

PUBLIC DISCLOSURE

September 30, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Bank of New York Mellon
RSSD No. 541101**

**225 Liberty Street
New York, New York 10286**

**FEDERAL RESERVE BANK OF NEW YORK
33 LIBERTY STREET
NEW YORK, NEW YORK 10045**

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

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INSTITUTION'S CRA RATING:

The Bank of New York Mellon ("BNYM") is rated "Satisfactory."

The satisfactory performance of BNYM with regard to the Community Reinvestment Act ("CRA") is based on the following performance criteria:

- An adequate level of community development loans, qualified investments and community development services.
- Occasional use of innovative or complex qualified investments, community development loans and community development services.
- Adequate responsiveness to credit and community economic needs in BNYM's assessment area.

SCOPE OF EXAMINATION

BNYM's performance was evaluated using the Federal Financial Institutions Examination Council ("FFIEC") Interagency Procedures and Guidelines for Wholesale and Limited Purpose Institutions. The examination covers BNYM's activities from July 1, 2011 to September 30, 2013. Community development loans, investments, and grants made, as well as services provided during the examination period, were evaluated as qualifying community development activities. In addition, outstanding balances on prior examination period community development loans and qualified investments were analyzed as of September 30, 2013.

BNYM's level of community development activity within its assessment area was evaluated under the Interagency Wholesale Bank CRA Procedures. BNYM also receives credit for community development loans, qualified investments, and community development services made outside of its assessment area because it has adequately addressed community development needs within its assessment area, including qualified investments that benefited the broader statewide or regional area that includes BNYM's assessment area.

BNYM is evaluated on its community development activities, however, performance context, which includes a broad range of economic, demographic, institution- and community-specific information, is also considered in order to understand the context in which an institution's record of performance should be evaluated.

Examiners also conducted interviews with representatives of two community development organizations in order to gain an understanding of local credit needs.

DESCRIPTION OF INSTITUTION

Headquartered in New York City, BNYM is a state-chartered wholesale banking institution providing asset servicing, custody services, U.S. dollar clearing, and treasury operations. BNYM's assets totaled \$281 billion as of June 30, 2013, which was an increase from last examination when assets totaled \$236 billion. Also, as of June 30, 2013, BNYM's total domestic deposits were \$119 billion and net loans and leases totaled \$32 billion. The bank is one of two banking subsidiaries of The Bank of New York Mellon Corporation ("BNYMC"), a global asset management and securities servicing company. In addition to BNYM, BNYMC also maintains Bank of New York Mellon N.A.

BNYM does not extend home mortgage, small business or consumer credit to retail customers or to the public. The bulk of its consumer-oriented activity involves the servicing of loans held in portfolio under an employee loan program that was discontinued in 2010. BNYM's continued qualification for status as a CRA wholesale bank was confirmed as part of this review.

BNYM's previous CRA examination was conducted as of September 12, 2011, at which time a rating of Satisfactory was assigned. The prior examination covered the period of January 1, 2009 to June 30, 2011 and BNYM was evaluated under the FFIEC Interagency Wholesale CRA Procedures.

There are no financial or legal factors that would prevent BNYM from fulfilling its obligations under CRA.

DESCRIPTION OF ASSESSMENT AREA

BNYM's assessment area consists of two Metropolitan Statistical Areas ("MSAs"), MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) and MSA 14860 (Bridgeport-Stamford-Norwalk, CT). Both MSAs are in the same Combined Statistical Area ("CSA") 408 (New York-Newark-Bridgeport, NY-NJ-CT-PA). Since MSA 14860 does not extend substantially beyond the boundary of MSA 35620, and both are in the same CSA, the two MSAs were analyzed together as one assessment area for purposes of this evaluation, in accordance with the FFIEC Interagency Wholesale CRA Procedures.

MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) contains 11 counties located in the states of New York and New Jersey, and MSA 14860 (Bridgeport-Stamford-Norwalk, CT) contains one county located in Connecticut. Specifically, the assessment area consists of the following:

MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA)

- MD 35644 (New York- White Plains-Wayne, NY-NJ Metropolitan Division) consisting of Hudson County in New Jersey, and Bronx, Kings, New York, Queens, Richmond and Westchester Counties in New York.
- MD 35004 (Nassau-Suffolk, NY Metropolitan Division) consisting of Nassau County in New York.
- MD 35084 (Newark-Union, NJ-PA Metropolitan Division) consisting of Essex, Morris and Union Counties in New Jersey.

MSA 14860 (Bridgeport-Stamford-Norwalk, CT)

- Consisting of portions of Fairfield County in Connecticut (the municipalities of Darien, Fairfield, Greenwich, New Canaan, Norwalk, Stamford and Westport).

BNYM's assessment area has not changed since the prior CRA evaluation and is in compliance with the requirements Section 228.41 of Federal Reserve Regulation BB, which implements the Community Reinvestment Act. A map of the assessment area is in Appendix B.

PERFORMANCE CONTEXT

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

Demographic Characteristics

According to the 2010 Census, the population of the assessment area is 14 million. The assessment area consists of 3,469 census tracts, of which 12% are low-income and 24% are moderate-income, with low- and moderate-income ("LMI") census tracts concentrated in western Queens, upper Manhattan, northern Brooklyn and Bronx County. New York City is the largest city in the assessment area, and the most populous city in the United States, with an estimated 2010 population of 8.2 million. According to the 2010 Census, the population of New York City increased by 2% compared to 2000 Census population data. New York City's population alone accounts for about 40% of the total population of the State of New York. In addition, approximately 40% of New York City's 3 million households are non-family

households, which tend to have lower incomes, thus demonstrating a need for community development activities in the New York City area.

Income Characteristics

According to the 2010 Census, the assessment area has 3.2 million families, of which 26% are low-income, 16% are moderate-income, 18% are middle-income, and 40% are upper-income. In BNYM’s assessment area, a significant proportion of families, almost 12%, subsist below the poverty level. In New York City, 16% of families live below the poverty level, which is above the 11% of families in New York State living below the poverty level. Therefore, community development activities that target LMI individuals and families are particularly important in New York City.

According to HUD data, the assessment area’s income had increased slightly since the prior examination. The 2012 median family income (“MFI”) for MD 35644 was \$65,000, compared to \$64,200 in 2011. In addition, the 2012 MFI for MSA 14860 was \$106,700, compared to \$105,300 in 2011. As can be seen in the table to the right, median family income estimates for MD 35644 and for MSA 14860 are above the MFI levels for New York State in both years.

MEDIAN FAMILY INCOMES		
	2011	2012
MD 35644	\$64,200	\$65,000
MSA 14860	\$105,300	\$106,700
New York State	\$56,100	\$56,900

Housing Characteristics

The assessment area has approximately 5.5 million housing units, of which 42% percent are owner-occupied, 50% are rental units, and 8% are vacant. In New York City, housing is expensive relative to income levels, causing significant affordability issues for the LMI population. According to the National Association of Realtors, the median price of a single-family home in MD 35644 was \$445 thousand in 2012, increasing slightly from \$443 thousand in 2011. In contrast, the median price of a single-family home in the Fairfield County, Connecticut MSA was \$391 thousand in both 2012 and 2011.

Homeownership remains unaffordable to LMI families, and even many middle-income borrowers in the assessment area. In 2012, the median housing cost in MD 36544 was about fourteen times the MFI of a low-income borrower and nine times the MFI of a moderate-income borrower. In addition, according to the 2010 Census, 49% of renters reported rent costs that exceeded 30% of total income.

According to the Federal Reserve Bank of New York Beige Book (December 2013) sales activity in New York City's co-op and condo market has retreated in the 4th quarter, following an exceptionally strong third quarter of 2013, and prices have leveled off. While there is a

reasonable amount of new development at the high end of the market, inventories across the rest of the market remain lean. Manhattan's rental market has also softened slightly, with rents running modestly lower than a year earlier.

Labor and Employment Characteristics

New York City is a global hub of international business and commerce. The city is a major center for finance, insurance, real estate and the arts in the United States. Many major corporations are headquartered in New York City, including 43 Fortune 500 companies. As of 2011, the assessment area had a total of 795 thousand businesses, of which 702 thousand were small businesses with gross annual revenues of \$1 million or less.

Unemployment remains high within BNYM's assessment area, as well as across the nation, as a result of the economic recession that began in 2007. The New York State Department of Labor reported that the annual average unemployment rate for New York City was 9.2% in 2012, up

UNEMPLOYMENT RATES (%)		
	2011	2012
New York City	9.0%	9.2%
MD 35644	8.6%	8.8%
Fairfield County	8.1%	7.6%
New York State	8.3%	8.5%

from 9.0% in 2011. According to the U.S. Department of Labor, in MD 35644, the annual unemployment rate was 8.8% in 2012, up from 8.6% in 2011. According to the State of Connecticut Department of Labor, Fairfield County's unemployment rate was 7.6% in 2012, down from 8.1% in 2011. At the end of the prior examination period, the unemployment rates for New York City and for Fairfield County were 9.6%, and 8.4%, respectively.

Exhibit 1 on the following page provides additional assessment area demographics.

Exhibit 1 Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	430	12.4	404,054	12.5	137,878	34.1	842,797	26.0
Moderate-income	829	23.9	790,661	24.4	145,646	18.4	530,726	16.4
Middle-income	1,073	30.9	999,597	30.9	71,932	7.2	569,850	17.6
Upper-income	1,056	30.4	1,043,618	32.2	32,849	3.1	1,294,690	40.0
Unknown-income	81	2.3	133	0.0	44	33.1	0	0.0
Total Assessment Area	3,469	100.0	3,238,063	100.0	388,349	12.0	3,238,063	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	677,548	72,868	3.2	10.8	539,100	79.6	65,580	9.7
Moderate-income	1,343,853	316,001	13.8	23.5	911,334	67.8	116,518	8.7
Middle-income	1,624,003	823,481	36.0	50.7	688,281	42.4	112,241	6.9
Upper-income	1,854,432	1,071,876	46.9	57.8	622,889	33.6	159,667	8.6
Unknown-income	518	52	0.0	10.0	375	72.4	91	17.6
Total Assessment Area	5,500,354	2,284,278	100.0	41.5	2,761,979	50.2	454,097	8.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	63,282	8.0	54,898	7.8	4,295	7.5	4,089	11.7
Moderate-income	140,722	17.7	124,696	17.8	8,057	14.1	7,969	22.8
Middle-income	219,820	27.7	196,709	28.0	13,764	24.1	9,347	26.8
Upper-income	356,108	44.8	314,788	44.8	28,292	49.6	13,028	37.3
Unknown-income	14,507	1.8	11,405	1.6	2,653	4.6	449	1.3
Total Assessment Area	794,439	100.0	702,496	100.0	57,061	100.0	34,882	100.0
	Percentage of Total Businesses:			88.4		7.2		4.4

CONCLUSIONS WITH RESPECT TO COMMUNITY DEVELOPMENT TEST

Overall, BNYM provided an adequate level of community development loans, qualified investments, and services that exhibit adequate responsiveness to the credit and economic development needs in BNYM's assessment area. BNYM also made occasional use of innovative or complex community development loans, qualified investments, and services.

Community Development Activities

BNYM made a total of \$1.3 billion in community development loans and qualified investments, of which \$850 million, or 64%, were made in the current period. On an annualized basis, BNYM’s current level of community development loan and investment activity increased 26% from the prior evaluation period when the bank originated \$1.2 billion in community development loans and investments. Ninety-seven percent (97%) of community development lending and qualified investments were dedicated to activities inside the bank’s assessment area.

BNYM was responsive to credit and economic development needs in its assessment area. Of the bank’s total community development loans and qualified investments, 85% were targeted to affordable housing projects, which is a primary need of the assessment area as identified by demographic data and through communications with community contacts.

When compared to six similarly-situated wholesale banks operating in the assessment area, the level of BNYM’s total annualized community development loans and investments, as a percentage of average assets, was below the performance of its peers. However, peer comparison of BNYM’s annualized community development loans and investment activity as a percentage of Tier 1 capital was more favorable. Exhibit 2 below provides a summary of BNYM’s community development activities during the evaluation period.

Exhibit 2		
Summary of Community Development Loans and Qualified Investments		
July 1, 2011 – September 30, 2013		
Designation	(\$ millions)	%
Affordable Housing	\$1,136	85%
Revitalize and Stabilize	\$94	7%
Economic Development	\$52	4%
Community Services	\$50	4%
TOTAL	\$1,332	100%

Community Development activity includes new loans and investments made during the examination period as well as loans and investments with existing balances from the prior examination period that were outstanding as of 9/30/13.

BNYM provided a significant amount of community development services, primarily within its assessment area. BNYM provided a total of 204 community development services during the current examination period. The bank's provision of community development services increased by 14% compared to the prior examination period, when BNYM provided 179 services.

Innovativeness and Complexity

BNYM made occasional use of innovative or complex community development loans, qualified investments, and community development services. Of BNYM's \$1.3 billion of community development loans and qualified investments, \$613 million, or 47%, are considered innovative and/or complex, and not the types of transactions typically provided by private lenders or investors. These innovative and/or complex transactions often involve multiple layers of financing, the involvement of government and private partners, and the provision of letters of credit and grant assistance. Innovative and/or complex investments include \$141 million in Low Income Housing Tax Credits ("LIHTC"). In addition, BNYM also invested in mortgage-backed securities ("MBS"). While MBS are qualified investments that provide some liquidity to the market, they are viewed qualitatively as less responsive to the community development needs of LMI communities than direct investments.

Community Development Lending

Community development lending during the current evaluation period totaled \$676 million. On an annualized basis, BNYM's current level of community development lending increased 38% from the prior evaluation period, when the bank originated \$543 million in community development loans. Of BNYM's current period community development loans, a majority, \$592 million or 88%, are new loans originated since the prior CRA evaluation. All of BNYM's community development loans were extended within the assessment area.

As illustrated in Exhibit 3 on the following page, BNYM's community development lending activity, by dollar amount, primarily targeted affordable housing, which community contacts identified as an essential and critical need within the assessment area.

Exhibit 3		
Summary of Community Development Lending		
July 1, 2011 – September 30, 2013		
Designation	\$ (millions)	%
Affordable Housing	\$507	75%
Revitalize and Stabilize	\$93	14%
Community Services	\$46	7%
Economic Development	\$30	4%
TOTAL	\$676	100%

Lending activity includes new loans extended during the examination period as well as existing balances from the prior examination period that were outstanding as of 9/30/13.

A majority of BNYM’s community development loans were responsive to critical housing needs in the assessment area. Fifty-eight percent (58%) of community development loans involved letters of credit to provide enhancements for bonds issued by the New York City Housing Development Corporation or enhancements for tax exempt bonds issued by the New York State Housing Finance Agency. Proceeds of the bonds supported by the letters of credit were used to construct or renovate multifamily affordable housing units.

On some of the community development loans, BNYM participated with other financial institutions, typically as the lead bank in putting the loan package together. Examples of BNYM’s community development loans include the following:

- A \$158 million construction phase letter of credit to enhance New York State Housing Finance Agency’s affordable housing bond program. BNYM is also the LIHTC investor. The property will be available to renters with incomes at or below 60% of the area’s MFI.
- A \$23 million construction phase letter of credit to enhance New York State Housing Finance Agency’s affordable housing bond program. Bond proceeds will be used to finance the construction and rehabilitation of a 245-unit housing complex in a moderate-income area of New York City. Units will be made available to renters with incomes below or equal to 60% of the area’s MFI.
- A \$7 million dollar construction loan to build 31 units of affordable rental housing in a moderate-income area. The project units will be rented to families with incomes ranging from 50% to 60% of the area MFI. In addition, 11 of the units will be set aside for homeless single adults referred by New York City agencies.

- A \$23 million 24-month letter of credit to provide a credit enhancement for a tax exempt bond issuance by the New York State Housing Finance Agency. Bond proceeds are to be used to substantially renovate a 14-story, 200 unit rental building for low-income senior citizens.
- A \$9 million construction loan to build an affordable rental building in New Jersey for individuals or families with developmental disabilities and families earning incomes equal to or below 60% of the area's MFI.

Qualified Investments

During the examination period, qualified investments totaled \$656 million, representing a slight increase from last evaluation period's total of \$635 million. On an annualized basis, BNYM's current level of community development investments increased by 15% compared to the prior evaluation. During this examination period, new investments totaled \$258 million, or 39% of the total qualified investments. Of the total new investments, \$8 million were grants and/or donations to organizations providing community development services throughout BNYM's assessment area.

The majority of BNYM's qualified investments, \$621 million or 95% in terms of dollar amount, were made within its assessment area, and an additional \$35 million in investments were made outside BNYM's assessment area, but in the larger regional area that included the states of New York and New Jersey. BNYM is able to get credit for qualified investments made outside of its assessment area under the FFIEC Interagency Wholesale CRA Procedures because BNYM has adequately addressed community development needs within its assessment area.

Qualified investments were particularly responsive to community needs, with a total of 96% supporting affordable housing efforts. Of the \$258 million in current period qualified investments, \$141 million consisted of investments in LIHTCs, \$51 million consisted of MBS, \$35 million consisted of New York City Housing Development Corporation bonds, \$20 million in Small Business Investment Corporation bonds, \$8 million in grants and donations and \$3 million in New York State Housing Finance Bonds. In addition, while the MBS are qualified investments that provide some liquidity to the market, they are viewed qualitatively as less responsive to community development needs of LMI communities than direct investments.

Exhibit 4 provides detail on the allocation of qualified investments, by dollar amount, during the evaluation period.

Exhibit 4		
Summary of Qualified Investments		
July 1, 2011 – September 30, 2013		
Designation	\$ (millions)	%
Affordable Housing	\$629	96%
Economic Development	\$22	3%
Community Services	\$4	1%
Revitalize and Stabilize	\$1	<1%
TOTAL	\$656	100%

Includes investments and grants made during the examination period as well as existing balances from the prior examination that were outstanding as of 9/30/13.

Examples of qualified investments include:

- A \$23 million investment in a LIHTC to finance the construction of a ten-story, elevator serviced, high rise multifamily apartment building containing 176 affordable housing units in a moderate-income area in the Bronx, NY. The units are designed for disabled and elderly persons earning incomes that are equal to or less than 50% of the area MFI.
- A \$15 million investment to an organization that owns and manages affordable housing projects that qualifies for LIHTCs. BNYM's investment will be used to construct a seven-story residential rental building on a vacant site in a low-income geography owned by the New York City Department of HPD. The residential units are for seniors who earn between 40 and 60% of the area MFI. The rental income will be supplemented by Section 8 housing assistance funds.
- A \$5 million equity investment in a \$115 million Small Business Investment Company that focuses on investments in businesses owned by minorities, women and veterans.
- A \$1.5 million investment in a Housing Finance Agency bonds issued by the New York State Housing Finance Agency Affordable Bond Program. The bond proceeds will be used to construct a five story, 100 unit, rental apartment building. At completion of construction, the units will be rented under the Section 8 subsidy program for families with incomes at or below 60% of area MFI.
- \$171 thousand in grants to a community organization that revitalizes low- and moderate-income neighborhoods by creating and preserving affordable housing and providing

opportunities for homeownership education, financial assistance and community leadership.

- \$200 thousand in grants to an organization that engages in Hurricane Sandy relief efforts and also provides training and employment assistance to veteran’s families.

Community Development Services

During the examination period, BNYM provided 204 community development services, compared to 179 qualified services it provided during the prior evaluation period. BNYM’s community development services were responsive to the community development needs of its assessment area. Services consisted primarily of on-going participation on boards and on board committees of local community development organizations.

During this review period, BNYM created the Community Partnership Program (“CPP”), which engages BNYM employees to work individually and in teams to provide support to LMI individuals, including fundraising support. BNYM encourages employee participation in the CPP through incentives that include company matching donations, paid volunteer time off and an employee recognition program. The CPP program provided 46 qualifying community development services for BNYM during the review period. Exhibit 5 below summarizes the types of services the bank provided.

Exhibit 5	
Summary of Community Development Services	
July 1, 2011– September 30, 2013	
Activity Type	Current Examination Total
On-Going Board & Committee Memberships	128
Technical Assistance	44
Financial Literacy	32
TOTAL	204

Forty-seven employees provided the majority of community development service activities during the review period, and included participation at the highest levels of bank management. Examples of BNYM’s community development services include the following:

- BNYM’s president served as the vice-chair of the board of directors of a local community development organization.

- An executive vice president serves on the finance and programming committee of a community services organization in New York City. The organization provides employment assistance, and service and support to LMI families affected by psychiatric illnesses or disabilities.
- A managing director serves as a board member of an organization that provides disaster assistance to Hurricane Sandy victims and provides education assistance to LMI teenagers. The organization also collects warm clothing for city residents in need.
- The Vice President and CRA Officer serves on the board of an organization that provides capital to organizations committed to investing in affordable housing and economic development for LMI individuals.
- BNYM's Supplier Development Program provides services to support small businesses owned by minorities, women, veterans and the disabled so that these businesses can compete more successfully for BNYM business. Through this program, the bank provides technical assistance and seminar sponsorships to economic development organizations, as well as direct support to small business vendors, to enhance their ability to successfully participate in the bank's procurement process.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

During the review period of this evaluation (July 1, 2011 through September 30, 2013), neither the CFPB nor the Federal Reserve conducted any work related to fair lending and no Unfair or Deceptive Acts or Practices (UDAP) or Unfair, Deceptive or Abusive Acts or Practices (UDAAP) were identified.

APPENDIX A

GLOSSARY

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

Community development: All agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies; or loans, investments or services that (i) Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301c of the Housing and Economic Recovery Act of 2008 ("HERA"), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program ("NSP"); (ii) Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees; (iii) Benefit low-, moderate- and middle-income individuals and geographies in the bank's assessment area(s) or geographies outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

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

Community Development Financial Institution (“CDFI”): A CDFI is an organization that has been certified by the U.S. Treasury as a provider of loans and services that assist specially funded institutions that revitalize LMI areas and assist LMI persons.

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

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 refinancing of home improvement and home purchase loans.

Household: A household consists of all persons who occupy a housing unit. Persons not living in households are classified as living in group quarters.

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

Metropolitan Area (“MA”): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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.

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

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

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

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

Wholesale bank: A bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with the CRA regulation.

APPENDIX B

Assessment Area Map

