



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

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: June 30, 2019

Institution: Alma Bank
28-31 31st St
Astoria, NY 11102

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 Alma Bank (“Alma”) 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 June 30, 2019.

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 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 Alma according to the intermediate small bank performance criteria pursuant to Sections 76.7 and 76.12 of the GRS. The assessment period covered calendar years 2015, 2016, 2017 and 2018 for the lending test and the period April 1, 2015 through June 30, 2019 for the community development test. Alma 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 Ratio and Other Lending-Related Activities: "Outstanding"

Alma's average loan-to-deposit ("LTD") ratio was excellent.

Alma's average LTD ratio of 100.3% for the evaluation period significantly exceeded the peer group's average LTD ratio of 83.5%. Alma's average LTD ratio for the current evaluation period was also significantly higher than the prior period's 87.3%.

Assessment Area Concentration: "Satisfactory"

During the evaluation period, Alma originated 61.3% by number and 63.1% by dollar value of its HMDA-reportable, small business and Consolidated Extension, and Modification Agreement ("CEMA") loans within the assessment area. This pattern reflects a reasonable concentration of lending within the Bank's assessment area.

Distribution by Borrower Characteristics: "Satisfactory"

Alma's small business lending demonstrated a reasonable distribution of loans among businesses of different revenue sizes.

The Bank's one-to-four family HMDA and CEMA loans were made to commercial customers who were not required to report borrower income for HMDA-reporting purposes. Therefore, distribution by borrower characteristics was evaluated solely on the Bank's small business lending originations.

Geographic Distribution of Loans: "Satisfactory"

Alma's origination of loans in census tracts of varying income levels demonstrated a reasonable overall distribution of lending.

The distribution of Alma's HMDA-reportable loans among census tracts of different income levels was excellent, while small business and CEMA loan originations were reasonable.

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

Neither DFS nor Alma received any CRA-related written complaints during the evaluation period.

Community Development Test: “Satisfactory”

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

Community Development Lending: “Outstanding”

During the evaluation period, Alma originated \$49.4 million in new community development loans and had \$61.8 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

Qualified Investments: “Satisfactory”

During the evaluation period, Alma made \$2.7 million in new qualified community development investments and had no investments outstanding from prior evaluation periods. In addition, Alma made approximately \$43,000 in community development grants. This demonstrated a reasonable level of community development investments over the course of the evaluation period.

Community Development Services: “Satisfactory”

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

Several of the Bank’s employees and officers served on the boards of various community development organizations. Alma also participated in financial literacy programs and events geared towards economically disadvantaged students and small businesses.

Responsiveness to Community Development Needs

Alma demonstrated a reasonable level of responsiveness to credit and community development needs by partnering with several community organizations to determine the needs of the community.

These organizations provide various services to help small businesses to grow and create employment opportunities in the community and assist low- and moderate-income individuals to improve their finances and to secure quality housing.

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 GRS Part 76.

PERFORMANCE CONTEXT

Institution Profile

Established in 2007, Alma is a New York State-chartered commercial bank headquartered in Astoria, Queens.

As a full-service commercial bank, Alma offers traditional business and personal banking products and services. In addition, it offers a free online banking (including a bill pay option), telephone banking, and remote deposit capture. Alma's loan products include commercial & industrial, commercial mortgage, residential mortgage, and construction loans.

In its Consolidated Report of Condition ("Call Report") as of December 31, 2018, filed with the Federal Deposit Insurance Corporation ("FDIC"), Alma reported total assets of \$1.1 billion, of which \$1 billion were net loans and lease finance receivables. Alma also reported total deposits of \$904 million, resulting in a loan-to-deposit ratio of 110.7%. According to the latest available comparative deposit data, as of June 30, 2019, Alma had a market share of .07%, or \$844 million, in a market of \$1.3 trillion, ranking it 46th among 111 deposit-taking institutions in its assessment area.

The following is a summary of Alma's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2015, 2016, 2017, and 2018 Call Reports.

TOTAL GROSS LOANS OUTSTANDING								
Loan Type	2015		2016		2017		2018	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	29,339	3.2	24,870	2.7	21,388	2.3	28,785	2.8
Commercial & Industrial Loans	161,003	17.4	158,491	17.1	157,908	16.7	157,771	15.5
Commercial Mortgage Loans	508,032	54.8	569,290	61.4	601,013	63.6	618,213	60.9
Multifamily Mortgages	133,273	14.4	129,431	14.0	123,395	13.1	158,910	15.7
Consumer Loans	779	0.1	662	0.1	795	0.1	557	0.1
Agricultural Loans	0	0.0	0	0.0	0	0.0	0	0.0
Construction Loans	44,214	4.8	42,764	4.6	39,698	4.2	47,441	4.7
Obligations of States & Municipalities	0	0.0	0	0.0	0	0.0	0	0.0
Other Loans	2,363	0.3	1,956	0.2	1,340	0.1	3,624	0.4
Lease Financing	0	0.0	0	0.0	0	0.0	0	0.0
Total Gross Loans	879,003		927,464		945,537		1,015,301	

As illustrated in the above table, Alma is primarily a commercial lender, with 60.9% of its loan portfolio in commercial mortgage loans, 15.7% in multifamily mortgages, and 15.5% in commercial & industrial loans, as of December 31, 2018.

Alma operates 10 full-service branch offices: four in Brooklyn, four in Queens, one in the Bronx, and one in Manhattan. Alma also operates three branches in New Jersey. One of the branches in Brooklyn (Kings County), is in an area designated as a Banking Development District ("BDD") and the branch participates in the BDD program. Supplementing the banking offices is an automated teller machine ("ATM") network consisting of 16 on-site ATMs with deposit-taking capabilities. All branches have at

least one ATM on premises. In addition, Alma customers have worldwide surcharge-free access to their accounts via Allpoint's network of 55,000 ATMs.

Examiners found no evidence of financial or legal impediments that had an adverse impact on Alma's ability to meet the credit needs of its community.

Assessment Area

The Bank's assessment area is comprised of parts of Bronx (the Bronx), Kings (Brooklyn), and Queens (Queens) Counties, and all of New York County (Manhattan).

There were 1,384 census tracts in the assessment area, of which 114 were low-income, 413 were moderate-income, 487 were middle-income, 330 were upper-income, and 40 were tracts with no income indicated. Just over 38% of all census tracts in Alma's assessment area were LMI tracts, with Kings County having the highest percentage at 55%.

Alma's assessment area has expanded since the prior evaluation when there were 989 census tracts. Sixty-one census tracts were added in the Bronx and three hundred thirty-four in Queens.

Assessment Area Census Tracts by Income Level								
County	N/A	Low	Mod	Middle	Upper	Total	LMI %	LMI & Dis-tressed %
Bronx*	2	12	55	52	14	135	49.6	50%
Kings*	5	40	135	104	37	321	54.5	55%
Queens*	21	18	162	306	133	640	28.1	28%
New York	12	44	61	25	146	288	36.5	36%
Total	40	114	413	487	330	1,384	38.1	38%

* Partial county

Demographic & Economic Data

The assessment area had a population of 5,426,694 during the evaluation period. Approximately 13.7% of the population were over the age of 65 and 17.5% were under the age of 16.

Of the 1,184,346 families in the assessment area 29.3% were low-income, 16.1% were moderate-income, 15.9% were middle-income and 38.7% were upper-income. There were 2,045,163 households in the assessment area, of which 16.7% had income below the poverty level and 3.3% were on public assistance. The weighted average median family income in the assessment area was \$76,896.

There were 2,256,167 housing units within the assessment area, of which 36.5% were

one-to-four family units and 63.3% were multifamily units. A majority (63.1%) of the area's housing units were rental units, while 30.4% were owner-occupied. Of the 685,429 owner-occupied housing units, 23.3% were in LMI census tracts while 76.4% 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 \$581,710.

There were 395,636 non-farm businesses in the assessment area. Of these, 85.1% were businesses with reported revenues of less than or equal to \$1 million, 7.9% reported revenues of more than \$1 million, and 7% did not report their revenues. Of all the businesses in the assessment area, 96.6% were businesses with less than fifty employees, while 90.6% operated from a single location. The largest industries in the area were services (46%), retail trade (14.4%), and finance, insurance & real estate (10.5%); 12.4% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State decreased every year during the evaluation period to a low of 4.1% in 2018. Each county in the Bank's assessment area also showed a decrease in its average unemployment rate every year during the evaluation period. However, Bronx County's rates were consistently the highest while New York County experienced the lowest rates during the evaluation period.

Assessment Area Unemployment Rate					
	Statewide	Bronx	Kings	Queens	New York
2015	5.30%	7.80%	5.90%	5.00%	4.90%
2016	4.90%	7.10%	5.30%	4.50%	4.60%
2017	4.70%	6.30%	4.70%	4.00%	4.10%
2018	4.10%	5.70%	4.20%	3.60%	3.70%
Average	4.75%	6.73%	5.03%	4.28%	4.33%

Community Information

DFS examiners conducted community contact interviews with two nonprofit organizations operating in Alma's assessment area. One organization promoted economic development by serving small businesses and of Brooklyn. The other organization promoted affordable housing through debt and equity financing of projects aimed at providing affordable housing for low- and moderate- income individuals and families.

The first community contact's executive director indicated that economic conditions had improved in most parts of New York City. However, there were pockets of poverty in Brooklyn and economic conditions were deteriorating in those areas. Furthermore, industrial areas were neglected despite the potential economic opportunities they could provide. Many small businesses were leaving the area because of a lack of capital and other resources available to them. The community contact indicated that financial institutions could provide more capital, credit, and other financial assistance

to these businesses, as well as promoting and sponsoring financial literacy programs for business owners and job seekers.

The second interview was with the vice president of a nonprofit organization with the purpose of connecting individuals and families with sustainable affordable housing. The organization believed economic conditions had improved, but this in turn increased tenant harassment in rent stabilized properties, and other predatory practices by landlords. This contact stated that financial institutions could provide more assistance in the form of grants to support community development programs.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

DFS evaluated Alma under the intermediate small bank performance standards in accordance with Sections 76.7 and 76.12 of the GRS, 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 of loans 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. Evidence of 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. Alma 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 obtained LTD ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from Call Report data.

DFS derived the 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. Some non-specific bank data are only available on a county-wide basis, and DFS used this information even where the institution's assessment area included partial counties.

The assessment period included calendar years 2015 through 2018 for the lending test and the period April 1, 2015 through June 30, 2019 for the community development test.

Examiners considered Alma’s HMDA-reportable and small business loans, and at the Bank’s request, CEMA loans originated in 2015, 2016, and 2017 (CEMAs were not HMDA-reportable during those years), in evaluating factors 2 and 4 of the lending test noted above. Regulation C (12 CFR Part 1003) was amended to make CEMA activity reportable starting in 2018. Accordingly, information shown for HMDA-reportable lending in 2018 includes CEMA activity both for the Bank and for the aggregate.¹ Only small business loans were considered in evaluating factor 3.

Examiners gave greater overall weight to Alma’s small business lending, as it had the highest volume of originations in the assessment area during the evaluation period. Alma’s small business loans accounted for 75% by number and 31% by dollar value of all HMDA-reportable, small business, and CEMA loan originations in the assessment area during the evaluation period. HMDA-reportable, small business and CEMA loan data evaluated in this performance evaluation represented actual originations.

As an intermediate small bank, Alma is not required to report small business/small farm loan data. Therefore, its small business and small farm lending is not included in the aggregate data. The aggregate data are shown only for comparative purposes.

At its prior Performance Evaluation as of March 31, 2015, DFS assigned Alma a rating of “2,” reflecting a “Satisfactory” record of helping to meet the credit needs of Alma’s communities.

Current CRA Rating: “Satisfactory”

Lending Test: “Satisfactory”

Alma’s HMDA-reportable, small business, and CEMA lending activities were reasonable in light of Alma’s size, business strategy, and financial condition, as well as 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: “Outstanding”

Alma’s average LTD ratio was excellent. At 100.3% Alma’s average LTD ratio for the current evaluation period was significantly higher than its peer group’s average of 83.5%. Alma’s average LTD ratio for the current evaluation period was also significantly higher than its prior evaluation period level of 87.3%.

The following table shows Alma’s LTD ratios in comparison with the peer group’s ratios for the 16 quarters since the prior evaluation.

¹ Accordingly, aggregate data for 2015-2017 does not include CEMA lending, and CEMA lending activity is not shown separately for 2018.

Loan-to-Deposit Ratios																	
	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Avg.
Bank	93.3	91.0	93.8	95.1	96.7	95.6	103.4	104.6	100.5	99.3	102.2	102.1	105.8	104.9	106.1	110.7	100.3
Peer	77.4	79.3	81.7	81.9	81.4	83.7	83.8	83.9	83.1	84.7	85.3	85.0	85.0	86.7	86.8	86.9	83.5

Assessment Area Concentration: “Satisfactory”

During the evaluation period, Alma originated 61.3% by number and 63.1% by dollar value of its total HMDA-reportable, small business and CEMA loans within its assessment area. This pattern reflects a reasonable concentration of lending within the Bank’s assessment area

HMDA-Reportable Loans:

During the evaluation period, Alma originated 75% by number and 78.7% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending inside of the assessment area demonstrates a reasonable concentration of lending.

Small Business Loans:

During the evaluation period, Alma originated 59.2% by number and 52.9% by dollar value of its small business loans within the assessment area. This majority of lending inside of the assessment area demonstrates a reasonable concentration of lending.

CEMA Loans:

In 2015, 2016, and 2017, Alma originated 60% by number and 58.6% by dollar value of its CEMA loans within the assessment area. This majority of lending inside of its assessment area is a reasonable record of lending.

The following table shows the percentages of Alma’s HMDA-reportable, small business, and CEMA 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
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2015	6	75.0%	2	25.0%	8	5,910	77.5%	1,715	22.5%	7,625
2016	2	66.7%	1	33.3%	3	1,300	38.2%	2,100	61.8%	3,400
2017	3	100.0%	0	0.0%	3	2,950	100.0%	0	0.0%	2,950
2018	13	72.2%	5	27.8%	18	35,780	80.6%	8,629	19.4%	44,409
Subtotal	24	75.0%	8	25.0%	32	45,940	78.7%	12,444	21.3%	58,384
Small Business										
2015	22	46.8%	25	53.2%	47	7,647	40.8%	11,108	59.2%	18,755
2016	39	59.1%	27	40.9%	66	6,197	36.7%	10,683	63.3%	16,880
2017	32	72.7%	12	27.3%	44	11,752	74.9%	3,931	25.1%	15,683
2018	23	59.0%	16	41.0%	39	9,176	63.5%	5,281	36.5%	14,457
Subtotal	116	59.2%	80	40.8%	196	34,772	52.9%	31,003	47.1%	65,775
CEMA										
2015	9	60.0%	6	40.0%	15	10,240	41.6%	14,380	58.4%	24,620
2016	2	50.0%	2	50.0%	4	13,400	69.2%	5,960	30.8%	19,360
2017	4	66.7%	2	33.3%	6	8,295	79.0%	2,200	21.0%	10,495
Subtotal	15	60.0%	10	40.0%	25	31,935	58.6%	22,540	41.4%	54,475
Grand Total	155	61.3%	98	38.7%	253	112,647	63.1%	65,987	36.9%	178,634

Note: Due to changes in Regulation C, 2018 loans that would previously have been classified as CEMAs were included in the HMDA-reportable category.

Distribution by Borrower Characteristics: "Satisfactory"

Alma's 1-4 family HMDA and CEMA loans were made to commercial and/or investor borrowers, for which borrower income was not HMDA-reportable. Therefore, the evaluation of distribution by borrower characteristics was limited to the Bank's small business loan originations.

Alma's small business lending demonstrated a reasonable distribution of loans among businesses of different revenue sizes.

During the evaluation period, Alma's lending to businesses with revenues of \$1 million or less averaged 39.7% by number and 46% by dollar value. The Bank's overall rates of lending to small businesses with revenues of less than or equal to \$1 million trailed by number but exceeded by dollar value the aggregate's average rates of 46.1% and 29.1%, respectively.

The following table provides a summary of the distribution of Alma's small business loans based on the revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2015									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	12	54.5%	3,758	49.1%	68,425	47.9%	1,073,814	26.9%	74.5%
Rev. > \$1MM	9	40.9%	3,589	46.9%					7.6%
Rev. Unknown	1	4.5%	300	3.9%					17.9%
Total	22		7,647		142,761		3,991,633		
2016									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	6	15.4%	1,384	22.3%	65,815	44.5%	1,222,928	27.1%	83.7%
Rev. > \$1MM	31	79.5%	4,550	73.4%					9.0%
Rev. Unknown	2	5.1%	263	4.2%					7.3%
Total	39		6,197		147,854		4,506,540		
2017									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	18	56.3%	5,873	50.0%	88,355	51.4%	1,807,870	33.8%	84.8%
Rev. > \$1MM	14	43.8%	5,879	50.0%					8.3%
Rev. Unknown	0	0.0%	0	0.0%					6.9%
Total	32		11,752		171,844		5,350,745		
2018									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	10	43.5%	4,979	54.3%	75,634	41.0%	1,513,317	27.7%	85.1%
Rev. > \$1MM	11	47.8%	3,997	43.6%					7.9%
Rev. Unknown	2	8.7%	200	2.2%					7.0%
Total	23		9,176		184,331		5,466,820		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	46	39.7%	15,994	46.0%	298,229	46.1%	5,617,929	29.1%	
Rev. > \$1MM	65	56.0%	18,015	51.8%	-				
Rev. Unknown	5	4.3%	763	2.2%	0				
Total	116		34,772						

Geographic Distribution of Loans: "Satisfactory"

Alma's origination of loans in census tracts of varying income levels demonstrated a reasonable overall distribution of lending.

The distribution of Alma's HMDA-reportable loans among census tracts of different income levels was excellent, while small business and CEMA loan originations were reasonable.

HMDA-Reportable Loans:

The distribution of Alma's HMDA-reportable loans among census tracts of different

income levels was excellent.

Alma's average rate of lending of 45.8% by number and 33.6% by dollar value of loans in LMI census tracts exceeded the aggregate's rates of 22.5% by number and 24.1%, respectively.

The following table provides a summary of the distribution of Alma's HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2015									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	1,015	3.5%	1,114,040	4.4%	3.5%
Moderate	4	66.7%	4,950	83.8%	5,509	19.0%	3,962,554	15.8%	22.8%
LMI	4	66.7%	4,950	83.8%	6,524	22.5%	5,076,594	20.3%	26.3%
Middle	1	16.7%	400	6.8%	7,450	25.7%	3,999,478	16.0%	29.8%
Upper	1	16.7%	560	9.5%	15,028	51.8%	15,962,046	63.7%	44.0%
Unknown	0	0.0%	0	0.0%	27	0.1%	31,193	0.1%	
Total	6		5,910		29,029		25,069,311		
2016									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	1,114	3.7%	1,216,421	4.4%	3.5%
Moderate	1	50.0%	650	50.0%	5,734	19.2%	4,608,370	16.8%	22.8%
LMI	1	50.0%	650	50.0%	6,848	22.9%	5,824,791	21.2%	26.3%
Middle	1	50.0%	650	50.0%	7,736	25.9%	4,402,912	16.0%	29.8%
Upper	0	0.0%	0	0.0%	15,264	51.1%	17,155,247	62.5%	43.9%
Unknown	0	0.0%	0	0.0%	26	0.1%	53,111	0.2%	
Total	2		1,300		29,874		27,436,061		
2017									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	1,669	4.6%	1,679,839	5.3%	3.3%
Moderate	1	33.3%	600	20.3%	6,920	18.9%	7,487,761	23.6%	20.0%
LMI	1	33.3%	600	20.3%	8,589	23.4%	9,167,600	28.8%	23.3%
Middle	2	66.7%	2,350	79.7%	11,572	31.6%	6,050,295	19.0%	36.3%
Upper	0	0.0%	0	0.0%	16,367	44.7%	16,353,271	51.5%	40.1%
Unknown	0	0.0%	0	0.0%	110	0.3%	206,715	0.7%	0.3%
Total	3		2,950		36,638		31,777,881		
2018									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	15.4%	3,900	10.9%	1,882	4.4%	2,481,180	6.2%	3.3%
Moderate	3	23.1%	5,350	15.0%	8,754	20.5%	7,530,370	18.7%	20.0%
LMI	5	38.5%	9,250	25.9%	10,636	24.9%	10,011,550	24.8%	23.3%
Middle	7	53.8%	25,030	70.0%	14,029	32.9%	8,366,735	20.8%	36.3%
Upper	1	7.7%	1,500	4.2%	17,883	41.9%	21,638,515	53.7%	40.1%
Unknown	0	0.0%	0	0.0%	107	0.3%	299,475	0.7%	0.3%
Total	13		35,780		42,655		40,316,275		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	8.3%	3,900	8.5%	3,798	2.8%	6,491,480	5.2%	
Moderate	9	37.5%	11,550	25.1%	26,917	19.7%	23,589,055	18.9%	
LMI	11	45.8%	15,450	33.6%	30,715	22.5%	30,080,535	24.1%	
Middle	11	45.8%	28,430	61.9%	40,787	29.9%	22,819,420	18.3%	
Upper	2	8.3%	2,060	4.5%	64,542	47.3%	71,109,079	57.1%	
Unknown	0	0.0%	0	0.0%	270	0.2%	590,494	0.5%	
Total	24		45,940						

Small Business Loans:

The distribution of Alma's small business loans among census tracts of varying income levels was reasonable.

Alma's average rates of small business lending in LMI census tracts of 32.8% by number and 21.2% by dollar value of loans were comparable to the aggregate's rates of 29.1% and 23.3%, respectively. However, Alma's average rates of small business lending in low-income census tracts of 3.4% by number and 2.4% by dollar value of loans trailed the aggregate's rates of 8.2% and 6.5%, respectively, largely the result of only four small business loan originations in low-income census tracts during the evaluation period.

The following table provides a summary of the distribution of Alma's small business loans by the income level of the geography where the business was located.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2015									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	11,430	8.0%	239,082	6.0%	7.6%
Moderate	3	13.6%	700	9.2%	31,987	22.4%	651,396	16.3%	20.6%
LMI	3	13.6%	700	9.2%	43,417	30.4%	890,478	22.3%	28.2%
Middle	11	50.0%	4,009	52.4%	29,056	20.4%	649,495	16.3%	18.7%
Upper	7	31.8%	2,688	35.2%	64,468	45.2%	2,180,077	54.6%	48.7%
Unknown	1	4.5%	250	3.3%	5,820	4.1%	271,583	6.8%	4.4%
Total	22		7,647		142,761		3,991,633		
2016									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	2.6%	300	4.8%	11,657	7.9%	296,400	6.6%	7.5%
Moderate	21	53.8%	1,624	26.2%	31,579	21.4%	756,035	16.8%	20.6%
LMI	22	56.4%	1,924	31.0%	43,236	29.3%	1,052,435	23.4%	28.1%
Middle	10	25.6%	1,657	26.7%	30,049	20.4%	755,334	16.8%	18.6%
Upper	7	17.9%	2,616	42.2%	68,248	46.2%	2,412,011	53.5%	48.9%
Unknown	0	0.0%	0	0.0%	6,051	4.1%	286,760	6.4%	4.4%
Total	39		6,197		147,584		4,506,540		
2017									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	9.4%	525	4.5%	14,682	8.5%	349,641	6.5%	7.4%
Moderate	6	18.8%	2,792	23.8%	34,510	20.1%	903,229	16.9%	20.0%
LMI	9	28.1%	3,317	28.2%	49,192	28.6%	1,252,870	23.4%	27.4%
Middle	15	46.9%	6,030	51.3%	34,674	20.2%	874,554	16.3%	20.4%
Upper	7	21.9%	1,905	16.2%	82,849	48.2%	2,952,495	55.2%	48.4%
Unknown	1	3.1%	500	4.3%	5,129	3.0%	270,826	5.1%	3.8%
Total	32		11,752		171,844		5,350,745		
2018									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	15,128	8.2%	360,969	6.6%	7.5%
Moderate	4	17.4%	1,416	15.4%	37,067	20.1%	942,811	17.2%	19.9%
LMI	4	17.4%	1,416	15.4%	52,195	28.3%	1,303,780	23.8%	27.4%
Middle	12	52.2%	6,160	67.1%	37,357	20.3%	916,491	16.8%	20.3%
Upper	7	30.4%	1,600	17.4%	89,141	48.4%	2,963,918	54.2%	48.6%
Unknown	0	0.0%	0	0.0%	5,638	3.1%	282,631	5.2%	3.8%
Total	23		9,176		184,331		5,466,820		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	3.4%	825	2.4%	52,897	8.2%	1,246,092	6.5%	
Moderate	34	29.3%	6,532	18.8%	135,143	20.9%	3,253,471	16.8%	
LMI	38	32.8%	7,357	21.2%	188,040	29.1%	4,499,563	23.3%	
Middle	48	41.4%	17,856	51.4%	131,136	20.3%	3,195,874	16.5%	
Upper	28	24.1%	8,809	25.3%	304,706	47.1%	10,508,501	54.4%	
Unknown	2	1.7%	750	2.2%	22,638	3.5%	1,111,800	5.8%	
Total	116		34,772						

CEMA Loans:

The distribution of Alma's CEMA loans in 2015, 2016, and 2017 by the income level of the geography where the borrower was located was reasonable. There are no aggregate data for comparison purposes. Starting in 2018 CEMA loans were included with HMDA-reportable loans.

The following table provides a summary of the distribution of Alma's CEMA loans by the income level of the geography where the borrower was located.

Distribution of CEMA Lending by Geographic Income of the Census Tract					
2015					
Geographic Income	Bank				HH Dem.
	#	%	\$000's	%	%
Low	2	22.2%	1,350	13.2%	11.1%
Moderate	1	11.1%	1,365	13.3%	31.8%
LMI	3	33.3%	2,715	26.5%	42.9%
Middle	5	55.6%	6,900	67.4%	23.4%
Upper	1	11.1%	625	6.1%	33.7%
Unknown	0	0.0%	0	0.0%	
Total	9		10,240		
2016					
Geographic Income	Bank				HH Dem.
	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	11.1%
Moderate	1	50.0%	11,000	82.1%	31.8%
LMI	1	50.0%	11,000	82.1%	42.9%
Middle	1	50.0%	2,400	17.9%	23.4%
Upper	0	0.0%	0	0.0%	33.7%
Unknown	0	0.0%	0	0.0%	
Total	2		13,400		
2017					
Geographic Income	Bank				HH Dem.
	#	%	\$000's	%	%
Low	1	25.0%	2,350	28.3%	11.3%
Moderate	1	25.0%	920	11.1%	27.9%
LMI	2	50.0%	3,270	39.4%	39.1%
Middle	0	0.0%	0	0.0%	27.8%
Upper	2	50.0%	5,025	60.6%	32.7%
Unknown	0	0.0%	0	0.0%	0.4%
Total	4		8,295		
GRAND TOTAL					
Geographic Income	Bank				HH Dem.
	#	%	\$000's	%	%
Low	3	20.0%	3,700	11.6%	
Moderate	3	20.0%	13,285	41.6%	
LMI	6	40.0%	16,985	53.2%	
Middle	6	40.0%	9,300	29.1%	
Upper	3	20.0%	5,650	17.7%	
Unknown	0	0.0%	0	0.0%	
Total	15		31,935		

Note: Due to changes in Regulation C, 2018 loans that would previously have been classified as CEMAs were included in the HMDA-reportable category.

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

Neither DFS nor Alma received any CRA related written complaints during the evaluation period.

Community Development Test: “Satisfactory”

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

A more detailed description of the Alma’s community development activity follows.

Community Development Lending: “Outstanding”

During the evaluation period, Alma originated \$49.4 million in new community development loans and had \$61.8 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

The breakdown of community development loans was as follows: affordable housing (45%), economic development (39.2%), community services and revitalization and stabilization (15.8%).

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	17	31,834	18	18,186
Economic Development	0	0	36	43,584
Community Services	3	13,950	0	0
Revitalization/Stabilization	2	3,656	0	0
Total	22	49,440	54	61,770

Below are highlights of Alma’s community development lending:

- Alma made a \$12 million loan for a property in Queens County which had 94 rental units charging rents below fair market, providing affordable housing for individuals and families within the Bank’s assessment area.
- Alma made an \$8.5 million real estate loan to a community service organization which owns and operates a hotel in Brooklyn, Kings County that provided social services and housing for homeless families. This organization worked in coordination with the Department of Homeless Services and was planning to use

the proceeds of this loan to expand to a second location.

- Alma made a \$4 million loan for a mixed-use retail and affordable housing property located in moderate-income census tract in Manhattan. All residential units rented at below fair market value, and three small business tenants provide employment and basic services to the area.
- Alma originated a \$3.5 million loan secured by a property housing a community service organization in the Bronx. The nonprofit organization provides services and transitional services for displaced families in the Bronx, Manhattan and Brooklyn.

Qualified Investments: “Satisfactory”

During the evaluation period, Alma made \$2.7 million in new qualified community development investments and had no investments outstanding from prior evaluation periods. In addition, Alma made approximately \$43,000 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		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	7	2,234		
Economic Development	1	500		
Community Services				
Other (Please Specify)				
Total	8	2,734	0	0
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	2	10		
Economic Development	4	5		
Community Services	11	28		
Other (Please Specify)				
Total	17	43		

Below are highlights of Alma’s community development investments and grants:

- Alma’s qualified community development investments consisted primarily of three federal agency-issued mortgage-backed securities and three municipal bonds totaling \$2.2 million, created primarily to finance the construction and preservation of affordable housing projects in New York City.
- Alma donated \$10,000 to a nonprofit organization which promoted homeownership for New Yorkers through affordable mortgages for first-time homebuyers, loans to cover down payments and closing costs, refinancing, education, insurance services, and reverse mortgages for seniors.

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- Alma made a grant of \$10,000 to a nonprofit organization that assisted people in the community build or improve their homes.
 - Alma provided financial literacy workbooks worth approximately \$11,500 to economically disadvantaged schools throughout the Bank's assessment area.

Community Development Services: "Satisfactory"

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

Several of the Bank's employees and officers served on the boards of various community development organizations. Alma also participated in financial literacy programs and events geared towards economically disadvantaged students and small businesses.

Below are highlights of Alma's community development services:

- Alma sponsored a "How to Do Your Banking" education program at various economically disadvantaged high schools in New York City. Sponsorship of the program included providing education materials and staff to lead financial literacy classes.
- The chairman of Alma's board of directors served as the co-chairman of a housing court committee and as a member of the judiciary committee for two different bar associations which operate within the assessment area. These organizations provide pro-bono legal services to those in need.
- The Bank, in coordination with the U.S. Small Business Administration ("SBA"), hosted small business banking seminars at three of its branches. The seminars gave small business owners the opportunity to meet with lenders from the Bank and learn how to gain access to capital and qualify for SBA loan programs.
- Volunteers from Alma worked with a nonprofit organization to lead classes at an economically disadvantaged elementary school in Brooklyn to teach young people how to generate wealth and how to effectively manage their money.
- Alma's President/CEO served as a board member for a chamber of commerce which serves small businesses throughout New York City. Small business members have access to a wide network of support and tools provided by the chamber.

Innovativeness of Community Development Investments:

Alma did not make use of innovative investments to support community development.

Responsiveness to Community Development Needs:

Alma demonstrated a reasonable level of responsiveness to the credit and community development needs of its assessment area by partnering with several community organizations.

These organizations provided various services to help small businesses to grow and create employment opportunities in the assessment area and assist low- and moderate-income individuals to improve their finances and to secure quality housing.

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.

The board of directors reviewed and approved the Bank's CRA Policy annually during the evaluation period. The CRA officer provides an annual CRA self-assessment report to the board that analyzes the CRA lending test performance criteria (LTD ratios, assessment area concentrations, distributions by borrower characteristics and geography).

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 noted no evidence of practices by Alma intended to discourage applications for the types of credit offered by Alma.

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

DFS examiners noted no evidence of prohibited discriminatory or other illegal practices.

Record of opening and closing offices and providing services at offices

Alma did not open or close any branches during the current evaluation period.

The Bank operates 10 banking offices in the New York City region, with five locations in moderate-income census tracts. Alma's Sunset Park branch in Brooklyn (Kings County) is also in a designated Banking Development District. Alma's branch network is supplemented by 16 on-site ATM's with each branch office having at least one ATM. Alma's customers also have surcharge free access to the Allpoint network of over 55,000 ATM's worldwide.

All branches in Queens and Bronx counties were open Monday through Saturday. Two

of the branches in Queens County were open Monday through Saturday while the other two branches were open Monday through Friday and Sunday. The Manhattan (New York County) branch was open Monday through Friday only.

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
*Bronx			1			1	100%
*Kings	1		3			4	75%
*Queens			1	2	1	4	25%
New York	1					1	0%
Total	2		5	2	1	10	50%

*Partial county

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.

In addition to regular contact by Alma's loan officers with customers and prospective borrowers, Alma has established partnerships with various nonprofit organizations as a means in helping to determine the needs of the community. Alma board members and employees are also very active in the communities served by the Bank, some as members of various chambers of commerce and other nonprofit organizations.

- The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution.

Alma became an SBA preferred lender in 2019. Alma and the SBA co-sponsored small business banking seminars and lending events for local small businesses at the Bank's branches.

The Bank uses display advertising as well as local print media throughout its assessment area to support its branches and to offer personal and small business deposit products, and merchant services. Promotional advertising has been provided in languages other than English in an effort to target non-English speaking members of the community.

Other factors that in the judgment of the Superintendent bear upon the extent to which Alma Bank is helping to meet the credit needs of its entire community

DFS examiners noted no other factors.

GLOSSARY

Aggregate Lending

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 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.

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas where, according to the 2010 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 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.