

# **PUBLIC DISCLOSURE**

January 29, 2018

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Amboy Bank  
RSSD No. 9807

3890 U.S. Hwy 9  
Old Bridge, New Jersey 08859

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

**INSTITUTION'S CRA RATING: Satisfactory.**

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

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

\* Note: 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:

- A high percentage of loans were made within the assessment area.
- The geographic distribution of loans reflected good penetration throughout the assessment area.
- The distribution of borrowers reflected, given the product lines offered, good penetration among customers of different income levels and businesses of different sizes.
- Lending activity levels reflected adequate responsiveness to assessment area credit needs.
- The bank was a leader in making community development loans.
- The bank made an adequate level of qualified community development investments and grants.

- Delivery systems were accessible to the bank’s geographies and individuals of all income levels in the assessment area.
- Provided a relatively high level of community development services.

## INSTITUTION

### DESCRIPTION OF INSTITUTION

Amboy Bank (“Amboy”) is a full-service commercial bank and a wholly-owned subsidiary of Amboy Bancorporation, headquartered in Old Bridge, NJ. As of September 30, 2017, Amboy had total assets of \$2.5 billion with \$267 million in investments and \$1.8 billion in net loans and leases. Of the total loans, \$444 million consisted of 1-4 family residential real estate loans and \$423 million consisted of construction and land development loans. Non-residential property loans totaled approximately \$490 million and multi-family property loans represented \$427 million.

Amboy operated 22 full service branches and one administrative office with ATM access within Middlesex and Monmouth Counties in New Jersey. The bank offered a wide range of consumer-related services including retail deposit products, first- and second-lien 1-4 family residential mortgage loans, reverse mortgage loans, residential construction loans, as well as small business loans.

<b>Exhibit I</b>				
<b>Summary of Lending Activity</b>				
January 1, 2015 - December 31, 2016				
<b>Loan Type</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Home Purchase	119	21.3%	43,703	24.3%
Refinancing	114	20.4%	35,929	20.0%
Home Improvement	10	1.8%	1,913	1.1%
Multi Family	11	2.0%	46,387	25.8%
<b>Total HMDA related</b>	<b>254</b>	<b>45.4%</b>	<b>127,932</b>	<b>71.1%</b>
<b>Total Consumer related</b>	<b>75</b>	<b>13.4%</b>	<b>6,393</b>	<b>3.6%</b>
<b>Total Small Business related</b>	<b>230</b>	<b>41.1%</b>	<b>45,523</b>	<b>25.3%</b>
<b>TOTAL LOANS</b>	<b>559</b>	<b>100%</b>	<b>179,848</b>	<b>100%</b>

Amboy operated in a competitive banking market with large national banks, local community and state chartered banks, credit unions, mortgage companies and non-bank financial institutions, all competing for mortgage lending opportunities to low- and moderate-income (“LMI”) individuals and geographies throughout the assessment area. Amboy’s deposit market had 49 institutions with a total of 526 branch offices, primarily dominated by large financial institutions,

such as: PNC Bank, Wells Fargo Bank, Bank of America and TD Bank. These top four banks controlled 53.6% of the deposit market share as of June 30, 2017. In terms of deposit market share, Amboy had 3.1% of the deposit market share in the combined counties of Middlesex and Monmouth as of June 30, 2016, with \$1.8 billion in deposits and was ranked 10th of the 50 banks operating in these counties.

Amboy's previous CRA evaluation was conducted as of August 10, 2015, using the Federal Financial Institutions Examination Council's ("FFIEC's") Interagency CRA Procedures for Large Institutions. The prior evaluation resulted in an overall rating of "Satisfactory." There were no financial or legal factors that would prevent Amboy from fulfilling its responsibility under CRA.

Amboy had one assessment area comprised of all of Middlesex and Monmouth counties in New Jersey, which is part of MD 35614 (New York-Jersey City-White Plains, NY-NJ). MD 35614 is part of the multi-state MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA).

Amboy's assessment area was in compliance with the requirements of Section 228.41 of Regulation BB and did not arbitrarily exclude low- and moderate-income ("LMI") geographies. Additional assessment area data can be found in the Exhibit II on page 8. See CRA Appendix D for a map of the assessment area.

## **SCOPE OF EXAMINATION**

### **Procedures**

Amboy's CRA performance was evaluated using the FFIEC's Interagency CRA Procedures for Large Institutions, which consist of the lending test, investment test and services test.

Examiners conducted a full-scope review of MD 35614 (New York-Jersey City-White Plains, NY-NJ). The assessment area in this multistate MD consisted only of Middlesex and Monmouth counties in the state of New Jersey. Amboy's activities in the assessment area made up all of Amboy's total deposits and accordingly received all of the weight when deriving overall ratings.

### **Products**

Examiners evaluated home purchase and refinance loans reported under the Home Mortgage Disclosure Act ("HMDA"), small business loans reportable under CRA and home equity (consumer) loans. The inclusion of consumer loans is optional under the CRA regulation and Amboy chose to report home equity loans as consumer loans for this evaluation. In addition, community development loans, investments, and services were reviewed. Home improvement and multifamily loans were excluded from the borrower and geographic distribution evaluations as the volume was too insignificant for analysis, although multifamily lending was reviewed for

community development lending credit. Examiners verified the integrity of 2015 and 2016 HMDA, small business and consumer loan data reported by Amboy.

### **Evaluation Period**

HMDA-related, small business and home equity loans were evaluated from January 1, 2015, through December 31, 2016. Community development loans and qualified community development investments and services were evaluated from July 1, 2015, through September 30, 2017, in accordance with FFIEC examination procedures.

### **Lending Analysis**

The borrower and geographic loan distribution analyses were based on loan activity in Amboy's assessment area. Amboy's performance in 2015 and 2016 was compared to the U.S. Department of Commerce's Bureau of the Census ("2010 Census") and 2015 American Community Survey ("ACS") demographic data.

To evaluate the geographic distribution of HMDA-related lending, the proportion of loan originations was compared to the proportion of owner-occupied housing units located in LMI geographies. To evaluate home equity (consumer) loans, the proportion of Amboy's loan originations was compared to the proportion of owner occupied units located in LMI geographies. For small business loans, the analysis compared the proportion of Amboy's loan originations to the proportion of businesses located in LMI geographies.

To evaluate the borrower characteristics of HMDA-related lending, the proportion of originations to LMI borrowers was compared to the proportion of LMI families residing in the assessment area. Income estimates from the FFIEC were used to categorize borrower income. To evaluate consumer loans, the proportion of Amboy's loan originations to LMI borrowers was compared to the proportion of LMI households in the assessment area. For small business lending, Amboy's proportion of loans to businesses with gross annual revenues ("GAR") of \$1 million or less, based on Dun & Bradstreet ("D&B") data, was compared to the proportion of all such businesses located in the assessment area. The size of the small business loans was also used as a proxy to identify lending to businesses with GAR of \$1 million or less.

Borrower and geographic distribution analyses were based on Amboy's 2016 performance compared to the performance data for the aggregate of all loan reporters in the assessment area. At the time of the evaluation the 2016 aggregate data was the most recent aggregate data publicly available. Aggregate data for consumer lending was not available for analysis. The bank's performance in 2016 was compared to its 2015 performance for consistency.

## **Community Development Activity Analysis**

Community development activities were reviewed to determine whether the activities had community development as a primary purpose and met the geographic requirements of CRA. The eligibility of a loan, investment, or service as a community development activity was based on demographic information available to Amboy at the time the community development activity was undertaken. Qualified community development activities were analyzed from both the quantitative and qualitative perspectives to better understand the volume of activity impacting a particular assessment area, the innovativeness of those activities, and the responsiveness to local community development and credit needs. When appropriate, peer comparisons were conducted using annualized metrics to gauge the relative performance of the institution in a particular assessment area.

### **PERFORMANCE CONTEXT**

The following demographic and economic information was obtained from publicly available sources that include the 2010 Census, ACS, the U.S. Department of Labor (“DOL”), the U.S. Department of Housing and Urban Development (“HUD”), the FFIEC, the New Jersey Department of Labor, D&B, and NJ.com (a local news website).

#### ***Demographic Characteristics***

According to the 2010 Census, Amboy’s assessment area consisted of 319 census tracts, of which 7 were low-income, 28 were moderate-income, and 282 were middle- and upper-income. There were two tracts in the assessment area with an “unknown” income designation. The total population of Amboy’s assessment area was 1,440,238. Of the total population, 1.6% resided in low-income geographies, while 9.0% resided in moderate-income geographies. The assessment area had 548,999 households, of which 361,543 or 65.9% were families. Of the total families in the assessment area, 1.3% resided in low-income geographies, 7.1% in moderate-income geographies and a significant majority in middle- and upper-income geographies.

Major cities and municipalities in the assessment area included New Brunswick and Perth Amboy in Middlesex County, and Asbury Park and Freehold in Monmouth County. The population of New Brunswick was 55,181 and Perth Amboy was 50,814, according to 2010 Census data, which accounted for 6.8% and 6.3% of the Middlesex County population respectively. The population of Asbury Park was 16,116 and Freehold Township was 36,184, according to the 2010 census, which accounted for 2.6% and 5.7% of the Monmouth County population respectively.

***Income Characteristics***

Of the 361,543 families living in the assessment area, 12.4% were considered low-income and 11.8% were considered moderate-income. A total of 17,027 or 4.7% of families were below the poverty level. The median family income level for the assessment area was \$95,328. The FFIEC estimated that the median family income level for MD 35614 was \$72,600 in 2016, compared to the State of New Jersey’s median family income of \$87,700. The 2015 estimated median family income was \$71,300 for MD 35614 and \$88,900 for the State of New Jersey.

<b>FFIEC MEDIAN FAMILY INCOMES</b>		
<b>Area</b>	<b>2015</b>	<b>2016</b>
MD 35614 (New York City)	\$71,300	\$72,600
<i>State of New Jersey</i>	<i>\$88,900</i>	<i>\$87,700</i>

***Housing Characteristics***

According to the 2010 Census, there were 362,185 owner-occupied housing units in the assessment area, of which 0.4% were located in low-income geographies and 4.0% in moderate-income geographies. The low percentage of owner occupied housing units in LMI geographies presented challenges for residential mortgage lending, given the competitive environment.

According to the New Jersey Department of Labor, Middlesex and Monmouth counties had 3,917 residential housing permits approved for construction as of November 2017. Of the total reported housing permits, 2,199 or 56.1% were for multi-family units and 1,718 or 43.9% were for 1-4 family units. The November 2017 total housing permits represented a 10.6% increase from the total approved through November 2016. The increase was driven by multi-family construction permits, which was indicative of a greater demand for rental housing in the assessment area. The 2010 Census data valued median gross rent for the assessment area as \$1,169, which was moderately higher than the median gross rent of \$1,092 for New Jersey overall.

Although home prices have declined since the financial crisis, the cost for homes in the assessment area remained relatively high. Based on the 2016 FFIEC Census data, the median housing value in the assessment area was \$381,195 while the median family income (“MFI”) was \$95,328. The median housing value was about nine times the MFI of low-income families and 5 times the MFI of moderate-income families. Only 4.5% of the assessment area’s owner occupied housing units are located in LMI areas.

***Labor, Employment and Economic Characteristics***

According to 2016 D&B data, there were 68,875 businesses operating within the assessment area: 1.2% were located in low-income geographies and 6.9% in moderate-income geographies.



Of the total number of businesses in the assessment area, 88.9% were small businesses with GAR of \$1 million or less. The total number of small businesses operating in the assessment area declined by 8,431, or 12.1%, between 2015 and 2016.

According to data from the DOL Bureau of Labor Statistics, the unemployment rates for Middlesex and Monmouth counties have fluctuated from a low of 3.5% to a high of 5.0% between 2016 and 2017. As of November 2017, the unemployment rate for both counties in the assessment area was 4.3%, which is below the state average of 5.1% but slightly higher than the national average of 4.1%. The largest sector providing employment in the assessment area was trade, transportation, and utilities, which accounted for approximately 22.0% of the assessment area's employment opportunities as of October 2017. The top employers in the assessment area included Hackensack Meridian Health and Rutgers University.

According to an NJ.com article dated August 4, 2016, at least 15 manufacturers have left New Jersey in recent years due to declining profitability, consolidation or the pursuit of better economic incentives. According to the article, while most of the departed companies were located within commutable areas outside of the assessment area, Middlesex County was also directly impacted. C&S Wholesalers, the nation's largest wholesale grocery supply company closed its facilities in Middlesex County, which resulted in the loss of 500 jobs. Schwan Cosmetics USA, a cosmetic supplier, relocated its facilities from Middlesex County and 111 employees lost their jobs.

Other closings and planned closings in neighboring counties also impacted residents within the assessment area who commute to those areas for work. Colgate-Palmolive closed its Morris County plant in 2016 and laid-off 350 workers. Mercedes-Benz USA moved its headquarters from Bergen County, NJ to Atlanta, GA in 2017, which impacted 1,000 employees. In addition, General Mills announced plans to close its Progresso soup plant in Cumberland County in 2018, which will likely impact approximately 370 jobs.

Exhibit II contains additional Assessment Area demographics information.

<b>Exhibit II</b>								
<b>Assessment Area demographics: MD 35614</b>								
<b>Income Categories</b>	<b>Tract Distribution</b>		<b>Families by Tract Income</b>		<b>Families &lt; Poverty Level as % of Families by Tract</b>		<b>Families by Family Income</b>	
	#	%	#	%	#	%	#	%
Low-income	7	2.2	4,536	1.3	1,594	35.1	44,962	12.4
Moderate-income	28	8.8	25,803	7.1	4,205	16.3	42,673	11.8
Middle-income	60	18.8	62,708	17.3	3,996	6.4	60,346	16.7
Upper-income	222	69.6	268,488	74.3	7,232	2.7	213,562	59.1
Unknown-income	2	0.6	8	0	0	0	0	0
<b>Total Assessment Area</b>	<b>319</b>	<b>100</b>	<b>361,543</b>	<b>100</b>	<b>17,027</b>	<b>4.7</b>	<b>361,543</b>	<b>100</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>		<b>Rental</b>		<b>Vacant</b>		
		#	%	%	#	%	#	%
Low-income	9,899	1,543	0.4	15.6	6,538	66.0	1,818	18.4
Moderate-income	47,197	14,579	4.0	30.9	27,715	58.7	4,903	10.4
Middle-income	110,433	56,686	15.7	51.3	43,733	39.6	10,014	9.1
Upper-income	381,331	289,377	79.9	75.9	69,732	18.3	22,222	5.8
Unknown-income	139	0	0	0	8	5.8	131	94.2
<b>Total Assessment Area</b>	<b>548,999</b>	<b>362,185</b>	<b>100</b>	<b>66.0</b>	<b>147,726</b>	<b>26.9</b>	<b>39,088</b>	<b>7.1</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	854	1.2	790	1.3	60	0.8	4	0.7
Moderate-income	4,782	6.9	4,077	6.7	677	9.5	28	5.0
Middle-income	10,327	15.0	9,154	15.0	1,073	15.1	100	18.0
Upper-income	52,909	76.8	47,203	77.1	5,281	74.5	425	76.3
Unknown-income	3	0	3	0	0	0	0	0
<b>Total Assessment Area</b>	<b>68,875</b>	<b>100</b>	<b>61,227</b>	<b>100</b>	<b>7,091</b>	<b>100</b>	<b>557</b>	<b>100</b>
	<b>Percentage of Total Businesses:</b>			<b>88.9</b>		<b>10.3</b>		<b>0.8</b>
2016 FFIEC Census Data and 2016 D&B Information								

**Community Contacts**

Examiners conducted interviews with representatives of two community development organizations in order to gain an understanding of local credit needs. Examiners met with the County of Middlesex Office of Economics and Business Development and the Middlesex County Office of Workforce Development. All types of community development were needed in the assessment area, including area revitalization, affordable housing and economic

development. These community contacts and information compiled from community listening sessions held by Community Affairs at the Federal Reserve Bank of New York indicated that improvement in local public transportation infrastructure and education, including financial education and workforce skills, was needed in the assessment area. Financial access was also highlighted as needed particularly in the Middlesex County Cities of New Brunswick and Perth Amboy.

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

### **LENDING TEST**

Amboy's performance under the lending test is rated high satisfactory. Amboy was a leader in community development lending activity, and the bank's borrower distribution and geographic distribution were good. Amboy also originated a high percentage of its total loans within the assessment area.

As detailed in Exhibit I on page 2, Amboy originated 559 home purchase, refinance, home improvement, multifamily, consumer related, and small business loans, totaling approximately \$180 million, reflecting adequate responsiveness to assessment area credit needs.

Overall, Amboy's lending volume declined since the prior evaluation. The number of HMDA-related, consumer and small business loan originations made during this evaluation period within the assessment area declined 21.3% compared to the previous evaluation period. This decrease in volume could be attributed to the challenging economic conditions during the review period in the assessment area. The dollar volume of these loans also decreased 28.6%, from \$252 million to \$180 million. The decrease in dollar volume was due to a decrease in home purchase and small business lending.

Amboy's lending activity was generally weaker, when compared to the six other similarly-situated peer banks. Specifically, Amboy ranked 5<sup>th</sup> in terms of the total HMDA and small business loans per million dollars of deposits, 6<sup>th</sup> for HMDA loans per million dollars of deposits, and 3<sup>rd</sup> for small business loans per million dollars of deposits.

### **Assessment Area Concentration**

A high percentage of Amboy's total lending was originated within the assessment area, with 73.7% of its total loans by number and 59.4% by dollar amount extended to individuals residing and businesses operating in the assessment area. In particular, 65.0% of HMDA-related loans by number and 52.7% by dollar amount, 87.4% of small business loans by number and 77.4% by dollar amount, and 61.3% of consumer related loans by number and 66.5% by dollar amount were made in Amboy's assessment area. Lending within the assessment area decreased modestly since the prior evaluation when 78.2% of Amboy's total loans were made inside the assessment area.

See Exhibit III for additional details relating to Amboy’s 2015-2016 lending activity inside and outside of the assessment area.

<b>Exhibit III</b>								
<b>Lending Inside and Outside the Assessment Area</b>								
January 1, 2015 - December 31, 2016								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase	67	56.3	27,550	63.0	52	43.7	16,153	37.0
Refinancing	83	72.8	20,650	57.5	31	27.2	15,279	42.5
Home Improvement	8	80.0	1,385	72.4	2	20.0	528	27.6
Multi-Family	7	63.6	17,807	38.4	4	36.4	28,580	61.6
<b>Total HMDA related</b>	<b>165</b>	<b>65.0</b>	<b>67,392</b>	<b>52.7</b>	<b>89</b>	<b>35.0</b>	<b>60,540</b>	<b>47.3</b>
<b>Total Consumer related</b>	<b>46</b>	<b>61.3</b>	<b>4,253</b>	<b>66.5</b>	<b>29</b>	<b>38.7</b>	<b>2,140</b>	<b>33.5</b>
<b>Total Small Business related</b>	<b>201</b>	<b>87.4</b>	<b>35,241</b>	<b>77.4</b>	<b>29</b>	<b>12.6</b>	<b>10,282</b>	<b>22.6</b>
<b>TOTAL LOANS</b>	<b>412</b>	<b>73.7</b>	<b>106,886</b>	<b>59.4</b>	<b>147</b>	<b>26.3</b>	<b>72,962</b>	<b>40.6</b>

### Geographic Distribution of Loans

Amboy’s overall geographic distribution of loans reflected good penetration throughout the assessment area. This lending performance was based on the bank’s poor lending penetration in low-income geographies and excellent lending penetration in moderate-income geographies.

According to the 2010 Census, the assessment area had 362,185 owner-occupied housing units, of which only 1,543 (0.4%) in 2016 were located in low-income geographies. While there were few opportunities for lending in low-income tracts, opportunities to lend were available in moderate-income census tracts, and were afforded more weight in the analysis. Specifically, 14,579 (4.0%) owner-occupied housing units were located in the moderate-income tracts in 2016. Additionally, out of a total of 61,227 small businesses, 790 (1.3%) were located within low-income tracts, while 4,077 (6.7%) were located in moderate-income census tracts.

Amboy demonstrated a moderate level of lending gaps in low- and moderate-income geographies. The majority of loans originated by Amboy during the evaluation period were in upper-income geographies. In 2015, Amboy originated loans in 14% of the low-income geographies and in 32% of the moderate-income geographies. In 2016, Amboy originated loans in 14% of the low-income geographies and in 29% of the moderate-income geographies. See Exhibit IV for a summary of the analysis of lending gaps in the assessment area.

<b>Exhibit IV</b>			
<b>Lending Gap Analysis Summary</b>			
<b>July 1, 2015 - September 30, 2017</b>			
<b>Tract Income Levels</b>	<b>Number of Tracts</b>	<b>Tracts with no Loans</b>	<b>Penetration</b>
<b>2015</b>			
Low	7	6	14%
Moderate	28	19	32%
Middle	60	37	38%
Upper	222	144	35%
Income Unknown	2	2	0%
<b>2016</b>			
Low	7	6	14%
Moderate	28	20	29%
Middle	60	38	37%
Upper	222	132	41%
Income Unknown	2	2	0%

See the Aggregate Comparison Loan Distribution tables and the Consumer Loan Distribution tables in CRA Appendix B for details of the bank’s 2016 and 2015 loan distribution by geography. An analysis of the lending in each loan category follows.

*Home Purchase Loans*

Amboy’s home purchase lending distribution was considered good overall in light of the limited availability of owner-occupied housing in low-income geographies in the assessment area. Amboy’s home purchase lending performance in low-income geographies was poor in 2016. None of Amboy’s home purchase loans in 2016 were in low-income geographies while 0.4% of all owner-occupied housing units in the assessment area were located in low-income geographies. This performance context consideration is supported by the performance of the market aggregate, which in 2016 made 1.3% by number and 1.2% by dollar amount of its home purchase loans in low-income geographies. Amboy’s 2015 home purchase lending performance in low-income geographies was consistent, as the bank did not originate any loans in low-income geographies.

Amboy’s home purchase lending performance in moderate-income geographies was excellent in 2016. Amboy originated 6.3% by number and 3.4% by dollar amount of its home purchase loans in moderate-income geographies in 2016, compared to 4.0% of owner-occupied housing units located in moderate-income geographies in the assessment area in 2016. Amboy’s performance in moderate-income geographies was above the market aggregate, which made 4.0% by number and 2.9% by dollar amount of its home purchase loans in moderate-income geographies in 2016. Amboy’s 2015 home purchase lending performance was below its 2016 performance.

### *Refinance Loans*

Amboy's refinance lending distribution was considered good overall. Amboy's lending performance in the low-income geographies of MD 35614 was poor. Amboy did not refinance any loans in low-income geographies during the evaluation period. The aggregate made only 0.6% by number and 0.4% by dollar amount of its refinance loans in low-income geographies in 2016. Amboy's poor refinance lending in low-income geographies is understandable when considering performance context factors that make HMDA-related lending challenging in low-income geographies. Specifically, 0.4% of owner-occupied housing units were located in low-income census tracts in 2016, indicating very limited lending opportunities. Amboy's 2015 refinance lending performance in low-income geographies was consistent, as the bank did not originate any loans in low-income geographies.

Amboy's refinance lending performance in moderate-income geographies was excellent. Amboy originated 6.7% by number and 29.2% by dollar amount of its refinance loans in moderate-income geographies in 2016 compared to 4.0% of owner-occupied housing units located in moderate-income geographies in this MD in 2016. Amboy's performance was significantly above the market aggregate in 2016, which originated 3.0% by number and 2.3% by dollar amount of its refinance loans in moderate-income census tracts in 2016. Amboy's 2015 refinance lending performance was comparable to its 2016 performance.

### *Consumer Lending: Home Equity Loans*

Amboy's overall consumer home equity lending performance in the LMI geographies of MD 35614 was adequate. Home equity lending in low-income geographies was poor. Amboy's home equity lending performance in low-income geographies was understandable given performance context factors that make real estate-related lending challenging in low-income geographies. Specifically, only 0.4% of owner-occupied housing units were located in low-income census tracts in 2016, indicating very limited lending opportunities. Amboy did not extend any home equity loans in low-income geographies during the evaluation period.

Amboy's consumer home equity lending performance in moderate-income geographies was good. Amboy originated 6.7% by number and 5.8% by dollar volume of its home equity loans in moderate-income geographies in 2016 and 4.0% of owner-occupied housing units were located in moderate-income geographies in this MD. Amboy's performance could not be compared to the market aggregate, since aggregate data was not available for these loans. Amboy did not extend any home equity loans in moderate-income geographies in 2015.

### *Small Business Loans*

Overall, Amboy's small business lending performance in MD 35614 was excellent. Amboy's small business performance in low-income geographies was good. Amboy made 0.9% by number and 0.1% by dollar volume of its small business loans in 2016 in low-income geographies compared to 1.3% of small business establishments located in low-income geographies in 2016. Amboy's performance was similar to the market aggregate which made 1.0% by number and 0.7% by dollar volume of its small business loans in low-geographies in 2016. Amboy's 2015 small business lending performance in low-income geographies exceeded its 2016 performance.

Amboy's small business performance in moderate-income geographies was excellent. Amboy made 7.0% by number and 6.5% by dollar volume of its small business loans in 2016 in moderate-income geographies compared to 6.7% of small business establishments located in moderate-income geographies. Amboy's performance was similar to the market aggregate which made 6.1% by number and 7.6% by dollar volume of its small business loans in moderate-income geographies in 2016. Amboy's 2015 small business lending performance in moderate-income geographies was comparable to its 2016 performance.

### **Distribution by Borrower Income and Revenue Size of the Business**

Amboy's distribution of borrowers in the assessment area reflected, given the product lines offered, good penetration among borrowers of different income levels and businesses of different sizes. Overall, lending to low- and moderate-income borrowers and small businesses in 2016 was good. Amboy's overall lending with respect to distribution by borrower income and revenue size of the business in 2015 was comparable to 2016.

### *Home Purchase Loans*

Amboy's overall home purchase lending performance to LMI borrowers was adequate. Amboy's home purchase lending performance to low-income borrowers was poor when compared to the performance of the aggregate and demographic data. The 2010 Census indicated that 12.4% of the assessment area families are low-income. In 2016, the bank made none of its home purchase loans to low-income borrowers. Amboy's performance for home purchase lending was significantly below the aggregate, which made 1.1% by number and 0.4% by dollar volume of its home purchase loans to low-income borrowers.

Amboy's home purchase lending performance to moderate-income borrowers was adequate. According to the 2010 Census, 11.8% of families in the assessment area were of moderate-income in 2016. The bank made 6.3% by number and 2.0% by dollar volume of its home purchase loans to moderate-income borrowers in 2016. Amboy's performance in 2016 was below the aggregate, which made 9.2% by number and 5.1% by dollar volume of its home

purchase loans to moderate-income borrowers in 2016. Amboy's 2015 home purchase lending performance was comparable to its 2016 performance.

### *Refinance Loans*

Amboy's overall refinance lending performance to LMI borrowers was excellent. Amboy's refinance lending performance in lending to low-income borrowers was excellent when compared to the performance of the aggregate and demographic data. The 2010 Census indicated that in 2016, 12.4% of the assessment area families are low-income. In 2016, the bank made 15.6% by number and 6.2% by dollar volume of its refinance loans to low-income borrowers. Amboy's performance for refinance loans was significantly above the aggregate. The aggregate made 1.3% by number and 0.6% by dollar volume of its refinance loans to low-income borrowers. Amboy's 2015 refinance lending performance to low-income borrowers was comparable to its 2016 performance.

Amboy's refinance lending performance to moderate-income borrowers was excellent. According to the 2010 Census, 11.8% of families in the assessment area were of moderate-income in 2016. The bank made 17.8% by number and 9.3% by dollar volume of its refinance loans to moderate-income borrowers in 2016. Amboy's performance for refinance loans in 2016 was significantly above the aggregate. The aggregate made 5.1% by number and 2.8% by dollar volume of its refinance loans to moderate-income borrowers in 2016. Amboy's 2015 refinance lending performance to moderate-income borrowers was comparable to its 2016 performance.

### *Consumer Lending*

Amboy's overall consumer home equity lending performance to LMI borrowers was excellent. Amboy's distribution of consumer loans to low-income borrowers was excellent. The bank originated 80.0% by number and 77.8% by dollar volume of its consumer home equity loans to low-income borrowers while 12.4% of families in the assessment area were low-income families. Amboy's 2015 lending to low-income borrowers was comparable to its 2016 performance.

Amboy's distribution of consumer home equity loans to moderate-income borrowers was excellent. The bank made 20.0% by number and 22.2% by dollar volume of its consumer loans to moderate-income borrowers while 11.8% of families in the assessment area were moderate-income families. Amboy's lending to moderate-income borrowers in 2015 was comparable to the 2016 lending performance. Amboy's performance could not be compared to the market aggregate, since aggregate data is not available for these loans.



### *Small Business Lending*

Amboy provided a good level of lending to small business borrowers with GAR of \$1 million or less. In 2016, the bank made 59.6% by number and 47.8% by dollar volume of its small business loans to such businesses, compared to the 88.9% of business establishments in the assessment area with GAR of \$1 million or less. Performance was above the aggregate, which made 41.3% by number and 26.9% by dollar volume of its small business loans to businesses with GAR of \$1 million or less. The bank made 57.0% by number and 18.7% by dollar volume of its small business loans in amounts of \$100,000 or less in 2016. This was below the aggregate, which made 94.9% by number and 45.4% by dollar volume of its small business loans in amounts of \$100,000 or less in the same period. The comparison of loans in the amount of \$100 thousand dollars or less was skewed as the aggregate included large national credit card lenders which typically offered loans in smaller dollar amounts. The bank's 2015 small business lending performance was comparable to 2016.

### **Community Development Lending**

Amboy was a leader in community development loan activity. Amboy made \$180 million in community development loans, which represented 8.0% of Amboy's average assets. On an annualized basis, Amboy's community development lending declined 31.6% since the prior evaluation period, when Amboy originated a total of \$263 million in community development loans; however, Amboy's performance remained strong relative to peers.

Of the total community development loans extended, approximately \$39 million or 21.4% were made inside the assessment area. Amboy received credit for qualified community development loans made outside of its assessment area because under the CRA, if a bank has adequately addressed the needs of its assessment area(s), then consideration can be given to community development loans that benefit the broader statewide or regional area that includes the assessment area. All community development loans made outside of Amboy's assessment area were to borrowers located in the State of New Jersey.

See Exhibit V for additional details relating to Amboy's Community Development Lending.

<b>Exhibit V</b> <b>Community Development Lending Summary</b> <b>July 1, 2015 - September 30, 2017</b>										
Assessment Area	#	Affordable Housing (\$000s)	#	Community Services (\$000s)	#	Economic Development (\$000s)	#	Revitalize and Stabilize (\$000s)	#	Total (\$000s)
MD 35614	6	31,657	2	800	1	50	1	6,000	10	38,507
Broader Statewide/Regional Area Including AA	6	58,612	5	18,080	0	0	6	65,085	17	141,777
Total CD Loans	12	90,269	7	18,880	1	50	7	71,085	27	180,284
Percent Total # / \$	44%	50%	26%	10%	4%	<1%	26%	39%	100%	100%

In terms of dollar volume, loans for affordable housing represented 50% of total community development lending and loans to revitalize low- and moderate-income areas was 39%. The majority of Amboy’s community development lending was construction and permanent financing of multifamily and condominium properties.

Community contacts identified affordable housing as a specific community need for LMI individuals, making these loans particularly responsive to the assessment area’s needs.

When compared to seven other similarly-situated banks operating in the assessment area, Amboy’s level of total annualized community development lending, measured as a percentage of average assets and Tier 1 capital, appeared strong.

Community development loans include:

- A \$25 million loan for permanent financing of a 180-bed nursing home facility in Sayreville, NJ. The facility provides affordable housing to nursing home residents, a majority of whom receive Medicaid.
- A \$50 thousand working capital loan to a non-profit organization that purchases and rehabilitates homes in Perth Amboy, NJ to sell to eligible low-income families. The mission of the non-profit organization is purchasing single or multifamily residential units, rehabbing the units and selling them to eligible and qualified low-income families in Perth Amboy.
- A \$50 thousand loan to a non-profit partnership established as part of a special improvement district in Freehold, NJ. The mission of the non-profit entity is to develop the Freehold business district and encourage economic development.

- A \$3 million loan for the construction and permanent financing of a 70-unit apartment building in Trenton, NJ. The homes are located in a low-income census tract that is part of a Garden State Growth Zone.

**INVESTMENT TEST**

Amboy’s performance under the investment test was rated low satisfactory based on an adequate level of qualified community development investments in its assessment area. Amboy’s community development investment activity exhibited good responsiveness in light of the limited opportunities for qualified community development investments in its assessment area. Amboy’s assessment area is a relatively high income area, which makes it challenging for Amboy to find qualified investment opportunities. As presented in Exhibit VI, during the evaluation period, Amboy made a total of \$9.6 million in qualified investments, of which approximately \$6.7 million, or 69.8%, were new investments. This is an increase of over \$2 million compared to the prior evaluation period. The \$9.6 million represented qualified investments, including \$281,000 in grants and donations. On an annualized basis, Amboy’s level of qualified investments also increased compared to the last evaluation period. Of the bank’s total qualified investments, \$9 million or 94% was made in the assessment area.

<b>Exhibit VI</b>		
<b>Summary of Qualified Investments</b>		
<b>July 1, 2015 - September 30, 2017</b>		
<b>Designation</b>	<b>\$ (thousands)</b>	<b>%</b>
Revitalize and Stabilize	\$4,710	49%
Affordable Housing	\$4,275	44%
Economic Development	\$527	5%
Community Services	\$132	1%
<b>TOTAL ACTIVITY</b>	<b>\$9,643</b>	<b>100%</b>

The majority, \$4.7 million (49%), of these investments consisted of municipal bonds directed toward revitalizing low- and moderate-income geographies. Another \$2.8 million (29%) of Amboy’s total qualified investments consisted of mortgage-backed securities, aimed at providing affordable housing through loans targeted to LMI individuals. An additional 13% of Amboy’s qualified investments (\$1.3 million) were made to an investment fund, with the funds earmarked for two assisted living facilities targeting LMI senior citizens within the assessment area, in Middlesex County, NJ.

The bank did not make use of innovative or complex investments to support community development initiatives in the assessment area. While mortgage-backed securities provide some liquidity to the market, they are viewed qualitatively as less responsive to community development needs of LMI communities than direct investments.

Amboy also received credit for qualified investments made outside of its assessment area because under the CRA, if a bank has adequately addressed the needs of its assessment area(s), consideration can be given to qualified investments that benefit the broader statewide or regional area that includes the assessment area. Community development investments were primarily dedicated to revitalizing and stabilizing LMI communities and affordable housing, which are prominent needs in the assessment area, as identified by local community contacts.

When compared to the six other similarly-situated banks operating in the assessment area, Amboy's level of total annualized qualified investments, when measured as a percentage of average assets and assessment area deposits, was comparable.

Qualified community development investments include:

- A \$3.9 million municipal bond investment to revitalize and stabilize an LMI geography to develop a mixed use office, retail and housing space on a four-acre site in New Brunswick based on the City's redevelopment plan.
- A \$500,000 investment in a state-wide Community Development Financial Institution (CDFI) that is a leader in economic development. The organization has several divisions, including a community loan fund, which provides financing and technical assistance in the areas of housing, community services and business.
- A \$100,000 investment in a New Jersey-based CDFI that finances community businesses by extending credit, making investments, and utilizing other financial tools.
- \$10,000 in grants to a not-for-profit corporation dedicated to provide at-risk youth a chance to grow toward their potential in an environment that promotes belonging, dignity and hope.

## **SERVICE TEST**

Amboy's performance under the service test was rated high satisfactory based on an accessible branch distribution and a relatively high level of community development services made in the assessment area.

### **Retail Services**

Amboy's delivery systems were accessible to the bank's geographies and individuals of different income levels in the assessment area. Amboy operated 22 branches, of which, none were located in low-income census tracts and three or 13.6% were located in moderate-income census tracts. In comparison, 2.2% of the census tracts in Amboy's assessment area were low-income census tracts and 8.8% were moderate-income census tracts. In addition, 1.6% of the assessment area's population resided in low-income tracts and 9.0% of the assessment area's population resided in moderate-income tracts.

Amboy’s record of opening and closing branches did not adversely affect the accessibility of Amboy’s delivery systems, particularly to LMI geographies and/or LMI individuals. Specifically, on March 31, 2016, Amboy closed its Laurence Harbor branch and established a replacement branch nearby in Matawan, NJ. Both branches serve the same community and are located in middle-income census tracts.

All Amboy branch offices provided similar products and banking services, and branch hours did not vary in a way that inconvenienced its assessment area, particularly LMI geographies and/or LMI individuals. Approximately 91% of the branches in the assessment area had extended morning, evening and Saturday hours.

Alternative delivery systems were accessible for all bank customers, including LMI individuals. Amboy had ATMs at all branch locations and it offered Internet, telephone, and bank-by-mail services. No service was specifically targeted to LMI customers.

**Community Development Services**

Amboy provided a relatively high level of community development services to its assessment area. As presented in Exhibit VII, during the evaluation period, the bank conducted 79 community development service events, which consisted of financial literacy, housing seminars, and supplemental retirement income seminars, as well as technical assistance to non-profits and small businesses in its assessment area.

<b>Exhibit VII</b> <b>Summary of Community Development Services</b> July 1, 2015 – September 30, 2017	
Activity Type	Current Evaluation Total
Residential Mortgage/First-time Homebuyers Seminars	15
Technical Assistance to Community Organizations	26
Financial Literacy Events	38
<b>TOTAL ACTIVITY</b>	<b>79</b>

Opportunities for participation by local financial institutions included providing financial education, teaching budgeting techniques and reaching under-served and under-banked communities. Amboy has worked with area schools and non-profit organizations to provide financial literacy education.

Amboy’s local branches regularly conducted seminars for area senior residents on retirement income options and financial planning.

Twenty nine bank representatives participated on the boards or as committee members of forty one community development organizations on an on-going basis, compared to participation with

thirty six such organizations at the previous evaluation. These community development organizations included:

- A community organization that provides addiction, domestic violence, mental health, specialized children's counseling, trauma and other treatment services to LMI individuals in central New Jersey.
- An organization that promotes literacy by providing student-centered tutoring and literacy programs for adults.
- A community development corporation that provides permanent, supportive and affordable homes to survivors of domestic violence and their children.
- A community organization that seeks to provide at-risk youth a chance to grow toward their potential in an environment that promotes belonging, dignity and hope.

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

Amboy 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 credit needs of the assessment area.

**CRA APPENDIX A**

SCOPE OF EXAMINATION			
<b>TIME PERIOD REVIEWED</b>	Lending Test: January 1, 2015 - December 31, 2016 CD Loans/Investments: July 1, 2015 – September 30, 2017		
<b>FINANCIAL INSTITUTION</b>  Amboy Bank  3890 U.S. Hwy 9 Old Bridge, NJ 08859			<b>PRODUCTS REVIEWED</b>  <ul style="list-style-type: none"> <li>• Home purchase</li> <li>• Refinancing</li> <li>• Home improvement</li> <li>• Small business</li> <li>• Community Development</li> </ul>
<b>AFFILIATE(S)</b>  None	<b>AFFILIATE RELATIONSHIP</b>		<b>PRODUCTS REVIEWED</b>
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
<p style="text-align: center;">New Jersey</p> <ul style="list-style-type: none"> <li>• MD 35614 (New York-Jersey City-White Plains, NY-NJ)</li> </ul>	Full Scope	3890 U.S. Hwy 9 Old Bridge, NJ	

**CRA APPENDIX B – LENDING TABLES**

**2016 Aggregate Comparison Loan Distribution Table**  
**Assessment Area/Group: MD 35614**

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
<b>Home Purchase</b>										
Low	0	0.0%	0.0%	1.3%	1.2%	0	0.0%	0.0%	1.1%	0.4%
Moderate	2	6.3%	3.4%	4.0%	2.9%	2	6.3%	2.0%	9.2%	5.1%
Middle	3	9.4%	13.9%	14.4%	11.2%	3	9.4%	5.3%	18.7%	14.0%
Upper	27	84.4%	82.7%	80.3%	84.8%	18	56.3%	68.8%	56.4%	66.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	9	28.1%	23.9%	14.6%	14.1%
<i>Total</i>	<i>32</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>32</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>Refinance</b>										
Low	0	0.0%	0.0%	0.6%	0.4%	7	15.6%	6.2%	1.3%	0.6%
Moderate	3	6.7%	29.2%	3.0%	2.3%	8	17.8%	9.3%	5.1%	2.8%
Middle	8	17.8%	16.5%	12.6%	10.4%	7	15.6%	6.0%	13.7%	9.7%
Upper	34	75.6%	54.3%	83.9%	86.9%	18	40.0%	44.3%	61.4%	67.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	11.1%	34.2%	18.5%	19.0%
<i>Total</i>	<i>45</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>45</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>Home Improvement</b>										
Low	1	20.0%	21.1%	0.7%	0.6%	0	0.0%	0.0%	1.9%	0.4%
Moderate	0	0.0%	0.0%	3.4%	2.1%	1	20.0%	2.8%	7.2%	2.4%
Middle	0	0.0%	0.0%	13.7%	6.3%	0	0.0%	0.0%	18.6%	23.4%
Upper	4	80.0%	78.9%	82.2%	90.9%	3	60.0%	76.1%	69.0%	70.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	20.0%	21.1%	3.3%	3.0%
<i>Total</i>	<i>5</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>5</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>Multi-Family</b>										
Low	0	0.0%	0.0%	15.4%	5.7%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	22.8%	4.9%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	21.1%	26.4%	0	0.0%	0.0%	0.0%	0.0%
Upper	2	100.0%	100.0%	40.7%	63.0%	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%
<i>Total</i>	<i>2</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>2</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>HMDA Totals</b>										
Low	1	1.2%	0.5%	0.9%	1.1%	7	8.3%	2.2%	1.2%	0.5%
Moderate	5	6.0%	11.6%	3.5%	2.7%	11	13.1%	4.0%	7.1%	3.7%
Middle	11	13.1%	10.1%	13.5%	11.6%	10	11.9%	3.7%	16.2%	11.5%
Upper	67	79.8%	77.8%	82.0%	84.7%	39	46.4%	38.1%	59.2%	63.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	17	20.2%	51.8%	16.3%	21.1%
<i>Total</i>	<i>84</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>84</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>SMALL BUSINESS</b>										
<b>By Tract Income</b>										
	<b>#</b>	<b>Bank</b>			<b>Aggregate</b>					
		<b>%</b>	<b>% \$(000s)</b>	<b>%</b>	<b>% \$(000s)</b>	<b>%</b>	<b>% \$(000s)</b>	<b>%</b>	<b>% \$(000s)</b>	<b>%</b>
Low	1	0.9%	0.1%	1.0%	0.7%	1.0%	0.7%	1.0%	0.7%	0.7%
Moderate	8	7.0%	6.5%	6.1%	7.6%	6.1%	7.6%	6.1%	7.6%	7.6%
Middle	21	18.4%	21.6%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
Upper	84	73.7%	71.7%	77.6%	76.7%	77.6%	76.7%	77.6%	76.7%	76.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	1.2%	0.9%	1.2%	0.9%	1.2%	0.9%	0.9%
<i>Total</i>	<i>114</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
<b>By Revenue</b>										
\$1 Million or Less	68	59.6%	47.8%	41.3%	26.9%	41.3%	26.9%	41.3%	26.9%	26.9%
<b>By Loan Size</b>										
\$100,000 or less	65	57.0%	18.7%	94.9%	45.4%	94.9%	45.4%	94.9%	45.4%	45.4%
\$100,001-\$250,000	27	23.7%	22.1%	2.6%	13.8%	2.6%	13.8%	2.6%	13.8%	13.8%
\$250,001-\$1 Million	22	19.3%	59.2%	2.5%	40.8%	2.5%	40.8%	2.5%	40.8%	40.8%
<i>Total</i>	<i>114</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>

Originations and Purchases



2015 Aggregate Comparison Loan Distribution Table  
Assessment Area/Group: MD 35614

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
<b>Home Purchase</b>										
Low	0	0.0%	0.0%	1.0%	0.7%	4	11.4%	1.3%	1.4%	0.5%
Moderate	1	2.9%	1.1%	4.2%	3.0%	3	8.6%	1.7%	8.8%	4.8%
Middle	2	5.7%	1.4%	14.7%	11.5%	4	11.4%	4.2%	17.8%	13.1%
Upper	32	91.4%	97.5%	80.0%	84.8%	17	48.6%	43.9%	55.3%	65.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	7	20.0%	48.8%	16.6%	16.1%
<i>Total</i>	35	100.0%	100.0%	100.0%	100.0%	35	100.0%	100.0%	100.0%	100.0%
<b>Refinance</b>										
Low	0	0.0%	0.0%	0.5%	0.4%	8	21.1%	9.4%	1.8%	0.9%
Moderate	3	7.9%	5.4%	3.2%	2.3%	6	15.8%	5.9%	5.4%	2.9%
Middle	7	18.4%	12.8%	13.1%	10.7%	7	18.4%	10.2%	13.1%	9.2%
Upper	28	73.7%	81.9%	83.2%	86.6%	15	39.5%	70.4%	55.2%	61.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	5.3%	4.2%	24.4%	25.1%
<i>Total</i>	38	100.0%	100.0%	100.0%	100.0%	38	100.0%	100.0%	100.0%	100.0%
<b>Home Improvement</b>										
Low	0	0.0%	0.0%	0.5%	0.5%	0	0.0%	0.0%	2.1%	0.5%
Moderate	0	0.0%	0.0%	3.7%	2.8%	0	0.0%	0.0%	8.1%	4.5%
Middle	0	0.0%	0.0%	13.1%	9.7%	1	33.3%	8.9%	16.4%	11.0%
Upper	3	100.0%	100.0%	82.7%	87.0%	1	33.3%	20.7%	69.0%	78.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	33.3%	70.4%	4.5%	5.5%
<i>Total</i>	3	100.0%	100.0%	100.0%	100.0%	3	100.0%	100.0%	100.0%	100.0%
<b>Multi-Family</b>										
Low	0	0.0%	0.0%	11.4%	3.1%	0	0.0%	0.0%	0.0%	0.0%
Moderate	3	60.0%	67.7%	22.0%	8.7%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	27.6%	20.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	2	40.0%	32.3%	39.0%	67.7%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	100.0%	100.0%	100.0%	100.0%
<i>Total</i>	5	100.0%	100.0%	100.0%	100.0%	5	100.0%	100.0%	100.0%	100.0%
<b>HMDA Totals</b>										
Low	0	0.0%	0.0%	0.8%	0.7%	12	14.8%	3.0%	1.6%	0.7%
Moderate	7	8.6%	16.4%	3.7%	3.1%	9	11.1%	2.4%	7.1%	3.6%
Middle	9	11.1%	4.0%	13.9%	11.7%	12	14.8%	4.9%	15.4%	10.3%
Upper	65	80.2%	79.7%	81.6%	84.5%	33	40.7%	40.8%	55.6%	59.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	15	18.5%	48.8%	20.3%	26.0%
<i>Total</i>	81	100.0%	100.0%	100.0%	100.0%	81	100.0%	100.0%	100.0%	100.0%
<b>SMALL BUSINESS</b>										
<b>By Tract Income</b>										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)			
Low	2		2.3%		5.6%		1.0%			1.0%
Moderate	6		6.9%		4.3%		6.6%			8.7%
Middle	17		19.5%		32.7%		14.0%			14.7%
Upper	62		71.3%		57.4%		77.2%			74.8%
Unknown	0		0.0%		0.0%		0.0%			0.0%
Tract Unknown	0		0.0%		0.0%		1.1%			0.8%
<i>Total</i>	87		100.0%		100.0%		100.0%			100.0%
<b>By Revenue</b>										
\$1 Million or Less	52		59.8%		46.9%		49.1%			29.6%
<b>By Loan Size</b>										
\$100,000 or less	53		60.9%		22.1%		94.3%			41.9%
\$100,001-\$250,000	22		25.3%		25.7%		2.7%			13.3%
\$250,001-\$1 Million	12		13.8%		52.3%		3.0%			44.8%
<i>Total</i>	87		100.0%		100.0%		100.0%			100.0%

Originations and Purchases

<b>2016 Consumer Loan Distribution Table MD 35614 (Edison-New Brunswick, NJ)</b>								
	<b>Home Equity Loans</b>							
	<b>By Tract Income</b>				<b>By Borrower Income</b>			
	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0	0.0%	0	0.0%	12	80.0%	1,410	77.8%
Moderate	1	6.7%	105	5.8%	3	20.0%	403	22.2%
Middle	5	33.3%	473	26.1%	0	0.0%	0	0.0%
Upper	9	60.0%	1,234	68.1%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	4	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>15</b>	<b>100.0%</b>	<b>1,812</b>	<b>100.0%</b>	<b>15</b>	<b>100.0%</b>	<b>1,812</b>	<b>100.0%</b>

<b>2015 Consumer Loan Distribution Table MD 35614 (Edison-New Brunswick, NJ)</b>								
	<b>Home Equity Loans</b>							
	<b>By Tract Income</b>				<b>By Borrower Income</b>			
	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0	0.0%	0	0.0%	23	74.2%	1,410	67.1%
Moderate	0	0.0%	0	0.0%	7	22.6%	403	30.9%
Middle	8	25.8%	635	26.0%	0	96.8%	0	0.0%
Upper	23	74.2%	1,806	74.0%	1	3.2%	48	2.0%
Unknown	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%
<b>Total</b>	<b>31</b>	<b>100.0%</b>	<b>2,441</b>	<b>100.0%</b>	<b>31</b>	<b>100.0%</b>	<b>2,441</b>	<b>100.0%</b>

## CRA APPENDIX C

### 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; 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.

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

**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.

**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 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.

**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 geography.

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

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

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

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

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

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

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

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

### CRA APPENDIX D

## Assessment Area Map

