PUBLIC DISCLOSURE

March 8, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Cross River Bank
Certificate Number: 58410

885 Teaneck Road
Teaneck, New Jersey 07666

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

350 Fifth Avenue, Suite 1200
New York, New York 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 **Outstanding.**

An institution in this group has an outstanding 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.

PERFORMANCE LEVELS	**PERFORMANCE TESTS**		
	Lending Test*	**Investment Test**	**Service Test**
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* *The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.*			

The Lending Test is rated Outstanding.

- Lending levels reflect excellent responsiveness to the credit needs of the assessment area.
- A small percentage of loans are made in the bank's assessment area.
- The geographic distribution of loans reflects excellent penetration throughout the assessment area.
- The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among business customers of different sizes and retail customers of different income levels.
- The institution uses innovative and/or flexible lending practices to serve the credit needs of its assessment area.
- The institution is a leader in making community development loans.

The Investment Test is rated <u>Outstanding</u>.

- The bank has an excellent level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibits good responsiveness to credit and community development needs.
- The bank rarely uses innovative or complex investments to support community development initiatives.

The Service Test is rated <u>High Satisfactory</u>.

- Delivery systems are reasonably accessible to essentially all portions of the institution's assessment area.
- To the extent changes have been made, the bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.
- Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and individuals.
- The bank provides a relatively high level of community development services.

Discriminatory or Other Illegal Credit Practices

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices that affected the bank's CRA rating.

DESCRIPTION OF INSTITUTION

<u>Background</u>

Cross River Bank (CRB) is a New Jersey-chartered commercial bank established in 2008 and headquartered in Teaneck, New Jersey (NJ). CRB is a wholly owned subsidiary of CRB Group, Inc., a one-bank holding company. The bank owns several subsidiaries that hold investment securities and develop financial services software. No bank subsidiaries participate in retail banking activities. CRB did not have any merger or acquisition activity during the review period.

<u>Operations</u>

CRB operates two full-service branches, one in Bergen County, NJ, and one in Kings County, New York (NY), and one loan production office (LPO) in Bergen County, NJ. During the evaluation period, CRB did not open or close any branches or LPOs; however, the bank closed two deposit-taking automated teller machines (ATMs) in Kings County, NY, and relocated the LPO from within its former administration building to its corporate headquarters, both of which are in Fort Lee, Bergen County, NJ.

The bank offers various deposit products, including checking, savings, money market, and certificates of deposit (CD) accounts through its retail banking locations. In addition, the bank offers savings accounts and CDs though national online deposit platforms.

CRB's loan offerings include commercial, investor-focused residential, multifamily residential, and consumer loans. Under its commercial lending platform, CRB participates in several U.S. Small Business Administration (SBA) loan programs, including the Paycheck Protection Program (PPP) and the SBA 7(a) loan program. CRB was one of the top PPP lenders nationally in terms of the number and dollar volume of loans. According to the SBA, the bank originated 478,866 PPP loans totaling over $12.9 billion, including 7,442 PPP loans totaling $150.6 million between May 4, 2021 (the start of the current evaluation period) and May 31, 2021, when the PPP program ended. In 2021, CRB ranked 6th in lending volume among the 5,242 approved PPP lenders. In 2023, CRB originated 24 SBA 7(a) loans totaling $35.4 million nationwide. Of the 1,511 lenders that originated SBA 7(a) loans that year, CRB ranked 271st by number, 145th by dollar amount, and 85th by loan size. CRB ranked 47th by number and 34th by dollar out of 114 lenders that originated SBA loans in New Jersey in 2023, and it ranked 37th by number and 23rd by dollar out of 156 lenders that originated SBA loans in New York in 2023.

Alternative banking services and delivery systems include one proprietary ATM, online and mobile banking, electronic bill payment, telephone banking, and person-to-person and business-to-business payments. Person-to-person and business-to-business payments are available via multiple payment systems, including, the Federal Reserve's FedNow and Automated Clearing House (ACH) networks, The Clearing House's Real-Time Payments (RTP) network, and Cross River's push-to-card technology via direct connection to Visa Direct and Mastercard Send.

Ability and Capacity

Bank assets totaled $8.7 billion as of December 31, 2023, which included total loans of $6.2 billion and securities totaling $795.7 million. Bank deposits totaled $6.7 billion. Since the prior evaluation, total assets and loans decreased by 35.6 percent and 50.0 percent, respectively, while deposits increased by 42.4 percent. The decrease in total assets and loans since the prior evaluation is due to the forgiveness of PPP loans, while the increase in total deposits resulted from management intentionally adding funding sources to support core asset growth, primarily by attracting new deposits and by utilizing brokered deposits. The following table illustrates the loan portfolio as of December 31, 2023.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	217,089	3.5
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	45,668	0.7
Secured by Multifamily (5 or more) Residential Properties	394,047	6.3
Secured by Nonfarm Nonresidential Properties	758,278	12.2
Total Real Estate Loans	**1,415,082**	**22.7**
Commercial and Industrial Loans	987,580	15.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	2,764,333	44.4
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	1,075,614	17.3
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(19,810)	(0.3)
Total Loans	**6,222,799**	**100.0**
Source: Reports of Condition and Income		

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

DESCRIPTION OF ASSESSMENT AREA

The Community Reinvestment Act (CRA) requires each financial institution to define one or more assessment areas for which examiners will evaluate its CRA performance. CRB designated a single assessment area that remains unchanged since the previous CRA performance evaluation. The area includes all census tracts in Bergen County, NJ, and all census tracts in Kings County, NY, which represents the two counties where the bank operates branch offices. While these two counties are not contiguous, both Bergen County and Kings County are in the multistate New York-Jersey City-White Plains, NY-NJ Metropolitan Division (MD) #35614; therefore, the bank can delineate a single assessment area. The following sections discuss economic and demographic data for the bank's assessment area, with specific differences by county highlighted in the narrative.

<u>Economic and Demographic Data</u>

For 2021, the assessment area contained 940 census tracts, including 179 in Bergen County and 761 in Kings County, reflecting the following income designations according to the 2015 American Community Survey (ACS):

- 95 low-income census tracts
- 269 moderate-income census tracts
- 275 middle-income census tracts

- 287 upper-income census tracts
- 14 census tracts with no income designation

The United States (U.S.) Census Bureau's 2020 Census updated demographic data, which went into effect in 2022. The 2020 Census data changed the number and income level of select tracts within the assessment area. For 2022 and 2023, the assessment area included 1,008 census tracts, including 203 in Bergen County and 805 in Kings County, reflecting the following income designations according to the 2020 Census data:

- 91 low-income census tracts
- 250 moderate-income census tracts
- 313 middle-income census tracts
- 307 upper-income census tracts
- 47 census tracts with no income designation

Examiners used 2015 ACS data to evaluate the bank's 2021 performance and the 2020 U.S. Census data to evaluate the bank's 2022 and 2023 performance. The following table illustrates select demographic characteristics of the assessment area based on the 2020 U.S. Census data.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	1,008	9.0	24.8	31.1	30.5	4.7
Population by Geography	3,691,806	10.6	26.6	29.6	31.9	1.3
Housing Units by Geography	1,414,757	10.1	24.8	30.5	33.3	1.3
Owner-Occupied Units by Geography	516,683	2.7	15.9	29.5	51.2	0.7
Occupied Rental Units by Geography	797,690	15.1	30.2	31.0	22.1	1.6
Vacant Units by Geography	100,384	8.7	28.0	32.0	30.1	1.3
Businesses by Geography	610,562	9.0	23.6	28.2	37.3	1.8
Farms by Geography	3,783	3.4	13.2	21.7	59.9	1.8
Family Distribution by Income Level	840,619	26.7	14.4	15.8	43.0	0.0
Household Distribution by Income Level	1,314,373	28.8	13.5	14.4	43.3	0.0
Median Family Income - 35614 New York-Jersey City-White Plains, NY-NJ MD		$85,483	Median Housing Value			$720,140
Families Below Poverty Level		12.3%	Median Gross Rent			$1,558

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 analysis of small business loans under the borrower profile criterion considers the distribution of businesses by gross annual revenue (GAR) level. According to 2023 Dun and Bradstreet (D&B) data, there were 610,562 non-farm businesses in the assessment area, of which 30.2 percent were in Bergen County and 69.8 percent were in Kings County. These businesses have the following GAR characteristics:

- 94.9 percent had GARs of $1.0 million or less;
- 1.9 percent had GARs of more than $1.0 million; and
- 3.2 percent had unreported GARs.

The analysis of small business loans under the geographic distribution criterion considers the distribution of businesses by income level within the assessment area. According to 2020 U.S. Census data, 32.6 percent of businesses in the assessment area are in low- or moderate-income geographies, which suggests there are reasonable opportunities to lend to small businesses in these areas.

Non-classifiable establishments represent the largest share of total businesses in the assessment area at 37.0 percent, followed by service industries (29.7 percent), retail trade (8.4 percent), and finance, insurance, and real estate (8.8 percent). Most businesses have four or fewer employees (54.0 percent) and operate at a single location (97.0 percent). According to Moody's Analytics, top employers in the assessment area include Montefiore Health System, Mount Sinai Health System, JPMorgan Chase & Co., and Bank of America. This information reflects the potential demand for, and the opportunity to, originate small business loans in the assessment area.

The Geographic Distribution criterion for home mortgage lending considers the percentage of owner-occupied housing units within the assessment area, with a focus on loan penetration in low- or moderate-income census tracts. This data reflects the opportunities lenders have to originate home mortgage loans in these geographies. There are 1,414,757 housing units in the assessment area, of which 36.5 percent are owner-occupied, 56.4 percent are rental units, and 7.1 percent are vacant. As reflected in the previous table, 10.1 percent and 24.8 percent of housing units are located in low- and moderate-income census tracts, respectively. These percentages are significantly lower for owner-occupied housing units than they are for occupied rental units, which suggests less opportunity for 1-4 family lending compared to multifamily lending in low- and moderate-income census tracts. Overall, there is reasonable opportunity to originate home mortgage loans in low- and moderate-income census tracts in the assessment area.

Examiners used 2021, 2022, and 2023 Federal Financial Institutions Examination Council (FFIEC)-updated median family income (MFI) data to analyze home mortgage loans under the borrower profile criterion. The following table shows MFI ranges for the New York-Jersey City-White Plains, NY-NJ MD.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
New York-Jersey City-White Plains, NY-NJ MD 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				

Competition

The bank's assessment area reflects highly competitive markets for financial services. According to the June 30, 2023, FDIC Deposit Market Share Data, 68 financial institutions operated 684 full-service offices across the two counties within the assessment area. CRB ranked 5th with a 4.6 percent deposit market share and ranked 34th with a 0.3 percent branch market share. In Bergen County, 44 financial institutions operated 352 full-service offices. CRB ranked 4th with a 9.3 percent deposit market share and ranked 34th with a 0.3 percent branch market share. The top three institutions based on deposit market share included TD Bank, National Association (NA) (14.4 percent), JPMorgan Chase Bank, NA (13.6 percent), and Bank of America, NA (12.5 percent). Nearly all (98.9 percent) of the bank's deposits, including those gathered through online channels and via brokered deposits, are sourced through the bank's branch in Bergen County. In Kings County, 38 financial institutions operated 332 full-service offices. CRB ranked 33rd with a 0.1 percent deposit market share and ranked 33rd with a 0.3 percent branch market share. The top three institutions based on deposit market share included JPMorgan Chase Bank, NA (38.5 percent), Citibank, NA (11.5 percent), and TD Bank, NA (8.7 percent).

There is a high level of competition for small business loans among lenders in the assessment area. Based on 2022 peer small business data, 203 lenders originated or purchased 145,327 small business loans. Of these lenders, CRB ranked 55th by number of originations and purchases capturing 0.1 percent of total market share. The top three small business lenders included American Express National Bank (32.5 percent), JPMorgan Chase Bank, NA (28.6 percent), and Bank of America, NA (6.8 percent).

There is also a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. Based on 2022 peer mortgage data, 564 lenders originated or purchased 45,656 home mortgage loans. Of these lenders, CRB ranked 198th by number of originations and purchases capturing less than 0.1 percent of total market share. The top three mortgage lenders included JPMorgan Chase Bank, NA (6.8 percent), Wells Fargo Bank, NA (5.9 percent), and Citizens Bank, NA (5.1 percent).

Refer to the Lending Activity component under the Lending Test for further analysis of market share and market rank data.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from May 3, 2021, through March 8, 2024. Examiners used the Interagency Large Institution Examination Procedures to conduct a full-scope evaluation of the bank's CRA performance. These procedures include the Lending Test, Investment Test, and Service Test. Refer to the Appendices for a complete description of these tests.

Activities Reviewed

Examiners reviewed CRB's small business and home mortgage loans to assess its lending performance. Examiners determined that CRB's small business and home mortgage lending activities represented the products with the highest volume of loans and that were most responsive to the credit needs of its assessment area; therefore, examiners evaluated these loan products for this CRA evaluation. CRB also did not originate any farm loans during the review period; therefore, the evaluation does not include small farm loan data.

Examiners analyzed the bank's small business lending activity for 2021, 2022, and 2023. The bank's small business lending totaled 296,127 loans totaling $6.8 billion in 2021; 29,465 loans totaling $957.9 million in 2022; and 37,327 loans totaling $1.4 billion in 2023. CRB's 2021 small business loans included a significant volume of PPP loans, including 284,520 PPP loans totaling $6.3 billion. Examiners reviewed 2021 and 2022 aggregate data and D&B demographic data for comparison purposes.

Examiners also reviewed the bank's home mortgage loans for 2021, 2022, and 2023, using data reported pursuant to the Home Mortgage Disclosure Act (HMDA). While these residential mortgage loans were subject to HMDA reporting, the focus of the bank's lending in this category is commercial in nature. Specifically, the bank's residential mortgage lending is limited to investment properties and multifamily properties. During the review period, the bank's HMDA activity included 36 loans totaling $197.5 million in 2021; 37 loans totaling $237.9 million in 2022; and 22 loans totaling $35.5 million in 2023. Examiners compared the bank's home mortgage lending to the 2021 and 2022 aggregate HMDA data and to the U.S. Census Bureau's 2015 ACS and 2020 Census data.

For the Lending Test, examiners placed significantly more weight on the bank's small business lending in evaluating its performance, as the bank originated a greater number and dollar volume of small business loans compared to home mortgage loans. While this evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals served.

The evaluation of the bank's community development loans, investments, and services includes all qualified activities since May 3, 2021, through March 8, 2024. The Investment Test includes investments and grants made during the current evaluation period, and the current book value of any qualified investments outstanding from the prior evaluation.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information indicates what credit and community development opportunities may be available. It also helps examiners determine if local financial institutions are responsive to those needs.

Examiners contacted a division of Bergen County local government that assists small, medium, and large businesses, commercial developers, retailers and manufacturers across Bergen County. This organization offers an array of programs and services that include, but are not limited to, economic development, business planning, market research, tax incentives, and site selection. The contact stated that the primary credit and community development needs of the Bergen County business community are office/warehouse space for small businesses to purchase or lease to establish or expand operations, and grants to help fund small business start-up and ongoing operations. The contact acknowledged that there is a high degree of competition among financial institutions for opportunities to serve the credit and community development needs of small businesses in Bergen County, but did not view this as a limiting factor in their ability to do so. The contact did not note any specific credit or community development needs that financial institutions are not adequately addressing or have not historically addressed.

Examiners also contacted a not-for-profit community development organization that works throughout NJ to build more sustainable families, community institutions, and neighborhoods through strategic investments in community and household finance, education, healthcare, housing, workforce development, energy and neighborhood revitalization. The contact noted that affordable housing and community services were the greatest needs facing Bergen County. Specifically, the contact spoke about the income divide in Bergen County, which is widely known as one of the most affluent counties in NJ, yet still has portions of communities and neighborhoods that are low-income and in need of support, including housing and services such as household financial assistance. The contact also noted that another limitation in providing programs and services to the community is securing private funding (e.g., grants and donations) from financial institutions that sometimes view this organization as competing for community development opportunities due to its operation of a community development financial institution (CDFI).

Lastly, examiners reviewed a recent community contact with a local government agency that serves Kings County, NY. The agency provides numerous programs that assist small businesses and entrepreneurs with a focus on neighborhood improvement, housing, economic development, resiliency, and sustainability. The contact noted that New York City is experiencing an entrepreneurial boom since the start of the COVID-19 pandemic, and there is a need for funding and technical support of these new businesses. Additionally, the contact noted that there has been an increase in commercial vacancies, thus creating opportunity for local financial institutions to become involved in repurposing this vacant space for small businesses through investment. Further, neighborhoods within New York City remain underbanked and could benefit from increased resources from local banks.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and demographic and economic data, examiners determined that the primary credit and community development needs of the assessment area are home mortgage and small business loans, as well as affordable housing and community services for low- and moderate-income individuals/families, an economic development opportunities for small businesses, including the identification and utilization of real estate space for business operations.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

CRB's overall Lending Test performance is rated "Outstanding." The bank's excellent performance in Lending Activity, Geographic Distribution, and Community Development Lending primarily support this conclusion.

Lending Activity

Lending levels, overall, reflect excellent responsiveness to the credit needs of the assessment area. Examiners based this conclusion on the bank's excellent responsiveness for small business loans and adequate responsiveness for home mortgage loans.

Small Business Loans

In its designated assessment area, the bank originated 10,162 small business loans totaling $246.6 million in 2021; 285 small business loans totaling $16.8 million in 2022; and 548 small business loans totaling $26.2 million in 2023. The significant decrease in small business lending from 2021 to 2022 is attributed to the SBA's PPP loan program, which sunset in May 2021. CRB's volume of small business loans in the assessment area nearly doubled from 2022 to 2023, as the bank added new Market Place Lender (MPL) relationships that resulted in higher originations of small business loans in 2023, illustrating excellent responsiveness.

For small business loans originated and purchased in 2021, CRB captured 6.5 percent of total market share by number of loans, ranking 4th among the 288 small business loan reporters that made 155,183 loans in the assessment area. Since the PPP loan program ended in 2021, and these loans were unavailable in 2022. For small business loans originated and purchased in 2022, CRB captured 0.1 percent of total market share by number of loans, ranking 55th among 203 small business loan reporters that made 145,327 loans in the assessment area. The top ranked lenders for 2021 and 2022 included business credit card lenders and large national banks.

Home Mortgage Loans

The bank originated or purchased 24 home mortgage loans totaling $148.9 million in its assessment area in 2021; 20 home mortgage loans totaling $99.9 million in 2022; and 12 home mortgage loans totaling $35.5 million in 2023. The volume of home mortgage lending fluctuated during the review period. Specifically, the volume significantly declined in number and dollar volume of home mortgage loans from 2022 to 2023 due primarily to the substantial increase in market interest rates for home mortgages, which drove down overall demand for mortgages industry-wide.

For home mortgage loans originated and purchased in 2021, CRB captured 0.03 percent of total market share by number of loans, ranking 237th among 571 HMDA reporters that made 83,551 loans in the assessment area. For home mortgage loans originated and purchased in 2022, CRB captured 0.04 percent of total market share by number of loans, ranking 198th among 564 HMDA reporters that made 45,656 loans in the assessment area. The top ranked lenders for 2021 and 2022 included large national banks.

Assessment Area Concentration

CRB originated and purchased a small percentage of loans in the assessment area. The following table shows the distribution of small business and home mortgage loans, by both number and dollar volume, during the review period.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	$(000s)	%	$(000s)	%	$(000s)
Small Business										
2021	10,162	3.4	285,965	96.6	296,127	246,578	3.6	6,540,927	96.4	6,787,505
2022	285	1.0	29,180	99.0	29,465	16,775	1.8	941,148	98.2	957,923
2023	548	1.5	36,779	98.5	37,327	26,196	1.9	1,335,194	98.1	1,361,390
Subtotal	**10,995**	**3.0**	**351,924**	**97.0**	**362,919**	**289,549**	**3.2**	**8,871,269**	**96.8**	**9,106,818**
Home Mortgage										
2021	24	66.7	12	33.3	36	148,909	75.4	48,553	24.6	197,462
2022	20	54.1	17	45.9	37	99,942	42.0	137,929	58.0	237,871
2023	12	54.5	10	45.5	22	35,525	15.8	189,182	84.2	224,707
Subtotal	**56**	**58.9**	**39**	**41.1**	**95**	**284,376**	**43.1**	**375,664**	**56.9**	**660,040**
Total	**11,051**	**3.0**	**351,963**	**97.0**	**363,014**	**573,925**	**5.9**	**9,192,933**	**94.1**	**9,766,858**
Source: Bank Data. Due to rounding, totals may not equal 100.0%										

During the review period, CRB made a small percentage of its loans within the assessment area, by both number and dollar volume. While a majority of the bank's home mortgage lending (by number) was in the assessment area, a significant majority of the bank's small business lending (by number and dollar volume) was outside the assessment area. CRB's third-party MPL program, through which the bank originated small business loans nationwide, is the primary contributor to the large volume of loans made outside the assessment area. Despite the large volume of loans outside the assessment area, the bank is responsive to the small business credit needs of its assessment area as reflected in its market share and rankings detailed in the Lending Activity section.

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the assessment area. CRB's excellent performance of small business and home mortgage lending supports this conclusion. Examiners focused on the number of loans in low- and moderate-income census tracts.

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. As shown in the following table, the bank's performance in low-income census tracts exceeded aggregate and demographic data in 2021 and 2022. In 2023, the bank's performance in low-income census tracts increased and continued to exceed demographic data. The opportunity to lend in low-income census tracts is reasonable as 9.4 percent, 8.4 percent, and 9.0 percent of businesses were in low-income census tracts in 2021, 2022, and 2023, respectively. The bank's performance in moderate-income census tracts significantly exceeded aggregate and demographic data in 2021 and 2022, and exceeded demographic data in 2023.

Geographic Distribution of Small Business Loans in the Assessment Area						
Tract Income Level	**% of Businesses**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	9.4	9.0	1,160	11.4	28,294	11.5
2022	8.4	9.0	30	10.5	1,527	9.1
2023	9.0	--	95	17.3	2,053	7.8
Moderate						
2021	25.5	23.9	3,485	34.3	72,770	29.5
2022	23.0	22.3	82	28.8	6,414	38.2
2023	23.6	--	145	26.5	4,765	18.2
Middle						
2021	26.8	26.7	3,157	31.1	74,898	30.4
2022	28.3	28.1	49	17.2	1,261	7.5
2023	28.2	--	135	24.6	7,938	30.3
Upper						
2021	37.9	38.9	2,354	23.2	70,507	28.6
2022	38.4	38.3	116	40.7	6,896	41.1
2023	37.3	--	160	29.2	11,132	42.5
Not Available						
2021	0.5	1.5	6	0.1	109	0.0
2022	1.9	2.3	8	2.8	677	4.0
2023	1.8	--	13	2.4	308	1.2
Totals						
2021	**100.0**	**100.0**	**10,162**	**100.0**	**246,578**	**100.0**
2022	**100.0**	**100.0**	**285**	**100.0**	**16,775**	**100.0**
2023	**100.0**	**--**	**548**	**100.0**	**26,196**	**100.0**
Source: 2021, 2022 & 2023 D&B Data; Bank Data; 2021 & 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Additionally, 2022 market share data further support the bank's excellent performance. In 2022, only 87 (42.9 percent) of the 203 lenders that originated or purchased small business loans in the assessment area made such loans in the area's low-income census tracts. CRB ranked 49th of these 87 lenders with less than a 0.1 percent market share. Further, only 123 (60.6 percent) of those 203 lenders originated or purchased small business loans in the area's moderate-income census tracts. The bank ranked 47th out of these 123 lenders with less than a 0.1 percent market share. Most of the leading lenders in low- or moderate-income census tracts were larger national banks, such as American Express National Bank and JPMorgan Chase Bank, NA, who alone captured over 60.0 percent of the market share in these two income categories. In both income categories, CRB was the second-highest ranked NJ-based bank. Only Valley National Bank, with over $62.4 billion in total assets, ranked higher than CRB in the number of small business loans it originated or purchased in the area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent penetration throughout the assessment area. As shown in the following table, the bank's performance of lending in low-income census tracts significantly exceeded aggregate and demographic data in 2021 and 2022, and significantly exceeded demographic data in 2023. The bank's performance of lending in moderate-income census tracts significantly exceeded aggregate and demographic data in 2021, significantly exceeded aggregate and exceeded demographic data in 2022, and again significantly exceeded demographic data in 2023.

Geographic Distribution of Home Mortgage Loans in the Assessment Area						
Tract Income Level	**% of Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	10.8	3.7	4	16.7	33,000	22.2
2022	10.1	2.9	4	20.0	3,165	3.2
2023	10.1	--	3	25.0	18,365	51.7
Moderate						
2021	29.1	14.3	11	45.8	55,814	37.5
2022	24.8	15.3	5	25.0	39,145	39.2
2023	24.8	--	5	41.7	8,900	25.1
Middle						
2021	27.4	22.9	5	20.8	41,260	27.7
2022	30.5	25.2	6	30.0	13,062	13.1
2023	30.5	--	3	25.0	7,725	21.7
Upper						
2021	32.7	59.1	4	16.7	18,835	12.6
2022	33.3	56.0	5	25.0	44,570	44.6
2023	33.3	--	1	8.3	535	1.5
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	1.3	0.7	0	0.0	0	0.0
2023	1.3	--	0	0.0	0	0.0
Totals						
2021	**100.0**	**100.0**	**24**	**100.0**	**148,909**	**100.0**
2022	**100.0**	**100.0**	**20**	**100.0**	**99,942**	**100.0**
2023	**100.0**	**--**	**12**	**100.0**	**35,525**	**100.0**
Source: 2015 ACS & 2020 U.S. Census; Bank Data, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Market share data for 2022 further support the bank's excellent performance. In 2022, only 149 (26.4 percent) of the 564 lenders that originated or purchased home mortgage loans in the assessment area made such loans in the area's low-income census tracts. CRB ranked 65th of these 149 lenders with a 0.3 percent market share. Further, only 311 (55.1 percent) of those 564 lenders originated or purchased home mortgage loans in the area's moderate-income census tracts. The bank ranked 139th out of these 311 lenders with less than a 0.1 percent market share. By dollar volume of loans, CRB ranked 38th with a 0.6 percent market share.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among businesses of different sizes and retail customers of different income levels. The bank's adequate performance in small business lending supports this conclusion. Examiners focused on the number of small business loans to businesses with GARs of $1.0 million or less. Examiners did not analyze the bank's performance in home mortgage lending for this criterion, as all of these loans were for investment purposes and lenders are not required to collect or report borrower income on residential investment properties.

Small Business Loans

The distribution of borrowers reflects adequate penetration among businesses of different sizes. As shown in the following table, the bank's penetration of loans in 2021 to businesses with GARs of $1.0 million or less significantly trailed demographic and aggregate data. As previously noted, the bank made a substantial number of PPP loans, which resulted in a vast majority of loans not including revenue information as it was not required by the SBA. In 2022, the penetration of loans to businesses with GARs of $1.0 million or less was similar to aggregate data and trailed demographic data. The bank's penetration of loans to businesses with GARs of $1.0 million or less increased slightly in 2023, but continued to trail demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category In the Assessment Area						
Gross Revenue Level	**% of Businesses**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000						
2021	93.1	38.8	100	1.0	4,195	1.7
2022	93.5	50.6	135	47.4	5,179	30.9
2023	94.9	--	271	49.5	4,817	18.4
>$1,000,000						
2021	2.7	--	47	0.5	5,023	2.0
2022	2.4	--	121	42.5	9,761	58.2
2023	1.9	--	255	46.5	20,044	76.5
Revenue Not Available						
2021	4.3	--	10,015	98.6	237,360	96.3
2022	4.1	--	29	10.2	1,835	10.9
2023	3.2	--	22	4.0	1,335	5.1
Totals						
2021	**100.0**	**100.0**	**10,162**	**100.0**	**246,578**	**100.0**
2022	**100.0**	**100.0**	**285**	**100.0**	**16,775**	**100.0**
2023	**100.0**	**--**	**548**	**100.0**	**26,196**	**100.0**
Source: 2021, 2022 & 2023 D&B Data; Bank Data; 2021 & 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Relative to performance in individual counties within the assessment area, CRB's distribution of loans to businesses with GAR of $1.0 million or less significantly trailed applicable performance data across all three years in Bergen County. In Kings County, CRB's distribution of loans to businesses with GAR of $1.0 million or less was comparable to aggregate performance in 2022, but significantly trailed demographic data across all three years. The bank's distribution of loans in 2021 to businesses with GAR of $1.0 million or less significantly trailed aggregate performance, but, again, this distribution was skewed by the substantial number of PPP loans that CRB made, for which lenders did not gather revenue information.

Innovative or Flexible Lending Practices

CRB uses innovative and/or flexible lending practices to serve the credit needs of its assessment area.

As reflected in the following table, the bank made 7,541 loans totaling $376.8 million through innovative and/or flexible lending programs during the evaluation period. All the innovative or flexible loans involved small business lending. This lending activity includes both immediate assistance to small businesses in response to the COVID-19 pandemic and continued small business lending through SBA loans, and demonstrates the bank's responsiveness to primary credit needs of the assessment area. The following table does not reflect innovative or flexible loan programs that the bank offers through its third-party MPL relationships, which are discussed separately in the narrative below.

Innovative or Flexible Lending Programs										
Type of Program	**2021**		**2022**		**2023**		**YTD 2024**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
SBA 504	4	11,743	26	72,819	15	38,493	6	24,259	51	147,314
SBA 7(a)	2	2,952	25	41,796	18	33,099	3	1,100	48	78,947
SBA PPP	7,442	150,555	0	0	0	0	0	0	7,442	150,555
Totals	**7,448**	**165,250**	**51**	**114,615**	**33**	**71,592**	**9**	**25,359**	**7,541**	**376,816**
Source: Bank Records										

SBA Loan Programs

SBA-guaranteed loans provide small business financing through more flexible terms than traditional business loans. CRB participates in the following programs:

- *SBA 504* – The 504 Loan Program provides long-term, fixed-rate financing for major fixed assets, such as land and buildings that promote business growth and job creation. The bank originated 51 loans totaling $147.3 million under this program.

- *SBA 7(a)* – The 7(a) Loan Guaranty helps entrepreneurs start or expand their small businesses, whose annual sales are $5.0 million or less and/or do not exceed $6.0 million in tangible net worth, by obtaining financing they might not be eligible to attain through other lending channels. The bank originated 48 loans totaling $78.9 million under this program.

- *SBA PPP* – The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) established the PPP to help businesses retain workers and staff during the economic hardship resulting from the pandemic. The bank originated 7,442 loans totaling $150.6 million under this program since the prior evaluation.

During the current evaluation period, CRB originated 99 non-PPP SBA loans for $226.3 million, which represents a significant increase in lending volume over the prior evaluation period at which time CRB originated 63 SBA loans for $85.9 million.

Third-Party MPL Loan Programs

Below are examples of the innovative or flexible loan programs that CRB offers in partnership with its third-party MPLs:

- *BestEgg Rent Advances* – Since 2014, CRB has provided BestEgg with a $150 million credit facility to provide consumers a flexible rent product that allows qualified renters to redistribute their monthly rent payment into smaller payments aligned with their cash flow, affording renters the flexibility to pay rent on their own unique schedules. Approximately 72 percent of the borrowers under this loan program are of low- and moderate-income levels, and approximately 55 percent of applicants are sub-prime or have limited to no credit history.

- *Current Build Card* – In 2023, CRB became the issuer for the Current Build Card, which is a secured charge card designed to expand access to credit building for traditionally unserved and underserved individuals and communities. The secured charge card allows Current members with limited to no credit history to safely build a credit history through a single spending balance viewed and managed on the Current digital platform. The card product does not require deposit minimums and does not impose annual fees, overdraft fees or in-network ATM fees. In addition to the Build Card, Current also provides high-yield savings accounts to encourage individuals to save alongside the credit building product.

- *SeedFi Credit Builder Prime* – In 2021, CRB invested $250,000 in SeedFi's (now Credit Karma Money) seed round to fund the origination of Credit Builder Prime loans, which are revolving lines of credit designed to provide access to credit building and encourage saving for traditionally unserved and underserved individuals and communities. Customers make draws on their lines of credit for the sole purpose of adding money into a "locked" linked CRB savings account. With each draw on the line of credit, SeedFi deposits that amount into the customer's locked savings account, which creates a short-term, interest-free debt equal to the amount deposited into the locked savings account. Once the customer accumulates $500 in the locked savings account and successfully repays SeedFi that amount, the funds in the locked savings account are swept into an "unlocked" savings account to which the customer has free access.

Community Development Loans

The bank is a leader in making community development loans. During the evaluation period, the bank originated 77 community development loans totaling $328.6 million. This level of activity represents 3.5 percent of average total assets and 4.2 percent of average total loans since the prior evaluation. These ratios significantly exceed those at the prior evaluation, when community development loans represented 2.0 percent of average total assets and 2.4 percent of average total loans. The volume of community development loans increased significantly since the prior evaluation, when the institution originated 51 community development loans totaling $86.0 million. The higher level of community development loan activity reflects the bank's enhanced efforts in identifying community development needs. CRB's community development loans primarily financed economic development efforts through SBA's 504 loan program and supported affordable housing initiatives through multifamily lending. These were specific credit and community development needs that community contacts identified for the assessment area.

While the bank's community development lending performance trailed similarly situated institutions by number, that operate throughout the bank's assessment area, the bank is above or similar in dollar volume. Five similarly situated institutions (based on asset size and geographic location) reported between 153 and 195 community development loans over their recent evaluation periods, ranging in dollar volume from $183.1 million to $596.7 million. In most cases, those similarly situated institutions were considered leaders in making community development loans, further supporting the bank is a leader as well.

Examiners also conducted an analysis of institutions that use a similar business model as CRB by originating loans through strategic partners on a national basis and determined that CRB's dollar volume of community development lending was significantly higher than all five institutions.

The following table illustrates the bank's community development lending activity by year and loan purpose.

Community Development Lending										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
5/4/2021 – 12/31/2021	10	69,900	0	0	12	35,195	0	0	**22**	**105,095**
2022	4	8,039	1	44,000	14	45,323	0	0	**19**	**97,362**
2023	16	46,386	0	0	14	42,129	0	0	**30**	**88,515**
1/1/2024 – 3/8/2024	1	1,000	1	23,000	4	13,580	0	0	**6**	**37,580**
Total	**31**	**125,325**	**2**	**67,000**	**44**	**136,227**	**0**	**0**	**77**	**328,552**
Source: Bank Data										

The following is a sample of community development loans that benefit the assessment area.

- In 2021, the bank made a $9.6 million loan for the land acquisition and construction of a 58-unit apartment building in Brooklyn, NY. All 58 units are below HUD's Fair Market Rents for the area. This loan supports affordable housing in Kings County. This development is an approved project under the New York City (NYC) Department of Housing Preservation and Development (HPD) Affordable Independent Residence of Seniors (AIRS) and Mandatory Inclusionary Housing (MIH) programs, and it also qualifies for tax exemption benefits under New York's 421-a program. A project that is an AIRS, or that contains an AIRS, benefits from increased zoning allowances under the NYC Zoning Resolution in order to encourage the construction and renovation of projects that include affordable housing for seniors who are 62 years of age or older. MIH is a zoning tool developed by HPD that requires developers to include affordable housing in areas that are rezoned to allow for more housing development. The 421-a program requires a certain percentage of units in a multifamily structure to be affordable for a certain period.

- In 2021, the bank made three loans totaling $20.0 million to a nonprofit organization for the acquisition and construction of a 107-unit apartment building in Brooklyn, NY. All 107 units are below HUD's Fair Market Rents for the area. These loans support affordable housing in Kings County. The organization will lease all units under HPD's AIRS program.

- In 2023, the bank originated two loans totaling $5.6 million through SBA's 504 program to a limited liability corporation (LLC). This loan supports economic development in Kings County. Loans originated under SBA's 504 program provide long-term, fixed-rate financing that promotes business growth and job creation. The LLC used funds for working capital expenditures and to purchase a retail commercial property in a moderate-income census tract in Brooklyn, NY.

- In 2024, the bank originated two loans totaling $10.5 million through SBA's 504 program that have economic development in Kings County as their primary purpose. The borrower used funds to purchase additional office space for its residential remodeling business. The business, which is in a moderate-income census tract, will provide jobs for approximately 20 low- to moderate-income individuals.

INVESTMENT TEST

CRB is rated "Outstanding" in the Investment Test. The bank's excellent level of qualified community development investments and grants primarily supports this conclusion.

Investment and Grant Activity

CRB has an excellent level of qualified community development investments and grants. During the evaluation period, CRB provided 103 qualified investments and grants totaling $182.3 million, which includes 28 new investments totaling $169.5 million, three outstanding prior period investments with a current balance of $9.8 million, and 72 grants and donations totaling $3.0 million. The total qualified investments and grants represent 1.9 percent of average total assets and 59.6 percent of average total securities, as of December 31, 2023. Total qualified investments increased significantly since the prior evaluation, at which time the bank had total qualified investments of $24.3 million. Although a portion of the bank's investments benefit the broader statewide or regional area, examiners considered these investments since CRB was responsive to the community development needs of its assessment area.

The bank's performance is significantly higher than similarly situated institutions that operate across the bank's assessment area. Five similarly situated institutions (based on asset size and geographic location) reported between 89 and 278 investments and grants over their recent evaluation periods, ranging in dollar volume from $19.8 million to $100.5 million. These institutions received either High Satisfactory or Outstanding ratings. Examiners also conducted an analysis of institutions that use a similar business model as CRB by originating loans through strategic partners on a national basis and determined that CRB's dollar volume of investment and grants was significantly higher than all five institutions. However, four of those institutions operate under a Strategic Plan with specific goals established for combined community development loans and investments/grants.

The following table details the bank's qualified investments and grants by year and community development purpose.

Qualified Investments										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	2	8,436	0	0	1	1,329	0	0	**3**	**9,765**
5/4/2021 – 12/31/2021	1	8,972	0	0	3	755	0	0	**4**	**9,727**
2022	4	36,450	0	0	2	10,249	0	0	**6**	**46,699**
2023	10	43,150	0	0	3	35,360	0	0	**13**	**78,510**
1/1/2024 – 3/8/2024	3	20,482	2	14,122	0	0	0	0	**5**	**34,604**
Subtotal	**20**	**117,490**	**2**	**14,122**	**9**	**47,693**	**0**	**0**	**31**	**179,305**
Qualified Grants & Donations	7	95	56	1,954	9	935	0	0	**72**	**2,984**
Total	**27**	**117,585**	**58**	**16,076**	**18**	**48,628**	**0**	**0**	**103**	**182,289**
Source: Bank Data										

The following are examples of the bank's qualified investments.

- In 2024, the bank invested $8.9 million in a mortgage-backed security that supports affordable housing efforts in Bergen County. The investment is secured by a deed-restricted multifamily housing project in Bergen County with 100 percent affordable housing units, including 74 percent of units reserved for low-income seniors aged 55 or older and 26 percent reserved for special needs households with preference given to homeless veterans.

- During the evaluation period, the bank renewed four CDs in Community Development Financial Institutions (CDFIs) totaling $1.0 million, two of which were from minority-owned CDFIs. These CDs promote economic development by helping to fund CDFIs that provide loans and other services to low- and moderate-income individuals and areas and to small businesses.

- In 2022, 2023 and 2024, the bank provided a total of $633,000 in grants to a non-profit organization that provides technical assistance to small businesses and financial education workshops to low- and moderate-income individuals via coaches who deliver no-charge, specialized financial literacy programs. The grant proceeds cover 100 percent of the salaries for two full-time coaches dedicated to this program. These coaches operate directly out of each of CRB's branch locations in Bergen County, NJ and Kings County, NY. Programs include credit and money management, homeownership counseling, small business development, financial disaster recovery, employee financial wellness, and financial education for youth and young adults.

- In 2023, the bank invested a total of $35.3 million in three securities collateralized by pools of SBA 7A loans that benefited the broader statewide and regional area. These loans support economic development through low- and moderate-income jobs created and retained. In total, across the three securities, there were 2,690 low- and moderate-income jobs supported through the underlying loans.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness, particularly through grants and donations, to credit and community development needs. The bank's qualified investments mainly support affordable housing and economic development, which are demonstrated community development needs in the assessment areas.

Community Development Initiatives

CRB rarely uses innovative and/or complex investments to support community development initiatives. For example, the bank utilizes CDFI investments, which are not very innovative or complex, while still meeting the needs of the community.

SERVICE TEST

CRB is rated "High Satisfactory" in the Service Test. The bank provided a relatively high level of community development services, which primarily supports this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank's assessment area. CRB operates two full-services branches and one deposit-taking ATM. The following table illustrates the distribution of the bank's branch and ATM network by census tract income level.

Branch and ATM Distribution by Geography Income Level

Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	91	9.0	392,605	10.6	0	0.0	0	0.0
Moderate	250	24.8	980,311	26.6	1	50.0	1	100.0
Middle	313	31.1	1,091,891	29.6	0	0.0	0	0.0
Upper	307	30.5	1,178,722	31.9	1	50.0	0	0.0
NA	47	4.7	48,277	1.3	0	0.0	0	0.0
Total	**1,008**	**100.0**	**3,691,806**	**100.0**	**2**	**100.0**	**1**	**100.0**

Source: 2020 U.S. Census and Bank Data. Due to rounding, totals may not equal 100.0%.

The bank's Brooklyn branch (Kings County) and onsite ATM are in a moderate-income census tract, and the bank's Teaneck branch (Bergen County) is in an upper-income census tract. While CRB did not open or close any branches during the evaluation period, the bank closed three ATMs in November 2023. These ATMs included two deposit-taking ATMs in moderate-income census tracts in Kings County and a non-deposit taking ATM in an upper-income census tract outside the assessment area in Rockland County. The impact to these communities is mitigated by the availability of, and accessibility to, multiple banks and ATMs within a reasonable distance of each closed ATM. To expand its delivery system, the bank participates in the MoneyPass ATM network, which allows customers access to over 40,000 surcharge-free ATMs nationwide, including over 200 in the assessment area. For non-MoneyPass ATMs, CRB refunds ATM surcharge fees up to $6.00 per statement cycle.

In addition to the physical access to the branches and ATMs, the bank offers other alternative delivery systems that improve accessibility for its products and services for all geographies, including low- and moderate-income areas. These delivery systems include telephone banking, electronic bill pay, online banking, mobile banking, and person-to-person and business-to-business payments via instant payments through FedNow Services and the RTP network payment services.

Changes in Branch Locations

During the evaluation period, CRB did not open or close any branches. Therefore, the bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or individuals. CRB's service hours, and its loan and deposit products, do not vary between branch locations. The branches are open from 9:00 a.m. to 6:00 p.m. Monday through Thursday and 9:00 a.m. to 3:00 p.m. on Friday.

CRB offers a range of deposit products designed to meet the needs of its local community, including checking, money market, and savings accounts, as well as CDs. The bank also offers a variety of loan products, including multifamily loans, commercial loans, and consumer installment loans. Additionally, the bank offers several low-cost demand deposit accounts and interest-bearing accounts at both branches.

As a key component of its business model, the bank also provides alternative means of delivering financial services through its fintech partnerships, including products and services that benefit low- and moderate-income individuals.

Community Development Services

CRB provides a relatively high level of community development services. During the evaluation period, the bank engaged in 232 instances of community service activities with 24 different organizations for a corresponding 658 service hours. The bank's record of providing services significantly increased from the prior evaluation period, during which time the bank provided 91 instances of community service activities for a corresponding 713 service hours. Community development services primarily related to economic development and community services. Since CRB was responsive to the community development needs of its assessment area, examiners considered community development services in the broader New Jersey and New York statewide areas that also benefitted the bank's assessment area.

The bank's performance compares favorably to similarly situated institutions that operate across the bank's assessment area. Five similarly situated institutions (based on asset size and geographic location) performed between 51 and 277 community development service activities over their recent evaluation periods. Examiners also conducted an analysis of institutions that use a similar business model as CRB by originating loans through strategic partners on a national basis and determined that CRB's level of community development services were below four of the five institutions, where those institutions received Outstanding ratings. However, only approximately half of CRB's current employees live in the NY/NJ area and, therefore, could reasonably provide community services in the bank's assessment area. In addition, four of those institutions with a similar business model as CRB operate under a Strategic Plan with specific goals established for community development service hours.

The table below details the bank's community development service hours by year and community development purpose.

Community Development Services										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**Hours**	**#**	**Hours**	**#**	**Hours**	**#**	**Hours**	**#**	**Hours**
5/3/2021 – 12/31/2021	0	0	29	34	13	56	0	0	**42**	**90**
2022	14	14	38	75	29	147	0	0	**81**	**236**
2023	5	25	39	177	60	112	0	0	**104**	**314**
1/1/2024 – 3/8/2024	1	2	0	0	4	16	0	0	**5**	**18**
Total	**20**	**41**	**106**	**286**	**106**	**331**	**0**	**0**	**232**	**658**
Source: Bank Data										

The following are examples of the bank's community development services.

- In 2022 and 2023, 28 employees provided technical assistance across multiple sessions to small business owners/startup founders to guide them through challenges relating to launching and operating their business, including gaining access to capital, fundraising, managing investors, developing business strategy, generating sales, marketing, and financial planning. Bank employees provided technical assistance in conjunction with an organization dedicated to serving the technology and life science startup companies of New Jersey and the broader regional area with educational programs and events, networking opportunities, and recognition celebrations.

- In 2022, 12 employees conducted 5 financial literacy workshops for low- and moderate-income teachers from a school in Brooklyn, Kings County, NY. Topics covered included credit building, budgeting and savings, and retirement savings. Bank employees provided these workshops in conjunction with an organization dedicated to the empowerment, development, and improvement of Jewish day schools across North America, including in the regional New York area.

- In 2022, 11 employees conducted mock interviews and offered feedback to participants in conjunction with a non-profit organization that assists low-income women in the New York City area achieve employment and self-sufficiency by providing job-skills training, counseling, and placement services. One employee also served on the Board of this organization for a continuous period throughout 2022.

- Throughout the evaluation period, an employee served as a Board member for a non-profit organization that provides technical assistance to small businesses and financial education workshops for low- and moderate-income individuals via coaches who deliver specialized financial literacy programs.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices that affected the bank's CRA rating.

APPENDICES

LARGE 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) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
    i. The proportion of the bank's lending in the bank's assessment area(s);
    ii. The dispersion of lending in the bank's assessment areas(s); and
    iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
    i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
    ii. Small business and small farm loans to businesses and farms with gross annual revenues of $1 million or less;
    iii. Small business and small farm loans by loan amount at origination; and
    iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

1) The dollar amount of qualified investments;
2) The innovativeness or complexity of qualified investments;
3) The responsiveness of qualified investments to available opportunities; and
4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.,* RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

1) The extent to which the bank provides community development services; and
2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

Cross River Bank	
Scope of Examination: Examiners performed a full-scope review on the multistate New York-Jersey City-White Plains, NY-NJ MD #35614 assessment area that included Bergen County, NJ and Kings County, NY in their entirety.	
Time Period Reviewed:	05/04/2021 to 03/08/2024
Products Reviewed: Innovative or Flexible Lending Practices: 05/04/2021 – 03/08/2024 Community Development Activities: 05/04/2021 – 03/08/2024 Small Business Loans: 01/01/2021 – 12/31/2023 Home Mortgage Loans: 01/01/2021 – 12/31/2023	

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 <u>financial</u> 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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.