PUBLIC DISCLOSURE

February 2, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Carver Federal Savings Bank
75 West 125th Street
New York, NY 10027-4512
Docket #: 05273

Office of Thrift Supervision
Northeast Region
Harborside Financial Center Plaza Five, Suite 1600
Jersey City, NJ 07311

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

Office of Thrift Supervision
Department of the Treasury
Northeast Region

Jersey City Regional Office • Phone Number: (201) 413-1000 • Fax: (201) 413-7543
Harborside Financial Center Plaza Five, Suite 1600
Jersey City, NJ 07311

May 18, 2009

Board of Directors
Carver Federal Savings Bank
75 West 125th Street
New York, NY 10027

Board of Directors:

Enclosed is your institution's written Community Reinvestment Act (CRA) Performance Evaluation. The Office of Thrift Supervision (OTS) prepared the evaluation as of February 2, 2009. Pursuant to the provisions of the CRA and OTS regulations (12 C.F.R. 563e), your institution must make this evaluation and your institution's CRA rating available to the public.

In accordance with 12 C.F.R. 563e, your institution must make this written CRA Performance Evaluation available to the public within 30 business days of receiving it. You must place the evaluation in your CRA public file at your home office and at each branch within this time frame. You may not alter or abridge the evaluation in any manner. At your discretion, you may retain previous written CRA Performance Evaluation(s) with the most recent evaluation in your CRA public file.

Your institution may prepare a response to the evaluation. You may place the response in each CRA public file along with the evaluation. In the event your institution elects to prepare such a response, please forward a copy of it to this office.

All appropriate personnel, particularly customer contact personnel, need to be aware of the responsibilities that the institution has to make this evaluation available to the public. Consequently, we suggest that your institution review internal procedures for handling CRA inquiries, including those pertaining to the evaluation and other contents of the CRA public file.

We strongly encourage the Board of Directors, senior management, and other appropriate personnel to review this document and to take an active interest and role in the CRA activities of your institution.

Sincerely,

Sherry L. Antonellis
Assistant Director, Compliance

Enclosure

Table of Contents

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of Carver Federal Savings Bank. The Office of Thrift Supervision (OTS) prepared the evaluation as of February 2, 2009. OTS evaluates performance in assessment area(s) delineated by the institution rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all, of the institution's branches. OTS rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 563e.

Institution

Overall Rating

INSTITUTION'S CRA RATING: Outstanding
The Lending Test is rated: Outstanding
The Community Development Test is rated: Outstanding

Carver Federal Savings Bank ("Carver" or "the institution") has an outstanding record of meeting the credit needs of its community. The loan-to-deposit ratio was strong, and a majority of lending was in the assessment area. The percentage distribution of lending in low- and moderate-income geographies was outstanding, as was that to low- and moderate-income borrowers. Carver has a strong presence in its communities, and has helped to contribute to community credit needs through its outstanding responsiveness with community development loans, qualified investments, and community development services.

Scope of Examination

The examination included a review of HMDA reportable residential mortgage loans for the 30-month review period of July 1, 2006 through December 31, 2008. The HMDA reportable loans consisted of 1-4 family, refinance, home improvement and multi-family loans. Community development loans, investments and services were also included in this evaluation.

With assets of at least $265 million and less than $1.061 billion in each of the previous two calendar years ending December 31, 2008, the institution was assessed under the intermediate small savings bank performance standards for this evaluation.

Description of Institution

Carver Federal Savings Bank is a community oriented, federally chartered stock savings bank headquartered in New York County in the city of New York. Carver was originally founded in 1948 as a minority thrift to address the financial credit needs of an underserved African-American and Caribbean-American community, particularly in low- and moderate-income areas. As a result of its mission, the institution maintains a strong presence in these historically underserved communities in its assessment area.

The institution operates nine full-service branch operations and 11 banking centers. Carver operates the main office and administrative headquarters in the Harlem section of New York County

Institution (continued)

("Manhattan"); two additional branches in Manhattan, four in Kings County ("Brooklyn"), and two in Queens County. Three branches were opened in Brooklyn; part of the Community Capital Bank ("CCB") acquisition in September 2006, but one was closed during the review period based on market and business decisions. Account activity was transferred to a nearby branch location, and customers were not negatively impacted. Four of Carver's nine branches are located in designated New York State Banking Development Districts, which were created due to the lack of financial resources available to the community.

Of the 11 banking centers and/or stand-alone Automated Teller Machines, eight are located in Manhattan and three in Brooklyn. Banking facilities are located in or adjacent to low- and moderate-income geographies and provide needed banking services to the local communities. Branches are accessible and are open for hours tailored to the needs of the community.

The institution offers a variety of credit and banking services to its community. Loans are available for the purchase, refinance, home improvement and construction of residential properties, multi-family residential properties, and commercial properties. In addition, the institution also offers a full range of traditional deposit services. Carver strives to meet the community development needs of low- and moderate-income families in its assessment area through construction and permanent financing to not-for-profit community based organizations, and community development corporations.

At the end of the prior review period, the institution formed Carver Community Development Corporation ("CCDC"), and received a $59 million New Market Tax Credit allocation in November 2006. The organization was certified as a Community Development Entity ("CDE") engaged in activities which qualified for the New Market Tax Credit ("NMTC") Program. Carver works closely with community groups to identify affordable-housing needs in its assessment area and to provide the necessary funding to satisfy these needs. The institution also provides community development grants to qualified organizations. Members of management are contributing members to community development organizations.

Institution (continued)

As of December 31, 2008, total assets equaled $790.8 million and the total loan portfolio equaled $658.2 million. Table 1 indicates the dollar amount, percentage to total loans, and percentage to total assets of each loan category.

Table 1 **- Carver Federal Savings Bank's Investment in Loans (12/31/2008 Thrift Financial Report)**			
Loan Category	**Amount ($000's)**	**Percent of Total Loans**	**Percent of Total Assets**
Residential Mortgage	$304,575	46.3%	38.5%
Nonresidential Mortgage	296,667	45.1%	37.5%
Commercial Nonmortgage	55,554	8.4%	7.0%
Consumer	1,412	0.2%	0.2%
Total	$658,208	100.0%	83.2%

Between June 30, 2006 and December 31, 2008, Carver's assets increased from $656.5 million to $790.8 million, or 20.5 percent. The percent of total loans to total assets increased to 83.2 percent, from 76.1 percent at the prior performance evaluation. There were some shifts in the types of lending. Nonresidential mortgage lending grew by $135.3 million to 45.1 percent of all loans, up from 32.3 percent at the last evaluation. The commercial nonmortgage loan portfolio grew by $52.9 million to 8.4 percent of all loans, up from 0.4 percent at the last evaluation. While the proportion of residential mortgage loans slightly declined, the loan portfolio increased $158.7 million, or 31.8 percent.

There are no legal or financial impediments to prevent the institution from meeting the credit needs of the community. The previous CRA Performance Evaluation, dated August 28, 2006, was assigned a rating of "Outstanding."

Description of Assessment Area

The Community Reinvestment Act ("CRA") requires financial institutions to identify assessment areas in which they intend to focus their lending efforts. Carver's assessment area consists of four counties in the New York-White Plains-Wayne, NY-NJ Metropolitan Division #35644: New York, Kings, Queens, and the Bronx, and contains 2,107 geographies. This designation, based on branch locations, and market penetration of loans and deposits in the surrounding towns, is contiguous.

Table 2 illustrates demographic data on population, families, and housing units within the assessment area.

Institution (continued)

Table 2 - Demographic Data In the Assessment Area (Based on 2000 U.S. Census Data*)	
Demographic Data	**2000 Census**
Population	7,564,550
Total Families	1,755,142
1-4 Family Units	1,113,735
Multi-family Units	1,923,184
% Owner-Occupied Units	27%
% Rental-Occupied Units	68%
%Vacant Housing Units	6%
Weighted Average Median Housing	$242,321

Table 3 indicates the number of geographies in each income level and compares it to the distribution of families living in those geographies and to 1-4 family dwellings located within those geographies.

Table 3 - Distribution of Geographies, Families and Housing Units In the Assessment Area (Based on 2000 U.S. Census Data)						
Geog Inc Level	**Geographies**		**Total Area Families**		**1-4 Family Dwellings**	
2000 Census:	**#**	**%**	**#**	**%**	**#**	**%**
Low	323	15.3%	309,284	17.6%	75,638	6.8%
Moderate	602	28.6%	577,826	32.9%	314,984	28.4%
Middle	634	30.1%	498,474	28.4%	447,765	40.3%
Upper	492	23.4%	369,558	21.1%	272,324	24.5%
NA	56	2.6%	0	0.0%	98	0.0%
Total	2,107	100.0%	1,755,142	100.0%	1,110,809	100.0%

According to 2000 U.S. Census Data, 48.8 percent (Table 4(c)) of the families in the assessment area are classified as low- to moderate-income, with 20.0 percent of the families reporting income below the poverty level. The Department of Housing and Urban Development (HUD) annually adjusts the 2000 census data to update the income levels. The adjusted figures were used in the Lending to Borrowers of Different Incomes section of this Performance Evaluation. Table 4(a) indicates the median family income ranges of each income category based on the 2008 HUD adjustment; table 4(b) reflects the updated HUD median family income for each year during the review period; and table 4(c) shows the distribution of families (based on 2000 census data) in each income range of the assessment area.

Institution (continued)

Table 4(a) - Median Family Income Ranges (*)		
Income Category (As % of MD Median)	Income Ranges	
	From	To
Low (< 50%)	$1	$31,499
Moderate (50% - 79%)	$31,500	$50,399
Middle (80% - 119%)	$50,400	$75,599
Upper (>= 120%)	$75,600	+

* Based on HUD 2008 Median Family Income of the MSA

Table 4(b) - Annual HUD Median Family Income	
Year	Amount
2006	$59,200
2007	$59,500
2008	$63,000

Table 4(c) - Distribution of Families Assessment Area		
Family Income Category (As a % of MSA Median)	2000 Census Data	
	Number	Percent
Low (< 50%)	557,585	31.8%
Moderate (50% - 79%)	298,192	17.0%
Middle (80% - 119%)	297,982	17.0%
Upper (>= 120%)	601,383	34.2%
Total	1,755,142	100.0%

Carver's assessment area is densely populated with multi-family dwellings, and represents a majority of the housing units, and is fairly typical throughout New York City, especially Manhattan and the Bronx. Multi-family dwellings represent 83.8 percent and 65.3 percent of housing in low- and moderate-income geographies, respectively, in the assessment area, based on the 2000 census data. In addition, there is a far greater proportion of renters to owners, particularly in those geographies. As such, rental units represent 87.3 percent and 77.6 percent, respectively, of housing in low- and moderate-income geographies.

The borough of Manhattan is a major hub of international business and commerce; is centrally located, and accessible to major cities in the Northeast Region via all modes of transportation. The economy is service and information-based, and includes the financial services industry, communications, publishing, advertising, and legal services. Services and retail trade account for 37.5 percent and 16.8 percent, respectively, of employment in the assessment area.

There are many community and economic development organizations throughout this assessment area. As part of the CRA assessment, a community source was contacted to develop a better understanding of the housing needs of the community and how financial institutions are addressing those needs. The contact noted the continued need for affordable housing and working with local community groups was an effective way to help meet those needs.

Institution (continued)

Conclusions With Respect To Performance Tests

Loan to Deposit Ratio

An assessment of Carver's loan-to-deposit ratio was made as part of the evaluation of its lending performance. During the eight quarters ended December 2008, Carver's average loan-to-deposit ratio was 102.7 percent, with a high of 109.5 percent at September 30, 2008, and a low of 98.4 percent at March 2007. For the same time period, the loan-to-deposit ratio for the 15 OTS-regulated institutions located in the institution's assessment area averaged 89.8 percent, and for the four institutions with assets between $265 million and less than $1.061 billion, averaged 91.4 percent.

When compared to the loan to deposit ratio of all OTS regulated institutions in the assessment area, and those with comparable asset size, Carver's loan-to-deposit ratio was strong and exceeded the standards for a satisfactory performance.

Lending in the Assessment Area

Carver offers various residential mortgage loans, including multi-family loans. Table 5 illustrates the total number and dollar amount of HMDA-reportable loans (home purchase, refinance and home improvement loans) originated in and outside the assessment area during the 30-month review period ended December 31, 2008. For comparison purposes, the table reflects lending activity by each appropriate year during the review period.

Table 5 **- Concentration of Residential Loans ***
7/1/2006 – 12/31/2008
(Dollars in thousands)

Period By Year	In Assessment Area		Outside Assessment Area		Total HMDA Loans
By Number:	**#**	**%**	**#**	**%**	**#**
7/1/06 – 12/31/06	58	81%	14	19%	72
2007	81	72%	32	28%	113
2008	67	74%	24	26%	91
Total	206	75%	70	25%	276
By $ Amount:	**$ Amt**	**%**	**$ Amt**	**%**	**$ Amt**
7/1/06 – 12/31/06	$20,540	86%	$3,371	14%	$23,911
2007	32,560	71%	13,217	29%	45,777
2008	38,516	77%	11,531	23%	50,047
Total	$91,616	77%	$28,119	23%	$119,735

* Percents are based on total loans originated during applicable year

Table 5 shows that a majority of lending, at 75 percent and 77 percent by number and dollar amount, respectively, was in the assessment area. The percentage distribution of lending in the assessment

Institution (continued)

area was stronger for the multi-family loans at 84.6 percent and 76.2 percent by number and dollar amount, respectively. The percentage distribution of all HMDA reportable products exceeded that of the prior performance evaluation, which stood at 60 percent and 58 percent by number and dollar amount, respectively. No loans were purchased during this review period, which helped to improve the percentage distribution in the assessment area. Purchased loans in the prior performance evaluation were predominately located outside the assessment area.

On an annualized basis, HMDA reportable loans decreased 21.1 percent by number and increased 2.1 percent by dollar amount, from the prior performance evaluation. Multi-family lending helped to contribute to the increased dollar amounts, as these loans tended to generate higher loan amounts than one-to-four family residential mortgage loans. Multi-family loans totaled $38.9 million (32.5 percent) out of $119.7 million for all HMDA reportable lending, and within the assessment area, $29.6 million (32.3 percent).

Even though the volume of lending by number was lower, the dollar amount was higher, and was still strong based on market conditions, declining lending and economic environment, and increased competition for loans. In addition, a majority of lending was in the assessment area. On balance, the lending-related activity met the standards for satisfactory performance.

<u>Lending to Borrowers of Different Incomes</u>

During the review period, Carver originated 206 residential mortgage loans totaling $91.6 million in the assessment area. Table 6 illustrates loan originations, categorized by borrower income level, that were reported by Carver during the review period, and compares this activity to the 2007 aggregate lenders.

Table 6 - Distribution of HMDA-Reportable Loans
By Borrower Income Level in the Assessment Area
(Dollars in thousands)

Borrower Inc. Level	7/1/06 – 12/31/06		2007		2008		Review Period 7/1/06 – 12/31/08		Aggregate 2006	Aggregate 2007
By Number:	#	%	#	%	#	%	#	%	% by #	% by #
Low	2	3.4%	3	3.7%	3	4.5%	8	3.9%	0.8%	0.7%
Moderate	6	10.3%	8	9.9%	8	11.9%	22	10.7%	4.1%	4.0%
Middle	13	22.4%	15	18.5%	12	17.9%	40	19.4%	11.8%	11.8%
Upper	22	56.9%	45	55.6%	25	37.3%	103	50.0%	74.5%	74.2%
Income NA	4	7.0%	10	12.3%	19	28.4%	33	16.0%	8.8%	9.3%
Total	58	100.0%	81	100.0%	67	100.0%	206	100.0%	100.0%	100.0%
By $ Amt:	$	%	$	%	$	%	$	%	% by $	% by $
Low	130	0.6%	467	1.4%	156	0.4%	753	0.8%	0.3%	0.2%
Moderate	541	2.6%	1,566	4.8%	896	2.3%	3,003	3.3%	1.5%	1.2%
Middle	2,300	11.2%	3,542	10.9%	2,140	5.6%	7,982	8.7%	6.3%	5.4%
Upper	14,104	68.7%	18,580	57.1%	12,711	33.0%	45,395	49.5%	74.3%	71.4%
Income NA	3,365	16.9%	8,405	25.8%	22,613	58.7%	34,483	37.7%	17.6%	21.8%
Total	$20,540	100.0%	$32,560	100.0%	$38,516	100.0%	$91,616	100.0%	100.0%	100.0%

Institution (continued)

The percentage distribution of lending to low- and moderate-income borrowers was strong by number and dollar amount for all years and for the review period, and exceeded that of the 2007 HMDA aggregate reporters. The lending performance was comparable to the prior performance evaluation and compared reasonably well with the low- and moderate-income family demographics, based on 2000 census data. Although 31.8 percent of families are classified low-income, 20 percent are below poverty level, and typically outside the realm economically and financially of homeownership. The institution's percentage distribution of lending to low- and moderate-income borrowers was strong, given the economic constraints of the category.

A high percentage of data was reported as Income NA in the above table. The institution was active in originating multi-family loans; however, borrower income is not reported for this category of loans. For the review period, income data was not available for 33 loans with original loan balances of $34.5 million. Of these loans, 22 were multi-family loans totaling $29.6 million, of which 17 totaling $24.5 million were located in low- and moderate-income geographies.

The percentage distribution of HMDA reportable residential mortgage loans by borrower income level demonstrated excellent penetration of lending to all borrowers, including low- and moderate-income borrowers, and exceeded the standards for satisfactory performance.

Geographic Distribution of Loans

During the review period, Carver originated 206 residential mortgage loans totaling $91.6 million in the assessment area. Table 7 illustrates loan originations, categorized by geography income level, that were reported by Carver during the review period, and compares this activity to the 2007 aggregate lenders.

Table 7 **- Distribution of HMDA-Reportable Loans**
By Geography Income Level in the Assessment Area
(Dollars in thousands)

Geography Inc. Level	7/1/06 – 12/31/06		2007		2008		Review Period 7/1/06 – 12/31/08		Aggregate 2006	Aggregate 2007
By Number:	#	%	#	%	#	%	#	%	% by #	% by #
Low	12	20.7%	13	16.0%	11	16.4%	36	17.5%	7.6%	6.5%
Moderate	23	39.7%	22	27.2%	33	49.3%	78	37.9%	25.2%	23.1%
Middle	15	25.9%	33	40.7%	14	20.9%	62	30.1%	37.0%	34.2%
Upper	8	13.7%	13	16.1%	9	13.4%	30	14.5%	30.2%	36.2%
Total	58	100.0%	81	100.0%	67	100.0%	206	100.0%	100.0%	100.0%
By $ Amt:	$	%	$	%	$	%	$	%	% by $	% by $
Low	5,309	25.8%	7,580	23.3%	11,154	29.0%	24,043	26.2%	7.6%	7.6%
Moderate	7,707	37.5%	9,140	28.1%	14,629	38.0%	31,476	34.4%	23.8%	21.6%
Middle	3,233	15.7%	11,690	35.9%	6,281	16.3%	21,204	23.1%	30.6%	26.0%
Upper	4,291	21.0%	4,150	12.7%	6,452	16.7%	14,893	16.3%	38.0%	44.8%
Total	$20,540	100.0%	$32,560	100.0%	$38,516	100.0%	$91,616	100.0%	100.0%	100.0%

Institution (continued)

The percentage distribution of lending in low- and moderate- income geographies was very strong by number and dollar amount for all years and the review period, and significantly exceeded that of the 2007 HMDA aggregate reporters. The data also compared very well to the demographic data based on the 2000 census data, and the lending performance exceeded that of the prior performance evaluation.

The percentage distribution of lending in geographies of various income levels, particularly low- and moderate-income, was excellent and demonstrated management's commitment to its community. The geographic distribution of lending exceeded the standards for a satisfactory performance.

Community Development Activity

This is the first performance evaluation under the Intermediate Small Savings Association examination procedures, which went into effect July 1, 2007, and comprised 18 out of the 30-month review period. Prior to this time period, the institution was operating under the Small Bank performance criteria, which included a Lending component with optional community development activity.

Community Development Lending

Community development refers to affordable housing, community services targeted to low- or moderate-income individuals, activities that revitalize or stabilize low- or moderate-income geographies, and activities that promote economic development by financing businesses that meet size eligibility standards.

Since the previous evaluation, Carver significantly increased community development lending to help meet the borrowing needs of the communities its serves. This included financing for community revitalization through affordable housing projects, retail and office space development, church and school loans, and various social services and neighborhood facilities. Over the 30-month review period, the institution originated or financed more than $155.8 million in the assessment area, $40 million of which was in community development financing under the New Market Tax Credit Program.

The New Market Tax Credit Program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities ("CDEs"), which in turn, provide investments to low-income communities. The investment can be in the form of debt or a capital contribution, and entitles the investor to a credit totaling 39 percent of the cost of the investment with a seven-year credit allowance period.

Institution (continued)

Table 8 identifies the larger dollar amount commitments included in the total assessment area community development lending activities.

Table 8: Community Development Loans in the Assessment Area		
Entity Name	**Location**	**Loan Program**
Renaissance Ballroom	Adam Clayton Powell, Jr, Blvd, NY, NY	NMTC-redevelopment of building/revitalization and stabilization of area
Neighborhood Eighth Ave., LLC	West 127th Street, NY	NMTC-renovate underutilized commercial properties
Hale House	West 122nd Street, NY	NMTC-working capital loan for operations and expansion of services in LMI areas
Citicare Properties, LLC	West 127th Street, NY	NMTC-acquisition/renovation properties in LMI area/provide medical services to community
Community Partnership Development Corporation	Seventh Avenue, NY	NMTC-revolving loan pool for CDE minority and women affordable housing builders
Elidex Realty Corporation	Third Ave, Bronx, NY	NMTC-refinance bridge loan for commercial property
4119 Third Avenue	Third Ave, Bronx, NY	NMTC-refinance acquisition loan/redevelopment costs commercial property
Frederick Douglass Blvd/Striver's Row	Frederick Douglas Blvd, NY	NMTC-renovate 3 commercial properties/economic development
1262 Broadway LLC	Brooklyn, NY	Rehab of commercial property to mixed use in LMI area
Uptown Bronx HDFC	Bronx, NY	CPC participation loan rehab two multi-family properties in LMI area
Pitt Street LLP	New York, NY	JPMorgan Chase participation line of credit construction 12 story 263 unit dwelling in LMI area
FSLM Associates LLC	New York, NY	JPMorgan Chase loan participation mixed use new construction in LMI area
235 Ocean Parkway LLC	Brooklyn, NY	CPC participation loan mixed use new construction in LMI area

Multi-family Lending

Community development loans include multi-family dwelling loans that are located in low- and moderate-income geographies, and with rents that are likely to be affordable for low- and moderate-income persons. During the review period, the institution granted 26 multi-family loans totaling $38.9 million in this assessment area, of which 22 (84.6 percent) totaling $29.6 million (76.1 percent), were located in low- and moderate-income geographies in this assessment area. The majority of the multi-family loans were originated in the boroughs of the Bronx, Manhattan, and Brooklyn, in New York, which have a high percentage of multi-family dwellings in low- and moderate-income geographies. As the classification for those geographies is based on the income of the residing families, the majority of residents are presumed to be of modest means and have benefited from the institution's multi-family lending.

Innovative and Flexible Lending Practices

The institution offers and participates in loan programs that utilize innovative and flexible lending practices that target homebuyers and low- and moderate-income borrowers, and financing options for businesses and non-profits. The various home buyer programs are offered through FNMA, the State of New York Mortgage Agency, and the New York City's Housing, Preservation and Development,

Institution (continued)

the largest municipal developer of affordable housing in the nation. These programs offer various options to assist low- and moderate-income borrowers with more flexible underwriting standards that include such choices as zero and low down payment plans, and low closing costs.

Other financing options include a line of credit product to businesses and non-profit customers. These products provide financing for office space, equipment, cash flow requirements and growth of businesses. Carver also partnered with the New York City Construction Authority ("SCA") to provide favorable loan terms and conditions to women owned businesses and minority contractors in the SCA Mentor Program, as well as to provide financial and technical assistance. Over $3.1 million in loans under this program was granted to 45 eligible contractors.

Qualified Investments

Carver made a significant response to assessment area community development needs through its CRA qualified investments. A total of $19 million of capital contributions via the New Market Tax Credits program were made to community development entities, or CDEs, which in turn, invest in low- and-moderate-income communities. In addition, Carver donated $339 thousand in the form of community development grants outside the NMTC program.

The grant recipients included organizations that supported affordable housing initiatives, economic development, and provided services to populations in need, including low- and moderate-income populations. Table 9 highlights some of the organizations that received community development grants during this review period.

Table 9: Community Development Contributions in the Assessment Area

Entity Name	Location	Service
Abyssinian Development Corporation	New York, NY	Economic development
ACORN	New York, NY	Social services, affordable housing
Bedford Stuyvesant Restoration Corporation	Brooklyn, NY	Economic development
Bridge Street Development Corporation	Brooklyn, NY	Economic development
Interfaith Medical Center	Brooklyn, NY	Medical and social services for LMI families
NAACP	Brooklyn/Manhattan	Legal and social services for LMI families
Neighborhood Housing Services of New York City	New York, NY	Affordable housing, homeownership counseling
Northside Center for Child Development	New York, NY	Medical and social services for LMI families
Ralph Lauren Cancer Center	New York, NY	Medical and social services for LMI families
SoBRO	Bronx, NY	Economic Development
Urban League of New York	New York, NY	Economic empowerment for LMI families

Institution (continued)

Additional community development investments included an investment in an affordable housing equity fund named the New York Emerging Neighborhood ("Fund"). The Fund's primary objective is the revitalization and stabilization of communities via capital improvements and renovation of multi-family dwellings.

Community Development Services

The institution provided significant community development services by participating in or sponsoring workshops and community forums to educate and inform residents on various financial topics. In addition, members of management and personnel participated in numerous organizations, often in leadership capacities, to further the cause of community development. This participation helps to bind the relationship between Carver and its community, and contributes to the revitalization and stabilization of the community. Staff members participated in numerous fund raising efforts by various organizations that provide assistance to those of disadvantaged means.

During the review period, Carver initiated new programs. These included:

- Initiated an "Anti-Predatory Awareness Campaign" in collaboration with Harlem Congregations for Community Improvement and the Neighborhood Housing Services of Bedford Stuyvesant. The initiative was begun in the fall of 2006, and provided counseling services for over six thousand individuals.

- Partnered with the New York City Housing Authority by participating in a pilot program to encourage unbanked residents to pay their rent at Carver branches.

- Partnered with the New York City Office of Financial Empowerment by providing bank accounts to unbanked families in a newly established program called Opportunity NYC.

- Established the Carver Financial Literacy Center in November 2006 to provide a location for community residents to learn about financial empowerment through seminars and one-on-one counseling.

The level of community development lending was outstanding, as was the level of qualified investments and grants. Community development services were also strong as officers dedicated time and effort to organizations that promoted affordable housing and services to low- and moderate-income families and individuals. On balance, the performance under the community development test was excellent and exceeded the standards for a satisfactory performance.

Institution (continued)

Response to Complaints

During the review period, the institution received no known written complaints pertaining to its performance in helping to meet the credit needs within the assessment area.

Fair Lending or Other Illegal Credit Practices Review

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified during the concurrent examination where we evaluated compliance with consumer laws and regulations. Should the next independent examination find violations of the substantive provisions of the antidiscrimination laws and regulations, we will conduct a new evaluation taking into consideration the evidence of discriminatory or other illegal practices and assign a new rating accordingly.

CRA Rating Definitions

There are five separate and distinct CRA assessment methods set forth in the CRA: the lending, investment, and service tests for large, retail institutions; the intermediate small institution test for intermediate small savings associations; the streamlined examination method for small institutions; the community development test for wholesale and limited purpose institutions; and the strategic plan option for all institutions. OTS will assign an institution one of the four assigned ratings required by Section 807 of the CRA:

1. "Outstanding record of meeting community credit needs."
2. "Satisfactory record of meeting community credit needs."
3. "Needs to improve record of meeting community credit needs."
4. "Substantial noncompliance in meeting community credit needs."

OTS judges an institution's performance under the test and standards in the rule in the context of information about the institution, its community, its competitors, and its peers. Among the factors to evaluate in an examination are the economic and demographic characteristics of the assessment area(s); the lending, investment, service, and community development opportunities in the assessment area(s); the institution's product offerings and business strategy; the institution's capacity and constraints; the prior performance of the institution; in appropriate circumstances, the performance of a similarly situated institution; and other relevant information. An institution's performance need not fit each aspect of a particular rating profile in order to receive that rating, and exceptionally strong performance with respect to some aspects may compensate for weak performance in others. The institution's overall performance, however, must be consistent with safe and sound banking practices and generally with the appropriate rating profile. In addition, OTS adjusts the evaluation of an institution's performance under the applicable assessment method in accordance with §563e.21 and §563e.28, which provide for adjustments on the basis of evidence of discriminatory or other illegal credit practices.