

# **PUBLIC DISCLOSURE**

February 22, 2016

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Empire State Bank  
RSSD No. 3277241**

**68 Plank Road  
Newburgh, New York 12550**

**FEDERAL RESERVE BANK OF NEW YORK**

**33 LIBERTY STREET  
NEW YORK, NY 10045**

**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'S CRA RATING:** Empire State Bank (“ESB”) is rated **“Satisfactory.”**

The following table indicates the performance level of the institution with respect to the lending test.

PERFORMANCE LEVELS	PERFORMANCE TESTS
	LENDING TEST
OUTSTANDING	
SATISFACTORY	X
NEEDS TO IMPROVE	
SUBSTANTIAL NONCOMPLIANCE	

The major factors supporting the institution’s rating include the following performance criteria:

- A majority of loans were made in the assessment area.
- ESB’s loan-to-deposit ratio was more than reasonable given the bank’s size, financial condition and assessment credit needs.
- The overall distribution of loans to borrowers of different incomes and businesses of different sizes reflects reasonable penetration.
- The overall geographic distribution of loans reflects poor dispersion throughout the assessment area.

## DESCRIPTION OF INSTITUTION

Empire State Bank (“ESB”) was established in June 2004 as a national bank chartered by the Office of the Comptroller of the Currency and converted to a New York State member bank on March 9, 2009. The bank is the sole subsidiary of ES Bancshares Inc., a one-bank holding company organized in 2006. As of December 31, 2015, the bank’s total assets were \$196 million, with total deposits of \$159 million and total gross loans of \$168 million. Loans secured by one- to four-family residential properties represent 28% of all real estate loans and 21% of net loans and leases

ESB operates out of its main office in Newburgh, New York and has three branches, one in New Paltz, New York, one in Staten Island, New York, and a newly opened one in Brooklyn, New York. The Bank is a full service commercial bank that offers a variety of financial services to meet the needs of communities in its market area. The Bank attracts deposits from the general public and uses such deposits to originate commercial loans, commercial revolving lines of credit and term loans including USDA and SBA guaranteed loans, commercial real estate and to a lesser extent construction and land loans. While 21% of net loans are mortgage loans secured by one-to four family residential properties, the bank made the decision to exit the consumer mortgage market in 2012 for new mortgage originations.

The following table shows the composition of ESB’s loan portfolio as of December 31, 2015, according to the Consolidated Report of Condition and Income:

<b>Loan Portfolio Summary</b>		
<b>LOAN TYPE</b>	<b>DOLLAR AMOUNT*</b> (*000s)	<b>PERCENT OF TOTAL</b>
Commercial / Industrial & Non-Farm Non Residential Real Estate	114,227	68
Construction & Land Development	965	1
Secured by 1-4 Family Residential Real Estate	35,708	21
Multifamily	16,232	10
Consumer	131	0
Other	649	0
<b>Total Gross Loans and Leases</b>	<b>167,912</b>	<b>100</b>

ESB's previous CRA examination was conducted by the Federal Reserve Bank of New York ("FRBNY") dated August 1, 2011, and the bank received an overall rating of "Satisfactory" under the Federal Financial Institution Examination Council ("FFIEC") CRA Interagency Examination Procedures for Small Institutions. ESB has no financial or legal impediments that would prevent it from fulfilling its responsibilities under CRA.

## **DESCRIPTION OF ASSESSMENT AREA**

ESB's assessment areas consist of the following:

- MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY), which includes all of Orange County, NY. This portion was expanded since the previous examination to include all of Orange County. In 2014 MSA 39100 was dissolved and Orange County became part of MD 35614 (New York-Jersey City-White Plains, NY-NJ). As this assessment area is not contiguous to the Richmond and Kings Counties portion of MSA 35614, for 2014 it will continue to be analyzed as a separate assessment area.
- MD 35644 (New York-White Plains-Wayne, New York-New Jersey, NY-NJ-PA), which includes Richmond County and a portion of Kings County, NY. The assessment area was expanded since the previous examination to include portions of King's County. For 2014 MD 35644 was dissolved and the assessment area became part of the new MD 35614 (New York-Jersey City-White Plains, NY-NJ). 2014 will be analyzed separately.
- MSA 28740 (Kingston, NY), which includes only portions of Ulster County, NY

Examiners found that ESB's assessment area is in compliance with the requirements of 12 CFR §228.41 and does not arbitrarily exclude low- and moderate-income ("LMI") geographies. A map of the assessment areas is in Appendix B.

## **SCOPE OF EXAMINATION**

### ***Procedures***

ESB's CRA performance was evaluated using the FFIEC's CRA Interagency Examination Procedures for Small Institutions, which consists of a lending test.

### ***Products***

Consistent with ESB's focus on commercial lending there were insufficient volumes of HMDA loans in the review period for a meaningful analysis of the geographic distribution and borrower distribution of HMDA loans. Lending performance for geographic distribution and borrower distribution was based on small business loans.

The examination period covered the time period from January 1, 2011 through December 31, 2014. Examiner's reviewed a sample of 117 small business loans that was selected from a universe of 278 small business loans. The loan samples were selected using the Board of Governors' sampling procedures and the integrity of the loan data was verified as part of the

onsite exam. Full scope reviews were conducted for MD 35614 (Orange County NY and MD 35614 Richmond and Kings Counties, NY). A limited scope review was conducted for MSA 28740 (Kingston, NY).

With the release of the Office of Management and Budget (“OMB”) Bulletin 13-01, on February 28, 2013, MSA 39100 was dissolved and Orange County was merged into an expanded Metropolitan Division, MD 35614 (New York-Jersey City, White Plains, NY-NJ), as part of the larger MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA). This change triggered modifications in the distribution of census tracts by income level of the population, reducing the number of LMI census tracts from 21 to 15, reduced the number of middle-income census tracts from 40 to 17 and increased the number of upper-income census tracts from 18 to 47. It also effected the distribution of owner-occupied housing units by income level of the census tract and the distribution of population by income level. Except where noted, Description of Assessment Area is based on the data pertaining to MD 35614 from 2014.

The change also effected the Richmond and Kings Counties portion of MD 35644 (New York-White Plains-Wayne, NY-NJ) which was merged into an expanded Metropolitan Division, MD 35614 (New York-Jersey City, White Plains, NY-NJ). The number of low-income census tracts increased from 27 to 32 while moderate-income tracts increased from 88 to 101. The number of middle- and upper-income census tracts declined by 18.

Examiners conducted interviews with two community development organizations in order to gain an understanding of local credit needs. One organization focused on affordable housing for LMI individuals while the other promoted economic development through lending programs for small businesses.

### ***Lending Analysis***

The borrower and geographic loan distribution analyses were based on small business loan activity in ESB’s assessment areas. ESB’s performance in 2011 was compared to 2000 Census demographic data, while its performance in 2012, 2013, and 2014 was compared to 2010 Census demographic data.

To evaluate the geographic distribution of small business loans, the analysis compared the proportion of ESB's loan originations to the proportion of businesses located in LMI geographies.

To evaluate the borrower characteristics of small business lending, ESB’s proportion of loans to businesses with gross annual revenues (“GAR”) of \$1 million or less, was compared to the proportion of all such businesses located in the assessment area based on Dun and Bradstreet (“D&B”) data. The size of the small business loans was also used as a proxy to identify to lending to businesses with GAR of \$1 million or less.

Borrower and geographic distribution analyses were based on ESB’s performance in 2011, 2012, 2013, and 2014 compared respectively to the 2011, 2012, 2013, and 2014 aggregate performance of all lenders subject to CRA and small business reporting for those years.

ESB's performance in MSA 35614 (Richmond and Kings Counties) received the most weight in determining the overall rating because of the high concentration of deposits and lending in these two counties. This assessment area has 64% of the small business loans and 50% of all deposits.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

ESB's overall satisfactory CRA rating is based on an assessment of the bank's core performance criteria under the FFIEC's CRA Interagency Examination Procedures for Small Institutions as discussed below.

**Loan-to-Deposit Ratio**

Empire's loan-to-deposit ratio was more than reasonable given the bank's size, financial condition, and the credit needs of its assessment area. The bank's ratio is above the loan-to-deposit ratios for both national and local peer groups. The bank's average loan-to-deposit ratio for the sixteen quarters ending December 31, 2014, was 91%, based on information contained in its Consolidated Report of Condition and Income. This ratio was above the national peer average of 73% for similarly-situated banks, and was also above the average ratio of 70% for seven similarly-situated banks located in the Hudson Valley region of New York State and in Richmond and Kings Counties.

**Lending in Assessment Areas**

ESB originated a majority of its loans and other lending related activities are in its assessment areas. Overall, 60 percent of the loans evaluated for this CRA examination were originated in the assessment area. ESB originated 62 percent of its HMDA-related loans to individuals residing in its assessment area. Of the small business loans sampled for this evaluation, 60 percent were extended to small businesses located in the bank's assessment area. The chart below shows the distribution of loans inside and outside the assessment area.

<b>Lending Inside and Outside the Assessment Area</b>								
January 1, 2011 - December 31, 2014								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase	5	38.5	1,980	46.5	8	61.5	2,280	53.5
Refinancing	13	54.2	2,950	51.7	11	45.8	2,753	48.3
Home Improvement	5	83.3	1,001	77.5	1	16.7	290	22.5
Multi-Family	14	82.4	9,976	72.6	3	17.6	3,765	27.4
<b>Total HMDA related</b>	<b>37</b>	<b>61.7</b>	<b>15,907</b>	<b>63.6</b>	<b>23</b>	<b>38.3</b>	<b>9,088</b>	<b>36.4</b>
Small Business	68	59.6	18,202	64.1	46	40.4	10,173	35.9
<b>Total Small Business related</b>	<b>68</b>	<b>59.6</b>	<b>18,202</b>	<b>64.5</b>	<b>46</b>	<b>40.4</b>	<b>10,173</b>	<b>15.5</b>
<b>TOTAL LOANS</b>	<b>105</b>	<b>60.3</b>	<b>34,109</b>	<b>63.9</b>	<b>69</b>	<b>39.7</b>	<b>19,261</b>	<b>36.1</b>

**Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

The overall distribution of small business loans reflected reasonable penetration among businesses of different sizes based on reasonable performance in MSA 35614 (Richmond and Kings Counties). Performance was poor in MSA 35614 (Orange County, NY).

**Geographic Distribution of Loans**

ESB's overall geographic distribution of small business loans reflected poor dispersion throughout all of the bank's assessment areas, including LMI census tracts, with consideration given to the bank's business strategy as a commercial lender and the competitive banking environment of the assessment areas. ESB's performance was poor in MSA 35614 (Richmond and Kings Counties) and reasonable in MSA 35614 (Orange County, NY).

**Response to Complaints**

ESB did not receive any complaints relating to the bank's CRA performance during the examination period.

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practice was identified as being inconsistent with helping to meet the credit needs of the assessment area.

**METROPOLITAN AREA  
MSA 35614 (ORANGE COUNTY, NY)**

**DESCRIPTION OF OPERATIONS**

The bank's headquarters are located in this MSA. The Newburgh headquarters generated \$55 million in deposits, or 33% of the bank's total branch deposits as of June 30, 2015. A total of 34 of ESB's small business loans were originated in this MSA during the examination period.

ESB operates in a competitive banking market. Competitors include large federal banks, local community and state chartered banks, credit unions, mortgage companies and non-bank financial institutions. The deposit market is dominated by large financial institutions such as JPMorgan Chase Bank N.A., Key Bank N.A., TD Bank N.A., and Bank of America N.A. Other regional competitors include M & T Bank and Orange County Trust Company. ESB's deposit market share is less than 1% and ranks 16<sup>th</sup> out of 24 banks in Orange County.



## PERFORMANCE CONTEXT

The following demographic and economic information was used to describe the assessment area and to evaluate the context in which ESB operates. The information was obtained from publicly available sources, including the U.S. Department of Commerce’s Bureau of the Census, the U.S. Department of Labor, the U.S. Department of Housing and Urban Development (“HUD”), the New York City Department of Housing Preservation and Development (“HPD”), the National Association of Realtors, and the Federal Reserve Bank of New York’s Beige Book.

### Demographic Characteristics

According to the 2010 Census, the population of the assessment area was 372,813, which is an increase of 9% since the 2000 census. The assessment area consists of 79 census tracts, including 5 low-income tracts and 10 moderate-income tracts. The LMI tracts are concentrated in the cities of Newburgh and Middletown, New York, and the village of Kiryas Joel, New York.

### Income Characteristics

The HUD-adjusted median family income for the MSA was \$85,800 in 2013 and \$83,100 in 2014. Eight percent of all families have incomes below the poverty level and 30% of all families are of low- or moderate-income.

### Housing Characteristics

The assessment area contains 135,562 housing units, of which 65% are owner occupied. Eight percent of owner-occupied housing units are located in low-and moderate-income census tracts, representing 33% of total housing units in the low- and moderate-income tracts. Demographic data from the 2010 census estimated the median age of the housing stock to be 42 years old overall. Given the age of the housing stock community groups have stated that there is a need for home improvement and home rehabilitation loans.

<b>MEDIAN HOME SALES PRICES</b>			
<b>Area</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Orange County	\$225,000	\$222,000	\$219,000

Source: New York Association of Realtors

As shown in the table to the left, the median sales price of existing single-family homes in Orange County was \$219,000 as of December 2014 and declined from \$225,000 in December 2012. While values are down slightly, they are still below peak values of \$290,000 in 2008.

*Labor, Employment and Economic Characteristics*

The rate of unemployment in Orange County is slightly better than that of the State of New York in general. The overall trend is down reflecting the improved economic conditions.

<b>U.S. DEPARTMENT OF LABOR ANNUAL UNEMPLOYMENT RATES</b>			
<b>Area</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Orange County	7.9%	6.8%	5.5%
State of New York	8.5%	7.7%	6.3%

Orange County's major employment industries are healthcare, education, and retail, with the top employers being Orange Regional Medical Center, St. Luke's Cornwall Hospital, West Point Military Academy, and C&S Wholesale Grocers, Inc.

See the table below for additional assessment area details.

<b>Assessment Area Demographics</b>								
<b>Assessment Area : MSA 35614 Orange County 2014</b>								
<b>Income Categories</b>	<b>Tract Distribution</b>		<b>Families by Tract Income</b>		<b>Families &lt; Poverty Level as % of</b>		<b>Families by Family Income</b>	
	#	%	#	%	#	%	#	%
Low-income	5	6.3	4,347	4.8	2,262	52.0	14,842	16.4
Moderate-income	10	12.7	8,944	9.9	1,580	17.7	12,458	13.8
Middle-income	17	21.5	17,916	19.8	1,458	8.1	17,119	18.9
Upper-income	47	59.5	59,149	65.5	1,494	2.5	45,937	50.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>79</b>	<b>100.0</b>	<b>90,356</b>	<b>100.0</b>	<b>6,794</b>	<b>7.5</b>	<b>90,356</b>	<b>100.0</b>
<b>Housing Units By Tract</b>	<b>Housing Types by Tract</b>							
	<b>Owner-Occupied</b>				<b>Rental</b>		<b>Vacant</b>	
	#	%	%	#	%	#	%	
Low-income	6,337	1,690	1.9	26.7	3,797	59.9	850	13.4
Moderate-income	15,374	5,425	6.1	35.3	8,151	53.0	1,798	11.7
Middle-income	29,556	17,085	19.3	57.8	10,091	34.1	2,380	8.1
Upper-income	84,295	64,433	72.7	76.4	13,707	16.3	6,155	7.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>135,562</b>	<b>88,633</b>	<b>100.0</b>	<b>65.4</b>	<b>35,746</b>	<b>26.4</b>	<b>11,183</b>	<b>8.2</b>
	<b>Total Businesses by</b>		<b>Businesses by Tract &amp; Revenue Size</b>					
			<b>Less Than or = \$1</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
	#	%	#	%	#	%	#	%
Low-income	787	4.8	707	4.8	57	5.7	23	3.5
Moderate-income	1,770	10.9	1,520	10.4	138	13.7	112	17.3
Middle-income	2,924	18.0	2,608	17.9	207	20.5	109	16.8
Upper-income	10,764	66.3	9,754	66.9	606	60.1	404	62.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>16,245</b>	<b>100.0</b>	<b>14,589</b>	<b>100.0</b>	<b>1,008</b>	<b>100.0</b>	<b>648</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>89.8</b>		<b>6.2</b>		<b>4.0</b>

Based on 2010 ACS Information. 2014 D&B Information

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

ESB's overall record of lending in MSA 35614 (Orange County, NY) was reasonable based on a reasonable geographic distribution of small business lending while lending to borrowers to businesses of different sizes was poor.

MSA 35614 (Orange County, NY) -2014

### Lending to Businesses of Different Sizes

ESB's distribution of loans to businesses of different sizes was poor. In 2014, ESB's proportion of loans to businesses with GAR of \$1 million or less was 25%, compared to 90% of such businesses operating in the assessment area. ESB's 2014 performance was below the performance of the aggregate, which reported 43% of its loans to small businesses.

In 2014 ESB extended a good percentage of its loans in small dollar amounts helping to meet the needs of small businesses. Twenty-five percent of ESB's small business loans were in amounts of \$100,000 or less which was below the aggregate, which originated 96% of its loans in amount of \$100,000 or less, however the aggregate includes credit card loans in this calculation. In 2014 38% of ESB's loans were between \$100,000 and \$250,000 and 38% were between \$250,000 and \$1 million.

MSA 39100 (Orange County, NY) 2012 -2013

ESB's distribution of loans to businesses of different sizes was poor. In 2013, ESB's proportion of loans to businesses with GAR of \$1 million or less was 20%, compared to 90% of such businesses operating in the assessment area. ESB's 2013 performance was below the performance of the aggregate, which reported 44% of its loans to small businesses. ESB's small business lending performance in 2011 and 2012 was not rated as ESB reported only one small business loan in each year.

In 2013, ESB extended a high percentage of its small business loans in small dollar amounts which helps to meet the needs of small businesses. Seventy percent of its small business loans were in an amount of \$100,000 or less, which was below the aggregate, which originated 96% of its loans in amount of \$100,000 or less. As noted above, this comparison is skewed as the aggregate includes credit card loans in its totals. Twenty percent of ESB's loans were between \$100,000 and \$250,000 and 10% were between \$250,000 and \$1,000,000.

### Geographic Distribution of Loans

The geographic distribution of small business loans in MSA 35614 (Orange County, NY) for 2014 and for MSA 39100 (Orange County, NY) for in 2013, was reasonable based on reasonable performance in 2013 while performance in 2014 was poor. Performance in 2011 and 2012 was not rated as only one small business loan was made in each year.

MSA 35614 (Orange County, NY) -2014

Small Business Loans

The overall distribution of small business loans in LMI geographies was poor when compared with the level of businesses as well as with the performance of the aggregate of small business reporting lenders. In 2014, ESB originated eight small business loans within Orange County none of which were in LMI geographies. In comparison, the aggregate originated 21% of its small business loans in low-income geographies and 7% in moderate-income geographies, while 5% of the small businesses operating within the assessment area are located in low-income geographies and 11% in moderate-income geographies.

MSA 39100 (Orange County, NY) - 2013

Small Business Loans

The overall distribution of small business loans in LMI geographies was reasonable when compared with the level of businesses as well as with the performance of the aggregate of small business reporting lenders. In 2013, ESB originated ten small business loans within Orange County one (10%) of which was in a low-income geography and two (20%) were in moderate-income geographies. In comparison, the aggregate originated 18% of its small business loans in low-income geographies in 2013 and 10% in moderate-income geographies, while 7% of the small businesses operating within the assessment area are located in low-income geographies and 14% in moderate-income geographies.

**2014 Aggregate Comparison Loan Distribution Table**  
Assessment Area/Group: Orange County

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	<b>Home Purchase</b>									
Low	0	0.0%	0.0%	7.1%	8.1%	0	0.0%	0.0%	1.0%	0.5%
Moderate	0	0.0%	0.0%	4.6%	2.9%	0	0.0%	0.0%	12.8%	8.3%
Middle	0	0.0%	0.0%	18.2%	13.9%	0	0.0%	0.0%	23.1%	19.8%
Upper	0	0.0%	0.0%	70.1%	75.2%	0	0.0%	0.0%	46.2%	54.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	16.9%	17.2%
<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>
	<b>Refinance</b>									
Low	0	0.0%	0.0%	3.3%	3.8%	0	0.0%	0.0%	3.3%	2.0%
Moderate	0	0.0%	0.0%	5.2%	3.7%	0	0.0%	0.0%	10.2%	7.0%
Middle	0	0.0%	0.0%	17.9%	14.8%	0	0.0%	0.0%	16.3%	13.7%
Upper	0	0.0%	0.0%	73.6%	77.8%	0	0.0%	0.0%	49.3%	55.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	20.8%	22.2%
<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>
	<b>Home Improvement</b>									
Low	0	0.0%	0.0%	0.4%	1.0%	0	0.0%	0.0%	9.5%	3.4%
Moderate	0	0.0%	0.0%	4.7%	1.5%	0	0.0%	0.0%	13.4%	8.6%
Middle	0	0.0%	0.0%	20.7%	15.8%	0	0.0%	0.0%	20.3%	13.5%
Upper	0	0.0%	0.0%	74.1%	81.8%	0	0.0%	0.0%	50.9%	57.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.0%	17.3%
<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>
	<b>Multi-Family</b>									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	23.5%	7.7%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	35.3%	54.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	41.2%	37.6%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>
	<b>HMDA Totals</b>									
Low	0	0.0%	0.0%	5.6%	6.4%	0	0.0%	0.0%	2.1%	1.0%
Moderate	0	0.0%	0.0%	4.8%	3.3%	0	0.0%	0.0%	12.0%	7.6%
Middle	0	0.0%	0.0%	18.3%	15.5%	0	0.0%	0.0%	20.8%	17.2%
Upper	0	0.0%	0.0%	71.3%	74.8%	0	0.0%	0.0%	47.2%	52.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	17.9%	21.5%
<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>
	<b>SMALL BUSINESS</b>									
	<b>By Tract Income</b>									
		<b>Bank</b>			<b>Aggregate</b>					
	<b>#</b>	<b>%</b>	<b>% \$(000s)</b>	<b>%</b>	<b>% \$(000s)</b>	<b>%</b>	<b>% \$(000s)</b>	<b>%</b>	<b>% \$(000s)</b>	<b>%</b>
Low	0	0.0%	0.0%	0.0%	0.0%	21.0%	0.0%	13.2%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	7.1%	0.0%	11.5%	0.0%	0.0%
Middle	6	75.0%	71.5%	71.5%	71.5%	11.8%	11.8%	14.2%	14.2%	14.2%
Upper	2	25.0%	28.5%	28.5%	28.5%	57.1%	57.1%	59.5%	59.5%	59.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	1.5%	1.5%	1.5%
<i>Total</i>	<i>8</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
	<b>By Revenue</b>									
\$1 Million or Less	2	25.0%	28.5%	28.5%	28.5%	42.9%	42.9%	33.0%	33.0%	33.0%
	<b>By Loan Size</b>									
\$100,000 or less	2	25.0%	7.6%	7.6%	7.6%	96.0%	96.0%	45.4%	45.4%	45.4%
\$100,001-\$250,000	3	37.5%	22.5%	22.5%	22.5%	2.1%	2.1%	13.7%	13.7%	13.7%
\$250,001-\$1 Million	3	37.5%	69.9%	69.9%	69.9%	1.9%	1.9%	40.9%	40.9%	40.9%
<i>Total</i>	<i>8</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>

Originations and Purchases

**METROPOLITAN AREA  
MSA 35614 (RICHMOND AND KINGS COUNTIES, NY)**

**DESCRIPTION OF OPERATIONS**

As of December 31, 2014 the bank has two branches in this portion of MSA 35614. One branch is located in Richmond County and a new branch was opened in December 2014 in Kings County. These branches generated \$85 million in deposits, or 51% of the bank's total branch deposits as of June 30, 2015. A total of 66% of ESB's small business loans were originated in this MSA during the examination period.

ESB operates in a competitive banking market. Competitors include large federal banks, local community and state chartered banks, credit unions, mortgage companies and non-bank financial institutions. The deposit market is dominated by large financial institutions such as JPMorgan Chase Bank N.A., Citibank N.A., Santander Bank, TD Bank N.A., Capital One Bank N.A. and HSBC Bank US.A. N.A., ESB's deposit market share is less than 1% and ranks 31<sup>st</sup> out of 44 banks in these two counties.

**PERFORMANCE CONTEXT**

The following demographic and economic information was used to describe the assessment area and to evaluate the context in which ESB operates. The information was obtained from publicly available sources, including the U.S. Department of Commerce's Bureau of the Census, the U.S. Department of Labor, the U.S. Department of Housing and Urban Development ("HUD"), the New York City Department of Housing Preservation and Development ("HPD"), the National Association of Realtors, and the Federal Reserve Bank of New York's Beige Book.

*Demographic Characteristics*

According to the 2010 Census, the population of the assessment area was 1,116,282, which is an increase of 5% since the 2000 census. The assessment area consists of 305 census tracts, including 32 low-income tracts and 101 moderate-income tracts. The LMI tracts are concentrated in Kings County.

*Income Characteristics*

The HUD-adjusted median family income for the MSA was \$63,000 in 2013 and \$62,500 in 2014. Thirteen percent of all families have incomes below the poverty level and 44% of all families are of low- or moderate-income.

*Housing Characteristics*

Richmond and King's Counties have 408,996 housing units, of which 47% are owner-occupied, 47% are rental units, and 6% are vacant. Compared to the 2000 Census data, owner occupied housing increased by 15%, while rental-housing decreased by 9%, and vacant housing increased by 9,968 housing units or 62% from 4% of total housing units to 6% of total housing units.

Approximately 45% of rental stock in New York City is rent stabilized and 2% is subject to rent control, which makes finding available housing, including affordable housing, more challenging.

<b>MEDIAN HOME SALES PRICES</b>			
<b>Area</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Kings County	\$450,000	\$459,500	\$380,000
Richmond County	\$385,000	\$391,000	\$395,000

As shown in the table to the left, the median sales price of existing single-family homes in Kings County was \$380,000 as of December 2014 and \$395,000 in Richmond County. Richmond County reflects relatively stable home prices while Kings County reflects a sharp decline.

Source: New York Association of Realtors

Housing affordability continues to be an issue in New York City due to high housing costs. Housing is generally considered affordable if rent or associated ownership costs consume no more than 30% of household income. According to Census data, 49% of renters indicated that their rent costs as a percent of household income is 30% or more. With the high housing costs, homeownership remains unaffordable to LMI families, and even too many middle-income families in the assessment area. In 2014, the median housing cost in both Richmond and Kings Counties is about 13 times the HUD-estimated median family income for low-income borrowers and about 8 times the HUD-estimated median family income for moderate-income borrowers. The combination of lower household incomes and high real estate prices continues to make it challenging for LMI wage earners to find affordable housing in the assessment area.

Labor, Employment and Economic Characteristics

As indicated in the table to the right unemployment rates in Richmond and Kings Counties reflect improving trends as the economy improves. Kings County is slightly worse than New York City while Richmond County is similar. The table on the next page has additional assessment area details.

<b>U.S. DEPARTMENT OF LABOR ANNUAL UNEMPLOYMENT RATES</b>			
<b>Area</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Richmond County	8.7%	8.7%	7.2%
Kings County	10.0%	9.3%	7.7%
New York City	9.3%	8.8%	7.2%
State of New York	8.5%	7.7%	6.3%

<b>Assessment Area Demographics</b>								
<b>Assessment Area : MSA 35614 Richmond and Kings Counties 2014</b>								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	32	10.5	25,399	9.3	8,052	31.7	74,100	27.2
Moderate-income	101	33.1	88,026	32.4	16,126	18.3	44,885	16.5
Middle-income	85	27.9	70,284	25.8	7,143	10.2	47,618	17.5
Upper-income	80	26.2	88,223	32.4	4,426	5.0	105,340	38.7
Unknown-income	7	2.3	11	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>305</b>	<b>100.0</b>	<b>271,943</b>	<b>100.0</b>	<b>35,747</b>	<b>13.1</b>	<b>271,943</b>	<b>100.0</b>
<b>Housing Types by Tract</b>								
Housing Units By Tract	Owner-Occupied		Rental		Vacant			
	#	%	#	%	#	%	#	%
Low-income	36,889	8,464	4.5	22.9	25,809	70.0	2,616	7.1
Moderate-income	134,643	38,592	20.3	28.7	87,074	64.7	8,977	6.7
Middle-income	111,639	54,825	28.8	49.1	49,553	44.4	7,261	6.5
Upper-income	125,814	88,207	46.4	70.1	30,483	24.2	7,124	5.7
Unknown-income	11	0	0.0	0.0	11	100.0	0	0.0
<b>Total Assessment Area</b>	<b>408,996</b>	<b>190,088</b>	<b>100.0</b>	<b>46.5</b>	<b>192,930</b>	<b>47.2</b>	<b>25,978</b>	<b>6.4</b>
<b>Businesses by Tract &amp; Revenue Size</b>								
Total Businesses by	Less Than or = \$1		Over \$1 Million		Revenue Not Reported			
	#	%	#	%	#	%	#	%
Low-income	4,900	12.0	4,362	11.7	301	14.2	23	13.8
Moderate-income	12,312	30.1	11,138	30.0	601	28.3	112	33.4
Middle-income	10,060	24.6	9,140	24.6	521	24.6	109	23.3
Upper-income	13,020	31.8	12,013	32.4	521	24.6	404	28.4
Unknown-income	674	1.6	477	1.3	178	8.4	0	1.1
<b>Total Assessment Area</b>	<b>40,966</b>	<b>100.0</b>	<b>37,130</b>	<b>100.0</b>	<b>2,122</b>	<b>100.0</b>	<b>648</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>90.6</b>		<b>5.2</b>		<b>4.2</b>

Based on 2010 ACS Information. 2014 D&B Information

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

ESB's overall record of lending in MSA 35614 (Richmond and Kings Counties, NY) was reasonable based on a poor geographic distribution of small business lending while lending to borrowers to businesses of different sizes was reasonable.

MSA 35614 (Richmond and Kings Counties, NY) -2014

### Lending to Businesses of Different Sizes

ESB's distribution of loans to businesses of different sizes was reasonable. In 2014, ESB's proportion of loans to businesses with GAR of \$1 million or less was 50%, compared to 91% of such businesses operating in the assessment area. ESB's 2014 performance was similar to the performance of the aggregate, which reported 46% of its loans to small businesses.



In 2014 ESB extended a good percentage of its loans in smaller dollars amounts. While only one or 8% of ESB's small business loans was in an amount of \$100,000 or less, 33% were between \$100,000 and \$250,000 and 58% were between \$250,000 and \$1,000,000.

ESB's distribution of loans to businesses of different sizes was more than reasonable. In 2013, ESB's proportion of loans to businesses with GAR of \$1 million or less was 86%, compared to 90% of such businesses operating in the assessment area. ESB's 2013 performance was significantly above the performance of the aggregate, which reported 46% of its loans to small businesses. ESB's small business lending performance in 2012 and 2011 was also reasonable as ESB reported 83% and 86% of its small business loans to businesses with GAR of \$1 million or less compared to 90% and 91% for 2012 and 2011 respectively.

In 2013 ESB extended a good percentage of its small business loans in small dollar amounts. Twenty-nine percent of ESB's small business loans were in amounts of \$100,000 or less, 14% were between \$100,000 and \$250,000 and 57 were between \$250,000 and \$1,000,000. In 2012 and 2011, 33% and 8% of Empire's small business loans were in amounts of \$100,000 or less and 40% and 17% were between \$100,000 and \$250,000.

#### Geographic Distribution of Loans

MSA 35614 (Richmond and Kings Counties, NY) -2014

#### Small Business Loans

The overall distribution of small business loans in LMI geographies was poor when compared with the level of businesses as well as with the performance of the aggregate of small business reporting lenders. In 2014, ESB originated 12 small business loans within Richmond and Kings Counties none of which were in low-income geographies and only one (8.3%) was in a moderate-income geography. In comparison, the aggregate originated 17% of its small business loans in low-income geographies and 37% in moderate-income geographies, while 12% of the small businesses operating within the assessment area are located in low-income geographies and 30% in moderate-income geographies. Performance in 2012 and 2013 was also poor as no small business loans were issued in LMI geographies

**2014 Aggregate Comparison Loan Distribution Table**  
Assessment Area/Group: MSA 35614

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
<b>Home Purchase</b>										
Low	0	0.0%	0.0%	4.2%	5.2%	0	0.0%	0.0%	2.3%	1.7%
Moderate	0	0.0%	0.0%	17.6%	19.7%	0	0.0%	0.0%	8.4%	5.2%
Middle	0	0.0%	0.0%	32.2%	28.2%	0	0.0%	0.0%	20.8%	15.7%
Upper	0	0.0%	0.0%	46.0%	46.9%	0	0.0%	0.0%	52.9%	61.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	15.5%	15.7%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Refinance</b>										
Low	0	0.0%	0.0%	4.9%	6.1%	0	0.0%	0.0%	3.0%	2.1%
Moderate	0	0.0%	0.0%	16.3%	18.6%	0	0.0%	0.0%	7.7%	4.8%
Middle	1	100.0%	100.0%	29.6%	27.3%	0	0.0%	0.0%	18.5%	14.1%
Upper	0	0.0%	0.0%	49.2%	48.0%	0	0.0%	0.0%	52.6%	60.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	18.3%	18.7%
<b>Total</b>	<b>1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Home Improvement</b>										
Low	0	0.0%	0.0%	4.7%	3.9%	0	0.0%	0.0%	4.4%	0.9%
Moderate	0	0.0%	0.0%	15.6%	19.0%	0	0.0%	0.0%	11.1%	5.0%
Middle	0	0.0%	0.0%	27.5%	29.2%	0	0.0%	0.0%	13.9%	10.2%
Upper	0	0.0%	0.0%	52.2%	47.9%	0	0.0%	0.0%	64.2%	72.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.4%	11.1%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Multi-Family</b>										
Low	0	0.0%	0.0%	11.3%	7.9%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	52.7%	52.8%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	50.0%	31.3%	25.6%	31.4%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	50.0%	68.8%	10.3%	8.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	100.0%	100.0%	100.0%	100.0%
<b>Total</b>	<b>2</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>HMDA Totals</b>										
Low	0	0.0%	0.0%	4.6%	5.7%	0	0.0%	0.0%	2.5%	1.6%
Moderate	0	0.0%	0.0%	17.8%	22.5%	0	0.0%	0.0%	8.1%	4.6%
Middle	2	66.7%	56.0%	31.1%	28.3%	0	0.0%	0.0%	19.5%	13.7%
Upper	1	33.3%	44.0%	46.5%	43.5%	0	0.0%	0.0%	52.2%	55.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	100.0%	100.0%	17.7%	24.3%
<b>Total</b>	<b>3</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>SMALL BUSINESS</b>										
<b>By Tract Income</b>										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Low	0	0.0%	0.0%	16.8%	16.8%					
Moderate	1	8.3%	15.1%	37.4%	35.0%					
Middle	5	41.7%	49.8%	21.3%	22.4%					
Upper	6	50.0%	35.1%	22.3%	21.9%					
Unknown	0	0.0%	0.0%	2.1%	3.8%					
Tract Unknown	0	0.0%	0.0%	0.2%	0.2%					
<b>Total</b>	<b>12</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>					
<b>By Revenue</b>										
\$1 Million or Less	6	50.0%	60.0%	46.0%	37.2%					
<b>By Loan Size</b>										
\$100,000 or less	1	8.3%	0.2%	97.4%	53.1%					
\$100,001-\$250,000	4	33.3%	17.5%	1.2%	10.0%					
\$250,001-\$1 Million	7	58.3%	82.3%	1.3%	36.9%					
<b>Total</b>	<b>12</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>					

Originations and Purchases

**METROPOLITAN AND NONMETROPOLITAN AREA  
(LIMITED REVIEW)**

**MSA 21980 (KINGSTON, NY)**

A limited evaluation of ESB's performance in MSA 21980 (Kingston, NY) was completed. ESB had limited lending activity in this assessment area, reflective of its limited presence. During the evaluation period, ESB made 1 home improvement, 2 multi-family, and 7 small business loans in MSA 28740.

## CRA APPENDIX A

### GLOSSARY

**Census tract:** A small, relatively permanent statistical subdivision of a county or statistically equivalent entity delineated for data presentation purposes by a local group of census data users or the geographic staff of a regional census center in accordance with the Census Bureau guidelines. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time they are established, census tracts generally contain between 1,000 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries are delineated with the intention of being stable over many decades, so they generally follow relatively permanent visible features. However, they may follow governmental unit boundaries and other invisible features in some instances; the boundary of a state or county) or statistically equivalent entity) is always a census tract boundary.

**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; activities that revitalize or stabilize low- or moderate-income geographies; or loans, investments or services that (i) Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301c of the Housing and Economic Recovery Act of 2008 ("HERA"), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program ("NSP"); (ii) Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees; (iii) Benefit low-, moderate- and middle-income individuals and geographies in the bank's assessment area(s) or geographies outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Family:** A family is a group of two or more people related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

**Full review:** Performance is analyzed considering performance context, quantitative factors and qualitative factors.

**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 statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

**Household:** A household consists of all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters.

**Limited-scope review:** Performance is analyzed using only quantitative factors.

**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.

**Metropolitan Statistical Area (“MSA”):** A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core.

**Metropolitan Division:** A county or group of counties within a **Metropolitan Statistical Area** that contains a population of at least 2.5 million and represents an employment center(s) associated through commuting ties.

**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 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 geography.

**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.

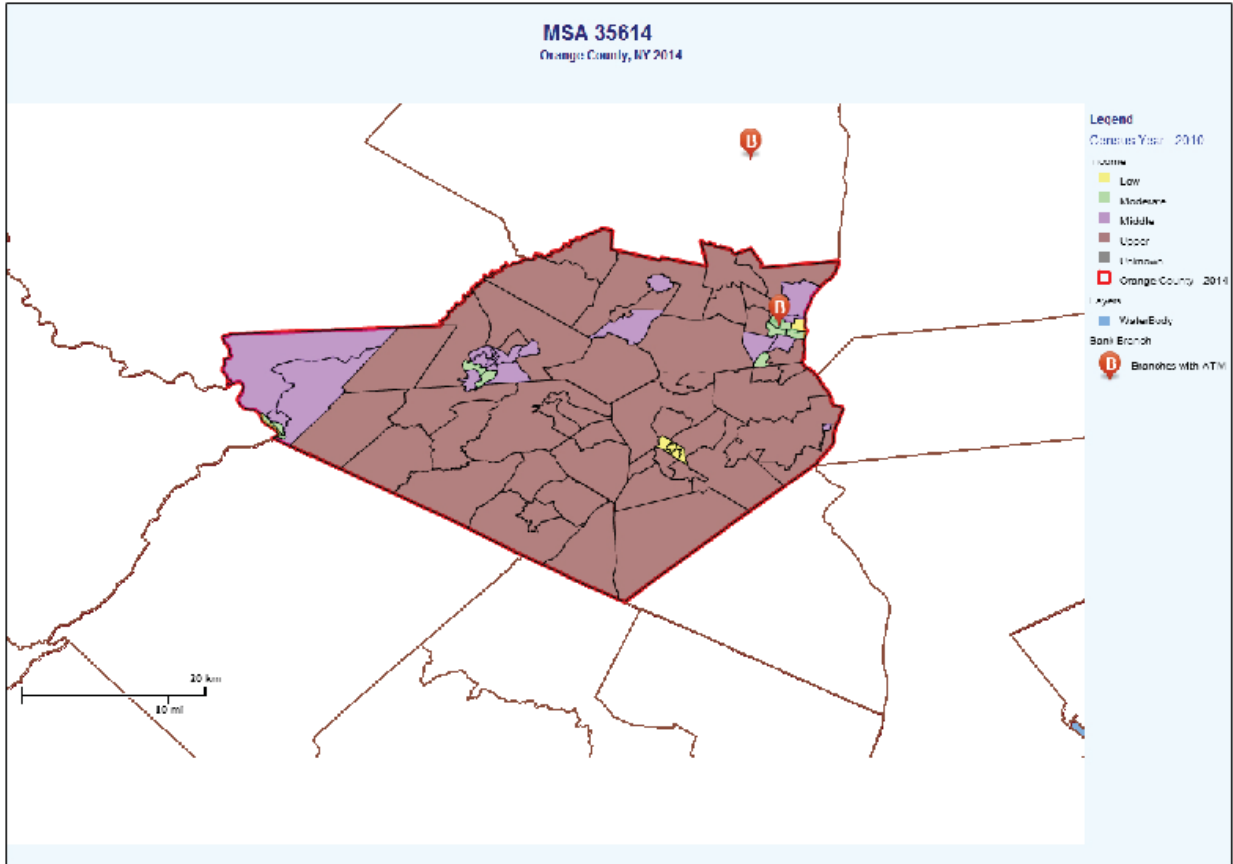
**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share or grant that has as its primary purpose community development.

**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.

**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 geography.

### CRA APPENDIX B

### ASSESSMENT AREA MAP



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### ASSESSMENT AREA MAP

