

# **PUBLIC DISCLOSURE**

November 3, 2003

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Solvay Bank  
RSSD No. 722816

1537 Milton Avenue  
Solvay, New York 13209

Federal Reserve Bank of New York  
33 Maiden Lane, New York, NY

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** Solvay Bank is rated “SATISFACTORY.”

*The following table indicates the performance level of the institution with respect to the lending, investment and service tests.*

PERFORMANCE LEVELS	SOLVAY BANK		
	PERFORMANCE TESTS		
	Lending Test	Investment Test	Service Test
Outstanding			<b>X</b>
High Satisfactory	<b>X</b>		
Low Satisfactory		<b>X</b>	
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

The major factors supporting the institution’s rating follow:

- The total number of small business, home purchase, refinance and home improvement loans the bank originated showed good responsiveness to credit needs in its assessment area.
- The distribution of loans among borrowers of different income levels and businesses of different sizes was good.
- The bank had an outstanding level of community development lending.
- The bank demonstrated adequate responsiveness under the investment test.
- Service delivery systems are readily accessible to all portions of the bank’s assessment area.

## INSTITUTION

### DESCRIPTION OF INSTITUTION

Established in 1917, Solvay Bank ("Solvay") is a New York State-chartered banking corporation headquartered in Solvay, New York. It is a wholly owned subsidiary of Solvay Bank Corporation. As of December 31, 2002, the bank reported total assets of \$410 million, with total net loans and leases of \$279 million and total deposits of \$374 million.

As of December 31, 2002, Solvay operated six full-service branch offices throughout Onondaga County in central New York State. Based on data reported to the Federal Deposit Insurance Corporation ("FDIC"), the bank's deposits represented 6.05% of all bank branch deposits in Onondaga County as of June 30, 2002. The bank offers various deposit and loan products and services to consumers and small to medium-sized businesses.

The bank's market is highly competitive with branches of numerous local, regional and multinational banks, mortgage companies, and other financial institutions operating in the bank's assessment area. Solvay's primary bank competitors include Manufacturers and Traders Trust Company, HSBC Bank, JP Morgan Chase Bank, Fleet Bank and Binghamton Savings Bank.

Solvay's previous CRA examination was dated October 29, 2001, and the bank received an overall rating of "satisfactory." There are no financial or legal factors preventing Solvay from serving credit needs in its assessment area.

The bank has one assessment area, Onondaga County, which is a portion of Metropolitan Statistical Area ("MSA") 8160 (Syracuse, NY). The assessment area is unchanged since the previous examination and does not arbitrarily exclude low- or moderate-income ("LMI") geographies.

### PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the U.S. Department of Commerce's Bureau of Census, the New York State Department of Labor, the U.S. Department of Housing and Urban Development ("HUD") and the New York Association of Realtors.

#### Demographic Characteristics

According to the 2000 Census, Onondaga County's population totals 458,336. The county's main city of Syracuse has a population of 147,306, which represents 32% of the county's population and a 10% decline since the 1990 Census.

#### Income Characteristics

The HUD-adjusted median family income for the MSA was \$47,900 in 2001 and \$50,300 in

2002. Based on the 1990 Census, of the 143 census tracts included in the analysis, 39 or 27% are LMI. All but two of the LMI census tracts are located in the city of Syracuse.

Housing Characteristics

The assessment area contains 190,878 housing units, of which 59% are owner-occupied. In LMI census tracts, owner-occupied units represent 23% of total housing units. Given the relatively low level of owner-occupancy in LMI census tracts, opportunities for homeownership are limited. According to community contacts, high housing vacancy rates in Syracuse have led to blighted neighborhoods in need of stabilization. As a result, there is a critical community need for affordable multifamily rehabilitation loans for owners and investors.

Median Home Sales Prices		
Area	2002	2001
Syracuse/Onondaga Cty.	\$102,780	\$90,000

Source: New York Association of Realtors

As shown in the table at left, the median sales price of existing single-family homes in the Greater Syracuse/Onondaga County area totaled \$90,000 as of November 2001 and increased to \$102,780 as of November 2002.

Community contacts said low-cost housing opportunities exist in Syracuse, but a lack of local jobs and inadequate income combine to prevent families from owning homes.

Labor, Employment and Economic Characteristics

The economy in MSA 8160 (Syracuse, NY) declined throughout much of the 1990s as a result of lost manufacturing jobs. Manufacturing continues to be the weakest link in the local economy as an additional 7,600 jobs were lost between 1999 and 2002. The forecast is additional job cuts with Carrier Corporation’s manufacturing operations set to close in late 2003.

Offsetting recent employment declines were gains in the service sector as growth in the health and educational services sectors was particularly strong. Additional growth is also expected with the \$2.2 billion expansion of the Carousel Mall into a shopping and entertainment resort named Destiny USA.

Unemployment rates increased during the examination period, and they are higher for the city of Syracuse than for the MSA. During the examination period, average annual unemployment rates increased from 4.7% in 2001 to 5.5% in 2002 in MSA 8160, as shown in the table above. In Syracuse, the average annual unemployment rate increased from 6.6% in 2001 to 7.9% in 2002. The increasing trends in the unemployment rate reflect the national slowdown and indicate a need for economic development, particularly in the city.

Average Annual Unemployment Rates		
Area	2002	2001
MSA 8160 (Syracuse, NY)	5.5%	4.7%
City of Syracuse	7.9%	6.6%

**EXHIBIT 1**  
**Assessment Area Demographics**  
**MSA 8160 (ONONDAGA COUNTY, NY)**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families By Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	17	12	7,054	6	2,880	41	20,213	17
Moderate-income	22	15	13,714	12	2,348	17	20,558	17
Middle-income	65	45	57,823	49	2,379	4	28,701	24
Upper-income	38	27	40,615	34	831	2	49,824	42
NA	1	1	0	0	0	0	0	0
<b>Total Assessment Area</b>	<b>143</b>	<b>100</b>	<b>119,206</b>	<b>100</b>	<b>8,438</b>	<b>7</b>	<b>119,296</b>	<b>100</b>
	Housing Units by Tract	<b>Housing Types by Tract</b>						
		Owner-Occupied			Rental		Vacancy	
		#	%	%	#	%	#	%
Low-income	17,221	2,251	2	13	12,515	73	2,455	14
Moderate-income	29,702	8,468	7	29	18,288	62	2,946	10
Middle-income	87,476	59,624	53	68	23,197	27	4,655	5
Upper-income	56,479	42,603	38	75	10,952	19	2,924	5
NA	0	0	0	0	0	0	0	0
<b>Total Assessment Area</b>	<b>190,878</b>	<b>112,946</b>	<b>100</b>	<b>59</b>	<b>64,952</b>	<b>34</b>	<b>12,980</b>	<b>7</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract &amp; Revenue Size</b>					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	2,156	10	1,772	10	285	14	99	9
Moderate-income	2,193	10	1,815	10	264	13	114	10
Middle-income	10,247	49	8,706	49	976	49	565	49
Upper-income	6,423	31	5,596	31	452	23	375	33
Tract not reported	10	0	9	0	1	0	0	0
<b>Total Assessment Area</b>	<b>21,029</b>	<b>100</b>	<b>17,898</b>	<b>100</b>	<b>1,978</b>	<b>100</b>	<b>1,153</b>	<b>100</b>
	<b>Percentage of Total Businesses:</b>			<b>85</b>	<b>9</b>		<b>5</b>	

**SCOPE OF EXAMINATION**

Solvay's single assessment area was reviewed using the Federal Financial Institutions Examination Council's *Interagency CRA Procedures for Large Retail Institutions*. Retail loan products evaluated include home purchase, refinance, home improvement and small business loans. The mortgage loans included in the evaluation were reported under HMDA, and small business loans evaluated were reported under CRA. Examiners verified the integrity of HMDA-related and small business loan data the bank reported in 2001 and 2002; both were found to have acceptable data integrity.

The evaluation period for HMDA-related loans and small business loans covers the bank's CRA performance from July 1, 2001, through December 31, 2002. Service test criteria, community development loans and qualified investments also were reviewed for the same period.

Solvay opted not to have consumer loans reviewed as part of this examination, and multifamily loans were not analyzed because of the bank's small volume of such loans.

For evaluation of the geographic distribution of loans, geographies were classified on the basis of the U.S. Census Bureau's 1990 income data. In evaluating the geographic distribution of HMDA loans, examiners performed an analysis comparing the proportion of loan originations with the proportion of owner-occupied housing units in LMI and non-LMI geographies. The analysis of small business loans compared the proportion of loan originations with the proportion of business establishments in LMI and non-LMI geographies.

For the evaluation of borrower characteristics, borrower income levels were based on 2001 and 2002 estimated median family income data from HUD. The analysis of borrower characteristics of HMDA-related loans compared the proportion of loan originations to LMI borrowers with the proportion of LMI and non-LMI families.

The small business loan analysis compared the proportion of loan originations to businesses reporting gross annual revenues ("GAR") of \$1 million or less with the proportion of businesses reporting GAR of \$1 million or less. In addition, the size of the small business loan was used as a proxy to identify lending to businesses with GAR of \$1 million or less.

HMDA-related and small business loan performance was compared with the aggregate of all lenders in Solvay's assessment areas reporting real estate loans under HMDA and small business loans under CRA. For HMDA-related and small business lending, 2001 aggregate lending performance was compared with the bank's 2000 and 2001 lending performance.

Only loans inside the assessment area were included in the analysis of geographic and borrower distribution. Before reaching a conclusion about the bank's overall performance regarding geographic distribution and borrower characteristics in each assessment area, examiners gave greater weight to certain loan products. The comparison of a product's volume with total retail lending volume in the assessment area determined the weight of a product's performance in an overall conclusion.

In order to gain an understanding of community credit needs, examiners conducted two interviews with community contacts during the examination. The community contacts were with representatives of community-based organizations.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

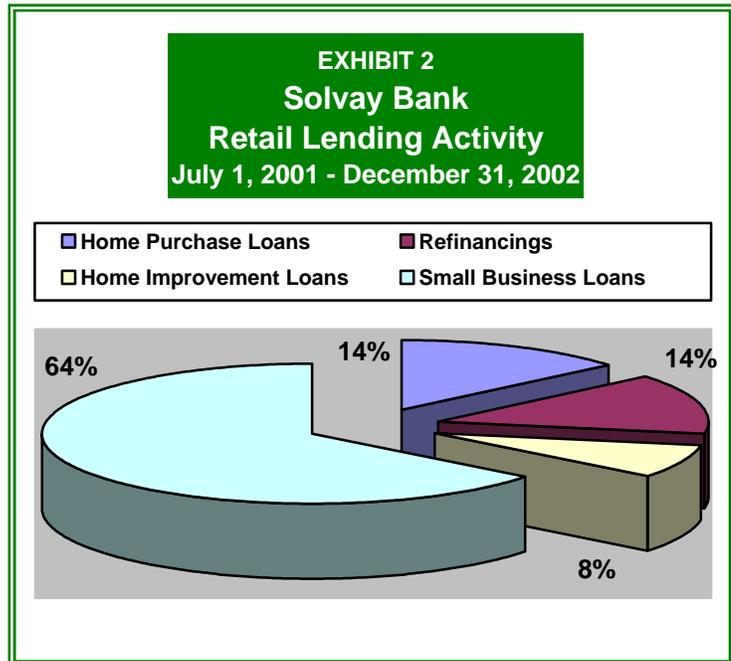
### **LENDING TEST**

Solvay's record of meeting the credit needs of its assessment areas through its lending performance is rated high satisfactory. Retail lending activity exhibited good responsiveness to assessment area credit needs. Geographic distribution reflected adequate penetration throughout the bank's assessment area. The overall distribution of loans among individuals of different income levels and businesses of different sizes was good. Solvay had an excellent level of

community development lending.

Information used to evaluate the bank's performance in the assessment area is shown in the Appendix C tables starting on page BB14. Lending activity is depicted in Table 1, geographic distribution in Tables 2-7 and borrower characteristics are detailed in Tables 8-12.

**Lending Activity:** Lending activity reflected good responsiveness to the assessment areas credit needs. During the examination period, Solvay originated 1,456 home purchase, refinance, home improvement, and small business loans totaling \$114 million as shown in Exhibit 3 below.



On an annualized basis, lending increased 33% since the previous examination. The largest increase was in small business lending, which increased 54% and has become the largest part of the bank's lending mix as noted in Exhibit 2 at right. This exhibit illustrates the percentage of the number of loan originations for each retail loan product. Home purchase and home improvement lending declined 17% and 32%, respectively, while refinance lending has increased 162% compared with the prior examination.

As noted in Exhibit 3, 94% of HMDA-related loans and 95% of small business loans were made in the bank's assessment area. In 2002, the bank had a 6.05% deposit market share in its assessment area, ranking 6<sup>th</sup> in the market, while its low HMDA-related loan market share was .86%, ranking 28<sup>th</sup> in the market. Solvay's 6.64% share of the small business loan market in 2002 was stronger than its deposit market share, and the bank ranked 8<sup>th</sup> in the market.

EXHIBIT 3								
Lending Inside and Outside the Assessment Area								
	INSIDE				OUTSIDE			
	#	%	\$('000s)	%	#	%	\$('000s)	%
HMDA Home Purchase	198	92	\$20,872	91	17	8	\$2,059	9
HMDA Refinancings	197	96	\$15,629	96	9	4	\$599	4
HMDA Home Improvement	117	95	\$1,887	91	6	5	\$185	9
<b>Total HMDA</b>	<b>512</b>	<b>94</b>	<b>\$38,388</b>	<b>93</b>	<b>32</b>	<b>6</b>	<b>\$2,843</b>	<b>7</b>
<b>Total Small Business</b>	<b>944</b>	<b>95</b>	<b>\$75,284</b>	<b>95</b>	<b>51</b>	<b>5</b>	<b>\$3,739</b>	<b>5</b>
<b>TOTALS</b>	<b>1,456</b>	<b>95</b>	<b>\$113,672</b>	<b>95</b>	<b>83</b>	<b>5</b>	<b>\$6,582</b>	<b>5</b>

**Geographic Distribution:** Overall, the geographic distribution of HMDA-related and small business loans reflects adequate loan penetration. Small business loan penetration was excellent, and HMDA-related penetration was considered adequate in relation to the performance context.

*HMDA-related Lending*

Compared with the percentage of owner-occupied housing units located in moderate-income census tracts, the geographic distribution of all HMDA-related loan products in moderate-income geographies was considered adequate. The bank's percentage of lending in moderate-income census tracts was below the aggregate. The limited volume of loans for all three HMDA-related products was generally in line with the performance of other lenders in the market and indicated the continuing need for revitalization and stabilization in many of these areas, as noted in the performance context section in this Public Evaluation.

Compared with the percentage of owner-occupied housing units located in low-income census tracts, the geographic distribution of all HMDA-related products in low-income geographies was considered adequate. The limited volume of loans for the three HMDA-related products also generally reflected the performance of other lenders in the market as noted above, and the bank's percentage of lending in low-income census tracts was also below the aggregate.

*Small Business Lending*

Compared with the percentage of businesses located in LMI census tracts, the geographic distribution of small business loans was excellent. The bank's performance in both low- and moderate-income geographies was significantly above the aggregate.

**Borrower Characteristics:** The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. Specifically, lending to moderate-income borrowers was good, and lending to business of different sizes was excellent. Lending to low-income borrowers was considered adequate. These conclusions take into account the number and percentage of LMI families, the size of businesses, aggregate lending performance in the assessment area, and housing costs in relation to low incomes.

*HMDA-related Lending to Moderate-income Borrowers*

The level of HMDA-related lending to moderate-income families in the assessment area was good. Performance was good in both home purchase lending and refinancings, and excellent in home improvement lending. The bank's performance in home purchase lending was below the aggregate, while performance in refinance and home improvement lending was slightly above the aggregate.

*HMDA-related Lending to Low-income Borrowers*

The level of HMDA-related lending to low-income families was considered adequate. Performance was considered adequate in both home purchase and refinance lending. The bank's performance for home purchase lending was below the aggregate, and performance for refinance lending was significantly below the aggregate. However, the performance of the aggregate was

not strong, reflecting the difficulty low-income borrowers have in purchasing homes because of high housing costs.

Working with Home Headquarters, a community development organization, the bank participated in a first-time home purchase program in Syracuse that allows first-time buyers to provide a down payment of only \$500 toward a home. The bank extended five mortgages totaling \$160 thousand through this program.

The bank's level of home improvement lending to low-income borrowers was excellent, and the bank's performance was significantly above the aggregate.

#### Lending to Small Businesses of Different Sizes

Lending to businesses of different sizes was excellent. Solvay had a high level of loans to businesses with GAR of \$1 million when compared with the number of businesses in the assessment area having GAR of \$1 million or less. The bank also significantly outperformed the aggregate. Of the small business loans reported, 82% were less than \$100 thousand. The average size of these loans was \$36 thousand, an amount that would typically meet the credit needs of smaller businesses.

**Community Development Lending:** The bank's level of community development lending was excellent. During the examination period, community development loan commitments totaled \$1.9 million. A significant majority of the community development loans was targeted to revitalizing and stabilizing moderate-income geographies in the assessment area.

Examples of community development loans originated during the evaluation period include two loans for the construction of two health care facilities in moderate-income areas and a loan to a lender in support of very small business entrepreneurs.

#### **INVESTMENT TEST**

Solvay's performance under the investment test is rated low satisfactory.

The bank's level of qualified investments totaled \$875 thousand and represents a decline of \$1.4 million, or 61%, since the previous examination. The most significant investment was an \$800 thousand municipal bond, which provides community services primarily to LMI individuals. The remainder represented \$45 thousand for affordable housing purposes and \$30 thousand in grants and contributions to community development organizations. None of the qualified investments were considered innovative or complex.

#### **SERVICE TEST**

Solvay's performance under the service test is rated outstanding. Delivery systems were readily accessible to all portions of the bank's assessment area, and the bank's record of providing community development services was good.

**Retail Services:** As of December 31, 2002, the bank operated six branches in its assessment area. Of the total number of branches, one or 17% was located in an LMI census tract, which is slightly below the 22% of the assessment area population located in LMI census tracts. In addition, the downtown Syracuse branch is located within a mile of several LMI census tracts and offers a full range of services.

The same range of retail and commercial deposit and loan services was offered at all branch offices, except for trust services, located at the main office only. Solvay's business hours and services do not vary in a way that inconveniences LMI geographies and LMI individuals. All branches have extended business hours, which include Thursday evenings, Friday evenings and Saturdays. The branch in the LMI census tract has extended hours on Thursdays and Fridays.

Five 24-hour automated teller machines ("ATMs") are located in branch offices while one ATM is a stand-alone facility located on the New York State Fairgrounds. One of the five branch ATMs and the single off-site ATM are located in a moderate-income census tract.

Other delivery systems include drive-up windows, live and automated telephone banking, banking by mail, on-line banking, and loan production offices. The telephone banking and on-line banking services enable customers to pay bills, transfer funds and make account inquiries. None of these other delivery systems significantly enhanced accessibility to LMI individuals and geographies.

Solvay did not open or close any branches during the examination period.

**Community Development Services:** Solvay provided a good level of community development services, hosting seminars and offering technical assistance to various organizations that furnish community development services to LMI individuals. Six bank employees served on the boards and committees of various community development organizations. These organizations include Home Headquarters, which provides home purchase, rehabilitation and home improvement loans to LMI residents and first-time home buyers; and Rebuilding Together, which repairs the homes of low-income, disabled or elderly homeowners.

Several officers lent their business development expertise during two events sponsored by the Urban Business Opportunity Center ("UBOC"), which assists individuals interested in starting businesses. In addition, bank employees presented general business and banking information to members of Urban Delites, an organization that teaches teenagers from LMI areas in Syracuse about farming and running a business.

Solvay also collaborated with the Onondaga County Department of Social Services to set up a loan program for low-income health care workers in the county. The purpose of the program was to assist with vehicle repair or finance the purchase of vehicles in order to help participants find employment.

In addition, Solvay employees also initiated a student banking program at Lakeland Middle School, an elementary school serving a predominantly LMI population. The program educates

young people on all facets of banking. During the examination period, Solvay held five seminars for students.

Bank employees also served as advisors and committee members to Appleseed Trust, which provides training to LMI individuals in the management and ownership of their own businesses.

## **COMPLIANCE WITH ANTIDISCRIMINATION LAWS**

No credit practices violating the substantive provisions of the antidiscrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B) and the Fair Housing Act, were identified that would have an impact on Solvay's CRA rating.

## CRA APPENDIX A

### SCOPE OF EXAMINATION

The scope of the examination of Solvay Bank is discussed on page BB4.

## CRA APPENDIX B

### GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status and living conditions to allow for statistical comparisons.

**Community development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives. Families are classified by type as either a married-couple family or other family, which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

**Full review:** Performance under the lending, investment and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution,

borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (“HMDA”):** This statute requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include data such as race, gender and income of applications, amount of loan requested, and disposition of the application (for example, approved, denied and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in HMDA. This definition also includes loans for multifamily dwellings (five or more families), loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100% tabulations, the count of households always equals the count of occupied housing units.

**Low-income:** Individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of a geography.

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Metropolitan area (“MA”):** Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”) or consolidated metropolitan statistical area (“CMSA”) as defined by the U.S. Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-income:** Individual income that is at least 80% and less than 120% of the area median income, or a median family income that is at least 80% and less than 120%, in the case of a geography.

**Moderate-income:** Individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, in the case of a geography.

**Multifamily:** Refers to a residential structure containing five or more units.

**Owner-occupied units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share or grant that has as its primary purpose community development.

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states in a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Small loan(s) to business(es):** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income ("Call Report") and the Thrift Financial Reporting ("TFR") instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small loan(s) to farm(s):** A loan included in "loans to small farms" as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500 thousand or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-income:** Individual income that is more than 120% of the area median income, or a median family income that is more than 120%, in the case of a geography.

**CRA APPENDIX C**

**CRA CORE TABLES**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: ONONDAGA COUNTY						Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002				
Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Assessment Area Total	100	513	39,088	944	75,284	1	174	3	1,958	1,461	116,504	100

\* Loan data as of December 31, 2002. Rated area refers to either the state or multistate metropolitan area rating area.

\*\* The evaluation period for community development loans is July 1, 2001, to December 31, 2002.

\*\*\* Deposit data as of June 30, 2002. Rated area refers to either the state, multistate metropolitan area or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: ONONDAGA COUNTY								Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002				
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*			
	#	% of Total**	% Owner- Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper						
<b>Full Review:</b>														
Assessment Area Total	198	100	1.99	0.51	7.50	3.54	52.79	43.43	37.72	52.53	1.10	5.74	47.59	45.56

\* Based on 2001 Peer Mortgage Data: Northeast region.

\*\* Home purchase loans originated and purchased in the metropolitan area/assessment area as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of owner-occupied units is number of owner-occupied housing units in a particular geography divided by number of owner-occupied housing units in the area based on 1990 Census.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT ("HI")		Geography: ONONDAGA COUNTY								Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002				
Metropolitan Area/ Assessment Area	Total HI Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income			
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area Total	117	100	1.99	1.71	7.50	4.27	52.79	68.38	37.72	25.64	1.54	6.15	54.58	37.73

\* Based on 2001 Peer Mortgage Data: Northeast region.

\*\* Home improvement loans originated and purchased in the metropolitan area/assessment area as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by number of owner-occupied housing units in the area based on 1990 Census.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: ONONDAGA COUNTY								Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002				
Metropolitan Area/ Assessment Area	Total Refinancings		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*			
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area Total	197	100	1.99	0	7.50	2.54	52.79	45.69	37.72	51.78	1.12	4.83	45.83	48.22

\* Based on 2001 Peer Mortgage Data: Northeast region.

\*\* Home mortgage refinance loans originated and purchased in the metropolitan area/assessment area as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by number of owner-occupied housing units in the area based on 1990 Census.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY ("MF")		Geography: ONONDAGA COUNTY								Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002				
Metropolitan Area/ Assessment Area	Total MF Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*			
	#	% of Total**	% of MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area Total	1	100	22.94	0.00	27.49	0.00	29.80	0.00	19.78	100.00	3.70	37.04	40.74	18.52

\* Based on 2001 Peer Mortgage Data: Northeast region.

\*\* Multifamily loans originated and purchased in the metropolitan area/assessment area as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES ("SB")		Geography: ONONDAGA COUNTY						Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002						
Metropolitan Area/ Assessment Area	Total SB Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) By Tract Income*			
	#	% of Total **	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area Total	944	100	10.25	14.72	10.43	16.84	48.73	49.36	30.54	19.07	10.05	9.87	47.86	27.95

\* Based on 2001 Peer Small Business Data: Northeast region.

\*\* Small loans to businesses originated and purchased in the metropolitan area/assessment area as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source data - Dun and Bradstreet (2001).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS ("SF")		Geography: ONONDAGA COUNTY						Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002						
Metropolitan Area/ Assessment Area	Total SF Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) By Tract Income*			
	#	% of Total **	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area Total	1	100	0.76	0	4.43	100	58.17	0	36.64	0	0	0	85.11	12.77

\* Based on 2001 Peer Small Business Data: U.S. & PR.

\*\* Small loans to farms originated and purchased in the metropolitan area/assessment area as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2001).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE ("HP")		Geography: ONONDAGA COUNTY						Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002						
Metropolitan Area/ Assessment Area	Total HP Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total **	% Families **	% Bank Loans****	% Families ***	% Bank Loans ****	% Families ***	% Bank Loans ****	% Families ***	% Bank Loans ****	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area Total	198	100	16.88	3.68	17.25	14.21	24.08	23.16	41.80	58.95	5.31	22.14	27.99	44.56

\* Based on 2001 Peer Mortgage Data: Northeast region.

\*\* As a percentage of loans with borrower income information available. No information was available for 4.04% of loans originated and purchased by the bank.

\*\*\* Percentage of families is based on 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the metropolitan area/assessment area as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT ("HI")		Geography: ONONDAGA COUNTY								Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002				
Metropolitan Area/ Assessment Area	Total HI Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area Total	117	100	16.88	15.45	17.25	24.55	24.08	27.27	41.80	32.73	7.69	20.25	26.09	45.97

\* Based on 2001 Peer Mortgage Data: Northeast region.

\*\* As a percentage of loans with borrower income information available. No information was available for 5.98% of loans originated and purchased by the bank.

\*\*\* Percentage of families is based on 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the metropolitan area/assessment area as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: ONONDAGA COUNTY								Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002				
Metropolitan Area/ Assessment Area	Total Refinancings		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area Total	197	100	16.88	1.58	17.25	16.84	24.08	24.21	41.80	57.37	3.68	13.88	24.27	58.17

\* Based on 2001 Peer Mortgage Data: Northeast region.

\*\* As a percentage of loans with borrower income information available. No information was available for 3.55% of loans originated and purchased by the bank.

\*\*\* Percentage of families is based on 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the metropolitan area/assessment area as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES ("SB")		Geography: ONONDAGA COUNTY								Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002	
Metropolitan Area/ Assessment Area	Total SB Loans		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*			
	#	% of Total**	% of Businesses***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenues \$1 Million or Less		
<b>Full Review:</b>											
Assessment Area Total	944	100	85.11	70.23	81.89	10.81	7.31	9,954	4,066		

\* Based on 2001 Peer Small Business Data: Northeast region

\*\* Small loans to businesses originated and purchased in the metropolitan area/assessment area as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: ONONDAGA COUNTY				Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenues \$1 Million Or Less
<b>Full Review:</b>									
Assessment Area Total	1	100	90.84	100	0	100	0	47	36

\* Based on 2001 Peer Small Business Data: U.S. & PR.

\*\* Small loans to farms originated and purchased in the metropolitan area/assessment area as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: ONONDAGA COUNTY				Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Assessment Area Total	0	0	4	875	4	875	100	0	0

\* "Prior Period Investments" means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

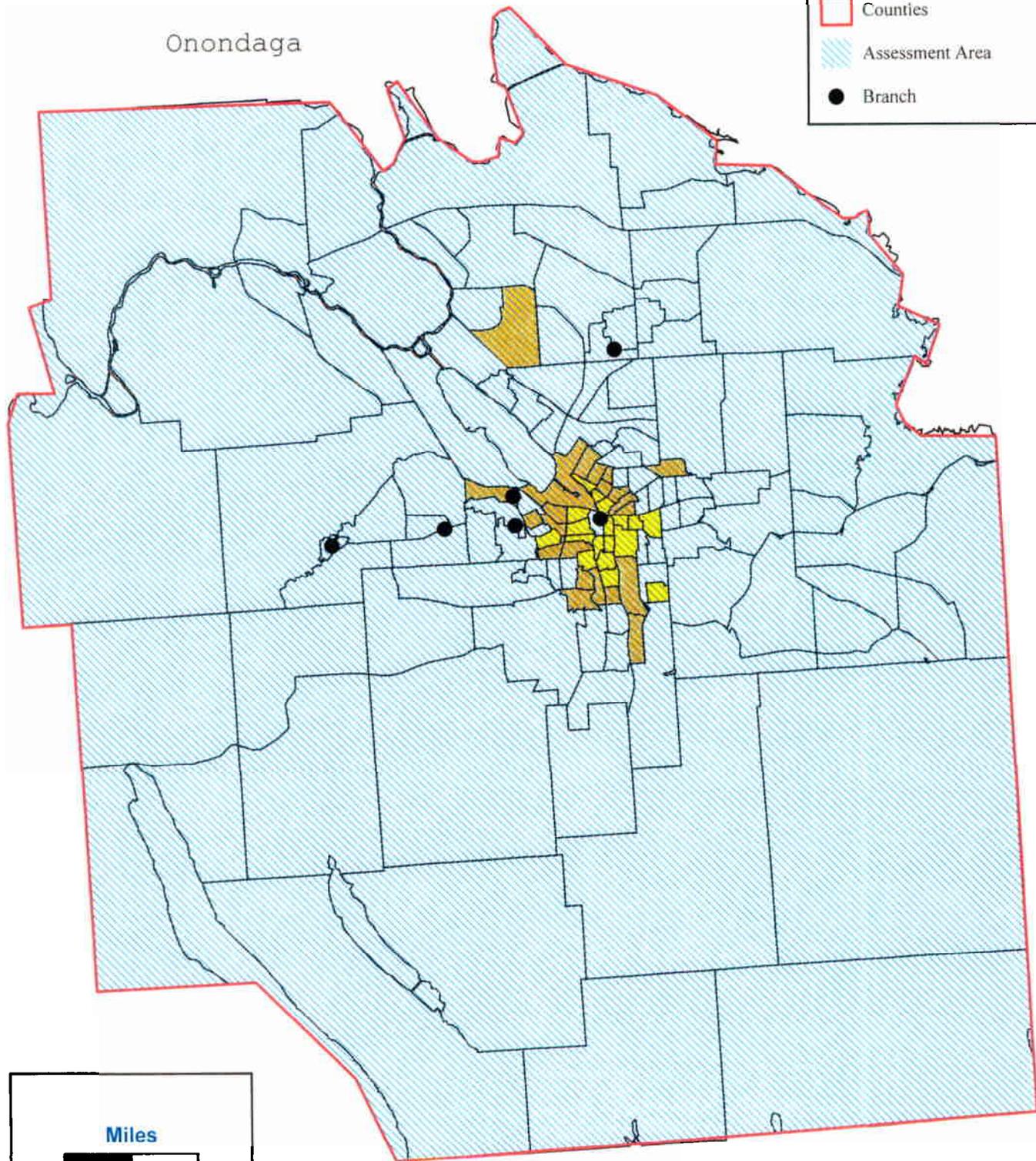
**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

BRANCH DELIVERY SYSTEM OPENINGS/CLOSINGS		Geography: ONONDAGA COUNTY						Evaluation Period: JULY 1, 2001, TO DECEMBER 31, 2002										
Metropolitan Area/ Assessment Area	Deposits	Branches						Branch Openings/Closings				Population						
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
				Low	Mod	Mid	Upper			Low	Mod	Mid	Upper	Low	Mod	Mid	Upper	
<b>Full Review:</b>																		
Assessment Area Total	100	6	100	0.0	17	66	17	0	0	0	0	0	0	0	9.34	13.01	45.84	31.71

# Solvay Bank

## Assessment Area

July 1, 2001 through December 31, 2002



**Legend**

- Low Income Tracts
- Moderate Income Tracts
- Census Tracts
- Counties
- Assessment Area
- Branch

