950
Community Services	5	14,500
Revitalization/Stabilization	7	6,734
Total	13	22,184

The following are highlights of GHB's community development lending.

Affordable Housing

- In 2016, GHB originated a \$950,000 commercial real estate mortgage to a private entity. The loan was made to convert a construction loan to a permanent mortgage loan for a six-unit apartment building. The property is in a low-income census tract in Spring Valley, Rockland County. Four of the apartment units are occupied by Section 8 tenants and one is occupied by the property manager.

Community Services

- In 2013, GHB made two loans in the amounts of \$750,000 and \$500,000 to a private entity. One loan was a term loan to pay off an existing loan and to purchase inventory and the other loan was line-of-credit for working capital. The entity operates two food supermarkets in Kiryas Joel, a small village within the Town of Monroe, in Orange County. The supermarkets provide kosher foods and essentials to the residents of the village. Per the 2016 U.S. Census Bureau report, the majority (56.6%) of the residents live in poverty.
- GHB originated three loans in the amounts of \$5.0 million (2014), \$750,000 in (2015) and \$7.5 million in (2016) in the total amount of \$13.3 million to a private real estate holding company formed for the primary purpose of purchasing and managing a former regional hospital campus. The property houses another regional college, of which 85.0% of the student population receive financial aid. The subject property is in moderate-income census tract in Middletown, NY Orange County. The funds were used to refinance the construction of student dormitories.

Revitalize and Stabilize

- In 2013, GHB made a commercial construction loan in the amount of \$2.0 million to a real estate holding company to build two buildings. Each building contains three condominiums and an accessory apartment. The property is in a low-income census tract in Spring Valley, NY. The project will bring construction jobs and help to revitalize and stabilize the area.
- In 2016, GHB originated a \$1.6 million commercial construction loan to a private entity. The funds will be used to construct a six-unit condominium construction project in the hamlet of Monsey, located in the Town of Ramapo, Orange County. The project is in a low-income census tract.

Community Development Investments: “Satisfactory”

During the evaluation period, GHB made \$3.9 million in new community development investments. In addition, GHB made \$56,614 in community development grants. This demonstrated a reasonable level of community development investments over the course of the evaluation period.

Community Development Investments and Grants		
	This Evaluation Period	
CD Investments	# of Inv.	\$000
Affordable Housing	1	\$ 1,000
Revitalize/Stabilize	6	\$ 2,895
Total	7	\$ 3,895
CD Grants	# of Grants	\$000
Affordable Housing	5	\$ 3
Economic Development	18	\$ 27
Community Services	29	\$ 26
Revitalize/Stabilize	1	\$ 1
Total	53	\$ 57

Below are highlights of GHB’s community development investments and grants.

Affordable Housing

- In 2015, GHB invested \$1.0 million in a Low-Income Housing Tax Credit (“LIHTC”) fund. The LIHTC program is the federal government’s primary program for encouraging investment of private equity in the development of affordable rental housing targeted to lower-income households. GHB’s investment went towards the construction of an apartment building with rental units for low-income individuals and families. The building is in Nyack, Rockland County.

Revitalization and Stabilization

- In 2012, GHB invested \$1.0 million in state personal income tax revenue bonds issued by the NYS Urban Development Corporation (d/b/a the Empire State Development Corporation). Funds from the sale were used for certain projects relating to the financing of State facilities, economic development activities, housing assistance projects and programs, and other State-sponsored financing activities.
- In 2012, GHB invested in two municipal bonds totaling \$1.1 million issued by a local village in Westchester County. The funds from the sale of the bonds were used for various public improvements to the village. More than 50% of the students in the village’s public-school system received free or reduced lunches.

During the evaluation period GHB made grants totaling \$54,529, including the following:

- GHB made four grants totaling \$4,950 to a nonprofit organization that provides and delivers food to local LMI seniors in need of food and companionship.
- GHB donated \$19,534 to two organizations located in Westchester and Rockland counties. The organizations drive economic vitality and development by stimulating new business creation, business retention, and expansion of existing businesses, and thereby increase job opportunities.
- GHB contributed \$5,355 to a charitable foundation supporting charities that focus on young people who are ill, disabled or disadvantaged. The foundation sponsors college scholarships and supports youth programs that facilitate healthy growth academically, emotionally and/or athletically.

Community Development Services: Satisfactory

GHB demonstrated a reasonable level of community development services over the course of the evaluation period.

GHB employees and members of senior management are active on the board or committees of various local community-based nonprofit and charitable organizations, chambers of commerce, and business associations.

GHB employees also participated in small business and minority business events. At one event a bank employee moderated a business panel and provided promotional materials. Other events included financial education programs and seminars for LMI individuals, families, students and at-risk youth. GHB employees organized a drive collecting clothing, shoes, books, and toys for infants and toddlers, as well as a coat drive for adults, at the bank's branch offices.

Below are highlights of GHB's community development services:

- An assistant vice president is a board member of a full-service business development and marketing organization focused on helping small businesses and promoting tourism in the Town of Warwick. The organization provides and offers health and dental insurance plans for its small business members as well as discounted rates for marketing and advertising services and products.
- A different assistant vice president serves on a small business committee and economic development task force of an organization focused on economic development and business creation in Westchester County.

-
- A commercial relationship manager is the chair member of a business association serving the Rockland area. The organization provides seminars, workshops, free business promotion services, and advertising opportunities to small businesses.
 - A vice president of the bank provided financial literacy education seminars to students in a school district where more than 50% of students receive reduced or free school lunches.
 - A vice president and executive officer of the bank served on the board of a nonprofit organization that provides shelter, food, and supportive services for the hungry, the homeless, and people in economic crises.
 - A vice president of the bank is a board member of a nonprofit that builds or renovates homes providing affordable housing for low and very low-income families.
 - An executive officer serves as a board and committee member of a regional organization that promotes workforce growth and opportunities.

Innovativeness of Community Development Investments:

GHB made occasional use of innovative investments to support community development. As discussed above, GHB invested in a LIHTC fund program supporting affordable housing for low-income individuals and families in the assessment area.

Responsiveness to Community Development Needs:

GHB demonstrated a reasonable level of responsiveness to credit and community development needs.

Additional Factors

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.

GHB has a CRA committee, which is chaired by the president and CEO and comprised of senior management from each business unit. The committee meets twice a year to discuss and review the bank's CRA activities. The committee also reviews and discusses the CRA self-assessment.

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 GHB intended to discourage applications for the types of credit offered by GHB.

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

DFS examiners did not note evidence by GHB of prohibited discriminatory or other illegal practices.

Record of opening and closing offices and providing services at offices

During the evaluation period, GHB opened two branches: one in Monroe, NY (May 2012) and one in Tarrytown, NY (October 2016). Both are in upper-income census tracts. GHB also re-located two branches during the evaluation period. In February 2014, the bank re-located its Warwick branch to a location less than half a mile away. Both locations were in the same upper-income census tract. In November 2015, GHB relocated its Middletown branch from an upper-income census tract to a middle-income census tract less than two miles away.

Distribution of Branches within the Assessment Area							
County	N/A	Low	Moderate	Middle	Upper	Total	LMI
	#	#	#	#	#	#	%
Orange	0	0	0	1	2	3	0%
Rockland	0	0	0	0	1	1	0%
Westchester	0	0	0	1	1	2	0%
Total	-	-	-	2	4	6	0%

GHB operates six branches in Orange, Rockland and Westchester counties. See the table above for the branch distribution by county and census tract income level. In addition, five of the six branch offices have 24-hour accessible deposit-taking ATMs. The Tarrytown branch office is the only branch office that does not have a 24-hour accessible deposit-taking ATM. GHB also has six off-site non-deposit taking ATMs that are branded with the Greater Hudson Bank logo but are owned and operated by a third-party provider. These ATMs are located as follows: two at the Westchester County Center, a middle-income census tract; two at Rye Playland, an upper-income census tract: one at the Westchester County Airport, an upper-income census tract; and one at local college, a moderate-income census tract.

Typical weekday branch hours are 9:00 AM to 4:00 PM, Monday through Friday, with some branches offering extended hours and drive through hours from 5:00 to 6:00 PM. While the two branches located in Westchester County do not offer Saturday hours, the other branches offer Saturday hours from 9:00 AM to 12:00 PM or from 9:00 AM to 1:00 PM.

GHB offers a variety of consumer and commercial credit and deposit products, as well as financial services. Available consumer lending products include unsecured and secured term loans, auto loans, and home equity lines-of-credit. Deposit products include checking, money market, savings, and individual retirement accounts. Products offered to commercial customers include business checking, business money market, business savings, interest on lawyer and tenant security accounts, and business credit cards. Commercial loan products include construction loans, commercial mortgage loans, commercial and industrial loans, small business lending, and SBA loans originated through Newtek or the New York Business Development Corporation. Other services provided include lockbox service, telephone banking, online banking, and mobile banking.

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.*

Management and employees of GHB ascertain the credit needs of its community by serving on the boards and committees of local not-for-profit, nonprofit, civic, and business organizations. They also participated in events that promoted and supported small businesses as well as in seminars providing financial literacy education.

In addition, GHB is a part of the "Ambassador Council", whose members are Hudson-Valley based business and civic leaders. Council members provide advice and guidance on local industry trends and greater access to the community. The group's insights help the bank to understand, and thereby meet, the needs of its assessment area.

The activities noted above assist GHB to ascertain the credit needs of the community as well as provide the opportunity to make the community aware of the services and products the bank offers.

- *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*

Marketing

GHB engages in limited advertisements of its products and services. Marketing is dedicated to support the branch and loan staff and is targeted toward all residents and businesses in the bank's assessment area.

Special Credit-Related Programs

GHB has partnered with Newtek and the New York Business Development Corporation ("NYBDC") to originate small business lending or SBA loans. Newtek provides small business funding and NYBDC provides loans to small businesses including start-up, early stage and mature businesses with an emphasis on minority

and women owned businesses. Both institutions offer SBA 7(a) loans ranging from \$50,000 to \$5 million and SBA 504 loans ranging from \$50,000 to \$5.5 million. The funds can be used to expand a business, to purchase equipment or inventory, to refinance an existing loan, or as working capital toward business expenses.

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

In addition to its community development activities within its assessment area, GBH has engaged in a reasonable level of community development activities outside of its assessment area during the evaluation period.

GHB made a total of 21 community development loans for a total of \$48.2 million outside of the bank's assessment area. Most of the loans (13 loans totaling \$29.4 million) were made for revitalization/stabilization, which included the financing of the renovation of an existing hotel that provides jobs, construction of new student housing, construction of a mixed-use property, and construction of a boutique hotel. The remaining eight loans totaling \$18.8 million were made for community services and included financing a property in the Bronx operating as homeless shelter as well as providing transitional housing to families and individuals.

GHB also made \$6.7 million in qualified community development investments outside the bank's assessment area. The investments consisted of 19 municipal bonds issued by the following entities: villages of Westbury and Hempstead, NY; Glens Falls, NY; Bainbridge-Guilford, NY; Greenport, NY; Auburn, NY; Freeport, NY; Oakfield, NY; and Webutuck, NY.

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

“Community development”:

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.

Community Development Loan

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 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.

Community Development Service

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.

Geography

A census tract delineated by the United States Bureau of the Census in the most recent decennial census

Home Mortgage Disclosure Act (“HMDA”)

The 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 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.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas where, according to the 2000 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 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 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 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 represents 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.

Low-Income Housing Tax Credit (LIHTC)

A dollar for dollar tax credit for affordable housing, 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. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they 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.

New Markets Tax Credit (NMTC)

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate 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 US Treasury Department's Community Development Financial Institutions Fund (CDFI).

Qualified Investment

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;

- 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.