



**NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION**

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2006

Institution: The Bank of New York
One Wall Street
New York, NY 10286

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

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of The Bank of New York’s (“BNY”) operations in New York State prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2006.

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

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

- (1) outstanding record of meeting community credit needs;
- (2) satisfactory record of meeting community credit needs;
- (3) needs to improve record of meeting community credit needs; and
- (4) substantial noncompliance in meeting community credit needs.

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

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

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall Rating

BNY is rated "1," indicating an outstanding record of helping to meet community credit needs.

- BNY provides an excellent level of community development loans, qualified investments and community services.
- As of the evaluation date, BNY's community development loans and qualified investments totaled \$772.7 million, of which \$639.6 million, or almost 82.8%, is new money.
- For the period under evaluation, BNY's community development lending totaled \$528.8 million, including \$496.4 million in new money.
- BNY had qualified investments, including grants, totaling \$243.9 million, of which \$143.2 million, or 58.7%, was new money. Almost 99% of BNY's qualified investments were in Low Income Housing Tax Credits, demonstrating BNY's use of complex investment products.
- BNY provided a relatively high level of community development services in its assessment area, such as providing technical assistance, seminars and advisory services that benefit LMI communities.

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

PERFORMANCE CONTEXT

Institution's Profile:

Chartered by the State of New York, BNY was established in 1784 and has the distinction of being the oldest bank in the United States. It is headquartered in lower Manhattan and is the principal subsidiary of the Bank of New York Company, Inc. ("BNYCO"), a New York State-based bank holding company, a global leader in securities servicing for investors, financial intermediaries and issuers. The bank also plays an integral role in the infrastructure of the world's capital markets, servicing securities in more than 100 markets around the globe.

In October 2006, BNY completed its exchange with JPMorgan Chase and Company ("JPMC") of its retail banking business, including 338 branches in the tri-state region and its regional middle-market banking business for JPMC's corporate trust franchise. As a result, BNY is now a wholesale commercial bank that focuses primarily on providing financial services to corporations and individuals through four primary businesses: (1) securities servicing, (2) treasury management, (3) investment management and (4) private banking. BNY's branch network now consists of nine private banking offices located in New York, New Jersey and Connecticut.

BNY is not in the business of originating or purchasing residential mortgage, housing rehabilitation, home improvement, small business or small farm loans to retail customers, except as an accommodation to its existing clients. Accordingly, on October 23, 2006, the Federal Reserve Bank of New York approved BNY's request to be designated a wholesale institution for CRA purposes.

BNY's Community Development Division coordinates and monitors the bank's CRA initiatives. The division works with a variety of not-for-profit agencies, community groups and governmental agencies to promote financial literacy, provide financing for affordable housing and, through grants, support local community groups that help revitalize underserved neighborhoods and serve LMI families.

The bank, through BNY Aurora Holding Corporation ("BNYAH"), a non-bank subsidiary of BNY, invests in low-income rental housing developments and rehabilitation projects through low-income housing tax credits ("LIHTC"). BNYAH is the subsidiary responsible for BNY's CRA-qualified investments. The combined activities of BNY and BNYAH are included in this review and are referred to as BNY.

On its Consolidated Report of Condition ("Call Report") as of December 31, 2006, BNY reported total assets of \$86.0 billion, including \$30.4 billion (35.4%) in loans, \$5.0 billion (5.9%) in trading assets and \$4.1 billion (4.8%) in federal funds. Since the date of the prior evaluation, BNY's total assets have decreased by \$6.2 billion, reflecting the change in its business focus as described above.

According to available comparative deposit data as of June 30, 2006, BNY ranked 4th

among 130 deposit-taking institutions in its New York State assessment area. BNY's New York branches held \$33.5 billion, or 5.3%, of total deposits in this market. This represented about 47.0% of BNY's total deposits.

The New York State Banking Department's previous CRA evaluation of BNY was conducted as of January 1, 2005 according to performance criteria for large banking institutions. At that Performance Evaluation, BNY received a rating of "2," reflecting a satisfactory record of helping to meet community credit needs.

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

Assessment Area:

BNY's assessment area has changed since the prior evaluation. In New York State, the counties of Rockland, Putnam, Suffolk, Dutchess, Orange, Ulster and Sullivan are no longer part of the assessment area.

BNY's assessment area now includes the portions of MD 35644 consisting of Bronx, Kings, New York, Queens and Westchester counties. It also includes Nassau County, which is part of MD 35004. MD 35644 and MD 35004 are parts of MSA 35620.

The following chart shows the distribution of census tracts within BNY's New York assessment area based on the 2000 U.S. Census data. The assessment area contains 2,605 census tracts, of which 68 (2.6%) are zero income, 329 (12.6%) are low-income, 643 (24.7%) are moderate-income, 851 (32.7%) are middle-income and 714 (27.4%) are upper-income.

Distribution of Assessment Area Census Tracts by Income Level											
County	Zero		Low		Moderate		Middle		Upper		Total
	#	%	#	%	#	%	#	%	#	%	
Bronx	14	3.9	132	37.2	98	27.6	65	18.3	46	13.0	355
Kings	15	1.9	119	15.2	297	37.9	235	30.0	117	15.0	783
New York	9	3.0	60	20.3	59	19.9	24	8.1	144	48.7	296
Queens	18	2.7	12	1.8	148	22.0	310	46.1	185	27.5	673
Westchester	4	1.8	4	1.8	21	9.5	39	17.7	153	69.2	221
MD 35644/MSA 35620 Total	60	2.6	327	14.0	623	26.8	673	28.9	645	27.7	2,328
Nassau	8	2.9	2	0.7	20	7.2	178	64.3	69	24.9	277
MD 3500/MSA 35620 Total	8	2.9	2	0.7	20	7.2	178	64.3	69	24.9	277
AA Total	68	2.6	329	12.6	643	24.7	851	32.7	714	27.4	2,605

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

Assessment Area Demographics

Population: According to the 2000 U.S. Census, the population of the assessment area was 9.8 million. Of the total population, 1.2 million (12.4%) were over the age of 65 and 2.1 million (21.7%) were under the age of 16.

Housing Characteristics: According to the 2000 U.S. Census, there were 3.8 million housing units in the assessment area, of which 46.0% were 1 to 4 family units and 54.0% were multifamily units. Of the total number of housing units, 1.4 million (36.0%) were owner-occupied, 2.3 million (59.0%) were rental-occupied and 195 thousand (5.0%) were vacant. The median age of housing was 40 years and the median home value was \$251 thousand.

Unemployment Rates: Of the six counties that comprise BNY's assessment area, Bronx, Kings and Queens Counties had average unemployment rates higher than New York State's in 2005. In 2006, only Bronx and Kings Counties' average unemployment rates were higher than the corresponding average for New York State.

The following table summarizes the 2005 and 2006 average unemployment rates (not seasonally adjusted) for the six counties in BNY's assessment area:

Unemployment Percentages by Geographic Area							
Year	N.Y. State	Bronx	Kings	New York	Queens	Nassau	Westchester
2005	5.0	7.5	6.2	5.0	5.2	4.0	4.1
2006	4.5	6.5	5.3	4.2	4.4	3.7	3.7

Business Demographic Data: According to the 2006 Business Demographic Data, there were 736 thousand businesses in BNY's assessment area. Service providers were the largest industry, consisting of 285 thousand ((38.7%) businesses followed by the retail trade industry with 123 thousand (16.7%) businesses and finance, insurance and real estate with 71 thousand (9.7%) businesses.

PERFORMANCE TEST AND ASSESSMENT FACTORS

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

This Performance Evaluation covers the period from January 1, 2005 to December 31, 2006.

I. Community Development Test

BNY participates in community development initiatives primarily by working with intermediaries that serve its assessment area. At the same time, the bank often assumes a leadership role in the creation and development of such projects.

During the evaluation period, BNY’s community development loans and qualified investments within New York State totaled \$772.7 million, of which \$639.6 million, or approximately 83%, is new money. BNY’s community development activities reflect a decrease of \$422.6 million, or 35.4%, since the prior evaluation. During the same period, BNY’s assets decreased by 6.7% to \$86.0 billion. The decline in BNY’s assets and level of community development activities resulted primarily from the sale of BNY’s retail business in October 2006.

BNY’s community development loan and investment activity within New York State is summarized below:

BNY Community Development Activity 1/1/05 through 12/31/06 (Dollars in Thousands)				
TYPE	Commitments		New Money	
	Amount	%	Amount	%
Affordable Housing	549,933	71.2	432,563	67.6
Community Service	31,301	4.1	31,301	4.9
Economic Development	15,804	2.0	7,547	1.2
Revitalization/Stabilization	175,658	22.7	168,144	26.3
TOTAL	772,696	100.0	639,555	100.0

BNY’s community development activities demonstrate an excellent responsiveness to the credit and community development needs of its assessment area.

A more detailed description of the bank’s community development activities follows:

- **Community Development Lending**

During the evaluation period, BNY had 75 community development loans totaling \$528.8 million, of which \$496.4 million (93.9%) represented new money. This very high percentage of new community development loan commitments is because a majority of the community development loans originated during the prior evaluation period was included in the sale of BNY's retail, middle market and real estate businesses to JPMorgan Chase.

Based on dollar volume, about 58% of BNY's community development loans were for affordable housing, the lack of which is the most pressing concern in the assessment area. Loans supporting the revitalization and stabilization of LMI neighborhoods accounted for one-third of BNY's community development loans, while funding for community development services and economic development efforts accounted for 5.8% and 2.9%, respectively.

BNY's community development loans include originations made through community development intermediaries in the assessment area as well as loan participations that require more complex underwriting and monitoring.

The following are examples of BNY's community development lending activities:

Community Preservation Corporation ("CPC") – CPC is a not-for-profit mortgage lender that specializes in financing LMI housing within deteriorating neighborhoods including New York. During the evaluation period, BNY provided an unsecured revolving credit facility for \$52.0 million to CPC for the issuance of standby letters of credit, which are used as credit enhancements for tax-exempt bond issues and New York City Housing Development Corporation construction loans used to finance housing development projects for LMI individuals.

Prospect Avenue Apartments L.P. – BNY committed \$8.2 million for the construction of two three-story condominium buildings containing 50 affordable housing units that are targeted to individuals whose incomes are at or below 60% of the area median income. The project is located in a Nassau County Urban Renewal Area.

Seaview Towers – BNY committed \$32.3 million in the form of a standby letter of credit to support a direct pay letter of credit issued by Fannie Mae to provide credit enhancements for bonds issued by the New York City Housing Development Corporation for the purchase and rehabilitation of this housing project. Located in Queens County, this project consists of two 20-story buildings containing 462 rental units, of which, 450 units are to be rented to tenants whose incomes are at or below 60% of the area median income.

Phillips Park, LLC – BNY provided a \$16.4 million standby letter of credit to facilitate a capital improvement program on this 260-unit, Section 8 subsidized housing project. The standby letter of credit supports the issuance of New York State Housing Finance Agency ("HFA") tax-exempt bonds under HFA's Housing Opportunity and Preservation for the Empire State program ("HOPES"). HOPES is a HFA initiative that seeks to provide low

cost, flexible financing for the preservation, rehabilitation and creation of quality affordable multifamily housing. Under the terms of the HFA bonds, the units will remain available to low income families.

Skillman Street Homes, LLC – BNY committed \$7.7 million to finance the ground-up construction of nine 3-family homes containing 27 condominium units in Kings County. Eighteen of these units are allotted to buyers with household incomes up to 80% of the area median income. New York City’s Department of Housing Preservation and Development (“HPD”) subsidized 10% of the development costs of this housing project under its “New Foundations Program.” Sites developed under this program are among the last unimproved, derelict and vacant city-owned lots in their communities.

Madison Avenue Presbyterian Church - BNY provided an unsecured commitment for \$8 million in the form of an advised line of credit, the proceeds of which are to be used for the rehabilitation of church space as a homeless shelter. The church, through its outreach efforts, provides community-based services to LMI individuals such as homeless shelter and food programs.

St. Mary’s Hospital, Inc. – BNY extended a \$4.5 million unsecured line of credit to this not-for-profit children’s hospital to be used to support its Medicaid receivables. The patients served by the hospital are mostly children from LMI families, 90% of which are eligible for Medicaid.

C.E. Flushing LLC – BNY committed \$48.1 million for a revitalization project related to the development of the Flushing River waterfront. The project entails the redevelopment of a 14-acre site that is part of the New York State “Brownfields” program. The site is a former Con Edison property, which will be demolished and converted into a retail center, parking garage and 450 units of housing to be called the Flushing Town Center.

Allied Jamaica LLC – BNY committed \$22.5 million to finance the cost of building renovations and tenant improvements on a ten-story office building in Queens County, located one block north of the South Jamaica Empire Zone. A majority of the building is to be leased to New York City agencies, including the Human Resources Administration, which provides assistance, job training and community services to LMI families and individuals. Located in an LMI geography, the building will house tenants, which will provide jobs to people in the area, resulting in the revitalization of the community.

Ochs New South Realty LLC – BNY originated a \$2.9 million loan for the acquisition and renovation of a building in Hicksville, New York that is being used for manufacturing operations. The bank’s commitment represents 51.0% of the financing for the project, with 39% provided by the Long Island Development Corporation and the remaining 10% by the borrower as its equity contribution. The loan has an economic development purpose, and it is part of the Linked Deposit Program (“LDP”) authorized by the Empire State Development Corporation.

- **Qualified Investments**

BNY had qualified investments, including grants, totaling \$243.9 million, of which \$143.2 million or approximately 58.7% were new money.

BNY demonstrated its use of innovative and complex products, investing almost all of its qualified investments in Low Income Housing Tax Credits (“LIHTC”). LIHTC is a program administered by the Internal Revenue Service of the U.S. Treasury Department in close collaboration with HUD. The credit made available under this program subsidizes the development of multifamily housing through the allocation of credits that reduce the tax burden on investors in qualifying low-income housing projects. LIHTC was created by the Tax Reform Act of 1986 to issue tax credits for the acquisition, rehabilitation or new construction of rental housing targeted to lower-income households.

Presented below are examples of the bank’s qualified investments:

- *Alliant Tax Credit Fund XVIII, Ltd. – Thessalonica Court Project* – BNY provided an LIHTC investment of \$7.9 million towards the acquisition and rehabilitation of a 191-unit, eight-story building located on St. Ann’s Avenue in the Mott Haven section of the Bronx. The building, which is operating under a Section 8 Housing Assistance Program contract for 100% of the units, houses families whose incomes are no more than 60% of the area median income.
- *Alliant Tax Credit Fund XVIII, Ltd. – Brookhaven Apartments Project* – BNY provided an LIHTC investment of \$3.9 million towards the acquisition and rehabilitation of 95 units in an apartment complex consisting of several, five-to-seven story buildings located in the Mott Haven section of the Bronx. The complex is operating under a Section 8 Housing Assistance Program contract for 100% of the units and houses families whose incomes are no more than 60% of the area median income.

Since the previous evaluation, BNY provided 153 grants, totaling \$2.8 million to various community development organizations. Approximately half of these funds supported affordable housing, about 29% helped community service activities and 22% aided economic development initiatives.

- **Community Development Services**

BNY provides a relatively high level of community development services. The bank participated in various programs related to mortgage and predatory lending, small business and financial education. The following are examples of community development activities performed by the bank during the evaluation period:

The Contractors Development Program/City of New York – In 2005 and 2006, BNY hosted a series of seminars, entitled “Building for Success,” for small contractors in partnership with HPD and the New York City Department of Small Business Services. The seminars provided information to small contractors on developing and growing their business,

including accessing banking services.

Fannie Mae Foundation Employer Assisted Housing (“EAH”) Program – In 2005, BNY was the lead corporate sponsor of the EAH program and participated in the Westchester Business Council’s June 2005 Human Resources conference at which a bank officer served as a moderator for a panel discussion on the EAH program. BNY supports the program in partnership with Fannie Mae, the Westchester County Association, the Westchester Business Council and the Housing Action Council. The EAH program is a benefit offered by employers to help their LMI employees become homeowners in a neighborhood that is close to their place of employment. The employer facilitates the home-buying transaction by providing employees access to invaluable services and financial benefits.

Westchester Residential Opportunities, Inc (“WRO”) Mortgage Rate Relief Program – The bank partnered with WRO in developing this program, which addresses predatory mortgage lending in Westchester County, particularly the low-income communities of Mount Vernon and Yonkers. During the evaluation period, the bank’s affiliate, BNY Mortgage Company and WRO offered a series of financial workshops to identify and educate homeowners currently paying high mortgage rates, and who maintain a sound payment record.

Asian Women in Business (“AWIB”) – In 2005 and 2006, BNY hosted the AWIB Business Opportunity Expo for minority and women-owned businesses. AWIB is a not-for-profit membership organization founded in 1995 to assist Asian women to realize their entrepreneurial potential. The organization provides conferences, workshops and individualized technical assistance benefiting small business owners.

During the evaluation period, BNY participated in four programs that provide financial literacy training to LMI children and adults in the assessment area. These programs will enable these individuals to build savings for financial security. The following is a brief description of each of these programs:

- *Credit Where Credit is Due, Inc. “School Banking Program”* – The bank is a supporter of this program. The program’s overall objective is to raise the self-esteem and competitiveness of young, low-income people and teach them the value of accumulating savings. The program is geared towards fourth and fifth graders.
- *Operation Hope, Inc. “Banking on Our Future”* – This program teaches economic literacy in middle and high schools throughout New York City.
- *Housing Action Council Workshops*- The bank provided these workshops on basic banking and debt reduction to the low-income tenants of Mulford Gardens in Yonkers, New York.
- *Housing Helps/Women in Need Workshops* – BNY offered these workshops to low-income women in the South Bronx to provide them with basic banking, debt reduction and credit knowledge.

During 2005 and 2006, BNY participated in residential mortgage fairs and/or affordable housing seminars for LMI individuals and families in the assessment area. St. Nicholas Neighborhood Preservation Corporation, Westchester Interfaith Housing Corporation and the Rockaway Development Revitalization Corporation were three of the community organizations that hosted the seminars.

BNY participated in 16 small business development workshops held within the assessment area. Six of the presentations were made at workshops hosted by the Manhattan, Brooklyn and Nassau-Suffolk Chambers of Commerce, the Long Island City Business Development Corporation, the South Bronx Overall Economic Development Corporation and the Westchester Enterprise Fund.

During the evaluation period, seven BNY officers participated in 32 community development organizations serving as board/committee members providing financial services.

II. Discrimination or Other Illegal Practices

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

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

Evidence of prohibited discriminatory or other illegal credit practices.

The most recent regulatory compliance report indicates a satisfactory performance in terms of adherence to anti-discrimination or other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

III. Other 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.

BNY's Community Development Division ("CDD") coordinates the BNY's CRA programs and initiatives. The CDD assists both the lending and non-lending divisions of the bank by generating business development opportunities throughout BNY's assessment area. The CDD also collects and monitors the CRA activities for the entire bank.

The CDD's community development relationship managers ("RMs") participate as members

of boards of directors and advisory boards of community-based organizations, and thereby direct bank management's attention to community and business opportunities. RMs have direct contact with borrowers, public sector officials, developers of affordable housing and community-based organizations, which helps the RMs assess the community's credit needs.

RMs regularly attend community-based initiatives sponsored by the Federal Reserve Bank of New York and the New York State Banking Department. These initiatives include financing for Brownfield sites, childcare, affordable housing and financial literacy programs.

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.

BNY's marketing division coordinates with the CDD and the bank's real estate divisions to market the bank's community development lending and services.

In 2005 and 2006, BNY continued to increase lending opportunities through focused direct marketing, community outreach and localized advertising of its community lending activities within the assessment area, with a focus on LMI areas. Through an advertising strategy coordinated with CDD, the bank's marketing division developed a print advertising campaign promoting services provided by BNY to small business and loan products in LMI neighborhoods.

BNY regularly advertises in minority print media including the African-American Observer, the New York Amsterdam News, Carib News and Spanish-language print media including La Voz Hispana, Hoy and El Nuevo Hudson. BNY has published brochures in Spanish describing its community reinvestment programs.

The extent of participation by the banking institution's board of directors /trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

The board of directors has been active in the oversight of CRA compliance. In 2005, the board created the Corporate Responsibility Committee ("CRC"), which replaced the CRA and Fair Lending Committee established in 2000. The committee is responsible for monitoring BNY's compliance with CRA and meets twice a year to monitor CRA performance and recommend enhancements to CRA activities. The chair of CRC reports to the full board items discussed in the committee meetings.

The CRC is responsible for reviewing and approving the annual CRA business plans and policies. It also monitors the bank's CRA originations and investments. The CRC acts as a liaison between the bank's CRA/Fair Lending Planning Management Committee and its diversity council and the board in an effort to strengthen the bank's commitment to serve the banking and credit needs of all its communities, including LMI areas, while maintaining safe and sound lending practices and focus on corporate responsibility.

BNY maintains a permanent CRA officer position. The CRA officer has the day-to-day responsibility of managing and ensuring that the bank's performance meets the requirements of the Community Reinvestment Act . The CRA officer keeps senior management informed of new government regulations or lending opportunities.

Other factors that in the judgment of the Superintendent and Banking Board bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

None noted.

GLOSSARY

Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3), above.

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

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

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

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

- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

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

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

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 1990 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide nonmetropolitan median family income.

LMI Individuals/Persons

Those individuals, 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 nonmetropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

Wholesale Institution

The term “wholesale institution” means a banking institution that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale banking institution by the appropriate Federal regulatory authority is in effect. When evaluating a wholesale institution’s CRA performance, the Banking Department looks primarily at its record of helping to meet the credit needs of its assessment are through community development lending, qualified investments and community development services.