PUBLIC DISCLOSURE

November 4, 2024

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

The First Bank of Greenwich
Certificate Number: 58307

444 E Putnam Ave
Cos Cob, Connecticut 06807

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, NY 10118

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory.**

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage and small business loans, by number, in its assessment areas.
- The geographic distribution of loans reflects poor dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the prior evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas.

DESCRIPTION OF INSTITUTION

Background

The First Bank of Greenwich (FBOG) is a state-chartered commercial bank headquartered in Cos Cob, a neighborhood of Greenwich, Connecticut. The bank is a wholly owned subsidiary of First Greenwich Financial, Inc., a publicly traded holding company. FBOG maintains two wholly owned subsidiaries: First Greenwich Mortgage Company, a passive investment company formed in August 2021, and TFBG Holdings, Inc., formed in May 2010 for the purpose of holding foreclosed real estate. The Federal Deposit Insurance Corporation (FDIC) previously evaluated the bank's CRA performance on June 28, 2021, using the Federal Financial Institutions Examination Council's (FFIEC) Interagency Intermediate Small Institution (ISI) Examination Procedures. The bank received and overall rating of "Satisfactory" with ratings of "Satisfactory" for both the Lending Test and Community Development Test.

Operations

In addition to the main office at 444 East Putnam Avenue, Cos Cob, Connecticut, the bank operates two full-service branches, one in Stamford, Connecticut and the other in Port Chester, New York. All three full-service branches maintain drive-up teller services and 24-hour deposit-taking automated teller machines (ATMs). Additionally, the bank operates a courier service to assist customers who may experience difficulty or would prefer to not visit a branch. The bank has not opened or closed any branches since the prior evaluation.

The bank offers traditional residential, commercial, and consumer loans. The bank continues to focus on commercial lending, with increasing focus on residential lending (specifically, multifamily lending). Residential lending products include home mortgage loans, construction loans, and home equity lines of credit. Commercial lending products include term loans, lines of credit, construction loans, commercial real estate loans, equipment loans, letters of credit, and Small Business Administration (SBA) loans. Consumer lending products include deposit secured loans, unsecured personal loans, and overdraft lines of credit. Personal and commercial deposit products include interest-bearing and non-interest-bearing checking accounts, savings accounts, and certificates of deposit. Alternative banking services include online, telephone, and mobile banking; remote deposit capture; and ATMs.

Ability and Capacity

As of June 30, 2024, the bank had total assets of $740.1 million and total deposits of $621.4 million. Loans totaled $645.3 million, representing 87.2 percent of total assets. Total assets increased by 40.8 percent since the previous evaluation, primarily due to loan growth of 47.4 percent. Residential loans, which include loans secured by 1-4 family and multifamily properties, represent the largest portion of the portfolio at 54.0 percent, followed by commercial loans, which include loans secured by nonfarm nonresidential properties and commercial and industrial loans, at 43.5 percent of the portfolio. This represents a change since the prior evaluation, when commercial loans represented the largest portion of the portfolio at 50.4 percent, followed by residential loans at 48.3 percent. This portfolio change was primarily driven by a 9.4 percent increase in multifamily lending, paired with a 6.9 percent decrease in commercial lending. The following table illustrates the loan portfolio distribution.

Loan Portfolio Distribution as of 06/30/2024		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	14,769	2.3
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	257,661	39.9
Secured by Multifamily (5 or more) Residential Properties	90,980	14.1
Secured by Nonfarm Nonresidential Properties	229,836	35.6
Total Real Estate Loans	**593,246**	**91.9**
Commercial and Industrial Loans	51,094	7.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	927	0.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	39	<0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	**645,306**	**100.0**
Source: Reports of Condition and Income *Due to rounding, totals may not equal 100%.*		

Examiners did not identify any financial, legal, or other impediments that would limit the bank's ability to help meet the credit needs of the assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. FBOG designated two contiguous assessment areas in southwest Connecticut and southeast New York. According to 2020 U.S. Census data, the combined assessment areas include 63 census tracts, which have the following income designations:

- 5 low-income tracts,
- 14 moderate-income tracts,
- 11 middle-income tracts, and
- 33 upper-income tracts

The bank has not changed its assessment area delineations since the prior evaluation. The Connecticut assessment area includes portions of Fairfield County in the Bridgeport-Stamford-Norwalk, CT Metropolitan Statistical Area (MSA). The New York assessment area includes portions of Westchester County in the New York-Jersey City-White Plains, NY-NJ Metropolitan Division (MD) of the New York-Newark-Jersey City, NY-NJ-PA MSA. Please refer to the individual assessment areas for additional information.

On July 21, 2023, the Office of Management and Budget (OMB) established revised delineations of the nation's MSAs, Micropolitan Statistical Areas, and Combined Statistical Areas through OMB

Bulletin 23-01. The revised delineations reflect the State of Connecticut's change from using counties as the geographic components of MSAs to using planning regions (county equivalents) as the geographic components of MSAs. These changes were effective immediately; however, only impact data collection for institutions beginning January 1, 2024. Since 2024 lending data is not included in the scope of this evaluation, examiners referred to the MSA designations established by OMB as of March 6, 2020 through OMB Bulletin 20-01 for this evaluation. Therefore, this evaluation does not factor in the changes to MSA boundaries in Connecticut prompted by new planning region county equivalents.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated June 28, 2021, to the current evaluation period dated November 4, 2024. Examiners used the FFIEC Interagency ISI CRA Examination Procedures to evaluate the bank's CRA performance. The procedures include the Lending Test and the Community Development Test. Please refer to the appendices for more information about each test. Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating. This evaluation does not include any lending activities performed by affiliates.

Since the bank has branch locations in both Connecticut and New York, examiners assessed the bank's CRA performance separately in each state and assigned individual state ratings. The evaluation included full-scope reviews of the Connecticut assessment area and New York assessment area. Given the number of branches, deposits, and loan volume in each assessment area, examiners placed the greatest weight on performance in the Connecticut assessment area when determining the overall rating.

Activities Reviewed

Based on the bank's business strategy and the number and dollar volume of originations during the evaluation period, examiners determined that the bank's major product lines are home mortgage and small business loans. The bank did not originate any small farm loans during the evaluation period and consumer loans represent a nominal portion of the loan portfolio; therefore, they provide no material support for conclusions or ratings and examiners did not present them.

The bank was not required to collect or report Home Mortgage Disclosure Act (HMDA) data for home mortgage loans for 2021 or 2022. However, the bank voluntarily collected this data in both years. The bank was required to report HMDA data for 2023. Examiners analyzed the bank's collected home mortgage lending data for 2021 and 2022, as well as the bank's reported home mortgage data for 2023. In 2021, the bank originated 58 home mortgage loans totaling $53.4 million. In 2022, the bank originated 89 home mortgage loans totaling $91.9 million. In 2023, the bank reported 39 home mortgage loans totaling $59.2 million. The fluctuation in home mortgage loan originations during the evaluation period was partially driven by an initial, historically low-rate environment followed by a post-pandemic increasing rate environment. Specifically, in 2021, 53.4 percent of the bank's home mortgage loan originations were refinance transactions, showing demand for this type of financing amidst the low-rate environment. In 2022, as rates began to increase (but still remained relatively low), 48.3 percent of the bank's home mortgage loan originations were refinance transactions, representing a slight decrease from 2021, but still representing a significant demand for this type of financing. In 2023, only 38.5 percent of the bank's home mortgage loan originations were refinance transactions, reflecting a decreasing demand for this type of financing amidst an increased rate environment. Additionally, following the COVID-19 pandemic, people began moving out of New York City and purchasing homes in local suburban areas, contributing to an overall increase in home mortgage lending activity in 2022. Specifically, in 2022, the bank's home purchase loan applications increased by 53.6 percent from 2021, and home purchase loan originations increased by 65.2 percent from 2021, demonstrating heightened demand for this type of financing in 2022.

Examiners compared the bank's 2021 home mortgage lending performance to 2015 American Community Survey (ACS) demographic data and compared the bank's 2022 and 2023 home mortgage performance to the 2020 U.S. Census demographic data. Examiners compared the bank's 2023 home mortgage lending performance to aggregate data. Examiners did not compare 2021 and 2022 home mortgage lending performance to aggregate data, as the bank did not report HMDA data in those years.

As an ISI, the bank is not required to collect or report small business loan data. Therefore, the evaluation only considered the bank's small business lending data for 2023. Examiners analyzed the full universe of the bank's 2023 small business loans. In 2023, the bank originated 27 small business loans totaling $9.6 million. Examiners compared the bank's small business lending performance to D&B business demographics.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. Although examiners presented the number and dollar volume of loans, they emphasized performance by number of loans, as it is a better indicator of the number of individuals and businesses served. When arriving at overall conclusions and ratings, examiners placed greater weight on the bank's home mortgage lending performance due to the bank's business strategy and origination activity during the evaluation period.

For the Community Development Test, examiners considered the bank's community development loans, qualified investments, and community development services since the prior CRA evaluation dated June 28, 2021.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The bank demonstrated Satisfactory performance under the Lending Test. This conclusion is consistent with the conclusions for both rated areas. Examiners noted that the relatively low volume of home mortgage and small business loans made within the assessment areas contributed to sensitive percentages by number when analyzing performance. Specifically, the difference of one or two originations would have had a material impact on percentages by number. Examiners considered this when arriving at overall conclusions. The following sections discuss the bank's overall performance under each criterion.

Loan-to-Deposit Ratio

The LTD ratio is more than reasonable given the bank's asset size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 101.1 percent over past 13 calendar quarters from June 30, 2021 to June 30, 2024. The LTD ranged from a low of 92.2 percent, as of March 31, 2023, to a high of 106.6 percent, as of September 30, 2022. The LTD ratio has fluctuated over the evaluation period, but remains strong, even in comparison to an area institution with larger assets, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and loan composition.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	**Total Assets as of 06/30/2024 ($000s)**	**Average Net LTD Ratio (%)**
The First Bank of Greenwich	**740,149**	**101.1**
Essex Savings Bank	510,214	71.3
The Milford Bank	600,253	83.9
Fieldpoint Private Bank and Trust	1,357,509	93.1
Source: Reports of Condition and Income 06/30/2021 - 06/30/2024		

Assessment Area Concentration

FBOG originated a majority of loans, by number, in the assessment areas. The bank's assessment area concentration for home mortgage lending, which reflects a majority of loans inside the assessment areas by number and dollar amount, primarily supports this conclusion. The bank originated slightly less than a majority of small business loans, by number or dollar amount, in its assessment areas; however, by number, the difference of majority is only one loan. Notably, the bank made a vast majority of its small business loans, by dollar amount, outside the assessment areas. As a result, the bank originated slightly less than a majority of all loans, by dollar amount, within its assessment areas. The following table illustrates the bank's performance by loan category and year.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$**
Home Mortgage										
2021	40	69.0	18	31.0	58	33,834,251	63.4	19,520,860	36.6	53,355,111
2022	51	57.3	38	42.7	89	46,201,623	50.3	45,718,875	49.7	91,920,498
2023	22	56.4	17	43.6	39	23,806,750	40.2	35,385,600	59.8	59,192,350
Subtotal	**113**	**60.8**	**73**	**39.2**	**186**	**103,842,624**	**50.8**	**100,625,335**	**49.2**	**204,467,959**
Small Business										
2023	13	48.1	14	51.9	27	2,710,000	28.4	6,849,000	71.7	9,559,000
Subtotal	**13**	**48.1**	**14**	**51.9**	**27**	**2,710,000**	**28.4**	**6,849,000**	**71.7**	**9,559,000**
Total	**126**	**59.2**	**87**	**40.8**	**213**	**106,552,624**	**49.8**	**107,474,335**	**50.2**	**214,026,959**
Source: Bank Data *Due to rounding, totals may not equal 100.0%*										

Geographic Distribution

The geographic distribution of loans reflects poor dispersion throughout the assessment areas. The bank's performance was inconsistent across the rated areas, with poor performance in Connecticut and reasonable performance in New York. The bank's performance in Connecticut, primarily driven by poor performance in home mortgage lending, carried more weight in arriving at the overall conclusion. Please refer to the rated area sections for detailed discussions of the bank's performance under the Geographic Distribution criterion.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The bank's performance was consistent across both rated areas. Please refer to the rated area sections for detailed discussions of the bank's performance under the Borrower Profile criterion.

Response to Complaints

The bank has not received any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates adequate responsiveness to the community development needs in its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need for and availability of community development opportunities in the assessment areas. The bank's performance was consistent across both rated areas. The following sections discuss the bank's overall performance under each criterion.

Community Development Loans

During the evaluation period, FBOG originated 16 community development loans totaling approximately $20.8 million. This level of activity represents 2.8 percent of total assets and 3.3 percent of net loans. During the prior evaluation period, the bank originated 54 community development loans totaling $12.7 million. Nearly all of the community development loans at the prior evaluation were SBA Payment Protection Program (PPP) loans. The PPP expired in May 2021; therefore, the bank did not have the opportunity to originate any PPP loans during the current evaluation period.

The bank's community development lending was responsive to the assessment areas' community development needs, as all of the community development loans made in the assessment areas supported affordable housing initiatives, which examiners identified as a primary community development need. Notably, the community development loans helped develop, preserve, or rehabilitate 64 units of affordable housing in the assessment areas. Since the bank was responsive to the community development credit needs of the assessment areas, examiners also considered community development loans made outside of the assessment areas, but within the broader statewide areas. Of the 16 community development loans, 6 loans totaling approximately $5.5 million directly benefitted the assessment areas, and 10 loans totaling approximately $15.3 million benefitted broader statewide areas. The following table illustrates the bank's community development lending by year and purpose.

Community Development Lending										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2021	5	5,826	0	0	0	0	0	0	**5**	**5,826**
2022	0	0	1	850	0	0	0	0	**1**	**850**
2023	8	9,278	0	0	0	0	0	0	**8**	**9,278**
YTD 2024	2	4,810	0	0	0	0	0	0	**2**	**4,810**
Total	**15**	**19,914**	**1**	**850**	0	0	0	0	**16**	**20,764**
Source: Bank Data										

The following are examples of community development loans that benefitted the broader statewide areas that include the bank's assessment areas.

- In 2021, the bank originated a $2.5 million cash-out refinance to provide improvements on a United States Department of Housing and Urban Development (HUD) Section 236 multifamily housing project in Bronx, New York. The 16-story residential apartment building provides 213 affordable housing units to low- and moderate-income individuals. Specifically, due to the HUD Section 236 classification, the units are restricted from being rented at market rate; therefore, the rent for all units is below the HUD Fair Market rents for Bronx.

- In 2024, the bank participated in a $111.0 million loan for the construction and development of a 420 unit apartment complex in Bridgeport, Connecticut. The bank's participation amount was $9.5 million. Of the 420 residential units in the property, 180 (or 42.8 percent) are designated as affordable for low- and moderate-income individuals. The bank received community development loan credit for a pro rata portion of the loan totaling $4.1 million.

Please refer to the specific state sections for examples of community development loans that directly benefitted those areas.

Qualified Investments

During the evaluation period, the bank made 17 qualified donations totaling approximately $33,350. The bank did not make any equity investments during the evaluation period, which is consistent with the prior evaluation period. The dollar amount of qualified donations equates to 0.3 percent of total securities and less than 0.1 percent of total assets. During the prior evaluation period, the bank made three qualified donations totaling $2,300, all of which benefitted the Connecticut assessment area. Therefore, the level of qualified investments, by number and dollar amount, significantly increased since the prior evaluation period. The breakdown of qualified donations, by year and dollar amount, are as follows: five donations in 2022 totaling $9,000, five donations in 2023 totaling $12,000, and seven donations in 2024 totaling $12,350.

All qualified donations supported community services targeted to low- and moderate-income individuals, which examiners identified as a significant need in the assessment areas. Since the bank was responsive to the community development investment needs of its assessment areas, examiners also considered community development investments made outside of the assessment areas, but within the broader statewide areas. Of the 17 qualified donations, five donations to two community development organizations, totaling $11,500, benefitted the broader statewide area of New York. The following are the qualified donations that benefitted this broader statewide area.

- ***Michael G. Santangelo Jr. Scholarship Fund*** – In both 2022 and 2023, the bank donated $1,500, totaling $3,000, to a scholarship fund that provides private high school scholarships to students from the lowest income areas of New York City.

- ***Sharing Shelf*** – In 2022, 2023, and 2024, the bank donated $3,000, $3,000, and $2,500, respectively, to this community service organization that addresses clothing insecurity and basic material needs of low-income children and teenagers throughout Westchester County, New York.

Please refer to the rated area sections for examples of qualified donations that directly benefitted those areas.

Community Development Services

During the evaluation period, bank employees provided six instances of financial expertise to three community development organizations in the assessment areas. These community development services included financial expertise and financial education targeted to low- and moderate-income individuals. The bank provided four instances of community development services in 2023 and two instances of services in 2024. Please refer to the rated area sections for examples of qualified donations. The level of community development services is similar to the prior evaluation period, when bank employees provided eight instances of financial or technical assistance to three community development organizations.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including Fair Housing Act and Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

CONNECTICUT – Full-Scope Review

CRA RATING FOR CONNECTICUT: SATISFACTORY

The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CONNECTICUT

FBOG operates two, or 66.7 percent, of its three full-services branches in Connecticut, one in Greenwich and one in Stamford. The Connecticut assessment area includes the municipalities of Greenwich and Stamford. Examiners obtained the demographic and economic information referenced below from the 2015 ACS, 2020 U.S. Census data, D&B business demographic data, and the U.S. Bureau of Labor Statistics (U.S. BLS).

Economic and Demographic Data

The Connecticut assessment area consists of 48 census tracts with the following income designations according to the 2020 U.S. Census data:

- 5 low-income tracts,
- 12 moderate-income tracts,
- 8 middle-income tracts, and
- 23 upper-income tracts

As of the prior evaluation, the assessment area consisted of 40 census tracts based on 2015 ACS data. The assessment area included three low-income, seven moderate-income, 10 middle-income, and 20 upper-income census tracts. Due to the release of the 2020 U.S. Census data and related changes to census tract boundaries, the assessment area increased by eight census tracts in Stamford: three low-income, two moderate-income, one middle-income, and two upper-income tracts. In addition, the 2020 U.S. Census data resulted in the following income designation changes to existing census tracts:

- One census tract in Greenwich changed from middle-income to upper-income,
- One census tract in Greenwich changed from middle-income to moderate-income,
- One census tract in Stamford changed from middle-income to moderate-income,
- One census tract in Stamford changed from middle-income to upper-income,
- One census tract in Stamford changed from upper-income to middle-income, and
- One census tract in Stamford changed from low-income to moderate-income.

Overall, the release of the 2020 U.S. Census data resulted in a net change of two additional low-income and five additional moderate-income census tracts. Stamford contains all five low-income-income census tracts and eleven of the twelve moderate-income census tracts in the assessment area. There are no underserved or distressed nonmetropolitan middle-income geographies or designated disaster areas in the assessment area. There are five designated Qualified Opportunity Zones (QOZ) in the assessment area, all located in Stamford. QOZs are economically distressed communities approved by the U.S. Department of Treasury, with the goal of promoting economic development and job creation. The following table illustrates select demographic characteristics of the Connecticut assessment area.

Demographic Information of the Assessment Area Assessment Area: Connecticut						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	48	10.4	25.0	16.7	47.9	0.0
Population by Geography	198,988	9.7	27.2	17.2	45.9	0.0
Housing Units by Geography	79,973	9.7	28.2	19.1	43.0	0.0
Owner-Occupied Units by Geography	40,579	3.8	19.1	15.0	62.0	0.0
Occupied Rental Units by Geography	32,756	17.7	39.2	23.5	19.6	0.0
Vacant Units by Geography	6,638	6.6	28.8	22.1	42.5	0.0
Businesses by Geography	55,060	6.9	26.6	15.2	51.3	0.0
Farms by Geography	1,089	10.8	31.1	11.8	46.2	0.0
Family Distribution by Income Level	48,265	24.2	13.0	16.0	46.9	0.0
Household Distribution by Income Level	73,335	24.6	13.4	14.6	47.4	0.0
Median Family Income MSA - 14860 Bridgeport-Stamford-Norwalk, CT MSA		$120,156	Median Housing Value			$739,033
			Median Gross Rent			$1,943
			Families Below Poverty Level			5.3%
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

The Geographic Distribution criterion compares the bank's home mortgage loans to the distribution of owner-occupied housing units. As shown in the previous table, only 50.7 percent of the 79,973 housing units are owner occupied. Further, 22.9 percent of the owner-occupied housing units are in low- or moderate-income tracts. Opportunities are particularly limited in the low-income census tracts where only 3.8 percent of owner-occupied housing units are located.

Examiners used the FFIEC-updated median family incomes levels to analyze home mortgage loans under the Borrower Profile criterion. The following table reflects the median family income ranges for the low-, moderate-, middle- and upper-income categories in the Connecticut assessment area for 2021, 2022, and 2023.

Median Family Income Ranges Assessment Area: Connecticut				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Bridgeport-Stamford-Norwalk, CT MSA Median Family Income (14860)				
2021 ($121,100)	<$60,550	$60,550 to <$96,880	$96,880 to <$145,320	≥$145,320
2022 ($135,900)	<$67,950	$67,950 to<$108,720	$108,720 to <$163,080	≥$163,080
2023 ($142,800)	<$71,400	$71,400 to <$114,240	$114,240 to <$171,360	≥$171,360
Source: FFIEC				

The median housing value of $739,033 in the assessment area is high compared to the state of Connecticut median housing value of $312,224. Given the median housing value in the assessment area, low- and moderate-income families may face challenges qualifying for home mortgage loans through conventional underwriting standards. Further, more than one-third of families in the assessment area (37.2 percent) are low- or moderate-income, and 5.3 percent of families live below the poverty level, which represents a subset of low-income families. These factors may limit the bank's home mortgage lending opportunities to low- and moderate-income borrowers in the assessment area and increase competition for home mortgage lending to these families.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of loans to businesses by gross annual revenue (GAR) to D&B data. According to 2023 D&B data, 55,060 non-farm businesses operate in the assessment area. Service industries represent the largest portion of businesses at 34.0 percent, followed by Non-Classifiable Establishments at 27.2 percent, and Finance, Insurance and Real Estate at 15.9 percent. The vast majority of businesses are small, with 93.6 percent employing nine or fewer employees and 95.2 percent operating from a single location. The following reflects the breakdown of businesses in the assessment area by GAR category.

- 91.7 percent have $1.0 million or less,
- 3.0 percent have more than $1.0 million, and
- 5.3 percent have unknown revenues

According to the U.S. BLS, unemployment rates in the assessment area have improved since the prior evaluation period, consistent with both statewide and national trends. Unemployment rates in the assessment area, state, and nation remained high in 2021, reflecting an economic recovery lag associated with the COVID-19 pandemic. Since 2021, the economy and labor market have rebounded, as demonstrated by the decreasing unemployment rates in the assessment area, state, and nation. The following table illustrates the unemployment rates in Fairfield County compared to statewide and national unemployment rates throughout the evaluation period.

Unemployment Rates			
Area	2021	2022	2023
	%	%	%
Fairfield County	6.2	4.1	3.9
Connecticut	6.4	4.1	3.8
National Average	5.3	3.6	3.6
Source: U.S. BLS			

Competition

The bank operates in a moderately competitive market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, 16 financial institutions operated 31 offices within the Connecticut assessment area. FBOG ranked 6th with a deposit market share of 5.3 percent.

FBOG faces a high level of competition for home mortgage loans from national, regional, and community banks, as well as credit unions and non-depository mortgage lenders. FBOG was not required to report HMDA data for 2021 or 2022; therefore, the analysis of home mortgage loans under the Lending Test does not include comparisons to aggregate data. However, aggregate data demonstrates the level of competition for home mortgage loans in the assessment area during the evaluation period and is included here for performance context. In 2021, aggregate home mortgage lending data showed 352 lenders originated or purchased 9,104 home mortgage loans in the assessment area. The top five lenders, JPMorgan Chase Bank, N.A.; Well Fargo Bank, N.A.; Rocket Mortgage; Bank of America, N.A.; and LoanDepot.com, LLC, all large national banks or mortgage companies, comprised 28.6 percent of the market share. In 2022, the number of lenders in the assessment area decreased to 296. These lenders originated or purchased 4,753 home mortgage loans in the assessment area. This figure is almost half the market activity for residential mortgages when compared to the previous year and reflects the market's reaction to the post-pandemic rise in interest rates and rise in home values due to a significant drop in housing stock. The top five lenders were Bank of America, N.A.; JPMorgan Chase Bank, N.A.; CBNA; Wells Fargo Bank, N.A.; and Citibank, N.A., which comprised 26.58 percent of the market share. In 2023, aggregate home mortgage lending data showed 237 lenders originated or purchased 3,357 home mortgage loans in the assessment area. FBOG ranked 32nd with a 0.6 percent market share. The top five lenders, JPMorgan Chase Bank, N.A.; CBNA; Bank of American, N.A.; US Bank, N.A.; and TD Bank, all large national lenders, comprised 41.4 percent of the market share. Overall, competition in the market for home mortgage loans within the assessment area has intensified during the review period, as demonstrated by a more than 60.0 percent reduction in the number of loans originated and purchased and the concentration of participating lenders to fewer, highly capitalized national lenders.

As an ISI, FBOG is not required to report small business lending data and has elected not to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate. However, aggregate data reflects the competition for small business loans at the county level, so is included here for performance context. Aggregate data for 2021 indicates a competitive market for small business loans in Fairfield County with 195 lenders originating 43,646 small business loans. American Express National Bank; JPMorgan Chase Bank, N.A.; and Bank of America, N.A. comprised the top three lenders with 44.9 percent of market share. In 2022, aggregate small business lending data showed 149 small business lenders originated or purchased 36,723 small business loans in Fairfield County, indicating a continued level of competition. The top three lenders, American Express National Bank; JPMorgan Chase Bank, N.A.; and Bank of America, N.A. collectively held 56.6 percent of the market share. Aggregate small business lending data for 2023 is not yet available for review.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to understand the area's credit and community development needs. The information helps determine whether local financial institutions are responsive to these needs. The information also shows what credit and community development opportunities are available.

Examiners contacted a representative from a local community development organization that promotes affordable housing in the assessment area. The contact expressed a critical need for affordable housing, especially within southern Fairfield County and especially for low-income families. The contact also described a perpetual shortage of affordable housing, demonstrated by long waitlists for affordable rental units. The contact emphasized that the greatest obstacle in developing additional affordable housing is the shortage of available land in the area. Affordable housing organizations must compete with private developers, who can afford to pay above market prices for land when it becomes available. The contact mentioned that financial institutions can assist affordable housing organizations by providing flexible and creative project financing packages (such as lower interest rates and longer repayment terms), so that these organizations can competitively bid for buildable land.

Credit and Community Development Needs and Opportunities

Examiners considered information gathered from the community contact, information from the bank, and demographic and economic data to determine the assessment area's primary credit and community development needs. Examiners determined that affordable housing and community services targeted to low- and moderate-income individuals are the primary community development needs. Flexible and creative financing for affordable housing projects represent primary credit needs. Credit and community development opportunities include creation of flexible and creative financing for affordable housing projects and financial literacy initiatives benefiting low- and moderate-income individuals.

SCOPE OF EVALUATION - CONNECTICUT

Examiners used full-scope examination procedures to evaluate the bank's CRA performance in Connecticut. Please refer to the overall Scope of Evaluation section for a description of the evaluation period, products reviewed, and the weighting of each product.

CONCLUSIONS ON PERFORMANCE CRITERIA IN CONNECTICUT

LENDING TEST

FBOG demonstrated Satisfactory performance under the Lending Test within the state of Connecticut. The bank's reasonable Borrower Profile performance primarily supports this conclusion.

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects poor dispersion throughout the assessment area. The bank's home mortgage lending performance primarily supports this conclusion. Examiners focused on the percentage, by number, of home mortgage and small business loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor dispersion throughout the Connecticut assessment area. As shown in the following table, the bank did not originate any loans in low-income census tracts during the evaluation period. Limited owner-occupied housing units, high median home values, and high competition among mortgage lenders in the area impacted the bank's performance in low-income census tracts.

In 2021, the bank's lending in moderate-income census tracts was below demographic data. In 2022, the bank's lending in moderate-income census tracts exceeded demographic data; however, in 2023, the bank's performance decreased and fell below demographic data and aggregate performance. Similar to low-income census tracts, high home values and a highly competitive market for home loans impacted the bank's performance in moderate-income tracts.

Geographic Distribution of Home Mortgage Loans Assessment Area: Connecticut						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	2.5	--	0	0.0	0	0.0
2022	3.8	--	0	0.0	0	0.0
2023	3.8	3.2	0	0.0	0	0.0
Moderate						
2021	16.2	--	2	5.9	997	3.1
2022	19.1	--	10	23.3	11,765	27.4
2023	19.1	18.8	1	5.3	956	4.5
Middle						
2021	24.0	--	7	20.6	3,965	12.5
2022	15.0	--	5	11.6	4,828	11.3
2023	15.0	13.8	3	15.8	930	4.4
Upper						
2021	57.3	--	25	73.5	26,712	84.3
2022	62.0	--	28	65.1	26,291	61.3
2023	62.0	64.2	15	78.9	19,486	91.2
Not Available						
2021	0.0	--	0	0.0	0	0.0
2022	0.0	--	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
Totals						
2021	**100.0**	--	**34**	**100.0**	**31,673**	**100.0**
2022	**100.0**	**--**	**43**	**100.0**	**42,884**	**100.0**
2023	**100.0**	**100.0**	**19**	**100.0**	**21,372**	**100.0**
Source: 2015 ACS;2020 US Census Data; Bank Data, "--" data not available. *Due to rounding, totals may not equal 100.0%*						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The following table shows that the bank did not originate any small business loans in low-income tracts in 2023; however, the bank's performance in moderate-income census tracts exceeded demographic data. Given the level of competition for small business loans in the assessment area, performance is reasonable.

Geographic Distribution of Small Business Loans Assessment Area: Connecticut					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2023	6.9	0	0.0	0	0.0
Moderate					
2023	26.6	3	33.3	351	34.4
Middle					
2023	15.2	0	0.0	0	0.0
Upper					
2023	51.3	6	66.7	669	65.6
Not Available					
2023	0.0	0	0.0	0	0.0
Totals					
2023	**100.0**	**9**	**100.0**	**1,020**	**100.0**
Source: 2023 D&B Data; Bank Data *Due to rounding, totals may not equal 100.0%*					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The bank's home mortgage lending performance primarily supports this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income). In 2021, the bank did not originate any loans to low-income borrowers. In 2022, the bank originated one loan to a low-income borrower. In 2023, the bank also originated only one loan to a low-income borrower; however, the bank's lending to low-income borrowers by percentage exceeded aggregate performance. In all three years, lending to low-income borrowers fell below the percentage of low-income families in the assessment area. However, low-income families in the assessment area, earning less than $71,400, most likely face extreme difficulty qualifying for a mortgage under conventional underwriting standards, considering the median housing value of $739,033. Additionally, the percentage of low-income families in the assessment area includes families living below the poverty level. These factors help explain the disparity between the bank and aggregate performance and the percent of families.

Lending to moderate-income borrowers fell below demographic data in all three years. However, moderate-income families in the assessment area, earning less than $114,240, most likely have difficulty qualifying for a mortgage under conventional underwriting standards, considering the high median housing value. Further, examiners noted that in Greenwich, low- and moderate-income borrowers would face significant barriers in qualifying for a mortgage, considering the town's median housing value of approximately $1.3 million. In 2023, the bank's performance was below aggregate performance. Overall, the bank's performance in 2023 compares reasonably to aggregate performance considering the level of competition and relatively limited opportunities for lending to low- and moderate-income families in the assessment area. Specifically, the bank originated 10.6 percent of its home mortgage loans to low- and moderate-income borrowers (combined) in 2023, which compares similarly to aggregate performance of 12.6 percent and further supports reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level
Assessment Area: Connecticut

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	$(000s)	%
Low						
2021	23.0	--	0	0.0	0	0.0
2022	24.2	--	1	2.3	250	0.6
2023	24.2	2.9	1	5.3	240	1.1
Moderate						
2021	14.6	--	2	5.9	730	2.3
2022	13.0	--	3	7.0	2,256	5.3
2023	13.0	9.7	1	5.3	116	0.5
Middle						
2021	15.7	--	6	17.6	2,621	8.3
2022	16.0	--	6	14.0	3,344	7.8
2023	16.0	13.3	4	21.1	1,620	7.6
Upper						
2021	46.7	--	23	67.6	27,021	85.3
2022	46.9	--	26	60.5	29,765	69.4
2023	46.9	45.7	11	57.9	18,020	84.3
Not Available						
2021	0.0	--	3	8.8	1,301	4.1
2022	0.0	--	7	16.3	7,269	17.0
2023	0.0	28.5	2	10.5	1,376	6.4
Totals						
2021	**100.0**	--	**34**	**100.0**	**31,673**	**100.0**
2022	**100.0**	**--**	**43**	**100.0**	**42,884**	**100.0**
2023	**100.0**	**100.0**	**19**	**100.0**	**21,372**	**100.0**

Source: 2015 ACS; 2020 US Census Data, Bank Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business loans reflects poor distribution to businesses with GARs of $1.0 million or less. The bank's performance was well below the percentage of businesses with GARs of $1.0 million or less, and the majority of small business loans were to businesses with GARs above $1.0 million.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Connecticut					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000					
2023	91.7	2	22.2	165	16.2
>$1,000,000					
2023	3.0	6	66.7	770	75.5
Revenue Not Available					
2023	5.3	1	11.1	85	8.3
Totals					
2023	**100.0**	**9**	**100.0**	**1,020**	**100.0**
Source: 2023 D&B Data; Bank Data *Due to rounding, totals may not equal 100.0%*					

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates adequate responsiveness to the community development needs in the Connecticut assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need for and availability of community development opportunities in the assessment area.

Community Development Loans

During the evaluation period, FBOG originated five community development loans totaling approximately $4.6 million in Connecticut assessment area. The bank originated three community development loans in 2021 (totaling approximately $2.5 million), one in 2023 (totaling approximately $1.4 million), and one in 2024 (totaling approximately $725,000). All five community development loans supported affordable housing initiatives, which examiners identified as the primary community development need in the assessment area. Specifically, these affordable housing loans helped develop, preserve, or rehabilitate 30 units of affordable housing in Greenwich and Stamford. Although this level of community development lending represents a decrease since the prior evaluation period, when the bank originated 36 community development loans totaling $10.7 million in the assessment area, 80.6 percent of the community development loans in the Connecticut assessment area during the prior evaluation period were PPP loans.

The following are notable examples of the bank's community development loans that benefitted the Connecticut assessment area.

- In 2021, the bank originated a $1.3 million loan for the acquisition of two multifamily rental properties managed by The Housing Authority of Greenwich, totaling four units. The acquisition will provide affordable housing (via Section 8 housing) for low- and moderate-income individuals in Greenwich.

- In 2023, the bank participated in a $28.5 million loan for the construction of a 112-unit apartment building in Stamford. The bank's participation amount was $9.0 million. Of the 112 units, 18 (or 16.1 percent) are designated as affordable for low- and moderate-income individuals. The bank received community development loan credit for a pro rata portion of the loan, totaling approximately $1.4 million.

- In 2024, the bank participated in a $12.3 million loan for the construction of a 22-unit apartment building in Cos Cob. The bank's participation amount was approximately $3.2 million. Of the 22 units, 5 (or 22.7 percent) are designated as affordable for low- and moderate-income individuals. The bank received community development loan credit for a pro rata portion of the loan, totaling $724,500.

<u>Qualified Investments</u>

During the evaluation period, FBOG made nine qualified donations totaling $15,850 within the Connecticut assessment area. All of the qualified donations supported community services targeted to low- and moderate-income individuals. The donations, by year and dollar amount, are as follows: three in 2022 totaling $4,500, two in 2023 totaling $5,000, and four in 2024 totaling $6,350. The level of qualified donations in the assessment area significantly increased since the prior evaluation period, tripling by number and more than quadrupling by dollar amount. The following are notable examples of the bank's qualified donations that benefitted the Connecticut assessment area.

- ***Neighbor to Neighbor Greenwich*** – In 2022, the bank donated $2,500 to this community service organization that provides food, clothing, and essential household and personal care supplies to low- and moderate-income individuals and families in Greenwich.

- ***Stamford High School Scholarships*** – In 2022, 2023, and 2024 the bank donated $1,000, $2,500, and $2,500, respectively, towards college tuition grants for low-income Stamford High School students.

- ***The Undies Project*** – In 2024, the bank donated $250 to this community service organization in Cos Cob that provides essential clothing to local homeless and low-income individuals.

<u>Community Development Services</u>

During the evaluation period, bank officers provided five instances of financial expertise or financial education to two community development organizations in the assessment area.

Specifically, the bank provided four instances in 2023 and one instance in 2024. This level of services represents a slight decrease from the prior evaluation period, when bank employees provided eight instances of financial expertise or technical assistance to community development organizations in the assessment area. All qualified community development services supported community services for low- and moderate-income individuals and families, which examiners identified as a primary community development need. The following summarizes the community development services that benefitted the Connecticut assessment area.

- ***Women's Mentoring Network*** – The Women's Mentoring Network is a non-profit community service organization that provides career, educational, and personal resources to low-income women in Stamford. In 2023, an Assistant Vice President met quarterly with these low-income women to mentor them in developing job-readiness skills, helping them to secure employment and pursue educational goals. The bank received four instances of community development credit for each meeting.

- ***Financial Literacy*** – In 2024, the Compliance Officer and a Senior Vice President provided a financial education workshop at the Greenwich YMCA targeted to children of low- and moderate-income families. The bank received one instance of community development service credit for the workshop.

Retail Banking Services

- ***Stamford Branch and ATM*** – The bank's Stamford branch and ATM is accessible to low- and moderate-income census tracts in the assessment area. Although the branch and ATM location in Stamford is located in an upper-income census tract, it is directly adjacent to a moderate-income tract in Stamford. Further, it is within approximately one mile of 15 out of the 16 low- or moderate-income tracts in Stamford, and within approximately two miles of the farthest such tract in Stamford.

NEW YORK

CRA RATING FOR NEW YORK: <u>SATISFACTORY</u>

The Lending Test is rated: <u>Satisfactory</u>
The Community Development Test is rated: <u>Satisfactory</u>

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK

FBOG operates one, or 33.3 percent, of its three full-service branches in Rye, New York, within the village of Port Chester. The New York assessment area includes the municipality of Rye and a portion of the municipality of Harrison within Westchester County. Examiners obtained the demographic and economic information referenced below from the 2015 ACS, 2020 U.S. Census data, D&B business demographic data, and the U.S. BLS.

Economic and Demographic Data

The New York assessment area consists of 15 census tracts with the following income designations according to the 2020 U.S. Census data:

- 0 low-income tracts,
- 2 moderate-income tracts,
- 3 middle-income tracts,
- 10 upper-income tracts

At the prior evaluation, examiners based census tract designations on the 2015 ACS data, and the assessment area consisted of 14 census tracts, which included 0 low-income, 3 moderate-income, 1 middle-income, and 10 upper-income tracts. Due to the release of the 2020 U.S. Census data and related changes to census tract boundaries, the assessment area increased by one census tract. Specifically, a previously designated moderate-income tract in Rye was split into two tracts. With the split of the tract, the income designations for the two tracts both changed to middle-income. There are no underserved or distressed nonmetropolitan middle-income geographies or designated disaster areas in the assessment area. There are two designated QOZs in the assessment area, both located in Rye. The following table illustrates select demographic characteristics of the New York assessment area.

Demographic Information of the Assessment Area Assessment Area: New York						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	15	0.0	13.3	20.0	66.7	0.0
Population by Geography	75,199	0.0	14.3	18.3	67.5	0.0
Housing Units by Geography	25,558	0.0	11.5	17.1	71.4	0.0
Owner-Occupied Units by Geography	13,751	0.0	3.8	12.3	83.8	0.0
Occupied Rental Units by Geography	10,635	0.0	21.7	21.5	56.9	0.0
Vacant Units by Geography	1,172	0.0	10.1	32.8	57.1	0.0
Businesses by Geography	12,536	0.0	14.0	9.5	76.5	0.0
Farms by Geography	263	0.0	17.9	21.7	60.5	0.0
Family Distribution by Income Level	18,058	12.6	11.1	15.2	61.2	0.0
Household Distribution by Income Level	24,386	16.6	11.1	13.3	59.0	0.0
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ		$85,483	Median Housing Value			$715,611
			Median Gross Rent			$1,898
			Families Below Poverty Level			5.0%

Source: 2020 U.S. Census and 2023 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares the bank's home mortgage loans to the distribution of owner-occupied housing units. As shown in the previous table, 53.8 percent of the 25,558 housing units in the assessment area are owner-occupied. However, only 3.8 percent of owner-occupied housing units are located in moderate-income tracts, and the assessment area does not contain any low-income tracts. Therefore, there are limited opportunities for the bank to extend home mortgage loans in these geographies.

Examiners used the FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table reflects the median family income ranges for the low-, moderate-, middle- and upper-income categories in the New York assessment area for 2021, 2022, and 2023.

Median Family Income Ranges Assessment Area: New York				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
New York-Jersey City-White Plains, NY-NJ Median Family Income (35614)				
2021 ($85,500)	<$42,750	$42,750 to <$68,400	$68,400 to<$102,600	≥$102,600
2022 ($99,000)	<$49,500	$49,500 to <$79,200	$79,200 to <$118,800	≥$118,800
2023 ($99,300)	<$49,650	$49,650 to <$79,440	$79,440 to <$119,160	≥$119,160
Source: FFIEC				

The median housing value of $715,611 is high compared to the income ranges for low- and moderate-income families. As such, low- and moderate-income families may face challenges qualifying for home mortgage loans through conventional underwriting standards. Further, almost one-quarter of families in the assessment area (23.7 percent) are low- or moderate-income, and 5.0 percent of families live below the poverty level, which represents a subset of low-income families. These factors may further limit the bank's home mortgage lending opportunities to low- and moderate-income borrowers in the assessment area and increase competition for home mortgage lending to these families.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of loans to businesses by GAR to D&B data. According to 2023 D&B data, 12,536 non-farm businesses operate in the assessment area. Service industries represent the largest percentage of non-farm businesses with 33.4 percent, followed by Non-Classifiable Establishments at 26.4 percent, and Finance, Insurance & Real Estate businesses at 13.8 percent. The vast majority of businesses are small, with 94.0 percent employing nine or fewer employees and 95.5 percent operating from a single location. The following reflects the breakdown of businesses in the assessment are by GAR category.

- 92.4 percent have $1.0 million or less,
- 3.1 percent have more than $1.0 million, and
- 4.5 percent have unknown revenues

According to the U.S. BLS, unemployment rates in the assessment area have improved since the prior evaluation period, consistent with both statewide and national trends. Unemployment rates in the assessment area, state and nation remained high in 2021, reflecting an economic recovery lag associated with the COVID-19 pandemic. Since 2021, the economy and labor market have rebounded, as demonstrated by the decreasing unemployment rates in the assessment state and nation. Unemployment rates in the assessment area have fluctuated, but have improved overall since the pandemic. The following table illustrates the unemployment rates in Westchester County compared to statewide and national unemployment rates throughout the evaluation period.

Unemployment Rates			
Area	**2021**	**2022**	**2023**
	%	**%**	**%**
Westchester County	4.8	3.2	3.4
New York	7.1	4.3	4.2
National Average	5.3	3.6	3.6
Source: U.S. BLS			

Competition

The bank operates in a moderately competitive market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, 30 financial institutions operated 249 offices within the New York assessment area. FBOG ranked 24th with a deposit market share of less than 0.1 percent.

FBOG faces a high level of competition for home mortgage loans from national, regional, and community banks, as well as credit unions and non-depository mortgage lenders. In 2021, aggregate home mortgage lending data showed 167 lenders originated or purchased 2,253 home mortgage loans in the assessment area. The top five lenders, Wells Fargo Bank, N.A.; JPMorgan Chase Bank, N.A.; LoanDepot.com LLC; Bank of America, N.A.; and Rocket Mortgage, all large national banks or mortgage companies, comprised 43.6 percent of the market share. In 2022, the number of lenders in the assessment area decreased to 148. These lenders originated or purchased 1,367 home mortgage loans in the assessment area. This decline in lending activity reflects the market's reaction to the post-pandemic rise in interest rate and rise in home values due to a significant drop in housing stock. The top five lenders, Wells Fargo Bank, N.A.; JPMorgan Chase Bank, N.A.; Citibank, N.A.; CBNA; and Bank of America, N.A., comprised 36.7 percent of the market share. In 2023, aggregate home mortgage lending data showed 121 lenders originated or purchased 975 home mortgage loans in the assessment area. FBOG ranked 45th with a 0.3 percent market share. The top five lenders, JPMorgan Chase Bank, N.A; CBNA; Citibank, N.A; TD Bank; and Bank of America, N.A.; all large national lenders, comprised 47.1 percent of market share. Overall, competition in the market for home mortgage loans within the assessment area has intensified during the review period, as demonstrated by an almost 60.0 percent (56.7 percent) reduction in the number of loans originated or purchased and the concentration of participating lenders to a few, highly capitalized national lenders.

The bank operates in a competitive market for small business loans. The analysis of small business loans under the Lending Test does not include comparisons to aggregate data; however, aggregate small business lending data indicates the level of competition in the assessment area. In 2021, 209 lenders originated or purchased 41,199 small business loans in Westchester County. American

Express National Bank; JPMorgan Chase Bank, N.A.; and Citibank, N.A. comprised the top three lenders with 56.8 percent of market share. In 2022, 157 lenders originated or purchased 37,410 small business loans in Westchester County. American Express National Bank; JPMorgan Chase Bank, N.A.; and Citibank N.A. comprised the top three lenders with 64.1 percent of market share. Aggregate small business lending data for 2023 is not yet available for review.

<u>Community Contact</u>

As part of the evaluation process, examiners contact third parties active in the assessment area to understand the area's credit and community development needs. The information helps determine whether local financial institutions are responsive to these needs. The information also shows what credit and community development opportunities are available.

Examiners reviewed a recent community contact with a non-profit community service organization that serves low- and moderate-income individuals in the assessment area. The contacted stressed the lack of available affordable housing stock in the area. The contact identified opportunities for financial institutions to support affordable housing projects, including providing financing for the development of affordable housing projects and making grants and donations to local organizations dedicated to developing and preserving affordable housing. Additionally, the contact highlighted the need for more financial literacy courses for low- and moderate-income individuals. The contact noted the opportunity for financial institutions to offer financial literacy courses to low- and moderate-income individuals, as well as conduct outreach within low-income communities to help serve the underbanked members of those communities.

<u>Credit and Community Development Needs and Opportunities</u>

Examiners considered information gathered from the community contact, information from the bank, and demographic and economic data to determine the assessment area's primary credit and community development needs. Examiners determined that affordable housing and community development services are primary community development needs in the assessment area. Additionally, there is a credit need for flexible credit programs for low- and moderate-income individuals in the assessment area.

Financial institutions have an opportunity support affordable housing initiatives through financing the construction of new affordable housing projects and by providing grants to non-profit organizations that specialize in providing affordable housing. Additionally, creation of financial literacy courses and flexible credit programs for low- and moderate-income individuals, represent additional opportunities.

SCOPE OF EVALUATION – NEW YORK

Examiners used full-scope examination procedures to evaluate the bank's CRA performance in New York. Please refer to the overall Scope of Evaluation section for a description of the evaluation period, products reviewed, and the weighting of each product.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW YORK

LENDING TEST

FBOG demonstrated Satisfactory performance under the Lending Test within the state of New York. The bank's reasonable Geographic Distribution and Borrower Profile performance support this conclusion.

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable home mortgage and small business lending performance support this conclusion. Examiners focused on the percentage, by number, of home mortgage and small business loans in moderate-income census tracts. The assessment area does not contain any low-income census tracts; therefore, examiners focused on the bank's lending in moderate-income census tracts. Examiners noted that with only two moderate-income census tracts in the New York assessment area, there were limited home mortgage and small business lending opportunities during the evaluation period.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the New York assessment area. In 2021, the bank's lending in moderate-income tracts exceeded demographic data. In 2022, the bank's lending in moderate-income tracts decreased but again exceeded demographic data. In 2023, the bank did not originate any loans in moderate-income tracts, falling below demographic data and aggregate performance; however, demographic data and aggregate performance also remained low. Considering the bank's performance in 2021 and 2022, and given the level of competition and opportunities to lend in the assessment area, performance is reasonable.

Geographic Distribution of Home Mortgage Loans Assessment Area: New York						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	0.0	--	0	0.0	0	0.0
2022	0.0	--	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
Moderate						
2021	9.3	--	4	66.7	1,529	70.7
2022	3.8	--	1	12.5	360	10.9
2023	3.8	2.9	0	0.0	0	0.0
Middle						
2021	5.2	--	0	0.0	0	0.0
2022	12.3	--	2	25.0	758	22.8
2023	12.3	7.2	1	33.3	200	8.2
Upper						
2021	85.4	--	2	33.3	632	29.3
2022	83.8	--	5	62.5	2,200	66.3
2023	83.8	89.9	2	66.7	2,235	91.8
Not Available						
2021	0.0	--	0	0.0	0	0.0
2022	0.0	--	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
Totals						
2021	**100.0**	**--**	**6**	**100.0**	**2,161**	**100.0**
2022	**100.0**	**--**	**8**	**100.0**	**3,318**	**100.0**
2023	**100.0**	**100.0**	**3**	**100.0**	**2,435**	**100.0**
Source: 2015 ACS; 2020 US Census Data, "--" data not available. *Due to rounding, totals may not equal 100.0%*						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Specifically, in 2023, the bank originated 25.0 percent of its small business loans in moderate-income census tracts, which exceeded demographic data.

Geographic Distribution of Small Business Loans Assessment Area: New York					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2023	0.0	0	0.0	0	0.0
Moderate					
2023	14.0	1	25.0	900	53.3
Middle					
2023	9.5	2	50.0	750	44.4
Upper					
2023	76.5	1	25.0	40	2.4
Not Available					
2023	0.0	0	0.0	0	0.0
Totals					
2023	**100.0**	**4**	**100.0**	**1,690**	**100.0**
Source: 2023 D&B Data; Bank Data *Due to rounding, totals may not equal 100.0%*					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income) and business of different sizes. The bank's reasonable home mortgage and small business lending performance support this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income). In 2021, the bank's lending to low-income borrowers exceeded demographic data. In 2022 and 2023, the bank did not originate any loans to low-income borrowers. Despite not originating any loans to low-income borrowers in 2023, the bank's performance was nearly identical to aggregate performance of only 0.7 percent.

In 2021, the bank did not originate any loans to moderate-income borrowers. In 2022, the bank's lending to moderate-income borrowers increased and exceeded demographic data. In 2023, the bank did not originate any loans to moderate-income borrowers; however, aggregate data also remained relatively low, at 2.8 percent, compared to demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: New York						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	16.3	--	1	16.7	132	6.1
2022	12.6	--	0	0.0	0	0.0
2023	12.6	0.7	0	0.0	0	0.0
Moderate						
2021	11.5	--	0	0.0	0	0.0
2022	11.1	--	2	25.0	580	17.5
2023	11.1	2.8	0	0.0	0	0.0
Middle						
2021	13.3	--	1	16.7	330	15.3
2022	15.2	--	1	12.5	250	7.5
2023	15.2	7.5	0	0.0	0	0.0
Upper						
2021	58.8	--	3	50.0	1,335	61.8
2022	61.2	--	4	50.0	2,128	64.1
2023	61.2	63.0	2	66.7	1,550	63.7
Not Available						
2021	0.0	--	1	16.7	364	16.8
2022	0.0	--	1	12.5	360	10.9
2023	0.0	26.1	1	33.3	885	36.3
Totals						
2021	**100.0**	**--**	**6**	**100.0**	**2,161**	**100.0**
2022	**100.0**	**--**	**8**	**100.0**	**3,318**	**100.0**
2023	**100.0**	**100.0**	**3**	**100.0**	**2,435**	**100.0**
Source: 2015 ACS; 2020 US Census Data; Bank Data; "--" data not available. *Due to rounding, totals may not equal 100.0%*						

Small Business Loans

The distribution of small business loans reflects reasonable penetration to businesses with GARs of $1.0 million or less. Although the percentage of loans originated to businesses with GARs of $1.0 million or less fell below the demographic data, half of the small business loans originated in the assessment area were to businesses in this GAR category. The bank only originated a total of four small business loans within the assessment area during the evaluation period, resulting in sensitive percentages by number. Examiners also reviewed two CRA performance evaluations completed in the last 18 months for similarly situated institutions and noted that neither institution's performance exceeded the bank's performance of 50.0 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: New York					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000					
2023	92.4	2	50.0	940	55.6
>$1,000,000					
2023	3.1	2	50.0	750	44.4
Revenue Not Available					
2023	4.6	0	0.0	0	0.0
Totals					
2023	**100.0**	**4**	**100.0**	**1,690**	**100.0**
Source: 2023 D&B Data; Bank Data *Due to rounding, totals may not equal 100.0%*					

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates adequate responsiveness to the community development needs in the New York assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need for and availability of community development opportunities in the assessment area.

Community Development Loans

During the evaluation period, FBOG originated one community development loan in the New York assessment area. Specifically, in 2021, the bank originated a $871,546 loan to refinance the construction of a four-story, 34-unit residential apartment building in Port Chester. The loan supports affordable housing initiatives, as all units are designated as affordable (via Section 8 housing) for low-income seniors. This level of community development lending represents a decrease since the prior evaluation period, when the bank originated 18 community development loans totaling $2.0 million in the assessment area; however, all of the loans originated during the prior evaluation period were PPP loans.

Qualified Investments

During the evaluation period, FBOG made three qualified donations totaling $6,000 within the New York assessment area. All of the qualified donations supported community services targeted to low- and moderate-income individuals. The donations, by year and dollar amount, are as follows: one donation in 2023 totaling $2,500, and two donations in 2024 totaling $3,500. The level of qualified donations reflects an increase since the prior evaluation period, when the bank did not make any qualified donations in the assessment area. The following summarizes the qualified donations that benefitted the New York assessment area.

- ***Port Chester High School Scholarships*** **–** In 2023 and 2024, the bank donated $2,500 and $2,500, respectively, towards college tuition grants for low-income Port Chester High School students.

- ***Meals on Main Street*** – In 2024, the bank donated $1,000 to this community service organization in Port Chester, which provides food to local low- and moderate-income families in need.

<u>Community Development Services</u>

During the evaluation period, bank officers provided one instance of financial education targeted to low-income individuals in the New York assessment area. During the prior evaluation period, the bank did not perform any qualified community development services in the assessment area. Therefore, while nominal, this level of services represents an increase since the prior evaluation period. The following summarizes the qualified community development service that benefitted the New York assessment area.

- ***Financial Literacy*** – In 2024, a Senior Vice President and an Assistant Vice President provided a financial education workshop at the Carver Center in Port Chester. The participants were members of a summer youth employment program, which is comprised of youth from low-income families.

Retail Banking Services

- ***Port Chester Branch and ATM*** **–** The bank's Port Chester branch and ATM is accessible to moderate-income census tracts in the assessment area. Although the branch and ATM location in Port Chester is in an upper-income tract, it is less than one mile from both moderate-income tracts in the assessment area.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
3) The geographic distribution of the bank's loans;
4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

1) The number and amount of community development loans;
2) The number and amount of qualified investments;
3) The extent to which the bank provides community development services; and
4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
CONNECTICUT	Satisfactory	Satisfactory	Satisfactory
NEW YORK	Satisfactory	Satisfactory	Satisfactory

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

(1) Support affordable housing for low- and moderate-income individuals;
(2) Target community services toward low- and moderate-income individuals;
(3) Promote economic development by financing small businesses or farms; or
(4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:
- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:
(1) Has as its primary purpose community development; and
(2) Except in the case of a wholesale or limited purpose bank:
(i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
(ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:
(1) Has as its primary purpose community development;
(2) Is related to the provision of financial services; and
(3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

(1) An unemployment rate of at least 1.5 times the national average;
(2) A poverty rate of 20 percent or more; or
(3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.