

PUBLIC DISCLOSURE

June 19, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Chemung Canal Trust Company
RSSD No. 884303**

**One Chemung Canal Plaza
Elmira, NY 14901**

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.

TABLE OF CONTENTS

Institution Rating	
Institution's CRA Rating.....	2
Table of Performance Test Ratings.....	2
Summary of Major Factors Supporting Rating.....	2
Institution	
Description of Institution.....	4
Scope of Examination.....	5
Conclusions with Respect to Performance Tests.....	8
State of New York	
New York Rating.....	13
Scope of Examination.....	13
Description of Operations.....	14
Conclusions with Respect to Performance Tests.....	14
MSA 21300 (Full Review)	
Description of Operations in MSA 21300 (Elmira, NY).....	17
Conclusions with Respect to Performance Tests.....	18
Non Metropolitan Assessment Area (Full Review)	
Description of Operations in Non Metropolitan Assessment Area.....	29
Conclusions with Respect to Performance Tests.....	32
MSA 10580 (Full Review)	
Description of Operations in MSA 10580 (Albany-Schenectady, NY).....	41
Conclusions with Respect to Performance Tests.....	43
New York Metropolitan Assessment Areas (Limited Review).....	51
Description of Operations in MSA 13780 (Binghamton, NY).....	51
Conclusions with Respect to Performance Tests.....	51
Description of Operations in MSA 27060 (Ithaca, NY).....	54
Conclusions with Respect to Performance Tests.....	54
State of Pennsylvania	
Pennsylvania Rating.....	57
Scope of Examination.....	57
Description of Operations.....	58
Conclusions with Respect to Performance Tests.....	61

Exhibits

Exhibit I Summary of Key Assessment Area Data 7
Exhibit II Summary of Lending Activity 8
Exhibit III Lending Inside and Outside the Assessment Area 9
Exhibit IV Community Development Loan Summary 10
Exhibit V Qualified Investment Summary 10
Exhibit VI Community Development Service Summary 12
Exhibit VII Summary of Key Assessment Area Data New York State 16

Appendices

CRA Appendix A: Scope of Examination 67
CRA Appendix B: Summary of State and Multistate MSA Ratings 68
CRA Appendix C: 2014 Aggregate Comparison Loan Distribution Tables..... 69
CRA Appendix D: Glossary..... 75
CRA Appendix E: Assessment Area Map 78

INSTITUTION RATING

INSTITUTION CRA RATING: Chemung Canal Trust Company is rated Satisfactory.

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

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X	X	
Low Satisfactory			
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 volume of Home Mortgage Disclosure Act (“HMDA”) and small business lending reflected good responsiveness to credit needs in the bank’s assessment areas.
- A substantial majority of loans were made in the bank’s assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment areas.
- The distribution of loans to individuals of different income levels and businesses of different sizes was good.
- The bank was a leader in making community development loans.

- The bank had a significant level of qualified investments and grants.
- Retail delivery systems were readily accessible to geographies and individuals of different income levels and the bank was a leader in providing community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

Chemung Canal Trust Company (“Chemung” or “the bank”) is a full-service commercial bank with 33 branches owned by Chemung Financial Corporation, a one-bank holding company also located in Elmira, New York. As of December 31, 2016, Chemung had total assets of \$1.7 billion with net loans and leases of \$1.2 billion consisting of \$867 million in domestic real estate loans, \$163 million in commercial and industrial loans, and \$158 million in consumer loans.

The bank offers a wide range of consumer related services including retail deposit products, home mortgage, refinance, home improvement, and small business loans.

Chemung has six assessment areas located in New York and Pennsylvania, consisting of the following: (A map of the assessment areas is shown in Appendix D)

Full Scope Assessment Areas in New York

- MSA 21300 (Elmira, NY), consisting of Chemung County, NY.
- New York Non-MSA counties, consisting of Cayuga, Cortland, Schuyler, and Seneca counties and the eastern portion of Steuben County, NY.
- MSA 10580 (Albany-Schenectady-Troy, NY), which includes all of Albany and Saratoga counties.

Limited Scope Assessment Areas in New York

- MSA 13780 (Binghamton, NY), consisting of a portion of Broome County, which includes the City of Binghamton, and a portion of Tioga County.
- MSA 27060 (Ithaca, NY), consisting of Tompkins County.

Full Scope Assessment Area in Pennsylvania

- Non-MSA Pennsylvania, consisting of all of Bradford County, the eastern portion of Tioga County, and the western portion of Sullivan County.

The full scope assessment areas were identified based on the significance of the bank’s lending and deposit activities within these assessment areas, in comparison to the limited scope assessment areas. Chemung’s performance in MSA 21300 (Elmira, NY), the NY Non-MSA assessment area, and MSA 10580 (Albany-Schenectady-Troy, NY) received the most weight in determining the bank’s overall rating because of the concentration of deposits, lending, population, and owner-occupied housing units in these areas. MSA 21300 (Elmira, NY), the NY non-MSA assessment area, and MSA 10580 (Albany, NY) had 78% of the deposits in the New York State assessment area and 78% of the combined HMDA and small business loans in the

New York State assessment area. The two limited scope assessment areas in New York State did not have a substantial effect on the overall rating. See Exhibit VII on page 16 for details of key assessment area data in New York State.

Chemung's assessment areas are in compliance with the requirements of Section 228.41 of Regulation BB and do not arbitrarily exclude low- and moderate-income ("LMI") geographies.

Chemung has no financial or legal impediments that would prevent it from fulfilling its responsibilities under CRA. The bank received a rating of *Satisfactory* at its previous CRA examination as of May 19, 2014.

SCOPE OF EXAMINATION

Procedures

Chemung's CRA performance was reviewed using the Federal Financial Institutions Examination Council's ("FFIEC") Interagency CRA Procedures for Large Retail Financial Institutions, which consists of the lending, investment, and service tests.

Products

Home purchase, refinance, home improvement, and small business loans were analyzed. The mortgage loans were reported under Home Mortgage Disclosure Act ("HMDA"), while small business loans were reported under the CRA. Examiners verified the integrity of HMDA and small business data.

Examination Period

HMDA and small business loans originated between January 1, 2014 and December 31, 2016 were verified and analyzed. Examiners also reviewed community development loans, qualified investments, and community development services from April 1, 2014 through March 31, 2017.

Lending Distribution Analysis

The analyses of borrower and geographic distribution were based on loans made in Chemung's assessment areas. To evaluate the geographic distribution of HMDA related loans, the proportions of loan originations in LMI and non-LMI geographies were compared with the proportions of owner-occupied housing units in LMI and non-LMI geographies. With regard to small business loans, the analysis compared the proportion of loan originations with the proportions of businesses located in LMI and non-LMI geographies. Performance with regard to geographic distribution in low-income geographies was analyzed separately from performance in moderate-income geographies.

In order to analyze the borrower characteristics of HMDA related loans, the proportions of originations to LMI and non-LMI borrowers was compared with the proportions of LMI and non-LMI families in the assessment area. Income estimates from the FFIEC were used to categorize borrower income. FFIEC-adjusted median family income figures for 2014 and 2015 were used to categorize borrower income levels for 2014 and 2015 loans respectively, and 2016

FFIEC-adjusted median family income estimates were used to categorize 2016 loans. Dun and Bradstreet data for 2014 through 2016 were used for demographic information relating to the proportion of businesses with gross annual revenues (“GAR”) of less than or equal to \$1 million. The sizes of the small business loans were also used as proxies to identify lending to smaller businesses.

HMDA and small business lending performances for 2014 and 2015 were also compared with the 2014 and 2015 aggregate performance of all lenders in Chemung’s assessment areas subject to HMDA and/or CRA small business reporting. Aggregate data for 2016 was not publicly available for comparison at the time of this examination.

Community Contacts

In order to learn more about community credit needs, examiners conducted interviews with two economic development agencies in Elmira. In addition, two non-profit organizations that are actively involved with affordable housing and community services were interviewed. These entities stressed the need for all types of community development, including affordable housing, community services, and economic development, such as support for a land bank and for business development loan funds in the NY Southern tier region.

Exhibit I			
Summary of Key Assessment Area Data			
Key Data	New York	Pennsylvania	Totals
Total Population ¹	1,140,625	88,500	1,229,125
Population % of AA population	93%	7%	100%
Families	2,818	23,959	279,694
Families % of AA families	1%	9%	10%
Total Census Tracts ¹	285	20	305
Tracts % AA tracts	93%	7%	100%
LMI tracts	60	1	61
LMI tracts % all AA LMI tracts	98%	2%	100%
Total Owner-Occupied Units ¹	299,815	26,282	326,097
Units % of AA units	92%	8%	100%
Business Establishments ²	43,109	3,113	46,222
Bus. est. % AA bus. est.	93%	7%	100%
Number of Branches ³	30	3	33
Branches % all branches	91%	9%	100%
Branches in LMI tracts	8	1	9
LMI branches % AA LMI branches	89%	11%	100%
Branch Deposits (\$'000s) ⁴	1,408,449	62,740	1,471,189
Deposits % AA deposits	96%	4%	100%
Deposit Market Share (%)/ Rank in Mkt.	4.0/8	3.2/6	na
Home Purchase Originations ⁵	397	35	432
HP originations % AA orig.	92%	8%	100%
Refinance Originations ⁵	447	42	489
Refi orig. % AA orig.	91%	9%	100%
Home Improvement Originations ⁵	929	169	1,098
HI orig. % AA orig.	85%	15%	100%
Small Business Originations ⁵	760	121	881
SB orig. % AA orig.	86%	14%	100%
Combined Loan Totals ⁵	2,533	367	2,900
% of AA Originations	87%	13%	100%
(1) U.S. Census Data for 2010			
(2) Source: 2016 Dun & Bradstreet			
(3) Number of branches as of 12/31/2016			
(4) Source: FDIC summary of deposit data as of 6/30/2016			
(5) Originations include originations from January 1, 2014 - December 31, 2016			

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chemung’s overall performance in meeting the credit needs of its assessment areas is rated *high satisfactory*.

Lending Activity

Chemung’s responsiveness to the retail credit needs of its assessment areas was good given the bank’s capacity, overall market conditions including the state of the housing market, and local economic conditions. This conclusion is based on good performance in New York and Pennsylvania.

Overall, 3,286 home purchase, refinance, home improvement, multi-family and small business loans were made during the examination period, totaling \$495 million. On an annualized basis, this represents a decrease of 21% in the number of loans and a decrease of 25% in dollar volume compared to the prior examination period.

EXHIBIT II SUMMARY OF LENDING ACTIVITY January 1, 2014 – December 31, 2016				
LOAN TYPE	#	%	\$(000s)	%
HMDA Home Purchase	515	16	\$82,009	17
HMDA Refinancing	580	18	\$71,498	14
HMDA Home Improvement	1,162	35	\$25,180	5
HMDA Multi Family	47	1	\$87,777	18
Total HMDA-related	2,304	70	\$266,464	54
Total Small Business	982	30	\$228,895	46
TOTAL LOANS	3,286	100	\$495,359	100

Note: This table includes bank and affiliate loans made within the examination period.

Assessment Area Concentration

A substantial majority of loans originated by Chemung were extended in the bank’s assessment areas, as detailed in the chart on the next page. The bank originated 89% of its loans in the assessment areas during this examination period.

EXHIBIT III								
LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREA								
JANUARY 1, 2014 – DECEMBER 31, 2016								
Loan Type	INSIDE				OUTSIDE			
	#	%	\$ (000S)	%	#	%	\$ (000S)	%
Home Purchase	432	83	\$60,786	74	83	16	\$21,223	26
Refinancing	489	84	\$56,627	79	91	16	\$14,871	21
Home Improvement	1,098	95	\$23,641	94	64	6	\$1,539	6
Multi-Family	36	77	\$57,292	65	11	23	\$30,485	35
Total HMDA	2,055	89	\$198,346	74	249	11	\$68,118	26
Total Small Business	881	90	\$201,308	88	101	10	\$27,587	12
Total Loans	2,936	89	\$399,654	81	350	11	\$95,705	19

Note: This table includes only loans originated or purchased by the bank. Affiliate loans are not included.

Geographic and Borrower Distribution

The overall geographic distribution of HMDA and small business loans reflected good penetration in LMI geographies. Performance was good in New York and Pennsylvania.

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on good distribution in New York and Pennsylvania.

Community Development Lending

Chemung was a leader in community development lending in New York. Performance in Pennsylvania was adequate.

As depicted in the chart below, the bank extended 121 community development loans totaling \$47 million which represents a 61% increase since the prior examination. Of the total, \$34 million or 72% represented new loans. The bank’s community development lending performance was comparable to the performance of similarly situated banks in the assessment areas.

Community development lending was focused on community services. Most of Chemung’s community development loans were to non-profit organizations that provide social services to LMI individuals and families.

Exhibit IV Community Development Loan Summary April 1, 2014 - March 31, 2017										
Assessment Area	#	Affordable Housing	#	Community Services	#	Economic Development	#	Revitalize and Stabilize	#	Total
MSA 21300	1	\$800	59	\$21,564	2	\$1,902	0	\$0	62	\$24,266
Non MSA NY	0	\$0	17	\$5,772	1	\$40	1	\$100	19	\$5,912
MSA 10580	2	\$5,108	9	\$3,310	2	\$180	2	\$500	15	\$9,098
MSA 13780	1	\$155	14	\$2,203	1	\$1,000	0	\$0	16	\$3,358
MSA 27060	0	\$0	3	\$772	0	\$0	0	\$0	3	\$772
NY Outside AA	3	\$3,731	0	\$0	0	\$0	0	\$0	3	\$3,731
Total NY	7	\$9,794	102	\$33,621	6	\$3,122	3	\$600	118	\$47,137
Non MSA PA	0	\$0	3	\$83	0	\$0	0		3	\$83
Total	7	\$9,794	105	\$33,704	6	\$3,122	3	\$600	121	\$47,220
Percent Total # / \$	6%	21%	87%	71%	5%	7%	2%	1%	100%	100%

INVESTMENT TEST

Chemung’s investment test performance is rated *high satisfactory* based on significant performance in New York and adequate performance in Pennsylvania.

As shown in the table below, Chemung’s qualified community development investments were responsive to credit and community development needs. Qualified investments totaled close to \$20 million, including \$4.6 million of investments made in the broader statewide or regional area of New York State. Of the total, \$15 million or 75% represented new investments made since the prior examination. In comparison to the previous CRA examination, Chemung’s qualified investment volume declined by 2% on an annualized basis. Chemung’s performance however, was comparable to other similarly-situated large retail banks in the bank’s assessment areas.

Exhibit V Qualified Investment Summary April 1, 2014 - March 31, 2017										
Assessment Area	#	Affordable Housing (\$000s)	#	Community Services (\$000s)	#	Economic Development (\$000s)	#	Revitalize and Stabilize (\$000s)	#	Total (\$000s)
MSA 21300	1	\$1	52	\$4,011	0	\$0	6	\$2,523	59	\$6,535
Non MSA NY	0	\$0	42	\$476	0	\$0	27	\$6,703	69	\$7,179
MSA 10580	0	\$0	32	\$68	2	\$3	1	\$250	35	\$321
MSA 13780	0	\$0	15	\$89	0	\$0	4	\$290	19	\$379
MSA 27060	0	\$0	0	\$0	0	\$0	3	\$840	3	\$840
Outside AA NY	0	\$0	8	\$1,676	0	\$0	16	\$2,915	24	\$4,591
Total NY	1	\$1	149	\$6,320	2	\$3	57	\$13,521	209	\$19,845
Non MSA PA	0	\$0	8	\$12	0	\$0	0	\$0	8	\$12
Total	1	\$1	157	\$6,332	2	\$3	57	\$13,521	217	\$19,857
Percent Total # / \$	0%	0%	72%	32%	1%	0%	27%	68%	100%	100%

\$13.5 million or 68% of the total qualified investments consisted of the purchase of municipal bonds that assisted in revitalizing LMI or underserved middle-income census tracts. While these investments were responsive to assessment area needs, they were not particularly innovative or complex.

Qualified investments also included 135 grants and contributions, totaling \$373,000, to organizations providing community services or sponsoring affordable housing and economic development activities throughout the bank's assessment areas.

SERVICE TEST

Service test performance is rated *outstanding* based on excellent performance in New York and Pennsylvania.

Retail Services

Chemung's branches were readily accessible to all portions of the assessment areas and to individuals of different income levels. As of December 31, 2016, the bank operated 33 branches, nine of which, or 27%, were located in LMI tracts. This compares favorably to the 16% of the assessment area's population that resides in LMI tracts. Alternative delivery systems also enhanced the bank's performance. Chemung operated eight off-site ATM locations across its assessment areas, two of which, or 25%, were located in LMI areas.

Branch changes did not adversely impact overall accessibility of delivery systems. In January 2015, Chemung relocated one branch from a middle income census tract to a moderate income census tract. However, in December 2015, the bank closed one branch in a moderate income census tract.

Services do not vary in a way that inconveniences the bank's assessment areas, particularly LMI geographies and/or LMI individuals. All branches provide similar products and services. Extended hours are available at all branches, although only 23 branches are open on Saturdays. In LMI areas, four of the eight branches have Saturday hours. In addition, the bank offers alternative delivery systems such as bank-by-mail, online services, and 24-hour telephone banking.

Community Development Services

Chemung is a leader in providing community development services in its assessment areas. During the examination period, the bank conducted 54 community development service events, which consisted of financial literacy and housing seminars, as well as providing technical assistance to non-profits and small businesses in its assessment areas.

Exhibit VI	
SUMMARY OF COMMUNITY DEVELOPMENT SERVICES	
April 1, 2014 – March 31, 2017	
Activity Type	Current Examination Total
Residential Mortgage/First-time Homebuyer Seminars	11
Technical Assistance to Community Organizations	35
Financial Literacy Events	8
TOTAL ACTIVITY	54

Bank officers and employees also served on the boards and committees of 168 community development organizations and provided financial management expertise and technical assistance to these organizations.

The following are examples of community development services provided by the bank:

- Two officers served as members of the board of directors and/or loan committee members of industrial development agencies that promote business development in upstate New York counties.
- Four officers served on the boards of directors of agencies that promote economic development in the Southern Tier of New York.
- Two officers served on the boards of directors of community based non-profit organizations committed to meeting the needs of LMI individuals with developmental disabilities.
- Two officers served as members of the finance committee of the board of directors of a non-profit organization which operates group homes, provides foster care, preventive and school based services, and teaches life skills to LMI children in order for them to become productive and successful adults.
- Three officers served as a member of the board of directors of a food bank committed to build and sustain hunger-free communities across the southern tier of New York State.
- Three officers served as members of the board of directors and committee members of Habit for Humanity, a non-profit organization that is dedicated to providing affordable housing for LMI individuals and families in Chemung County.

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 practices was identified as being inconsistent with helping to meet the community’s credit needs.

STATE OF NEW YORK

CRA RATING FOR NEW YORK STATE: SATISFACTORY

The Lending Test is rated: *High Satisfactory.*

The Investment Test is rated: *High Satisfactory.*

The Service Test is rated: *Outstanding.*

The major factors supporting the rating include:

- A leader in making community development loans;
- A significant level of qualified investments;
- Readily accessible delivery systems to geographies and individuals of different income levels;
- Good responsiveness to assessment area credit needs;
- Good geographic distribution of loans in the bank's assessment areas;
- Good distribution of loans among individuals of different income levels and businesses of different sizes;
- A relatively high level of community development services.

SCOPE OF EXAMINATION

The following assessment areas in New York received full scope evaluation:

- MSA 21300 (Elmira, NY), consisting of Chemung County, NY.
- New York Non-MSA counties, consisting of Cayuga, Cortland, Schuyler, and Seneca counties and the eastern portion of Steuben County.
- MSA 10580 (Albany-Schenectady-Troy, NY), which includes all of Albany and Saratoga counties.

As shown in the exhibit on page 16, the combined full-scope areas make up 78% of the bank's deposits and 78% of the combined HMDA and small business loans in the state.

The following assessment areas in New York received limited scope evaluation:

- MSA 13780 (Binghamton, NY), consisting of portions of Broome County, including the City of Binghamton and Tioga County.

- MSA 27060 (Ithaca, NY), consisting of Tompkins County.

DESCRIPTION OF INSTITUTION'S OPERATIONS

Chemung's performance in the New York State assessment areas received the most weight in deriving the bank's overall CRA performance rating. New York State accounts for 87% of the total retail and small business loans, 96% of deposits in the bank's overall assessment area, 91% of branches, and 93% of all census tracts. Furthermore, 92% of home purchase loans, 91% of refinance loans, 85% of home improvement loans, and 86% of small business loans were originated in the New York State assessment areas during the examination period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK STATE

LENDING TEST

Chemung's lending test performance is rated high satisfactory based on good performance in MSA 21300 (Elmira, NY), MSA 10580 (Albany-Schenectady-Troy, NY), and in the New York Non-MSA assessment area.

Lending Activity

Chemung's responsiveness to the retail credit needs of its assessment areas was good, given the bank's capacity to meet assessment area credit needs, overall market conditions, including the state of the housing market and local economic conditions. This conclusion is based on good performance in MSA 21300 (Elmira, NY), and in the New York Non-MSA assessment area, and adequate performance in MSA 10580 (Albany-Schenectady-Troy, NY).

Geographic Distribution

The overall geographic distribution of HMDA-related and small business loans reflected good penetration throughout the New York State assessment areas. This conclusion is based on excellent performance in MSA 21300 (Elmira, NY), good performance in MSA 10580 (Albany-Schenectady-Troy, NY), and adequate performance in the New York Non-MSA area (Schuyler and Steuben County, NY).

Borrower Distribution

The overall borrower distribution of HMDA-related and small business loans was good. This conclusion is based on good performance in MSA 21300 (Elmira, NY), the New York Non-MSA assessment area, and MSA 10580 (Albany-Schenectady-Troy, NY).

Community Development Lending

Chemung was a leader in community development lending performance in the State of New York. The bank extended 118 community development loans totaling \$47 million, which represents 20% increase on an annualized basis since the prior examination. Of the total, \$34 million or 72% of total activity represented new loans made since the prior examination. The

bank's community development lending as a percent of average assets, deposits, and Tier 1 capital was comparable to the performance of similarly-situated banks in its assessment areas. Community development lending performance was excellent in MSA 21300 (Elmira, NY) and in the New York Non-MSA assessment area, and adequate in MSA 10580 (Albany-Schenectady-Troy, NY).

INVESTMENT TEST

Chemung's investment test performance is rated high satisfactory based on good performance in MSA 10580 (Albany-Schenectady-Troy, NY), MSA 21300 (Elmira, NY), and in the New York Non-MSA assessment area. Chemung had an overall significant level of qualified community development investments that exhibited good responsiveness to credit and community development needs. Qualified investments in New York State totaled close to \$20 million or almost 100% of the bank's total qualified investments. Total investments included \$4.6 million of investments made in the broader statewide or regional area of New York State.

SERVICE TEST

Chemung's performance under the service test in the New York State assessment areas was outstanding. This conclusion is based on the bank being a leader in MSA 21300 (Elmira, NY), and in MSA 10580 (Albany-Schenectady-Troy, NY), and a high level of performance in the New York Non-MSA assessment area.

Exhibit VII Summary of Key Assessment Area Data - New York State						
Key Data	MSA 21300	NY-Non-MSA	MSA 10580	MSA 13780	MSA 27060	Total New York State
Total Population ¹	88,830	243,530	523,811	182,890	101,564	1,140,625
Population % of AA population	8%	21%	46%	16%	9%	100%
Families	22,962	62,636	129,084	45,214	19,798	279,694
Families % of AA families	8%	22%	46%	16%	7%	100%
Total Census Tracts ¹	22	65	125	48	23	283
Tracts % AA tracts	8%	23%	44%	17%	8%	100%
LMI tracts	8	2	28	17	5	60
LMI tracts % all AA LMI tracts	13%	3%	47%	28%	8%	100%
Total Owner-Occupied Units ¹	24,121	68,884	137,180	48,473	21,157	299,815
Units % of AA units	8%	23%	46%	16%	7%	100%
Business Establishments ²	2,648	7,760	22,779	6,198	3,724	43,109
Bus. est. % AA bus. est.	6%	18%	53%	14%	9%	100%
Number of Branches ³	7	9	5	6	3	30
Branches % all branches	23%	30%	17%	20%	10%	100%
Branches in LMI tracts	3	1	1	1	2	8
LMI branches % AA LMI branches	38%	13%	13%	13%	25%	100%
Branch Deposits (\$'000s) ⁴	512,594	369,186	221,361	199,207	106,101	1,408,449
Deposits % AA deposits	36%	26%	16%	14%	8%	100%
Dep. Mkt. Shr. (%)/ Rank in Mkt.	50/1	10.7/4	.88/15	4.9/6	5.5/4	4.0/8
Home Purchase Originations ⁵	163	89	61	41	43	397
HP originations % AA orig.	41%	22%	15%	10%	11%	100%
Refinance Originations ⁵	116	136	81	59	55	447
Refi orig. % AA orig.	26%	30%	0%	13%	12%	82%
Home Improvement Originations ⁵	442	226	26	178	57	929
HI orig. % AA orig.	48%	24%	3%	19%	6%	100%
Small Business Originations ⁵	274	100	266	93	27	760
SB orig. % AA orig.	36%	13%	35%	12%	4%	100%
Combined Loan Totals ⁵	995	551	434	371	182	2,533
% of AA Originations	39%	22%	17%	15%	7%	100%

(1) U.S. Census Data for 2010
(2) Source: 2016 Dun & Bradstreet
(3) Number of branches as of 12/31/2016
(4) Source: FDIC summary of deposit data as of 6/30/2016
(5) Originations include originations from January 1, 2014 - December 31, 2016

**METROPOLITAN AREA
 (FULL REVIEW)**

MSA 21300 (Elmira, NY)

DESCRIPTION OF INSTITUTION’S OPERATIONS

As of December 31, 2016, Chemung operated 7 of 30 New York State branches (23%) in this MSA. These branches generated \$513 million in deposits, which accounts for 36% of the bank’s New York State branch deposits as of June 30, 2016. Of the bank’s total New York State HMDA and small business loans originated during 2014 through 2016, 39% were originated in this MSA.

Chemung ranked first in deposit market share, accounting for 50% of assessment area deposits. Other lead banks in terms of deposit market share were Elmira Savings Bank, Five Star Bank, Community Bank, NA, Manufacturers and Traders Trust Company, and Tioga State Bank. For additional assessment area data, see Summary of Key Assessment Area Data - New York State (on page 16).

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 U.S. Department of Labor, and the National Association of Realtors.

Demographic Characteristics

According to the 2010 Census, the population of MSA 21300 is 88,830. The MSA is comprised of Chemung County. The City of Elmira is the largest city in the MSA, with a population of 29,200. The population has 16% of residents who are 65 years and older in Chemung County, compared with 14% in New York State. Of the 22 census tracts located in MSA 21300, eight or 36% are LMI tracts.

Income Characteristics

According to the 2010 census, MSA 21300 has 22,962 families, of which 5,082 (22%) are low-income families and 3,801 (17%) are moderate-income families. As shown in the table to the right, the FFIEC-adjusted median family income for MSA 21300 was \$63,400 in 2014, \$64,300 in 2015 and \$61,300 in 2016. These income levels are low in comparison to New York State’s 2016 FFIEC-adjusted median family income of \$72,300.

FFIEC MEDIAN FAMILY INCOMES			
Area	2014	2015	2016
MSA 21300	\$63,400	\$64,300	\$61,300

Housing Characteristics

Housing costs are comparatively low in the MSA, particularly in comparison to the state average median sales price as shown in the table to the right. Nonetheless, housing affordability remains difficult for low-income borrowers in the MSA. The median housing cost in the assessment area is about four times the median family income of a low-income borrower and two times the income of a moderate-income borrower. Community contacts reported that due to Elmira’s close proximity to Pennsylvania, housing costs have been affected by the drilling for natural gas as available rental housing has been taken by industry workers.

MEDIAN HOUSING SALES PRICE			
Area	2014	2015	2016
MSA 21300	\$100,000	\$105,000	\$115,000
New York State	\$225,000	\$230,000	\$235,000
Source: NYS Assoc. of Realtors			

Labor, Employment and Economic Characteristics

Long term economic trends in the Elmira MSA indicate an increase in employment in the education, health care, and services sectors. Major employers include Elmira College, Elmira School District and Elmira Correctional Facility as well as Arnot Health Services.

U.S. DEPARTMENT OF LABOR ANNUAL UNEMPLOYMENT RATES			
Area	2014	2015	2016
MSA 21300	6.3%	5.9%	5.5%
State of New York	6.3%	5.3%	4.8%

Industrial and manufacturing concerns include Hilliard Corporation, Anchor Glass Container Corporation, Hardinge, Inc., Emhart Glass, Corning Glass and CVS Caremark to name a few. Community contacts noted that many service jobs in the area are relatively low paying. Although the average annual unemployment rates for Chemung County decreased from 6.3% in 2014 to 5.5% in 2016 as the economy improved, unemployment remains higher in the City of Elmira than in Chemung County and New York State and the labor market is shrinking due to aging and population loss. For additional assessment area details see the Assessment Area Demographic Report on page 20.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chemung’s overall record of lending in MSA 21300 (Elmira, NY) was good, based on good lending activity, excellent geographic distribution of lending, and good distribution of lending to borrowers of different income levels and to businesses of different sizes.

Lending Activity

Chemung demonstrated good responsiveness to the retail credit needs of MSA 21300 (Elmira, NY), based on market share activity and comparison to peer banks. Chemung ranked first in deposit market share, with 50% of deposits, fifth in home purchase lending (7% market share), fifth in refinance lending (7% market share), first in home improvement lending (25% market

share), and third in small business lending (9% market share). Peer comparisons based on the number of loans per billion dollars of deposits indicate that the bank's performance compares reasonably with the lending volume of peer banks.

In terms of the number of loans originated, Chemung's volume of HMDA-related and small business loans decreased by 36% compared to the previous examination period, on an annualized basis as small business lending increased by 3% and refinancing decreased by 96%. Smaller decreases in home purchase lending of 10% and in home improvement lending of 28% on an annualized basis were also evident.

Assessment Area Demographics MSA 21300 (Elmira, NY)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	9.1	915	4.0	387	42.3	5,082	22.1
Moderate-income	6	27.3	6,103	26.6	1,144	18.7	3,801	16.6
Middle-income	9	40.9	8,878	38.7	741	8.3	4,863	21.2
Upper-income	4	18.2	7,066	30.8	417	5.9	9,216	40.1
Unknown-income	1	4.5	0	0.0	0	0.0	0	0.0
Total Assessment Area	22	100.0	22,962	100.0	2,689	11.7	22,962	100.0
	Housing	Housing Types by Tract						
	Units by Tract	Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	2,494	675	2.8	27.1	1,463	58.7	356	14.3
Moderate-income	10,954	5,629	23.3	51.4	4,647	42.4	678	6.2
Middle-income	14,799	9,951	41.3	67.2	3,432	23.2	1,416	9.6
Upper-income	10,124	7,866	32.6	77.7	1,755	17.3	503	5.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	38,371	24,121	100.0	62.9	11,297	29.4	2,953	7.7
	Total Businesses by Tract*	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	373	14.1	295	12.8	74	25.3	4	8.7
Moderate-income	654	24.7	555	24.0	93	31.7	6	13.0
Middle-income	879	33.2	794	34.4	62	21.2	23	50.0
Upper-income	741	28.0	665	28.8	63	21.5	13	28.3
Unknown-income	1	0.0	0	0.0	1	0.3	0	0.0
Total Assessment Area	2,648	100.0	2,309	100.0	293	100.0	46	100.0
	Percentage of Total Businesses:			87.2		11.1		1.7

*Based on 2016 Dun and Bradstreet information according to 2010 ACS boundaries

Geographic Distribution of Loans

Chemung's overall geographic distribution of loans reflects excellent dispersion throughout the entire assessment area, including LMI census tracts. HMDA-related lending performance was excellent and small business lending performance was also excellent. Opportunities to make HMDA-related loans in low-income census tracts were limited. This performance context consideration is confirmed by the performance of the market aggregate, which in 2015 made only 42 HMDA-related loans in low-income geographies. Additionally, 42% of the families residing in low-income census tracts have incomes below the poverty level, further limiting lending opportunities.

Home Purchase Loans

Chemung's home purchase lending distribution in MSA 21300 was considered good in light of demographic and performance context challenges relating to housing affordability and the availability of owner-occupied housing in low-income geographies in the assessment area. While Chemung made no home purchase loans in low-income geographies in 2015, 3% of all owner-occupied housing units in the assessment area were located in low-income geographies. This performance context consideration is confirmed by the performance of the market aggregate, which in 2015 made only 14 or 2% of its home purchase loans in low-income geographies. Chemung's 2014 home purchase lending performance in low-income geographies exceeded its 2015 performance, while the bank's 2016 home purchase lending performance in low-income geographies was comparable to its 2015 performance.

Chemung's home purchase lending performance in moderate-income geographies was good. Chemung originated 18% of its home purchase loans in moderate-income geographies in 2015, compared to 23% of owner-occupied housing units located in moderate-income geographies in the MSA. Chemung's performance in moderate-income geographies was below the market aggregate, which made 24% of its home purchase loans in moderate-income geographies in 2015. Home purchase lending performance in moderate-income geographies in 2014 and 2016 was comparable to its performance in 2015, as Chemung originated 21% of its home purchase loans in moderate-income geographies both years.

Refinance Loans

Chemung's overall refinance lending performance in the LMI geographies of MSA 21300 was excellent. Chemung's refinance lending in low-income geographies was adequate when considering performance context factors that make HMDA-related lending challenging in low-income geographies. Three percent of owner-occupied housing units are in low-income census tracts, indicating very limited lending opportunities. Chemung made only one refinance loan, or 2%, in low-income geographies in 2015, while the market aggregate made five, or 1%, of its refinance loans in low-income geographies in 2015. Chemung's 2014 and 2016 refinance lending performance in low-income geographies was below its 2015 performance.

Chemung's refinance lending performance in moderate-income geographies was excellent. Chemung originated 30% of its refinance loans in moderate-income geographies in 2015 compared to 23% of owner-occupied housing units located in moderate-income geographies in

this MSA. Chemung's performance was above the market aggregate, which originated 22% of its refinance loans in moderate-income census tracts. Chemung's 2014 and 2016 refinance lending performance was comparable to its 2015 performance in moderate-income geographies.

Home Improvement Loans

Chemung's overall home improvement lending performance in the LMI geographies of MSA 21300 was excellent. Home improvement lending in low-income geographies was good when considering performance context factors that make HMDA-related lending challenging in low-income geographies. In 2015, none of Chemung's home improvement loans were in low-income census tracts, while 3% of owner-occupied housing units are in low-income census tracts. Chemung's performance was below the market aggregate which made 17 loans, or 3%, of its home improvement loans in low-income geographies in 2015. Chemung's 2014 and 2016 home improvement lending performance exceeded its 2015 performance, with 3% and 4% of home improvement lending in low-income tracts each year respectively.

Chemung's home improvement lending performance in moderate-income census tracts was excellent. Chemung originated 29% of its home improvement loans in moderate-income census tracts in 2015, compared to 23% of owner-occupied housing units located in moderate-income census tracts in this MSA. Chemung's performance was above the market aggregate which originated 23% of its home improvement loans in moderate-income census tracts. Chemung's 2014 home improvement lending performance in moderate-income geographies was comparable to its 2015 performance, while its 2016 performance was below.

2015 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 21300

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	1.6%	0.8%	14	28.0%	18.7%	11.8%	6.5%
Moderate	9	18.0%	11.8%	24.2%	17.1%	7	14.0%	12.3%	22.9%	17.5%
Middle	22	44.0%	32.5%	38.2%	34.8%	14	28.0%	28.4%	26.2%	25.9%
Upper	19	38.0%	55.8%	36.1%	47.3%	12	24.0%	35.2%	25.7%	38.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	6.0%	5.4%	13.4%	12.0%
Total	50	100.0%	100.0%	100.0%	100.0%	50	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	1	2.3%	0.6%	0.9%	0.4%	7	15.9%	8.2%	10.0%	5.2%
Moderate	13	29.5%	28.0%	22.3%	16.0%	6	13.6%	9.7%	17.0%	11.6%
Middle	19	43.2%	38.2%	34.7%	31.0%	11	25.0%	32.5%	24.7%	22.5%
Upper	11	25.0%	33.2%	42.1%	52.6%	17	38.6%	45.8%	40.4%	52.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	6.8%	3.8%	7.9%	8.2%
Total	44	100.0%	100.0%	100.0%	100.0%	44	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	2.8%	1.6%	21	14.0%	8.2%	12.3%	7.3%
Moderate	43	28.7%	20.0%	22.8%	17.0%	46	30.7%	22.6%	26.3%	17.5%
Middle	62	41.3%	50.8%	38.3%	38.4%	43	28.7%	33.9%	28.0%	29.4%
Upper	45	30.0%	29.2%	36.0%	43.0%	33	22.0%	28.7%	30.3%	39.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	7	4.7%	6.7%	3.0%	6.4%
Total	150	100.0%	100.0%	100.0%	100.0%	150	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	1	100.0%	100.0%	50.0%	7.1%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	50.0%	92.9%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	100.0%	100.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	1	0.4%	0.2%	1.8%	0.7%	42	17.1%	11.4%	11.5%	5.7%
Moderate	66	26.9%	26.2%	23.3%	16.0%	59	24.1%	12.8%	22.3%	14.5%
Middle	103	42.0%	35.7%	37.3%	38.5%	68	27.8%	28.5%	26.3%	23.3%
Upper	75	30.6%	37.9%	37.6%	44.8%	62	25.3%	34.0%	31.0%	39.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	14	5.7%	13.3%	8.9%	17.2%
Total	245	100.0%	100.0%	100.0%	100.0%	245	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	25	25.5%	24.9%		15.7%	22.1%				
Moderate	29	29.6%	38.1%		22.9%	33.7%				
Middle	18	18.4%	11.7%		31.1%	19.7%				
Upper	26	26.5%	25.2%		29.0%	23.9%				
Unknown	0	0.0%	0.0%		0.0%	0.0%				
Tract Unknown	0	0.0%	0.0%		1.3%	0.5%				
Total	98	100.0%	100.0%		100.0%	100.0%				
By Revenue										
\$1 Million or Less	29	29.6%	12.6%		38.2%	31.1%				
By Loan Size										
\$100,000 or less	52	53.1%	14.6%		88.5%	24.9%				
\$100,001-\$250,000	17	17.3%	14.1%		4.9%	15.5%				
\$250,001-\$1 Million	29	29.6%	71.4%		6.5%	59.6%				
Total	98	100.0%	100.0%		100.0%	100.0%				

Originations and Purchases

Small Business Loans

Overall, Chemung’s small business lending performance in MSA 21300 was excellent based on excellent performance in LMI geographies. Chemung made 25% of its small business loans in low-income geographies and 30% in moderate-income geographies in 2015, compared to 14%

and 25% of business establishments located in low- and moderate-income geographies respectively. Chemung's performance in both low- and moderate-income geographies was above the market aggregate, which made 16% and 23% of its small business loans in low- and moderate-income geographies, respectively. Chemung's performance in 2014 and 2016 was comparable to its 2015 performance for both low- and moderate income geographies.

Distribution by Borrower Income and Revenue Size of Business

Lending performance in the assessment area relating to borrower distribution was good overall, and reflected reasonable penetration among individuals of all income levels (including LMI) and businesses of different sizes. While housing is generally affordable to moderate-income borrowers in the MSA, housing costs are generally 3 or 4 times the income of low-income borrowers.

Home Purchase Loans

Chemung's distribution of home purchase loans to LMI borrowers in MSA 21300 was good based on adequate distribution to low-income borrowers and good distribution to moderate-income borrowers. In 2015, Chemung originated 28% of its home purchase loans to low-income borrowers, while 22% of the families in the MSA are low-income. Chemung's performance was above the market aggregate, which made 12% of its home purchase loans to low-income borrowers. Chemung's 2014 and 2016 home purchase lending performance for low-income borrowers was below the 2015 performance.

Performance in lending to moderate-income borrowers was adequate, as 14% of Chemung's home purchase loans were made to moderate-income borrowers compared to 17% of families in the MSA that were of moderate-income. Chemung's performance was below the market aggregate, which made 23% of its home purchase loans to moderate-income borrowers in 2015. Chemung's 2014 and 2016 home purchase lending performance for moderate-income borrowers exceeded its 2015 performance.

Refinance Loans

Chemung's distribution of refinance loans to LMI borrowers in MSA 21300 was good based on adequate distribution to low-income borrowers and excellent distribution to moderate-income borrowers. In 2015, Chemung's distribution of refinance loans to low-income borrowers was good as 16% of refinance loans were made to low-income borrowers compared to 22% of all families in the MSA that were of low-income. Chemung's performance was above the market aggregate, which made 10% of its refinance loans to low-income borrowers. Chemung's 2014 refinance lending performance for low-income borrowers was comparable to its 2015 performance, while the bank's 2016 performance was below.

Chemung's distribution of refinance loans to moderate-income borrowers was good as 14% of refinance loans were made to moderate-income borrowers compared to 17% of all families in the MSA that were of moderate-income. Chemung's performance was below the market aggregate, which made 17% of its refinance loans to moderate-income borrowers. Chemung's 2014

refinance lending performance for moderate-income borrowers was above, while its 2016 performance was comparable to that of 2015.

Home Improvement Loans

Chemung’s overall distribution of home improvement loans to LMI borrowers was good based on good distribution to low-income borrowers and excellent distribution to moderate-income borrowers. In 2015, Chemung made 14% of its home improvement loans to low-income borrowers, while 22% of the families in the MSA are low-income. Chemung’s performance was above the market aggregate, which made 12% of its home improvement loans to low-income borrowers. Chemung’s 2014 and 2016 home improvement lending performance for low-income borrowers was more favorable than its 2015 performance.

Performance in lending to moderate-income borrowers was excellent as 31% of Chemung’s home improvement loans were made to moderate-income borrowers, compared to 17% of families in the MSA that were of moderate-income. Chemung’s performance was above the market aggregate, which made 26% of its home improvement loans to moderate-income borrowers in 2015. Chemung’s 2014 home improvement lending performance for moderate-income borrowers was above its 2015 performance, while its 2016 performance was below.

Small Business Loans

Chemung’s overall level of lending to small businesses in MSA 21300 was adequate. In 2015, Chemung made 30% of its small business loans to businesses with gross annual revenues of \$1 million or less, compared to 87% of business establishments in the MSA with GAR of \$1 million or less. Performance was below the aggregate which made 38% of its loans to businesses with GAR of \$1 million or less. Chemung’s performance in 2014 and 2016 were comparable, as 29% and 28% respectively of its small business loans were made to businesses with GAR of \$1 million or less.

In 2015, 53% of Chemung’s loans were in amounts of \$100,000 or less, with an average loan size of \$199,000. Chemung’s performance was below the market aggregate which originated 89% of its loans in amounts of \$100,000 or less. The comparison of loans in the amount of \$100 thousand or less is skewed as the aggregate includes large national credit card lenders which typically offer credit in smaller dollar amounts. Performance in 2014 was comparable to 2015 performance as 55% of Chemung’s small business loans were in amounts of \$100,000 or less. Performance in 2016 for small business loans in amounts of \$100,000 or less was below at 43%.

Community Development Lending

Chemung’s level of community development lending was excellent in MSA 21300 (Elmira, NY), with 62 loans totaling \$24 million, representing 51% of the bank’s total community development lending. This conclusion was supported by a comparison to similarly-situated large retail banks in the assessment area. New commitments

Community Development Loans		
Purpose	#	\$(000s)
Affordable Housing	1	\$800
Economic Development	2	\$1,902
Community Services	59	\$21,564
Revitalize and Stabilize	0	\$0
Totals	62	\$24,266

represented \$19 million of total community development loans in the assessment area, or 79% total activity. On an annualized basis, community development loan performance declined from last examination by 6%, but was still at an excellent level.

Community development lending was responsive to identified community needs, although the bank made little use of innovative lending practices. Lending targeted community service activities in the assessment area.

Examples of community development lending included:

- A \$500,000 working capital line of credit to an economic opportunity program that provides child education, food and family support services to LMI persons in Chemung County.
- A \$500,000 line of credit to a non-profit organization that provides social service and community action programs for LMI individuals and families. The organization ensures people have food, clothing, shelter, medical services and community support services. The organization is located in a low-income census tract.
- A \$1.6 million line of credit to a non-profit corporation that provides services for the developmentally disabled. Programs educate, train, and provide community-like settings which aid in the socialization process of developmentally disabled persons. The majority of individuals are LMI.
- A \$300,000 line of credit to a nursing home that provides housing and health services for senior citizens. The majority of residents are LMI as evidenced by Medicaid being the primary source of revenues.

INVESTMENT TEST

Chemung’s investment test performance was good. This conclusion was supported by a comparison to similarly-situated large retail banks in the assessment area. During the examination period, community development investments in MSA 21300 (Elmira, N.Y.) totaled \$6.3 million, or 23% of all community development investment activity. Qualified investments increased by 41% on an annualized basis compared to the last examination, as opportunities for investments in municipal securities were more prevalent. New commitments represented \$4 million or 63% of total community development investment in the MSA assessment area.

Community Development Investments		
Purpose	#	\$(000s)
Affordable Housing	1	1
Economic Development	0	0
Community Services	52	\$3,799
Revitalize and Stabilize	6	\$2,523
Totals	59	\$6,323

Within the MSA 21300 (Elmira, NY) assessment area, qualified investments by number and by dollar amount were targeted primarily to community service and revitalization and stabilization efforts. Examples of qualified investments included:

- The purchase of municipal bonds for infrastructure repairs in LMI areas of Chemung County. The bonds were issued for various improvement projects including sewer systems, building renovations, road resurfacing and other updates.
- The purchase of \$520,000 in municipal bonds for construction in the Village of Horseheads. The funds will mainly be used to build facilities at a well site in an LMI geography.
- Charitable grants and contributions to community groups serving LMI persons totaling \$213 thousand.

SERVICE TEST

Performance on the service test was excellent based on Chemung's branch distribution and its leadership in providing community development services in the Elmira assessment area.

Retail Services

The bank's delivery systems were readily accessible to all portions of the assessment area, including LMI areas. Overall, Chemung has 7 branches in the assessment area, of which 3, or 43%, are located in LMI areas. This compares favorably to the 33% of the MSA population that resides in LMI areas.

Alternative delivery systems enhanced the availability and effectiveness of retail credit and non-credit services in LMI geographies and to LMI individuals. There were 5 off-site ATMs in the MSA, with three located in LMI tracts.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI areas. Extended hours are available at all branches, with all of the 7 branches in the MSA open on Saturdays.

Community Development Services

Chemung is a leader in providing community development services in the MSA assessment area. The bank provided 7 first-time homebuyer seminars through local non-profit organizations, as well as financial literacy presentations and technical assistance events to LMI home buyers and community organizations.

Chemung employees also served on numerous boards and committees of community development organizations and provide financial management expertise and technical assistance to these organizations. A total of 39 Chemung officers served as directors, advisors or

committee members for 500 organizations throughout the bank's Elmira assessment area. Examples of the bank's efforts in providing such services include:

- Two of the bank's officers served as members of the Board of Directors of an organization that assists LMI people with disabilities in obtaining their optimum occupational goals.
- One officer served as a member of the Board of Directors of a regional loan fund that provides financial and technical assistance for start-ups and expanding businesses located in Chemung, Schuyler, and Steuben counties.
- One officer served as a member of the Board of Directors of an organization that plans, promotes, and implements economic development programs for Chemung County and the southern tier of New York State.
- Three officers served as members of the Board of Directors and committee members of Habit for Humanity, a non-profit organization that is dedicated to providing affordable housing for LMI individuals and families in Chemung County.

NON-METROPOLITAN AREA

(FULL REVIEW)

(Cayuga, Cortland, Schuyler, and Seneca counties, and portions of Steuben County, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2016, Chemung operates 9 branches in the New York Non-MSA assessment area. Twenty-two percent of the bank's HMDA-related and small business loans in New York State were originated in this non-MSA assessment area.

As of June 30, 2016, 26% of Chemung's deposits were held in this assessment area. With a deposit market share of 11%, Chemung had the fourth largest market share. First Niagara Bank, NA had the largest market share with 14% of deposits, followed by Five Star Bank with the second largest market share of 13% and behind Community Bank, NA, which had 12% of deposits. Other lead banks in terms of deposit market share were NBT National Association, Tompkins Trust Company, Manufacturers and Traders Trust Company, and Steuben Trust Company.

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 Federal Financial Institutions Examination Council ("FFIEC") and the New York Association of Realtors.

Demographic Characteristics

The Non-MSA assessment area encompasses Cayuga, Cortland, Schuyler and Seneca counties and a portion of Steuben County. This assessment area is located mainly in the central and Finger Lakes regions of New York State. These counties are primarily rural with towns and villages scattered across the assessment area. According to the 2010 Census, the Non-MSA assessment area's population totals 243,530. The Non-MSA assessment area contains 21% of the bank's combined assessment area population. Within the Non-MSA full scope assessment area, four middle-income census tracts in Schuyler County meet the FFIEC definition of underserved middle-income census tracts for remote rural areas.

Income Characteristics

The FFIEC-adjusted median family incomes for the various counties in the Non-MSA assessment area ranged from a low of \$58,300 in Steuben County in 2014 to a high of \$68,400 in Cayuga County in 2016. Based on the 2010 Census, of the 67 census tracts included in the analysis, one or 1.5% are low-income, one or 1.5% are moderate-income, 52 or 78% are middle-income, 12 or 18% are upper-income, and one or 1.5% has no income designation. Nine

percent of all families within the Non-MSA assessment area have incomes below the poverty level.

Housing Characteristics

The Non-MSA assessment area contains 111,255 housing units, of which 62% are owner-occupied. One percent of owner-occupied housing units are in low-income census tracts and 1% are in the moderate-income census tracts. Owner-occupied housing units represent 30% and 41% of total housing units in low- and moderate-income census tracts, respectively. According to the New York State Association of Realtors, the median sales price of homes ranged from a low of \$105,000 in Seneca County in 2014 to a high of \$145,000 in Schuyler County in 2016.

In 2010, the median housing costs in the various counties comprising the Non-MSA assessment area ranged from 2 to 5 times the median family income of a low-income borrower, indicating that housing affordability may be difficult for some low-income individuals.

MEDIAN HOUSING SALES PRICE			
Area	2014	2015	2016
Cayuga County	\$117,625	\$110,000	\$111,558
Cortland County	\$106,500	\$109,810	\$110,700
Schuyler County	\$133,120	\$135,000	\$145,000
Seneca County	\$105,000	\$115,000	\$112,400
Steuben County	\$105,000	\$101,064	\$107,250

Source: NYS Association of Realtors

Demographic information from the 2010 Census estimated the median age of the housing stock throughout the assessment area is 56 years. Given the age of the housing stock, there is a need for home improvement and home rehabilitation loans.

Labor, Employment and Economic Characteristics

According to the NYS Department of Labor, the economy of the southern tier of New York has made a steady comeback from the worst U.S. economic downturn in 75 years. Warehousing and storage, management of companies and enterprises, and food manufacturing have led the way 2009 – 2014, adding 2,100 jobs. Other areas of the economy showing growth include the financial sector, the leisure and hospitality sector, and manufacturing. During the examination period, average annual unemployment rates show modest declines in the five counties making up the Non-MSA assessment area. Some major employers include Absolut Care at Three Rivers, Auburn Community Hospital, the Department of Corrections, SUNY Cortland, ARG Trucking Corp., Goulds Pumps ITT, and Waterloo Premium Outlets among many others.

AVERAGE ANNUAL UNEMPLOYMENT RATES			
Area	2014	2015	2016
Cayuga County	6.0%	5.4%	4.9%
Cortland County	6.5%	5.9%	5.4%
Schuyler County	7.0%	6.6%	5.7%
Seneca County	5.6%	5.2%	4.6%
Steuben County	6.9%	6.4%	5.7%

Source: NYS Department of Labor

Detailed demographic data for this assessment area is provided in the chart on the following page.

Assessment Area Demographics Non-MSA NY								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	1.5	770	1.2	239	31.0	10,909	17.4
Moderate-income	1	1.5	553	0.9	98	17.7	11,120	17.8
Middle-income	51	78.5	48,672	77.7	4,357	9.0	14,337	22.9
Upper-income	11	16.9	12,641	20.2	665	5.3	26,270	41.9
Unknown-income	1	1.5	0	0.0	0	0.0	0	0.0
Total Assessment Area	65	100.0	62,636	100.0	5,359	8.6	62,636	100.0
	Housing	Housing Types by Tract						
	Units by	Owner-Occupied		Rental		Vacant		
	Tract	#	%	%	#	%	#	%
Low-income	1,612	488	0.7	30.3	1,049	65.1	75	4.7
Moderate-income	1,291	527	0.8	40.8	603	46.7	161	12.5
Middle-income	87,455	53,366	77.5	61.0	21,290	24.3	12,799	15.2
Upper-income	23,897	14,503	21.1	69.4	3,852	18.4	2,542	12.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	111,255	68,884	100.0	61.9	26,794	24.1	15,577	14.0
	Total Businesses by	Businesses by Tract & Revenue Size						
	Tract*	Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	181	2.3	155	2.3	25	3.7	1	0.4
Moderate-income	84	1.1	69	1.0	15	2.2	0	0.0
Middle-income	5,924	75.0	5,249	76.5	496	73.4	179	79.9
Upper-income	1,571	20.2	1,387	20.2	140	20.7	44	19.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	7,760	100.0	6,860	100.0	676	100.0	224	100.0
	Percentage of Total Businesses:			88.4		8.7		2.9

*Based on 2016 Dun and Bradstreet information according to 2010 ACS boundaries

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chemung's performance under the lending test in the Non-MSA assessment area was good, based on good lending activity, adequate geographic distribution of lending, and good distribution of lending to borrowers of different income levels and to businesses of different sizes.

Lending Activity

Chemung demonstrated good responsiveness to the retail credit needs of the Non-MSA NY assessment area based on market share activity and comparison to peer banks. Chemung ranked fourth in deposit market share (11% deposits market share), twentieth in home purchase lending (1% market share), twelfth in refinance lending (3% market share), fourth in home improvement lending (7% market share), and twenty-first in small business lending (1% market share). Peer comparisons based on the number of loans per billion dollars of deposits indicate that the bank's performance was comparable with the lending volume of similarly-situated banks.

Chemung's number of HMDA-related and small business loans decreased by 29% on an annualized basis compared to the previous examination period. Specifically, small business lending decreased by 63% and HMDA-related lending decreased by 11%. Home purchase lending increased by 1%, refinance lending decreased by 22% and home improvement lending decreased by 7%.

Geographic Distribution

As indicated in the chart below, the overall geographic distribution of HMDA-related and small business loans reflected adequate loan penetration across census tracts of different income levels in the NY Non-MSA. However, lending opportunities are limited as the assessment area has only one low-income and one moderate-income census tract. Both low- and moderate-income census tracts have 1% of owner occupied housing units in the Non-MSA assessment area, and 2% and 1% of all business establishments are located in the low- and moderate-income census tracts, respectively. The lack of lending opportunities in both low- and moderate-income geographies was further confirmed by the performance of the aggregate, which in 2015 made only 31 HMDA-related loans or 1% in low-income tracts and 50 HMDA-related loans or 1% in moderate-income tracts.

Home Purchase Loans

Chemung's performance in LMI geographies was adequate in light of demographic and performance context challenges relating to housing affordability and the availability of owner-occupied housing in the LMI geographies of the assessment area. Therefore, consideration was given to the limited opportunities for HMDA lending in LMI geographies. In 2015, Chemung did not originate any home purchase loans in low-income geographies while 1% of all owner-occupied housing units were located in low-income geographies. Home purchase performance in low-income geographies was below the market aggregate, which made only 15 or 1% of its

home purchase loans in low-income geographies. Chemung's 2014 and 2016 home purchase lending performance in low-income geographies was comparable to its 2015 performance, as the bank also did not make any home purchase loans in low-income geographies both years.

Chemung's performance in moderate-income geographies was also adequate considering the limited lending opportunities in moderate-income census tracts. In 2015, Chemung originated one or 3% of its home purchase loans in moderate-income geographies, while 1% of owner-occupied housing units in the assessment area were located in moderate-income geographies. Chemung's performance in moderate-income geographies was above the market aggregate, which made 1% or 21 home purchase loans in moderate-income geographies in 2012. Chemung's 2014 home purchase lending performance in moderate-income geographies was above its 2015 performance, while its 2016 performance was below.

Refinance Loans

Chemung's performance in LMI geographies was adequate in light of demographic and performance context challenges relating to housing affordability and the availability of owner-occupied housing in the LMI geographies of the assessment area. Therefore, consideration was given to the limited opportunities for HMDA lending in LMI geographies. Chemung originated two or 5% of refinance loans in low-income geographies, while 1% of all owner-occupied housing units were located in low-income geographies. Refinance performance in low-income geographies was above the market aggregate, which made only 8 or 1% of its refinance loans in low-income geographies. Chemung's 2014 and 2016 refinance lending performance in low-income geographies was below its 2015 performance, as the bank made only one refinance loan in low-income geographies in 2014, and did not make any refinance loans in low-income geographies in 2016.

Chemung's performance in moderate-income geographies was also adequate considering the limited lending opportunities in moderate-income geographies. Chemung did not originate any refinance loans in moderate-income geographies in 2015, while 1% of owner-occupied housing units in the assessment area were located in moderate-income geographies. Chemung's performance in moderate-income geographies was below the market aggregate, which made 1% or 18 refinance loans in moderate-income geographies in 2015. Chemung's 2014 and 2016 refinance lending performance in moderate-income geographies was comparable to its 2015 performance, as the bank also did not make any refinance loans in moderate-income geographies.

Home Improvement Loans

Chemung's performance in LMI geographies was adequate in light of demographic and performance context challenges relating to housing affordability and the availability of owner-occupied housing in the LMI geographies of the assessment area. Accordingly, consideration was given to the limited opportunities for HMDA lending in LMI geographies. Chemung made two or 2% of home improvement loans in low-income census tracts, while 1% of all owner-occupied housing units were located in low-income geographies. In comparison, the market aggregate made only 7 or 1% of its home improvement loans in low-income geographies. Chemung's 2014 and 2016 home improvement lending performance in low-income geographies

was comparable to its 2015 performance, as the bank made one home improvement loan in low-income geographies both years.

Chemung's performance in moderate-income geographies was also adequate considering the limited lending opportunities in moderate-income census tracts. Chemung made none of its home improvement loans in moderate-income geographies, while 1% of owner-occupied housing units in the assessment area were located in moderate-income geographies. Chemung's performance in moderate-income geographies was below the market aggregate, which made 1% or 11 home improvement loans in moderate-income geographies in 2015. Chemung's 2014 and 2016 home improvement lending performance in moderate-income geographies was similar to its 2015 performance, as the bank also did not make any home improvement loans in moderate-income geographies in those years.

Small Business Loans

Small business lending performance in LMI geographies was adequate. Chemung did not make any of its small business loans in low-income geographies in 2015, while 2% of business establishments were located in low-income census tracts. Chemung's performance was below the market aggregate, which originated 3% or 83 of its small business loans in low-income geographies. Chemung's performance in 2014 was similar to 2015, although Chemung's performance in 2016 improved as one or 3% of total small business loans were made in low-income geographies.

2015 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: NY NonMSA

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.6%	0.3%	2	6.5%	5.9%	6.0%	3.4%
Moderate	1	3.2%	3.1%	0.9%	0.8%	5	16.1%	12.9%	22.3%	16.2%
Middle	19	61.3%	52.3%	75.6%	71.7%	11	35.5%	27.4%	24.0%	21.6%
Upper	11	35.5%	44.6%	23.0%	27.2%	9	29.0%	43.9%	34.0%	47.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	12.9%	9.9%	13.7%	11.5%
Total	31	100.0%	100.0%	100.0%	100.0%	31	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	2	4.5%	3.1%	0.6%	0.3%	4	9.1%	6.0%	5.8%	3.1%
Moderate	0	0.0%	0.0%	1.4%	1.3%	11	25.0%	14.1%	16.7%	11.1%
Middle	30	68.2%	75.6%	72.9%	69.3%	9	20.5%	16.8%	23.5%	19.3%
Upper	12	27.3%	21.4%	25.1%	29.1%	17	38.6%	58.6%	44.2%	55.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	6.8%	4.4%	9.9%	11.5%
Total	44	100.0%	100.0%	100.0%	100.0%	44	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	2	2.2%	0.6%	0.5%	0.3%	18	19.8%	10.8%	12.6%	6.2%
Moderate	0	0.0%	0.0%	0.9%	0.7%	27	29.7%	26.1%	23.8%	14.3%
Middle	76	83.5%	72.3%	80.9%	76.9%	27	29.7%	23.5%	26.9%	21.9%
Upper	13	14.3%	27.1%	17.7%	22.2%	19	20.9%	39.6%	34.9%	55.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.7%	2.3%
Total	91	100.0%	100.0%	100.0%	100.0%	91	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	5.0%	0.3%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	80.0%	36.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	15.0%	63.7%	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%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	4	2.4%	1.6%	0.6%	0.3%	24	14.5%	6.8%	7.6%	3.3%
Moderate	1	0.6%	1.1%	1.0%	0.9%	43	25.9%	15.9%	21.1%	13.6%
Middle	125	75.3%	67.0%	76.2%	69.1%	47	28.3%	21.7%	24.5%	19.5%
Upper	36	21.7%	30.3%	22.2%	29.8%	45	27.1%	50.1%	36.8%	46.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	7	4.2%	5.5%	10.0%	16.6%
Total	166	100.0%	100.0%	100.0%	100.0%	166	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	0	0.0%	0.0%		2.9%	4.1%				
Moderate	0	0.0%	0.0%		0.8%	1.6%				
Middle	30	69.8%	57.7%		73.0%	74.4%				
Upper	13	30.2%	42.3%		21.0%	19.2%				
Unknown	0	0.0%	0.0%		0.0%	0.0%				
Tract Unknown	0	0.0%	0.0%		2.3%	0.7%				
Total	43	100.0%	100.0%		100.0%	100.0%				
By Revenue										
\$1 Million or Less	31	72.1%			49.0%			39.2%		
By Loan Size										
\$100,000 or less	27	62.8%			17.2%			90.7%		
\$100,001-\$250,000	7	16.3%			20.8%			5.3%		
\$250,001-\$1 Million	9	20.9%			62.0%			4.0%		
Total	43	100.0%			100.0%			100.0%		

Originations and Purchases

Small business lending performance in moderate-income geographies was poor. Chemung did not originate any of its small business loans in moderate-income census tracts, while 1% of all business establishments were located in moderate-income geographies. Chemung's performance was below the market aggregate, which originated 1% or 24 of its small business loans in

moderate-income geographies. Chemung's 2014 and 2016 small business lending performance in moderate-income geographies was comparable to its 2015 performance.

Distribution by Borrower and Revenue Size of Business

Lending performance in the assessment area relating to borrower distribution was good overall, and reflected good penetration among individuals of all income levels (including LMI) and adequate penetration of businesses of different sizes.

Home Purchase Loans

Chemung's overall distribution of home purchase loans to LMI borrowers in the non-MSA assessment area was adequate based on poor distribution to low-income borrowers and good distribution to moderate-income borrowers. In 2015, Chemung made 7% of its home purchase loans to low-income borrowers while 17% of the families in the non-MSA are low-income. Chemung's performance was similar to the market aggregate, which made 6% of its home purchase loans to low-income borrowers. Chemung's 2014 and 2016 home purchase lending performance for low-income borrowers was comparable to 2015 performance.

Performance in lending to moderate-income borrowers was good, as 16% of Chemung's home purchase loans were made to moderate-income borrowers compared to 18% of families in the non-MSA that were of moderate-income. Chemung's performance was below the market aggregate, which made 22% of its home purchase loans to moderate-income borrowers in 2015. Chemung's 2014 and 2016 home purchase lending performance for moderate-income borrowers was more favorable than 2015 performance, as respectively 19% and 23% of home purchase loans were to moderate-income borrowers.

Refinance Loans

Chemung's overall distribution of refinance loans to LMI borrowers in the non-MSA assessment area was good based on adequate distribution to low-income borrowers and excellent distribution to moderate-income borrowers. Chemung's distribution of refinance loans to low-income borrowers was adequate, as 9% of refinance loans were made to low-income borrowers compared to 17% of all families in the non-MSA that were of low-income. Chemung's performance was above the market aggregate which made 6% of its refinance loans to low-income borrowers. Chemung's 2014 and 2016 refinance lending performance to low-income borrowers was comparable to 2015 performance as 10% and 7% respectively were made to low-income borrowers.

Chemung's distribution of refinance loans to moderate-income borrowers in 2015 was excellent, as 25% of refinance loans were made to moderate-income borrowers compared to 18% of all families in the non-MSA that were of moderate-income. Chemung's performance was above the market aggregate, which made 17% of its refinance loans to moderate-income borrowers. Chemung's 2014 refinance lending to moderate-income borrowers performance was comparable, while refinance loans in 2016 to moderate-income borrowers were below.

Home Improvement Loans

Chemung’s overall distribution of home improvement loans to LMI borrowers in the non-MSA assessment area was excellent based on excellent performance to both low- and moderate-income borrowers. In 2015, Chemung made 20% of its home improvement loans to low-income borrowers, while 17% of the families in the MSA are low-income. Chemung’s performance was above the market aggregate, which made 13% of its home improvement loans to low-income borrowers. Chemung’s 2014 and 2016 home improvement lending performance to low-income borrowers was comparable to 2015 performance at 16% both years.

Performance in lending to moderate-income borrowers was excellent as 30% of Chemung’s home improvement loans were made to moderate-income borrowers, compared to 18% of families in the MSA that were of moderate-income. Chemung’s performance was above the market aggregate, which made 24% of its home improvement loans to moderate-income borrowers in 2015. Chemung’s 2014 and 2016 home improvement performance to moderate-income borrowers was comparable with 22% and 39% of home improvement loans to moderate-income borrowers in 2014 and 2016 respectively.

Small Business Loans

The overall level of lending to small businesses in the non-MSA assessment area was adequate. During 2015, Chemung made 72% of its small business loans to businesses with GAR of \$1 million or less, compared to 88% of business establishments in the non-MSA with GAR of \$1 million or less. Performance was above the aggregate, which made 49% of its loans to businesses with GAR of \$1 million or less. Chemung’s performance in 2014 was comparable, while performance in 2016 was below.

During 2015, 63% of Chemung’s loans were in amounts of \$100,000 or less, with an average loan size of \$36,000. Chemung performance was below the market aggregate, which originated 91% of its loans in amounts of \$100,000 or less. The comparison of loans in the amount of \$100 thousand or less is skewed as the aggregate includes large national credit card lenders which typically offer credit in smaller dollar amounts. Performance in 2014 and 2016 were comparable to 2015’s performance as 58% of its small business loans were in amounts of \$100,000 or less each year.

Community Development Lending

Chemung’s level of community development lending in the non-MSA assessment area was excellent, with 19 loans totaling \$6 million, or 13% of the bank’s total community development lending. This conclusion was supported by a comparison to similarly-situated large retail banks in the assessment area. New commitments represented \$4.5 million of total community development

Community Development Loans		
Purpose	#	\$(000s)
Affordable Housing	0	\$0
Economic Development	1	\$40
Community Services	17	\$5,772
Revitalize and Stabilize	1	\$100
Totals	19	\$5,912

loans in the non-MSA assessment area or 77% of total activity.

Community development lending was responsive to identified community needs. Lending targeted community development services.

Examples of community development lending included:

- A \$50 thousand line of credit to a non-profit organization dedicated to assisting LMI persons and municipalities with housing needs throughout the Southern Tier. The non-profit provides direct home repair assistance in partnership with national, regional and local governments and organizations.
- A \$40 thousand line of credit to an organization that acts as a catalyst to serve the business and community interests of the region. This entity is a leading resource in connecting businesses, providing resources, education and access to LMI individuals.
- A \$1 million line of credit to a hospital that primarily serves the residents of Schulyer County, a designated underserved area. The line of credit helped maintain essential services in the county. The hospital is a major employer in Schulyer County.
- A \$270 thousand line of credit to a non-profit organization that provides community services assistance and information for the LMI disabled in Steuben County.

INVESTMENT TEST

Chemung’s investment test performance in the non-MSA assessment area was good. Chemung made a significant level of qualified community development investments and grants that exhibited good responsiveness to credit and community development needs. Chemung’s performance lagged the performance of similarly-situated large retail banks in the assessment area. Chemung was ranked fifth out of five banks in annualized qualified investments as a percentage of deposits in the non-MSA assessment area.

Qualified investments totaled \$7 million, or 37% of Chemung’s total qualified investment activity. About 95% of Chemung’s qualified investments in the Non-MSA assessment area were new investments made since the prior CRA examination. Qualified investments in the Non-MSA assessment area included:

Community Development Investments		
Purpose	#	\$(000s)
Affordable Housing	0	\$0
Economic Development	0	\$0
Community Services	42	\$476
Revitalize and Stabilize	27	\$6,703
Totals	69	\$7,179

- A \$130 thousand investment in municipal bonds for equipment and sewer replacement and other projects in a municipality in a distressed county in Schuyler County.
- A total of \$6 million investment in municipal bonds for nine school districts in the non-MSA NY assessment area that have more than 51% of the student population on the free

or reduced cost lunch program. The bonds assisted in revitalizing these geographies through activities that helped to attract or retain businesses and residents. Examples of projects to be funded include acquisition, construction and renovation of facilities, building and grounds.

- Charitable grants and contributions to community groups serving LMI persons in the non-MSA assessment area totaling \$43 thousand.

SERVICE TEST

Performance on the service test in the non-MSA assessment area was good as Chemung's branch distribution was accessible to all portions of the assessment area and the bank provided a relatively high level of community development services.

Retail Services

The bank's delivery systems were accessible to all portions of the assessment area, including LMI areas. Overall, Chemung has nine branches in the assessment area, none of which were located in the assessment area's LMI census tracts. However, only three percent of the population resides in these tracts.

Alternative delivery systems somewhat enhanced the availability and effectiveness of retail credit and non-credit services to LMI individuals. There were two off-site ATMs in the non-MSA assessment area, each located in middle- and upper-income census tracts at a hospital and college respectively. These off-site ATM locations are accessible to the LMI population.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI areas. Extended hours are available at all branches, with six of the nine branches in the MSA opened on Saturdays.

Community Development Services

Chemung provided an adequate level of community development services in the non-MSA assessment area. The bank provided financial literacy instruction on one occasion at a non-profit organization serving LMI individuals. In addition, an employee conducted a first-time homebuyer's seminar through a non-profit organization that provides community services to LMI individuals.

In addition to the services noted above, Chemung employees also served on numerous boards and committees of community development organizations and provided financial management expertise and technical assistance to these organizations. A total of 16 Chemung officers served as directors, advisors or committee members for 24 organizations throughout the non-MSA assessment area. Examples of the bank's efforts in providing such services include:

- An officer served as a board member for an organization that enables people to improve their lives and communities through partnerships that deliver education programs, conduct applied research, and encourage community collaborations to benefit LMI populations. Information is provided on nutrition and health, youth and families, finances, and economic and community development.
- One officer served as Treasurer of the board of directors for a community based not-for-profit organization that aids child development and educates parents on a number of topics regardless of family income.
- One officer serves on the board of a Steuben County based organization serving LMI populations that evaluates eligible applications from community service nonprofit organizations and individuals and makes grant recommendations.
- One officer is vice chairman of the finance committee of a development corporation that grants applications for capital improvements and revitalization in an underserved county.

METROPOLITAN AREA

(FULL REVIEW)

MSA 10580 (Albany-Schenectady-Troy, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2016, Chemung operated five branches in MSA 10580 (Albany-Schenectady-Troy, NY), which accounts for 17% of its branches. The branches are operated under the name Capital Bank, a division of Chemung that was acquired by Chemung in November 2011. As of June 30, 2016, 16% of the bank's deposits in New York State were in the MSA. Chemung ranks 15th in deposit market share in this MSA, with a deposit market share of slightly less than 1%. The market is highly competitive; large depository institutions such as KeyBank National Association, Trustco Bank, Citizens Bank, National Association, First Niagara Bank, National Association, Bank of America, National Association, and Manufacturers and Traders Trust Co., are the lead banks in terms of deposit market share. For additional assessment area details, see Summary of Key Assessment Area Data.

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 Federal Financial Institutions Examination Council ("FFIEC") and the New York Association of Realtors.

Demographic Characteristics

Chemung's MSA 10580 assessment area consists of Albany and Saratoga counties. According to the 2010 Census, the assessment area's population totals 523,811. The MSA contains 46% of the bank's combined assessment area population. Of the 125 census tracts in the assessment area, 11, or 9%, are low-income, and 17, or 14%, are moderate-income.

Income Characteristics

According to the 2010 Census, the MSA 10580 assessment area has 129,084 families, of which 24,363 or 19% are low-income families and 21,892 or 17% are moderate-income families. The FFIEC-adjusted median family income for MSA 10580 was \$78,300 in 2014, \$82,700 in 2015 and \$82,000 in 2016. Six percent of all families within the assessment area have incomes below the poverty level.

Housing Characteristics

The assessment area contains 233,963 housing units, of which 59% are owner-occupied. Eleven percent of owner-occupied housing units are in LMI census tracts. Thirty-eight percent of all housing units in LMI census are vacant. Demographic information from the 2010 census estimated the median age of the housing stock to be 46 years indicating a potential need for home improvement financing.

In 2015, housing costs in the Albany MSA were approximately 3 and 5 times the median family income of a low- and moderate-income borrower respectively, making housing affordability difficult for both low- and moderate-income individuals. Housing costs in relation to family incomes may limit opportunities for home purchase lending, particularly for LMI individuals. City residents in particular might be unable to purchase homes without some sort of assistance.

Labor, Employment and Economic Characteristics

Albany is New York State’s most affluent metropolitan area outside the New York City Metropolitan region. The area's dominant industry is state government, a feature which helped cushion the area from the latest economic downturn, but, more recently, has adversely affected the local economy as public sector jobs have been reduced. The area also possesses a burgeoning high-tech industry base and this has been a source of job growth in recent years. The University at Albany is an important part of the local economy and is a leader in the field of nano-technology.

Since 2014, private sector employment continued to expand, led by good job gains in the financial activities, professional and business services and health and education sectors. Detailed demographic data for this assessment area is provided in the chart on the following page.

AVERAGE ANNUAL UNEMPLOYMENT RATES			
Area	2014	2015	2016
Albany County	4.9%	4.4%	4.0%
Saratoga County	4.7%	4.2%	3.8%
State of New York	6.3%	5.3%	4.8%

Source: NYS Department of Labor

Assessment Area Demographics								
Assessment Area : MSA 10580								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	11	8.8	7,397	5.7	2,451	33.1	24,363	18.9
Moderate-income	17	13.6	12,983	10.1	1,323	10.2	21,892	17.0
Middle-income	61	48.8	64,520	50.0	2,753	4.3	27,880	21.6
Upper-income	35	28.0	44,184	34.2	846	1.9	54,949	42.6
Unknown-income	1	0.8	0	0.0	0	0.0	0	0.0
Total Assessment Area	125	100.0	129,084	100.0	7,373	5.7	129,084	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	18,559	3,816	2.8	20.6	10,690	57.6	4,053	21.8
Moderate-income	30,366	11,237	8.2	37.0	14,186	46.7	4,943	16.3
Middle-income	113,879	72,641	53.0	63.8	31,006	27.2	10,232	9.0
Upper-income	71,159	49,486	36.1	69.5	17,987	25.3	3,686	5.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	233,963	137,180	100.0	58.6	73,869	31.6	22,914	9.8
	Total Businesses by Tract*	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	1,438	6.3	1,173	5.8	252	10.7	13	4.3
Moderate-income	2,540	11.2	2,132	10.6	340	14.4	68	22.4
Middle-income	11,241	49.3	9,964	49.5	1,124	47.8	153	50.3
Upper-income	7,559	33.2	6,852	34.1	637	27.1	70	23.0
Unknown-income	1	0.0	1	0.0	0	0.0	0	0.0
Total Assessment Area	22,779	100.0	20,122	100.0	2,353	100.0	304	100.0
Percentage of Total Businesses:				88.3		10.3		1.3

*Based on 2016 Dun and Bradstreet information according to 2010 ACS boundaries

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS LENDING TEST

Chemung's performance in the MSA 10580 assessment area under the lending test was good, based on adequate lending activity, good geographic distribution of lending, and good distribution of lending to borrowers of different income levels and to businesses of different sizes.

Lending Activity

Chemung demonstrated adequate responsiveness to the retail credit needs of MSA 10580 (Albany-Schenectady-Troy, NY), based on market share activity and comparison to peer banks. Chemung ranked fifteenth in deposit market share, with 1% market share of deposits, fifty-eighth in home purchase lending (less than 1% of market share), thirty-first in refinance lending (1% of market share), twenty-sixth in home improvement lending (1% of market share), and eighteenth in small business lending (1% of market share). Peer comparisons based on the number of loans per billion dollars of deposits indicate that the bank's performance was below the performance of similar-situated institutions.

Geographic Distribution of Loans

Chemung's overall geographic distribution of loans reflects good dispersion throughout the MSA 10580 assessment area, including LMI census tracts. HMDA-related lending performance was good, while small business lending performance was excellent.

Home Purchase Loans

Chemung's overall home purchase lending distribution in MSA 10580 was considered adequate, based on excellent performance in low-income geographies and poor performance in moderate-income geographies. In 2015, Chemung made three or 10% of its home purchase loans in low-income geographies, while 3% of all owner-occupied housing units were in low-income geographies. Chemung's performance exceeded the market aggregate, which made 2% of its total home purchase loans in low-income geographies. Chemung's 2014 home purchase lending performance in low-income geographies was comparable to 2015 performance, while its 2016 performance was below.

Chemung's performance in moderate-income geographies was poor. In 2015, Chemung originated one or 3% of its home purchase loans in moderate-income geographies, compared to 8% of owner-occupied housing units located in moderate-income geographies in the MSA. Chemung's performance in moderate-income census tracts was below the market aggregate, which made 7% of its home purchase loans in moderate-income geographies in 2015. Home purchase lending performance in 2014 and 2016 in moderate-income geographies was below 2015, as Chemung did not originate any home purchase loans in moderate-income geographies.

Refinance Loans

Chemung's overall refinance lending in MSA 10580 was excellent, based on excellent refinance lending in both low-income geographies and moderate-income geographies. Chemung made three or 12% of refinance loans in low-income geographies, while 3% of all owner-occupied housing units were in low-income census tracts. Chemung's performance was above the market aggregate, which made 2% of its total refinance loans in low-income geographies. Performance in 2014 and 2016 in low-income geographies was comparable to its 2015 performance.

Chemung's refinance performance in moderate-income geographies was excellent as 8% of refinance loans were in moderate-income geographies, compared to 8% of owner-occupied housing units. Chemung's performance was similar to the market aggregate, which made 7% of its total refinance loans in moderate-income geographies. Performance in 2014 and 2016 was above its 2015 performance as Chemung's refinance loan penetration in moderate-income geographies was excellent both years.

Home Improvement Loans

Chemung's overall home improvement lending in MSA 10580 was adequate. Chemung's home improvement lending performance in low-income geographies was adequate, when considering the limited lending opportunities that make HMDA-related lending challenging in low-income geographies. Chemung did not make any home improvement loans in low-income census tracts, while 3% of owner-occupied housing units were in low-income census tracts. The limited opportunities for home improvement lending were confirmed by the performance of the market aggregate, which made only 22 or 2% of home improvement loans in low-income geographies in 2015. Chemung's 2014 and 2016 home improvement lending performance in 2014 and 2016 was comparable to its 2015 performance.

Chemung's home improvement lending performance in moderate-income geographies was adequate, based primarily on more favorable performance in 2016 compared to 2015 and 2014. In 2015, Chemung did not originate any of its home improvement loans in moderate-income geographies. Eight percent of owner-occupied housing units were located in moderate-income census tracts in this MSA. Chemung's 2015 performance was below the market aggregate, which originated 6% of its home improvement loans in moderate-income geographies. Chemung's 2016 home improvement lending performance was more favorable, as 22% of its home improvement loans were in moderate-income geographies. Chemung's 2014 performance was similar to its performance in 2015.

2015 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 10580

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	3	10.3%	12.9%	2.2%	1.3%	1	3.4%	1.7%	6.5%	3.4%
Moderate	1	3.4%	2.8%	7.1%	4.6%	5	17.2%	9.4%	22.6%	16.7%
Middle	9	31.0%	33.7%	52.4%	51.8%	3	10.3%	6.0%	24.1%	22.1%
Upper	16	55.2%	50.6%	38.3%	42.3%	18	62.1%	75.8%	33.4%	43.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	6.9%	7.1%	13.4%	14.7%
Total	29	100.0%	100.0%	100.0%	100.0%	29	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	3	11.5%	3.8%	2.0%	1.3%	1	3.8%	1.0%	5.7%	3.2%
Moderate	2	7.7%	11.2%	7.3%	5.2%	1	3.8%	1.3%	17.2%	12.5%
Middle	12	46.2%	52.1%	53.1%	52.4%	5	19.2%	10.4%	22.8%	20.9%
Upper	9	34.6%	33.0%	37.6%	41.1%	17	65.4%	72.8%	33.9%	41.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	7.7%	14.6%	20.5%	21.5%
Total	26	100.0%	100.0%	100.0%	100.0%	26	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	2.4%	2.5%	0	0.0%	0.0%	9.0%	3.7%
Moderate	0	0.0%	0.0%	6.3%	4.9%	1	11.1%	14.7%	17.0%	13.5%
Middle	5	55.6%	63.8%	58.8%	55.6%	1	11.1%	15.8%	24.7%	22.5%
Upper	4	44.4%	36.2%	32.5%	37.1%	6	66.7%	45.4%	44.2%	53.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	11.1%	24.1%	5.1%	6.4%
Total	9	100.0%	100.0%	100.0%	100.0%	9	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	16.3%	16.4%	0	0.0%	0.0%	0.0%	0.0%
Moderate	1	12.5%	4.2%	14.0%	6.7%	0	0.0%	0.0%	0.0%	0.0%
Middle	5	62.5%	78.7%	44.2%	43.3%	0	0.0%	0.0%	0.0%	0.0%
Upper	2	25.0%	17.2%	25.6%	33.6%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	8	100.0%	100.0%	100.0%	100.0%
Total	8	100.0%	100.0%	100.0%	100.0%	8	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	6	8.3%	2.4%	2.2%	3.3%	2	2.8%	0.4%	6.3%	2.9%
Moderate	4	5.6%	4.7%	7.2%	5.1%	7	9.7%	1.9%	20.2%	13.3%
Middle	31	43.1%	68.5%	53.1%	51.0%	9	12.5%	2.5%	23.6%	18.9%
Upper	31	43.1%	24.5%	37.6%	40.7%	41	56.9%	20.8%	34.1%	37.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	13	18.1%	74.4%	15.8%	27.4%
Total	72	100.0%	100.0%	100.0%	100.0%	72	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	14	16.5%	10.1%		6.4%	7.2%				
Moderate	10	11.8%	11.4%		10.2%	10.7%				
Middle	28	32.9%	43.3%		47.9%	49.4%				
Upper	33	38.8%	35.3%		34.3%	32.2%				
Unknown	0	0.0%	0.0%		0.0%	0.0%				
Tract Unknown	0	0.0%	0.0%		1.2%	0.5%				
Total	85	100.0%	100.0%		100.0%	100.0%				
By Revenue										
\$1 Million or Less	31	36.5%	30.8%		45.6%	31.6%				
By Loan Size										
\$100,000 or less	34	40.0%	7.6%		91.5%	28.3%				
\$100,001-\$250,000	22	25.9%	15.6%		3.6%	12.9%				
\$250,001-\$1 Million	29	34.1%	76.9%		4.9%	58.9%				
Total	85	100.0%	100.0%		100.0%	100.0%				

Originations and Purchases

Small Business Loans

Overall, small business lending performance in MSA 10580 was good based on excellent performance in low-income geographies and good performance in moderate-income

geographies. Chemung made 17% of its small business loans in low-income geographies and 12% of its small business loans in moderate-income census geographies compared to 6% of business establishments located in both low- and moderate-income geographies. Chemung's performance in both low- and moderate-income geographies was above the market aggregate, which had 6% of its small business loans in low- and 10% in moderate-income census tracts. Chemung's small business lending performance in 2014 and 2016 were comparable to 2015.

Distribution by Borrower Income and Revenue Size of Business

Lending performance in the assessment area relating to borrower distribution was good overall, and reflected good penetration among individuals of all income levels (including LMI) and adequate penetration to businesses of different sizes.

Home Purchase Loans

Chemung's overall distribution of home purchase loans to LMI borrowers in MSA 10580 was adequate based on poor distribution to low-income borrowers and adequate distribution to moderate-income borrowers. In 2015, Chemung made one home purchase loan or 3% to low-income borrowers, while 19% of the families in the MSA are low-income. Chemung's performance was below the market aggregate, which made 7% of its home purchase loans to low-income borrowers. Chemung's 2014 home purchase lending performance for low-income borrowers was above its 2015 performance while 2016 performance was comparable.

Performance in lending to moderate-income borrowers was adequate, as 17% of Chemung's home purchase loans were made to moderate-income borrowers compared to 17% of families in the MSA that were of moderate-income. Chemung's performance was below the market aggregate, which made 23% of its home purchase loans to moderate-income borrowers in 2015. Chemung's 2014 and 2016 home purchase lending performance for moderate-income borrowers was below 2015 performance.

Refinance Loans

Chemung's overall distribution of refinance loans to LMI borrowers in MSA 10580 was adequate. In 2015, Chemung made one refinance loan or 4% to low-income borrowers, while 19% of the families in the MSA are low-income. Chemung's performance was below the market aggregate, which made 6% of its home improvement loans to low-income borrowers. Chemung's 2014 and 2016 refinance lending performance for low-income borrowers was comparable to 2015.

In 2015, Chemung made one or 4% of refinance loans to moderate-income borrowers, while 17% of the families in the MSA are moderate-income. Performance was below the aggregate, which originated 17% of its refinance loans to moderate-income borrowers. Chemung's 2014 and 2016 refinance lending performance for moderate-income borrowers was more favorable, as Chemung made 19% and 24% of refinance loans to moderate-income borrowers in 2014 and 2016 respectively.

Home Improvement Loans

Chemung’s overall distribution of home improvement loans to LMI borrowers was adequate. In 2015, Chemung did not make any home improvement loans to low-income borrowers, while 19% of the families in the MSA are low-income. Chemung’s performance was below the market aggregate, which made 9% of its home improvement loans to low-income borrowers. However, Chemung’s 2014 and 2016 home improvement lending performance for low-income borrowers exceeded 2015.

Performance in lending to moderate-income borrowers was adequate as 11% or one of Chemung’s home improvement loans was made to moderate-income borrowers, compared to 17% of families in the MSA that were of moderate-income. Chemung’s performance was below the market aggregate, which made 17% of its home improvement loans to moderate-income borrowers. Chemung’s 2014 performance was below 2015, while the bank’s 2016 performance in home improvement loans to moderate-income borrowers was above 2015.

Small Business Loans

Chemung’s overall level of lending to small businesses in MSA 10580 was adequate. In 2015, Chemung made 37% of its small business loans to businesses with GAR of \$ 1 million or less, compared to 88% of business establishments in the MSA with GAR of \$1 million or less. Performance was below the aggregate, which made 46% of its loans to businesses with GAR of \$1 million or less. Chemung’s performance in 2014 and 2016 was similar, as 36% of its small business loans were made to businesses with GAR of \$1 million or less each year.

In 2015, 40% of Chemung’s loans were in amounts of \$100,000 or less, with an average loan size of \$271,000. Chemung’s performance was below the market aggregate, which originated 92% of its loans in amounts of \$100,000 or less. The comparison of loans in the amount of \$100 thousand or less is skewed as the aggregate includes large national credit card lenders which typically offer credit in smaller dollar amounts. Performance in 2014 and 2016 was comparable to 2015’s performance.

Community Development Lending

Chemung’s level of community development lending was excellent, with 15 loans totaling \$9 million, or 19% of the bank’s total community development lending. This conclusion was supported by a comparison to similarly-situated large retail banks in the assessment area. New commitments represented \$7.1 million or 78% of total community development loans in the MSA.

Community Development Loans		
Purpose	#	\$(000s)
Affordable Housing	2	\$5,108
Economic Development	2	\$180
Community Services	9	\$3,310
Revitalize and Stabilize	2	\$500
Totals	15	\$9,098

Community development lending was responsive to identified community needs. Lending targeted community development services.

Examples of community development lending include:

- A \$4.9 million term loan to provide construction to permanent financing for a 96-unit affordable-housing senior residence facility located in Colonie, NY.
- A \$400,000 line of credit to a non-profit organization that is located in a low-income area and provides alcohol and substance abuse programs to the local community. The organization largely receives funding through government agencies.
- A \$250,000 loan to an entity that will revitalize LMI geographies by acquiring vacant and deteriorating properties owned by the municipal government. The entity is renovating these properties and selling them to owner-occupants in partnership with the community.
- A \$20,000 term loan to an organization that provides loans to small businesses including start-up, early stage and mature businesses with a particular emphasis on minority and women owned businesses.

INVESTMENT TEST

Chemung’s investment test performance in MSA 10580 (Albany-Schenectady-Troy, NY) was adequate. Chemung made an adequate level of qualified community development investments and grants that exhibited adequate responsiveness to credit and community development needs in the assessment area. Qualified investments were in the form of 34 charitable grants and contributions to various community service and economic development non-profit organizations in the assessment area. There was also a \$250 thousand municipal bond to help revitalize an LMI community.

Community Development Investments		
Purpose	#	\$(000s)
Affordable Housing	0	\$0
Economic Development	2	\$3
Community Services	32	\$68
Revitalize and Stabilize	1	\$250
Totals	35	\$321

SERVICE TEST

Performance on the service test was excellent based on Chemung’s branch distribution and its satisfactory provision of community development services in the MSA 10580 assessment area.

Retail Services

The bank’s delivery systems were readily accessible to all portions of the assessment area, including LMI areas. Overall, Chemung has 5 branches in the assessment area, of which 1, or 20%, is located in an LMI geography. This compares favorably to the 19% of the MSA population that resides in LMI areas.

Alternative delivery systems somewhat enhanced the availability and effectiveness of retail credit and non-credit services in LMI geographies and to LMI individuals. All branches have full service ATMs, however there were no off-site ATMs in the MSA.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI areas. Extended hours are not available at any of the branches in the MSA 10580 assessment area. While the branch in the moderate income census tract does not offer weekend hours, only two of the remaining four branches offer weekend hours.

Community Development Services

Chemung provided an adequate level of community development services in the MSA. Bank employees conducted three seminars for first-time homebuyers through non-profit organizations.

Chemung employees also serve on numerous boards and committees of community development organizations and provide financial management expertise and technical assistance to these organizations. A total of eight Chemung officers served as directors, advisors or committee members for fourteen organizations throughout the MSA 10580 assessment area. Examples of the bank's efforts in providing such services include:

- One officer is a Board member for a non-profit organization that acts as an economic development entity to create, retain, and attract business in the City of Albany.
- One officer is a Board member for a non-profit organization that helps advocate for and supports LMI community members with developmental disabilities.
- One officer is treasurer for the Downtown Albany Business Improvement District, an organization that focuses on the revitalization and economic development of downtown Albany.

METROPOLITAN AREA

(LIMITED REVIEW)

MSA 13780 (BINGHAMTON, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

A limited evaluation of Chemung's performance in MSA 13780 (Binghamton, NY) was completed. The assessment area includes parts of Broome County including the City of Binghamton, NY, and all of Tioga County. According to the 2010 census the assessment area has 16% of the New York State assessment area's population. Key demographic highlights are listed below:

Assessment Area Demographics – MSA 13780 (Binghamton, NY)				
<i>Income Category</i>	<i>Tract Distribution</i>		Percentage of Owner Occupied Housing Units by Tract	Percentage of Families by Income Level
	#	%		
Low Income	5	10.4	3.3	21.7
Moderate Income	12	25.0	13.0	18.4
Middle Income	18	37.5	47.6	20.7
Upper Income	13	27.1	36.2	39.1
Unknown	0	0.00	0.0	0.0
Total	48	100.0	100.0	100.0

During the 2014 - 2016 examination period the assessment area had approximately 15% of its New York State HMDA and small business lending activity in this assessment area. Chemung maintains six branches in the assessment area, one of which is located in an LMI census tract. The MSA has 14% of Chemung's deposits in New York State as of June 30, 2016. Chemung ranks 6th out of 8 banks in the assessment area with 5% of all deposits.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 13780

Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report. Conclusions regarding performance, which did not impact the overall rating, are as follows:

Chemung's performance in MSA 13780 was consistent with its overall satisfactory performance in New York State, which was based on the full-scope assessment area performance.

Assessment Area	Lending Test	Investment Test	Service Test
MSA 13780	Consistent	Below	Below

The overall lending test rating for New York State was high satisfactory. Chemung’s lending test performance in the assessment area was consistent with this performance although lending activity was moderate as the bank made 278 HMDA loans and 93 small business loans in the MSA. Both geographic distribution and borrower distribution were good. Community development lending performance was good at \$3.4 million and the assessment area also benefited from \$3.7 million in statewide loans. Investment test performance was not consistent with the good performance in the state as the MSA had \$379,000 in investments and grants. Service test performance was not consistent with the outstanding rating for New York State as the bank had six branches in the MSA with only located in an LMI area to help ensure that the LMI residents of the area have access to banking services.

2015 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 13780

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	3.4%	2.2%	0	0.0%	0.0%	11.6%	7.2%
Moderate	0	0.0%	0.0%	10.1%	6.2%	3	42.9%	31.2%	23.9%	19.3%
Middle	2	28.6%	21.8%	43.2%	39.0%	1	14.3%	19.2%	21.5%	22.3%
Upper	5	71.4%	78.2%	43.3%	52.7%	2	28.6%	39.2%	26.6%	36.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	14.3%	10.4%	16.4%	14.8%
Total	7	100.0%	100.0%	100.0%	100.0%	7	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	2.2%	1.3%	5	33.3%	27.3%	7.4%	3.8%
Moderate	0	0.0%	0.0%	8.9%	6.0%	3	20.0%	16.7%	17.6%	12.2%
Middle	11	73.3%	67.7%	48.0%	44.6%	5	33.3%	31.0%	25.0%	22.2%
Upper	4	26.7%	32.3%	40.9%	48.1%	2	13.3%	25.0%	31.4%	41.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	18.6%	20.7%
Total	15	100.0%	100.0%	100.0%	100.0%	15	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	3.7%	8.3%	13	23.6%	7.7%	19.2%	7.4%
Moderate	1	1.8%	1.1%	8.8%	6.7%	14	25.5%	24.0%	21.0%	16.7%
Middle	43	78.2%	46.9%	59.4%	45.0%	11	20.0%	16.9%	27.7%	22.4%
Upper	11	20.0%	52.0%	28.2%	40.1%	14	25.5%	48.1%	27.9%	41.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	5.5%	3.3%	4.2%	12.4%
Total	55	100.0%	100.0%	100.0%	100.0%	55	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	11.5%	11.7%	0	0.0%	0.0%	0.0%	0.0%
Moderate	3	100.0%	100.0%	42.3%	22.7%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	34.6%	41.2%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	11.5%	24.4%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	100.0%	100.0%	100.0%	100.0%
Total	3	100.0%	100.0%	100.0%	100.0%	3	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	3.2%	2.5%	18	22.5%	13.6%	11.5%	6.0%
Moderate	4	5.0%	10.3%	9.8%	6.7%	20	25.0%	20.0%	21.5%	16.4%
Middle	56	70.0%	46.1%	46.9%	41.0%	17	21.3%	21.5%	23.2%	21.5%
Upper	20	25.0%	43.6%	40.0%	49.8%	18	22.5%	32.0%	27.9%	36.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	7	8.8%	12.9%	15.9%	19.3%
Total	80	100.0%	100.0%	100.0%	100.0%	80	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	2	5.4%	1.0%		12.4%	19.0%				
Moderate	3	8.1%	1.3%		20.6%	27.7%				
Middle	25	67.6%	79.0%		35.6%	26.6%				
Upper	7	18.9%	18.7%		30.9%	26.6%				
Unknown	0	0.0%	0.0%		0.0%	0.0%				
Tract Unknown	0	0.0%	0.0%		0.5%	0.1%				
Total	37	100.0%	100.0%		100.0%	100.0%				
By Revenue										
\$1 Million or Less	12	32.4%	8.8%		42.6%	30.6%				
By Loan Size										
\$100,000 or less	20	54.1%	12.3%		91.8%	27.1%				
\$100,001-\$250,000	9	24.3%	19.1%		3.6%	14.0%				
\$250,001-\$1 Million	8	21.6%	68.6%		4.6%	58.9%				
Total	37	100.0%	100.0%		100.0%	100.0%				

Originations and Purchases

METROPOLITAN AREA

(LIMITED REVIEW)

MSA 27060 (ITHACA, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

A limited evaluation of Chemung's performance in MSA 27060 (Ithaca, NY) was completed. The assessment area includes Tompkins County including the City of Ithaca, NY. According to the 2010 census the assessment area has 9% of the New York State assessment area's population. Key demographic highlights are listed below:

Assessment Area Demographics – MSA 27060 (Ithaca, NY)				
<i>Income Category</i>	<i>Tract Distribution</i>		Percentage of Owner Occupied Housing Units by Tract	Percentage of Families by Income Level
	#	%		
Low Income	1	4.4	0.2	19.4
Moderate Income	4	17.4	15.7	18.9
Middle Income	11	47.8	62.4	20.4
Upper Income	6	26.1	21.6	41.3
Unknown	1	4.4	0.0	0.0
Total	23	100.0	100.0	100.0

During the 2014 - 2016 examination period the assessment area had approximately 7% of its New York State HMDA and small business lending activity in this assessment area. Chemung maintains three branches in the assessment area, two of which are located in LMI census tracts. The MSA has 8% of Chemung's deposits in New York State as of June 30, 2016. Chemung ranks 4th out of 10 banks in the assessment area with 6% of all deposits.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 27060

Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report. Conclusions regarding performance, which did not impact the overall rating, are as follows:

Chemung's performance in MSA 27060 was consistent with its overall good performance in New York State, which was based on the full-scope assessment area performance.

Assessment Area	Lending Test	Investment Test	Service Test
MSA 27060	Consistent	Below	Consistent

The overall lending test rating for New York State was high satisfactory. Chemung’s lending test performance in the assessment area was consistent with this performance although lending activity was limited as the bank made 155 HMDA loans and 27 small business loans in the MSA. Both geographic distribution and borrower distribution were good. Community development lending performance was adequate as the assessment area also benefited from \$3.7 million in statewide loans. Investment test performance was not consistent with the excellent performance in the state as the MSA had \$840 thousand in investments and grants. Service test performance was consistent with the outstanding rating for New York State as the bank had three branches in the MSA, with two located in LMI areas, which helps ensure that the LMI residents of the area have access to banking services.

2015 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 27060

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.2%	0.3%	2	15.4%	9.9%	9.1%	4.1%
Moderate	1	7.7%	17.2%	11.6%	8.9%	2	15.4%	9.6%	21.3%	14.8%
Middle	8	61.5%	50.0%	64.1%	56.1%	2	15.4%	11.5%	23.9%	22.0%
Upper	4	30.8%	32.9%	24.1%	34.7%	7	53.8%	69.0%	39.6%	50.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.0%	8.7%
Total	13	100.0%	100.0%	100.0%	100.0%	13	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	3	14.3%	5.8%	6.0%	2.8%
Moderate	3	14.3%	10.3%	13.5%	9.6%	3	14.3%	13.7%	18.8%	12.8%
Middle	11	52.4%	55.4%	62.3%	52.7%	4	19.0%	11.4%	24.8%	18.8%
Upper	7	33.3%	34.3%	24.2%	37.6%	9	42.9%	45.2%	43.9%	52.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	9.5%	23.9%	6.4%	13.1%
Total	21	100.0%	100.0%	100.0%	100.0%	21	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	1	5.0%	0.1%	16.4%	5.8%
Moderate	5	25.0%	25.5%	16.7%	13.3%	6	30.0%	14.3%	21.2%	11.7%
Middle	9	45.0%	10.4%	67.2%	50.7%	4	20.0%	4.2%	25.7%	18.8%
Upper	6	30.0%	64.1%	16.1%	36.0%	8	40.0%	49.6%	35.7%	58.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	5.0%	31.8%	1.0%	5.4%
Total	20	100.0%	100.0%	100.0%	100.0%	20	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	2	66.7%	63.8%	33.3%	8.1%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	33.3%	36.2%	26.7%	9.4%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	40.0%	82.5%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	100.0%	100.0%	100.0%	100.0%
Total	3	100.0%	100.0%	100.0%	100.0%	3	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.1%	0.1%	6	10.5%	4.9%	9.4%	2.4%
Moderate	11	19.3%	23.6%	13.5%	8.9%	11	19.3%	10.5%	20.2%	8.9%
Middle	29	50.9%	43.1%	63.5%	38.1%	10	17.5%	8.3%	24.1%	13.2%
Upper	17	29.8%	33.4%	22.9%	52.8%	24	42.1%	44.3%	39.3%	32.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	10.5%	32.1%	6.9%	42.9%
Total	57	100.0%	100.0%	100.0%	100.0%	57	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)	%	% \$(000s)	%	% \$(000s)			
Low	0	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%			
Moderate	7	41.2%	54.7%	23.5%	25.8%					
Middle	7	41.2%	9.6%	46.7%	40.9%					
Upper	3	17.6%	35.8%	27.3%	32.9%					
Unknown	0	0.0%	0.0%	0.1%	0.0%					
Tract Unknown	0	0.0%	0.0%	2.1%	0.3%					
Total	17	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	11	64.7%	51.6%	52.5%						
By Loan Size										
\$100,000 or less	12	70.6%	17.3%	89.6%	28.6%					
\$100,001-\$250,000	2	11.8%	21.2%	5.5%	20.1%					
\$250,001-\$1 Million	3	17.6%	61.5%	4.9%	51.3%					
Total	17	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

STATE OF PENNSYLVANIA

CRA RATING FOR THE STATE OF PENNSYLVANIA: SATISFACTORY

The Lending Test is rated: *High Satisfactory*

The Investment Test is rated: *Low Satisfactory*

The Service Test is rated: *Outstanding*

Major factors supporting the rating include:

- Adequate responsiveness to credit needs of the assessment areas;
- Good distribution of loans among borrowers of different income levels including LMI and businesses of different sizes;
- Excellent geographic dispersion of loans in the bank's assessment areas;
- Adequate level of community development loans considering the bank's capacity and the needs and availability of such opportunities in the assessment areas;
- Adequate level of qualified investments and grants considering the bank's capacity and the needs and availability of such opportunities for qualified investments in Chemung's assessment area;
- Readily accessible retail delivery systems to geographies and individuals of different income levels; and
- Leadership in providing community development services, including technical assistance and financial literacy training sessions to LMI individuals, community organizations, and small businesses.

SCOPE OF EXAMINATION

A full-scope review was conducted within the one assessment area located in the State of Pennsylvania. This assessment area is comprised of a Non-MSA area that consists of Bradford County, eastern Tioga County and western Sullivan County.

**NON-METROPOLITAN AREA
 (FULL REVIEW)**

(Bradford, Tioga, and Sullivan, PA)

DESCRIPTION OF INSTITUTION’S OPERATIONS

As December 31, 2016, Chemung operated 3 branches in the PA Non-MSA assessment area of Pennsylvania. Thirteen percent of the bank’s total HMDA-related and small business loans were originated in this assessment area.

As of June 30, 2016, 4% of Chemung’s deposits were held in this assessment area. With a deposit market share of 3%, Chemung was the sixth largest depository institution in the assessment area, behind Citizens and Northern Bank, First Citizens Bank, PS Bank, Northwest Savings Bank, and Manufacturers and Traders Trust Company.

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, and the Federal Financial Institutions Examination Council (“FFIEC”).

Demographic Characteristics

According to the 2010 Census, the PA non-MSA assessment area’s population totals 88,500. The PA non-MSA contains 7% of the bank’s total combined assessment area population in New York State and Pennsylvania. In the PA non-MSA assessment area, 16% of the population is 65 and older, which is comparable to the state percentage. Within the PA non-MSA assessment area, there is one middle-income census tract in Sullivan County that meets the FFIEC definition of underserved middle-income census tracts for remote rural areas. There is also one moderate-income census tract in the PA non-MSA.

Income Characteristics

The FFIEC-adjusted median family incomes for the PA non-MSA assessment area for 2014, 2015 and 2016 are shown in the table to the right. Based on the 2010 Census, one of the 20 census tracts that make up the assessment is moderate-income and 19 are middle-income. The assessment area has no low-income or upper-income census tracts. Ten percent of all families within the PA Non-MSA have incomes below the poverty level.

FFIEC MEDIAN FAMILY INCOMES			
Area	2014	2015	2016
Bradford County	\$54,500	\$57,500	\$57,700
Sullivan County	\$51,800	\$53,300	\$52,200
Tioga County	\$52,900	\$54,100	\$54,400

Housing Characteristics

The PA Non-MSA assessment area contains 44,124 housing units, of which 60% are owner-occupied. During the review period, median housing costs in Bradford, Sullivan and Tioga counties were approximately five times the median family income of a low-income borrower, and three times the median-family income of a moderate-income borrower, indicating that housing affordability may be difficult for LMI individuals. Housing costs, including rental housing costs, have increased due to the expansion of the natural gas industry in northern Pennsylvania.

Labor, Employment and Economic Characteristics

Economic conditions in the non-MSA counties of northern Pennsylvania are improving as the economy, particularly in Bradford County, shifts from a tourist based economy to an economy driven by the natural gas industry. The unemployment rates for the assessment area are generally improving but have increased somewhat in 2016.

U.S. DEPARTMENT OF LABOR ANNUAL UNEMPLOYMENT RATES			
Area	2014	2015	2016
Bradford County	5.4%	5.7%	6.3%
Sullivan County	6.1%	6.0%	6.7%
Tioga County	7.0%	6.3%	7.0%
State of Pennsylvania	5.8%	5.3%	5.5%

Detailed demographic data for this assessment area is provided in the chart on the next page.

Assessment Area Demographics								
Assessment Area: Non-MSA Pennsylvania								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,702	19.6
Moderate-income	1	5.0	1,110	4.6	171	15.4	4,623	19.3
Middle-income	19	95.0	22,849	95.4	2,318	10.1	5,603	23.4
Upper-income	0	0.0	0	0.0	0	0.0	9,031	37.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	20	100.0	23,959	100.0	2,489	10.4	23,959	100.0
	Housing	Housing Types by Tract						
	Units by Tract	Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,950	1,083	4.1	57.7	653	33.5	214	11.0
Middle-income	42,174	25,199	95.9	59.8	7,995	19.0	8,980	21.3
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	44,124	26,282	100.0	59.6	8,648	19.6	9,194	20.8
	Total Businesses by Tract*	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	167	5.4	149	5.4	13	5.6	5	5.0
Middle-income	2,946	94.6	2,630	94.6	220	94.4	96	95.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,113	100.0	2,779	100.0	233	100.0	101	100.0
	Percentage of Total Businesses:			89.3		7.5		3.2

*Based on 2016 Dun and Bradstreet information according to 2010 ACS boundaries

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chemung's performance under the lending test in the PA non-MSA assessment area was good, based on good lending activity, excellent geographic distribution of lending, and good distribution of lending to borrowers of different income levels and to businesses of different sizes.

Lending Activity

Chemung demonstrated good responsiveness to the retail credit needs of the PA Non-MSA assessment area based on market share activity and comparison to peer banks. Chemung ranked sixth in deposit market share (3% of deposit market share), twelfth in home purchase lending (1% market share), thirteenth in refinance lending (1% of market share), third in home improvement lending (12% of market share), and tenth in small business lending (2% of market share). Peer comparisons based on the number of loans per billion dollars of deposits indicate that the bank's performance was comparable to the lending volume of peer banks.

Chemung's number of HMDA-related and small business loan originations decreased by 46% on an annualized basis compared to the previous examination period. Specifically, HMDA-related lending decreased by 61% and small business lending decreased by 15% on an annualized basis. All HMDA-related loans evidenced decreases on an annualized basis as home purchase lending decreased 16%, refinance lending decreased by 25% and home improvement lending decreased 22% respectively.

Geographic Distribution of Loans

Chemung's overall geographic distribution of loans reflects excellent dispersion throughout the PA Non-MSA assessment area, including moderate-income census tracts. HMDA-related and small business lending performances were both excellent. There are no low-income census tracts in the assessment area.

Home Purchase Loans

Chemung's overall home purchase lending distribution in the PA non-MSA assessment area was considered excellent in the moderate-income census tract and across tracts of different income levels. Chemung made one or 13% of its home purchase loans in the moderate-income geography in 2015, while 4% of all owner-occupied housing units were in the moderate-income geography. Chemung's performance exceeded the market aggregate which made 2% of its total home purchase loans in the moderate-income geography. Home purchase lending performance in 2014 and 2016 was above 2015.

Refinance Loans

Chemung's overall refinance lending in the PA non-MSA assessment area was excellent, based on excellent refinance lending in the moderate-income geography. Chemung made 22% of its refinance loans in the moderate-income geography, compared to 4% of all owner-occupied housing units located in the moderate-income geography. Chemung's performance was above the market aggregate, which made 5% of its total home purchase loans in the moderate-income geography. Refinance lending performance in 2014 comparable to 2015, while Chemung's refinance loans was below 2015 in the moderate-income geography in 2016

Home Improvement Loans

Chemung's overall home improvement lending in the PA non-MSA assessment area was excellent, based on excellent home improvement lending in the moderate-income geography. Chemung originated 24% of its home improvement loans in the moderate-income geography, while 4% of owner-occupied housing units are in the moderate-income geography. Chemung's performance was above the market aggregate, which made 6% of its home improvement loans in the moderate-income geography. Chemung's 2014 home improvement lending performance was comparable to 2015, and the bank's 2016 home improvement lending performance was above.

Small Business Loans

Overall, Chemung's small business lending performance in the PA non-MSA assessment area was excellent, based on excellent performance in the moderate-income geography. Chemung made 22% of its small business loans in the moderate-income geography compared to 5% of business establishments located in that census tract. Chemung's performance in the moderate-income geography was above the market aggregate, which had 7% of its small business loans in the moderate-income census tract. Chemung's small business lending performance in 2014 and 2016 in the moderate-income census tract was below 2015.

2015 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: PA NonMSA

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	1	12.5%	2.2%	3.1%	1.5%
Moderate	1	12.5%	6.1%	1.5%	1.1%	1	12.5%	2.0%	18.0%	12.6%
Middle	7	87.5%	93.9%	98.5%	98.9%	2	25.0%	13.0%	24.5%	22.5%
Upper	0	0.0%	0.0%	0.0%	0.0%	4	50.0%	82.7%	39.6%	50.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	14.8%	13.2%
<i>Total</i>	8	100.0%	100.0%	100.0%	100.0%	8	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	2	11.1%	2.1%	4.2%	2.0%
Moderate	4	22.2%	13.5%	5.1%	3.8%	2	11.1%	10.3%	11.7%	8.2%
Middle	14	77.8%	86.5%	94.9%	96.2%	6	33.3%	19.4%	26.1%	21.7%
Upper	0	0.0%	0.0%	0.0%	0.0%	8	44.4%	68.2%	42.5%	50.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	15.5%	17.6%
<i>Total</i>	18	100.0%	100.0%	100.0%	100.0%	18	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	7	10.6%	2.1%	9.5%	3.0%
Moderate	16	24.2%	17.1%	6.2%	3.0%	16	24.2%	18.9%	18.0%	10.0%
Middle	50	75.8%	82.9%	93.8%	97.0%	20	30.3%	27.3%	30.7%	23.3%
Upper	0	0.0%	0.0%	0.0%	0.0%	21	31.8%	44.8%	39.5%	57.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	3.0%	6.8%	2.3%	6.2%
<i>Total</i>	66	100.0%	100.0%	100.0%	100.0%	66	100.0%	100.0%	100.0%	100.0%
Multi-Family										
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%	16.7%	4.4%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	83.3%	95.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	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>	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	10	10.9%	2.1%	4.7%	1.8%
Moderate	21	22.8%	12.8%	3.7%	2.3%	19	20.7%	10.9%	15.8%	10.6%
Middle	71	77.2%	87.2%	96.3%	97.7%	28	30.4%	20.2%	26.1%	22.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	33	35.9%	64.8%	40.4%	50.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	2.2%	2.0%	12.9%	15.1%
<i>Total</i>	92	100.0%	100.0%	100.0%	100.0%	92	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	
Low	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Moderate	10	21.7%	21.7%	13.3%	13.3%	6.5%	6.5%	5.0%	5.0%	
Middle	36	78.3%	78.3%	86.7%	86.7%	91.8%	91.8%	94.4%	94.4%	
Upper	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Unknown	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%	1.7%	1.7%	0.5%	0.5%	
<i>Total</i>	46	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
By Revenue										
\$1 Million or Less	31	67.4%	67.4%	54.1%	54.1%	47.2%	47.2%	35.1%	35.1%	
By Loan Size										
\$100,000 or less	33	71.7%	71.7%	32.4%	32.4%	88.3%	88.3%	26.3%	26.3%	
\$100,001-\$250,000	8	17.4%	17.4%	29.3%	29.3%	6.3%	6.3%	19.0%	19.0%	
\$250,001-\$1 Million	5	10.9%	10.9%	38.2%	38.2%	5.4%	5.4%	54.8%	54.8%	
<i>Total</i>	46	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Originations and Purchases

Distribution by Borrower Income and Revenue Size of Business

Lending performance in the PA non-MSA assessment area relating to borrower distribution was good overall, and reflected good penetration among individuals of all income levels (including LMI) and good penetration to businesses of different sizes.

Home Purchase Loans

Chemung's overall distribution of home purchase loans to LMI borrowers in the PA non-MSA assessment area was adequate, based on adequate distribution to low-income borrowers and adequate distribution to moderate-income borrowers. In 2015, Chemung made one home purchase loan or 13% to low-income borrowers, while 20% of the families in the PA Non-MSA assessment area are low-income. Chemung's performance was above the market aggregate, which made 3% of its home purchase loans to low-income borrowers. Chemung's 2014 and 2016 home purchase lending to low-income borrowers was below 2015 as the bank made no loans to low-income borrowers those years.

Performance in lending to moderate-income borrowers was adequate, as one loan or 13% of Chemung's home purchase loans were made to moderate-income borrowers compared to 19% of families in the PA Non-MSA that were of moderate-income. Chemung's performance was below the market aggregate which made 18% of its home purchase loans to moderate-income borrowers in 2015. Chemung's 2014 home purchase lending performance to moderate-income borrowers was comparable to 2015, while 2016 performance was above.

Refinance Loans

Chemung's overall distribution of refinance loans to LMI borrowers in the PA non-MSA assessment area was good. Chemung made 11% of its refinance loan to low-income borrowers, while 20% of all families in the PA non-MSA are of low-income. Performance was above the aggregate which originated 4% of its refinance loans to low-income borrowers. Chemung's 2014 refinance lending to low-income borrowers was similar to 2015, while 2016 performance was below.

Performance in lending to moderate-income borrowers was good, as 11% of Chemung's refinance loans were made to moderate-income borrowers compared to 19% of families in the PA non-MSA that were of moderate-income. Chemung's performance was similar to the market aggregate, which made 12% of its refinance loans to moderate-income borrowers in 2015. Chemung's 2014 refinance lending to moderate-income borrowers exceeded 2015 performance, while 2016 performance was comparable to 2015.

Home Improvement Loans

Chemung's overall distribution of home improvement loans to LMI borrowers in the PA non-MSA PA assessment area was excellent, based on good performance to low- and excellent performance to moderate-income borrowers. In 2015, Chemung made 11% of its home improvement loans to low-income borrowers, while 20% of the families in the PA non-MSA are low-income. Chemung's performance was above the market aggregate, which made 10% of its

home improvement loans to low-income borrowers. Chemung's 2014 and 2016 home improvement lending to low-income borrowers were comparable to 2015.

Performance in lending to moderate-income borrowers was excellent, as 24% of Chemung's home improvement loans were made to moderate-income borrowers compared to 19% of families in the PA non-MSA that were of moderate-income. Chemung's performance was above the market aggregate, which made 18% of its home improvement loans to moderate-income borrowers. Chemung's 2014 home improvement lending to moderate-income borrowers was below 2015's performance, while 2016 performance was comparable.

Small Business Loans

The overall level of lending to small businesses in the PA non-MSA assessment area was good. During 2015, Chemung made 67% of its small business loans to businesses with GAR of \$1 million or less, compared to 89% of business establishments in the PA non-MSA with GAR of \$1 million or less. Performance was above the aggregate which made 47% of its loans to businesses with GAR of \$1 million or less. Chemung's performance in 2014 was comparable as 65% of its small business loans were made to businesses with GAR of \$1 million or less while 2016 performance was below at 54%.

During 2015, 72% of Chemung's loans were in amounts of \$100,000 or less, with an average loan size of \$45,000. Chemung performance was below the market aggregate which originated 88% of its loans in amounts of \$100,000 or less. The comparison of loans in the amount of \$100 thousand or less is skewed as the aggregate includes large national credit card lenders which typically offer credit in smaller dollar amounts. Performance in 2014 and 2016 were below as respectively 67% and 58% of Chemung's small business loans were in amounts of \$100,000 or less.

Community Development Lending

Chemung's community development lending performance in the PA non-MSA assessment area demonstrates adequate responsiveness to the community development needs of the assessment area, considering the need and availability of such opportunities for community development in the assessment area. Community development lending consisted of three loans totaling \$83,000. These loans were to a nonprofit that provides opportunities and lifestyle choices for LMI persons with developmental disabilities. Community development lending was below last examination when \$149,000 in community development loans were reported.

INVESTMENT TEST

Chemung's investment test performance in the non-MSA assessment area in the State of Pennsylvania was adequate. Chemung had a total of \$12,000 in charitable grants and contributions to various community service non-profit organizations serving LMI individuals in the assessment area. Qualified investment performance was comparable to last examination when a total of \$8,000 in qualified investments was reported for the two-year review period.

SERVICE TEST

Performance on the service test was excellent based on Chemung's branch distribution and its adequate level of providing community development services in the PA non-MSA assessment area.

Retail Services

The bank's delivery systems were readily accessible to all portions of the assessment area, including LMI areas. Overall, Chemung had three branches in the assessment area, of which one, or 33%, is located in the moderate-income geography. This compares favorably to the 5% of the PA non-MSA assessment area population that resides in the moderate-income geography.

Alternative delivery systems somewhat enhanced the availability and effectiveness of retail credit and non-credit services in LMI geographies and to LMI individuals. All branches have full service ATMs; however, there were no off-site ATMs in the MSA.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI areas. Extended hours are available at all branches, with all three branches open on Saturdays.

Community Development Services

Chemung provided an adequate level of community development services in the assessment area. Five of Chemung's officers serve as board and committee members for nine organizations serving LMI communities in Bradford County. Another officer provided financial expertise in a seminar providing fraud prevention information to LMI individuals through a non-profit services organization.

CRA APPENDIX A

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		Lending Test: January 1, 2014 - December 31, 2016 CD Loans/Investments: April 1, 2014 – March 31, 2017	
FINANCIAL INSTITUTION Chemung Canal Trust Company One Chemung Canal Plaza Elmira, NY 14901			PRODUCTS REVIEWED <ul style="list-style-type: none"> • Home purchase • Refinancing • Home improvement • Small business • Community Development
AFFILIATE(S) None	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
<p style="text-align: center;">New York State</p> <ul style="list-style-type: none"> • MSA 21300 (Elmira, NY) • Non-MSA Assessment Area • MSA 10580 (Albany-Schenectady-Troy, NY) • MSA 13780 (Binghamton, NY) • MSA 21300 (Ithaca, NY). <p style="text-align: center;">Pennsylvania</p> <ul style="list-style-type: none"> • Non-MSA Assessment Area 	<p>Full Scope</p> <p>Full Scope</p> <p>Full Scope</p> <p>Limited Scope</p> <p>Limited Scope</p> <p>Full Scope</p>	<p>One Chemung Canal Plaza</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	

CRA APPENDIX B

Summary of State and Multistate MSA Ratings

State or Multistate Metropolitan Area	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
New York	High Satisfactory	High Satisfactory	Outstanding	Satisfactory
Pennsylvania	High Satisfactory	Low Satisfactory	Outstanding	Satisfactory

CRA APPENDIX C

2014 Aggregate Comparison Loan Distribution Table
 Assessment Area/Group: MSA 21300

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	%	% S(000s)	%	% S(000s)	#	%	% S(000s)	%	% S(000s)
	Home Purchase									
Low	3	5.8%	2.4%	1.6%	0.6%	8	15.4%	5.1%	9.7%	4.8%
Moderate	11	21.2%	12.0%	25.0%	15.3%	9	17.3%	12.8%	24.3%	17.8%
Middle	20	38.5%	33.6%	34.1%	31.9%	11	21.2%	16.4%	25.4%	22.4%
Upper	18	34.6%	52.1%	39.3%	52.2%	17	32.7%	52.3%	30.4%	44.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	7	13.5%	13.4%	10.2%	19.0%
Total	52	100.0%	100.0%	100.0%	100.0%	52	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	1.5%	0.6%	7	18.9%	17.0%	9.2%	5.9%
Moderate	9	24.3%	22.8%	17.9%	11.4%	7	18.9%	13.8%	18.6%	14.3%
Middle	10	27.0%	19.8%	43.4%	42.5%	12	32.4%	30.3%	25.6%	21.5%
Upper	18	48.6%	57.4%	37.2%	45.5%	10	27.0%	35.6%	38.3%	47.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	2.7%	3.4%	8.3%	11.3%
Total	37	100.0%	100.0%	100.0%	100.0%	37	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	6	3.4%	4.2%	3.9%	2.6%	35	19.7%	12.9%	14.3%	6.4%
Moderate	45	25.3%	20.9%	21.5%	17.3%	61	34.3%	23.2%	25.4%	18.0%
Middle	77	43.3%	46.7%	41.3%	40.0%	42	23.6%	21.2%	27.3%	25.3%
Upper	50	28.1%	28.2%	33.3%	40.2%	31	17.4%	36.8%	29.8%	46.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	9	5.1%	5.9%	3.2%	4.0%
Total	178	100.0%	100.0%	100.0%	100.0%	178	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
Low	2	100.0%	100.0%	50.0%	5.9%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	16.7%	11.1%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	16.7%	6.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	16.7%	77.0%	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%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
	HMDA Totals									
Low	11	4.1%	4.2%	2.4%	0.9%	50	18.6%	9.1%	10.9%	5.1%
Moderate	65	24.2%	15.8%	22.0%	14.3%	77	28.6%	14.9%	23.0%	16.3%
Middle	107	39.8%	32.6%	38.7%	34.8%	65	24.2%	20.0%	25.9%	21.8%
Upper	86	32.0%	47.4%	36.9%	49.9%	58	21.6%	44.6%	32.3%	44.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	19	7.1%	11.5%	7.9%	12.4%
Total	269	100.0%	100.0%	100.0%	100.0%	269	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS									
	By Tract Income					By Borrower Income				
	#	%	% S(000s)	%	% S(000s)	#	%	% S(000s)	%	% S(000s)
Low	19	19.6%	17.5%	17.5%	15.1%	15	15.1%	21.1%	21.1%	21.1%
Moderate	31	32.0%	36.6%	36.6%	24.9%	24	24.9%	31.7%	31.7%	31.7%
Middle	20	20.6%	19.5%	19.5%	28.1%	18	28.1%	20.0%	20.0%	20.0%
Upper	27	27.8%	26.4%	26.4%	30.5%	27	30.5%	26.8%	26.8%	26.8%
Unknown	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%	0	0.0%	0.0%	0.0%	0.0%
Total	97	100.0%	100.0%	100.0%	100.0%	97	100.0%	100.0%	100.0%	100.0%
	By Revenue					By Loan Size				
\$1 Million or Less	28	28.9%	16.7%	16.7%	32.7%	28	32.7%	26.2%	26.2%	26.2%
\$100,000 or less	53	54.6%	15.2%	15.2%	89.4%	53	89.4%	25.9%	25.9%	25.9%
\$100,001-\$250,000	16	16.5%	14.8%	14.8%	4.4%	16	4.4%	15.3%	15.3%	15.3%
\$250,001-\$1 Million	28	28.9%	69.9%	69.9%	6.2%	28	6.2%	58.8%	58.8%	58.8%
Total	97	100.0%	100.0%	100.0%	100.0%	97	100.0%	100.0%	100.0%	100.0%

Originations and Purchases

2014 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: NY NonMSA

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% S(000s)	%	% S(000s)	#	%	% S(000s)	%	% S(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.8%	0.5%	1	3.7%	1.2%	5.1%	2.6%
Moderate	2	7.4%	4.9%	1.8%	1.3%	5	18.5%	10.9%	19.5%	13.7%
Middle	19	70.4%	66.8%	75.5%	71.0%	5	18.5%	10.2%	24.1%	21.1%
Upper	6	22.2%	28.3%	22.0%	27.2%	14	51.9%	67.5%	37.8%	51.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	7.4%	10.1%	13.6%	11.4%
Total	27	100.0%	100.0%	100.0%	100.0%	27	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	1	2.1%	1.3%	0.4%	0.4%	5	10.4%	6.1%	6.9%	4.1%
Moderate	0	0.0%	0.0%	0.9%	0.5%	11	22.9%	15.3%	16.8%	12.0%
Middle	41	85.4%	81.6%	77.2%	72.3%	11	22.9%	19.6%	24.5%	21.0%
Upper	6	12.5%	17.1%	21.5%	26.7%	20	41.7%	58.3%	42.7%	51.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	2.1%	0.8%	9.1%	11.8%
Total	48	100.0%	100.0%	100.0%	100.0%	48	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	1	1.5%	0.7%	0.4%	0.5%	11	16.2%	6.0%	13.5%	7.5%
Moderate	0	0.0%	0.0%	0.7%	0.4%	15	22.1%	21.9%	21.6%	16.3%
Middle	58	85.3%	68.8%	79.9%	79.0%	17	25.0%	17.8%	25.1%	20.3%
Upper	9	13.2%	30.6%	19.0%	20.1%	25	36.8%	54.3%	37.4%	52.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	2.4%	3.8%
Total	68	100.0%	100.0%	100.0%	100.0%	68	100.0%	100.0%	100.0%	100.0%
Multi-Family										
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%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	2	66.7%	71.3%	84.6%	93.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	33.3%	28.7%	15.4%	6.4%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	100.0%	100.0%	100.0%	100.0%
Total	3	100.0%	100.0%	100.0%	100.0%	3	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	2	1.4%	0.6%	0.6%	0.5%	17	11.6%	3.2%	7.6%	3.3%
Moderate	2	1.4%	1.5%	1.3%	1.0%	31	21.2%	10.9%	19.2%	13.0%
Middle	120	82.2%	73.7%	77.1%	72.6%	33	22.6%	12.1%	24.4%	20.4%
Upper	22	15.1%	24.2%	21.1%	26.0%	59	40.4%	47.7%	39.0%	49.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	4.1%	26.1%	9.9%	13.5%
Total	146	100.0%	100.0%	100.0%	100.0%	146	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% S(000s)	%	% S(000s)	%	% S(000s)	%	% S(000s)	% S(000s)
Low	0	0.0%	0.0%	0.0%	0.0%	2.9%	6.4%			
Moderate	0	0.0%	0.0%	0.0%	0.0%	0.7%	0.8%			
Middle	20	83.3%	83.3%	68.7%	68.7%	73.6%	74.5%			
Upper	4	16.7%	16.7%	31.3%	31.3%	20.2%	17.7%			
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	2.6%	0.7%			
Total	24	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
By Revenue										
\$1 Million or Less	15		62.5%		39.7%		42.5%			39.5%
By Loan Size										
\$100,000 or less	14		58.3%		23.9%		90.6%			32.7%
\$100,001-\$250,000	6		25.0%		22.6%		5.8%			23.1%
\$250,001-\$1 Million	4		16.7%		53.5%		3.6%			44.1%
Total	24		100.0%		100.0%		100.0%			100.0%

Originations and Purchases

2014 Aggregate Comparison Loan Distribution Table
 Assessment Area/Group: MSA 10580

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% S(000s)	%	% S(000s)	#	%	% S(000s)	%	% S(000s)
Home Purchase										
Low	3	18.8%	23.0%	2.2%	1.5%	3	18.8%	8.9%	6.2%	3.3%
Moderate	0	0.0%	0.0%	7.8%	5.2%	1	6.3%	4.7%	21.1%	15.7%
Middle	5	31.3%	24.1%	52.5%	50.8%	2	12.5%	12.8%	23.7%	21.7%
Upper	8	50.0%	52.9%	37.5%	42.4%	10	62.5%	73.6%	37.4%	48.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	11.5%	11.1%
Total	16	100.0%	100.0%	100.0%	100.0%	16	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	3	11.5%	6.8%	1.9%	1.2%	1	3.8%	3.3%	6.1%	3.7%
Moderate	3	11.5%	11.5%	7.3%	5.7%	5	19.2%	12.3%	16.4%	12.2%
Middle	7	26.9%	31.6%	55.4%	52.6%	3	11.5%	9.4%	24.1%	22.1%
Upper	13	50.0%	50.1%	35.4%	40.5%	16	61.5%	71.4%	37.0%	44.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	3.8%	3.6%	16.4%	17.2%
Total	26	100.0%	100.0%	100.0%	100.0%	26	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	1.7%	0.9%	1	12.5%	1.5%	7.6%	3.0%
Moderate	0	0.0%	0.0%	5.9%	7.1%	0	0.0%	0.0%	16.6%	13.2%
Middle	6	75.0%	96.8%	56.2%	55.5%	3	37.5%	5.3%	22.8%	19.8%
Upper	2	25.0%	3.2%	36.2%	36.5%	4	50.0%	93.3%	40.0%	52.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	13.0%	11.1%
Total	8	100.0%	100.0%	100.0%	100.0%	8	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	1	33.3%	17.4%	18.5%	13.2%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	21.0%	12.5%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	33.3%	4.1%	39.5%	42.2%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	33.3%	78.5%	21.0%	32.1%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	100.0%	100.0%	100.0%	100.0%
Total	3	100.0%	100.0%	100.0%	100.0%	3	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	7	13.2%	14.6%	2.2%	3.1%	5	9.4%	2.9%	6.2%	2.9%
Moderate	3	5.7%	3.5%	7.6%	6.4%	6	11.3%	4.8%	19.2%	12.5%
Middle	19	35.8%	19.8%	53.6%	50.1%	8	15.1%	5.8%	23.6%	18.7%
Upper	24	45.3%	61.9%	36.6%	40.3%	30	56.6%	40.5%	37.2%	40.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	7.5%	46.0%	13.8%	25.4%
Total	53	100.0%	100.0%	100.0%	100.0%	53	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank		Aggregate			Bank		Aggregate	
		%	% S(000s)	%	% S(000s)		%	% S(000s)	%	% S(000s)
Low	13	15.1%	12.3%	5.6%	7.6%					
Moderate	7	8.1%	9.6%	9.8%	9.8%					
Middle	29	33.7%	32.7%	49.1%	54.0%					
Upper	37	43.0%	45.4%	34.0%	28.1%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	1.6%	0.5%					
Total	86	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	31	36.0%	21.2%	39.5%	26.0%					
By Loan Size										
\$100,000 or less	37	43.0%	8.1%	92.0%	26.9%					
\$100,001-\$250,000	16	18.6%	12.5%	3.3%	13.4%					
\$250,001-\$1 Million	33	38.4%	79.4%	4.7%	59.8%					
Total	86	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

2014 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 13780

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% S(000s)	%	% S(000s)	#	%	% S(000s)	%	% S(000s)
Home Purchase										
Low	0	0.0%	0.0%	3.3%	2.0%	0	0.0%	0.0%	10.0%	5.6%
Moderate	2	9.1%	3.3%	10.9%	7.0%	4	18.2%	9.5%	22.4%	17.4%
Middle	12	54.5%	40.1%	48.2%	42.7%	3	13.6%	6.9%	22.6%	20.7%
Upper	8	36.4%	56.6%	37.6%	48.2%	13	59.1%	77.8%	30.9%	42.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	9.1%	5.5%	14.1%	14.2%
Total	22	100.0%	100.0%	100.0%	100.0%	22	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	2.6%	1.6%	4	14.3%	10.4%	8.2%	4.7%
Moderate	1	3.6%	3.3%	11.4%	9.2%	4	14.3%	15.2%	20.4%	14.5%
Middle	23	82.1%	81.6%	49.7%	45.1%	10	35.7%	39.2%	24.2%	21.5%
Upper	4	14.3%	15.1%	36.3%	44.1%	9	32.1%	32.7%	36.2%	45.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	3.6%	2.5%	11.1%	14.0%
Total	28	100.0%	100.0%	100.0%	100.0%	28	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	1	1.3%	0.8%	1.3%	0.5%	25	32.5%	20.4%	21.0%	5.8%
Moderate	1	1.3%	1.0%	10.5%	4.9%	16	20.8%	24.3%	23.6%	12.5%
Middle	62	80.5%	84.4%	57.7%	38.1%	19	24.7%	31.4%	21.9%	15.6%
Upper	13	16.9%	13.7%	30.5%	56.5%	15	19.5%	22.2%	29.8%	36.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	2.6%	1.7%	3.6%	29.4%
Total	77	100.0%	100.0%	100.0%	100.0%	77	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	2	50.0%	60.5%	23.1%	23.3%	0	0.0%	0.0%	0.0%	0.0%
Moderate	2	50.0%	39.5%	30.8%	7.5%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	46.2%	69.3%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	100.0%	100.0%	100.0%	100.0%
Total	4	100.0%	100.0%	100.0%	100.0%	4	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	3	2.3%	6.8%	2.9%	2.9%	29	22.1%	6.0%	11.2%	5.1%
Moderate	6	4.6%	7.1%	11.2%	7.5%	24	18.3%	12.3%	21.8%	15.4%
Middle	97	74.0%	55.3%	50.2%	44.4%	32	24.4%	20.2%	22.7%	19.5%
Upper	25	19.1%	30.9%	35.7%	45.3%	37	28.2%	47.1%	31.9%	40.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	9	6.9%	14.4%	12.3%	19.5%
Total	131	100.0%	100.0%	100.0%	100.0%	131	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank		Aggregate			Bank		Aggregate	
		%	% S(000s)	%	% S(000s)		%	% S(000s)	%	% S(000s)
Low	0	0.0%	0.0%	0.0%	0.0%		11.7%		13.0%	
Moderate	1	3.8%		0.6%			17.7%		21.3%	
Middle	17	65.4%		72.3%			36.4%		32.1%	
Upper	8	30.8%		27.0%			33.7%		33.6%	
Unknown	0	0.0%		0.0%			0.0%		0.0%	
Tract Unknown	0	0.0%		0.0%			0.5%		0.0%	
Total	26	100.0%		100.0%		100.0%		100.0%		100.0%
By Revenue										
\$1 Million or Less	10	38.5%		15.0%			38.5%		29.9%	
By Loan Size										
\$100,000 or less	7	26.9%		4.4%			90.5%		22.2%	
\$100,001-\$250,000	9	34.6%		20.2%			4.1%		14.8%	
\$250,001-\$1 Million	10	38.5%		75.4%			5.4%		63.0%	
Total	26	100.0%		100.0%		100.0%		100.0%		100.0%

Originations and Purchases

2014 Aggregate Comparison Loan Distribution Table

Assessment Area/Group: MSA 27060

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% S(000s)	%	% S(000s)	#	%	% S(000s)	%	% S(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.1%	0.2%	2	12.5%	4.5%	6.9%	3.5%
Moderate	3	18.8%	16.8%	11.6%	8.8%	4	25.0%	15.5%	23.5%	17.0%
Middle	10	62.5%	68.6%	63.8%	57.9%	4	25.0%	19.6%	26.4%	24.0%
Upper	3	18.8%	14.6%	24.3%	33.0%	6	37.5%	60.5%	37.8%	50.7%
Unknown	0	0.0%	0.0%	0.1%	0.1%	0	0.0%	0.0%	5.4%	4.8%
Total	16	100.0%	100.0%	100.0%	100.0%	16	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.3%	0.2%	3	27.3%	28.4%	12.3%	6.7%
Moderate	2	18.2%	9.7%	15.3%	10.0%	2	18.2%	7.2%	21.5%	13.5%
Middle	7	63.6%	72.9%	63.8%	58.6%	3	27.3%	24.7%	25.2%	19.5%
Upper	2	18.2%	17.4%	20.6%	31.2%	3	27.3%	39.6%	30.4%	33.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	10.7%	26.5%
Total	11	100.0%	100.0%	100.0%	100.0%	11	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	5	27.8%	6.1%	16.9%	7.7%
Moderate	3	16.7%	23.5%	17.3%	12.3%	3	16.7%	39.4%	21.1%	14.2%
Middle	14	77.8%	72.7%	68.1%	57.2%	5	27.8%	10.3%	28.1%	21.3%
Upper	1	5.6%	3.8%	14.7%	30.5%	4	22.2%	11.7%	31.3%	47.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	5.6%	32.5%	2.6%	9.2%
Total	18	100.0%	100.0%	100.0%	100.0%	18	100.0%	100.0%	100.0%	100.0%
Multi-Family										
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%	23.3%	1.6%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	50.0%	40.7%	40.0%	2.3%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	50.0%	59.3%	36.7%	96.1%	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%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.1%	0.1%	10	21.3%	8.1%	10.0%	2.5%
Moderate	8	17.0%	13.7%	13.8%	5.8%	9	19.1%	14.1%	22.1%	8.8%
Middle	32	68.1%	65.6%	64.2%	32.8%	12	25.5%	16.6%	26.0%	12.5%
Upper	7	14.9%	20.7%	21.8%	61.3%	13	27.7%	43.1%	34.2%	25.4%
Unknown	0	0.0%	0.0%	0.1%	0.0%	3	6.4%	18.1%	7.8%	50.8%
Total	47	100.0%	100.0%	100.0%	100.0%	47	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank		Aggregate				Aggregate		
		%	% S(000s)	%	% S(000s)		%	% S(000s)	%	% S(000s)
Low	0	0.0%	0.0%	0.0%	0.0%		0.3%		0.1%	
Moderate	1	33.3%	38.5%		38.5%		23.5%		22.1%	
Middle	1	33.3%	23.1%		23.1%		47.1%		45.9%	
Upper	1	33.3%	38.5%		38.5%		26.6%		31.5%	
Unknown	0	0.0%	0.0%		0.0%		0.3%		0.0%	
Tract Unknown	0	0.0%	0.0%		0.0%		2.2%		0.4%	
Total	3	100.0%	100.0%		100.0%		100.0%		100.0%	
By Revenue										
\$1 Million or Less	0		0.0%		0.0%		43.9%		41.8%	
By Loan Size										
\$100,000 or less	3		100.0%		100.0%		89.6%		25.4%	
\$100,001-\$250,000	0		0.0%		0.0%		4.7%		17.1%	
\$250,001-\$1 Million	0		0.0%		0.0%		5.7%		57.5%	
Total	3		100.0%		100.0%		100.0%		100.0%	

Originations and Purchases

2014 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: PA NonMSA

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	%	% S(000s)	%	% S(000s)	#	%	% S(000s)	%	% S(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	3.6%	1.8%
Moderate	4	26.7%	35.5%	3.5%	3.4%	3	20.0%	4.6%	19.2%	14.0%
Middle	11	73.3%	64.5%	96.5%	96.6%	1	6.7%	3.2%	26.5%	23.8%
Upper	0	0.0%	0.0%	0.0%	0.0%	10	66.7%	79.0%	40.9%	51.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	6.7%	13.2%	9.8%	9.2%
Total	15	100.0%	100.0%	100.0%	100.0%	15	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.0%	0.0%	2	12.5%	15.7%	5.3%	3.6%
Moderate	2	12.5%	13.1%	3.0%	2.1%	4	25.0%	23.2%	13.9%	10.3%
Middle	14	87.5%	86.9%	97.0%	97.9%	7	43.8%	33.5%	25.1%	22.5%
Upper	0	0.0%	0.0%	0.0%	0.0%	1	6.3%	8.3%	42.0%	47.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	12.5%	19.3%	13.7%	16.3%
Total	16	100.0%	100.0%	100.0%	100.0%	16	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	0.0%	0.0%	8	13.1%	3.9%	6.9%	1.9%
Moderate	17	27.9%	19.5%	8.0%	5.2%	11	18.0%	13.6%	13.5%	6.8%
Middle	44	72.1%	80.5%	92.0%	94.8%	21	34.4%	34.9%	32.7%	24.8%
Upper	0	0.0%	0.0%	0.0%	0.0%	21	34.4%	47.6%	45.1%	64.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.8%	2.0%
Total	61	100.0%	100.0%	100.0%	100.0%	61	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
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%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	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%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.0%	0.0%	10	10.9%	4.9%	4.8%	2.4%
Moderate	23	25.0%	25.5%	4.2%	3.0%	18	19.6%	11.7%	16.3%	11.9%
Middle	69	75.0%	74.5%	95.8%	97.0%	29	31.5%	19.6%	27.1%	22.9%
Upper	0	0.0%	0.0%	0.0%	0.0%	32	34.8%	53.0%	42.0%	49.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	3.3%	10.9%	9.9%	13.0%
Total	92	100.0%	100.0%	100.0%	100.0%	92	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS									
	By Tract Income									
	#	Bank			Aggregate					
		%	% S(000s)	%	% S(000s)	%	% S(000s)			
Low	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Moderate	12	23.5%		27.9%		6.1%				
Middle	39	76.5%		72.1%		88.1%				
Upper	0	0.0%		0.0%		0.0%				
Unknown	0	0.0%		0.0%		0.0%				
Tract Unknown	0	0.0%		0.0%		5.7%				
Total	51	100.0%		100.0%		100.0%				
	By Revenue									
\$1 Million or Less	33	64.7%			31.4%			43.9%		
	By Loan Size									
\$100,000 or less	34	56.7%			17.3%			87.6%		
\$100,001-\$250,000	8	15.7%			17.8%			6.5%		
\$250,001-\$1 Million	9	17.6%			64.9%			5.9%		
Total	51	100.0%		100.0%		100.0%				

Originations and Purchases

CRA APPENDIX D

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, 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 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; or, activities that revitalize or stabilize low- or moderate-income geographies.

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.

Distressed or Underserved Non-Metropolitan Middle Income Area- A middle-income, nonmetropolitan geography that is distressed due to economic factors, such as unemployment levels, poverty, or population loss, or is underserved based on population size, density and dispersion.

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 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 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 to 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 refinancings 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.

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 MA assessment area.

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 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 that contains 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 within 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 "loan to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and either are 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 E

Chemung Canal Trust Company Assessment Areas

