



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

May 07, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The National Bank of Stamford
Charter Number 2602**

**One Churchill Avenue
Stamford, NY 12167**

**Office of the Comptroller of the Currency
New York Metro-New Jersey-West
830 Morris Turnpike Second Floor
Short Hills, NJ 07078**

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.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

Family: 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, which 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).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract or a block numbering area 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 area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, 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.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

Rated Area: A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

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

Small Loan(s) to Farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, 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 operations 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 Community Reinvestment Act (CRA) performance of **The National Bank of Stamford, Stamford, New York (NBS)** as prepared by **The Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of May 10, 2004. The agency rates the performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

The major factors supporting the institution's rating are:

- A substantial majority of the loans sampled were originated within the bank's assessment areas.
- The distribution of loans reflects a reasonable penetration among low- and moderate-income borrowers, given the demographics of the assessment area.
- The geographic distribution of sampled loans reflects an excellent record of lending in moderate-income geographies.
- The average loan-to-deposit ratio since the last examination of 59% is reasonable.

DESCRIPTION OF INSTITUTION

The National Bank of Stamford (NBS) is an intrastate community bank chartered in 1881 and headquartered in Stamford (Delaware County), New York. The bank is located in the western Catskill region of central New York State, approximately 70 miles southwest of the state capital, Albany. The bank is wholly owned by Stamford Bank Corporation, a one bank holding company also located in Stamford, New York. The bank has no subsidiaries or affiliates.

In addition to its main office, NBS has one branch office in the adjacent municipality of Roxbury (Delaware County), New York. Both offices provide a full range of banking services, 24-hour ATM service, and extended hours. The bank also has two cash-dispensing only ATMs in other nearby municipalities. No offices were opened or closed since the last CRA examination in 1999.

As of March 31, 2004, NBS had total assets of \$102 million, net loans of \$35 million (33% of total assets), investments of \$60 million, total deposits reported of \$65 million, and Tier 1 capital of \$15 million. The primary loan products are residential real estate loans, and commercial loans.

Table 1 portrays the principal loan mix of the bank as of March 31, 2004.

Table 1 Type of Loans Outstanding March 31, 2004		
Loan Type	\$ Amount (millions)	Percentage
Commercial Real Estate	3.5	10%
Residential Real Estate	20.9	61%
Commercial	6.3	17%
Consumer	2.4	7%
Agriculture	0.8	3%
Other	0.7	2%
Total	\$ 34.6	100%

Source: Call Report, March 31, 2004

NBS is exempt from Home Mortgage Disclosure Act (HMDA) reporting requirements as neither the main office or the branch is located in a Metropolitan Statistical Area (MSA). NBS is not subject to any financial, legal or regulatory restrictions that could impede its ability to help meet the credit needs of its assessment area. The last evaluation of NBS under the CRA was performed by the OCC in January 1999 and resulted in a rating of "Satisfactory."

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment areas (AA) meet the requirements of the regulation and do not arbitrarily exclude low- or moderate-income areas. The bank has identified the three contiguous counties of Delaware, Greene, and Schoharie as its assessment area. Schoharie County is located in the Albany-Schenectady-Troy, N.Y. Metropolitan Statistical Area (MSA) # 0160. Delaware and Greene Counties are not in an MSA.

The market in which the bank operates is very competitive. Located within the assessment area are numerous community banks, thrift institutions, and branches of larger regional banks. These institutions compete for both commercial and consumer banking services as well as loan products. According to the June 30, 2003 FDIC/OTS Summary of Deposit data, the following two financial institutions dominate the bank's assessment area: NBT Bank, N.A. with nine offices and 24% of the market share and The Bank of Greene County with five offices and 12% of the market share. NBS had 3.56% of the deposit base and ranked 12th among the 14 institutions in the assessment area.

Much of the bank's combined assessment area lies within the Catskill/Delaware Watershed region, which supplies water to New York City. As a result of the 1997 Watershed Memorandum of Agreement and the 2001 Watershed Protection Program Plan, land use has been restricted. Accordingly, land development and construction has been significantly reduced. This has led to declining agricultural business and low levels of new job development as well as housing starts.

Credit needs within the assessment area, determined from a community contact and bank management, include real estate loans, and small business loans.

Delaware and Greene Counties Assessment Area

The Delaware and Greene Counties AA is primarily rural with pockets of development. The eastern border of this AA is the Hudson River and the western border runs approximately parallel to Interstate Highway # 88. Much of Greene County is comprised of the Catskill Forest

State Park. As mentioned above, these two counties are not included in a MSA.

Overall, this AA consists of 25 Block Numbering Areas (BNA). The BNAs are designated as follows: zero low-income, one moderate-income, twenty-two middle-income, one upper-income, and one that has not been income-designated. The single moderate-income tract in this AA, located in Delaware County, consists entirely of the local college campus, The State University of New York (SUNY) at Delhi. The single tract not income-designated in this AA, located in Greene County, is comprised of a state prison.

Table 2 reflects the demographic data by income level of the geographies in the Delaware and Greene Counties AA.

Table 2 Delaware and Greene Counties AA Demographics		
Income Designation	# Of Geographies	% Of Total Geographies
Low	0	0%
Moderate	1	4%
Middle	22	88%
Upper	1	4%
Not-designated	1	4%
Total	25	100%

Source: 1990 U.S. Census Data

The 1990 U.S. census median family non-metropolitan income for New York State, which is used to income categorize the BNAs, is \$31,472. The updated median family non-metropolitan income for New York State for 2002, which is used to categorize the income level of individual borrowers residing in BNAs, is \$43,600. The updated median family income is based on information from the Department of Housing and Urban Development (HUD). The average annual unemployment rate for the AA has ranged from 4.4% to 5.1% for the years 2000 through 2003. However, the rate has increased to 6.2% as of March 2004. The percentage of households below the poverty level is 12%.

Predominant industries in the area include service providers and government. Trade, transportation, and utilities account for the largest portion of service provider jobs with 5,700 positions. The government job sector employment level is 9,900.

The population of the assessment area is 91,964, which increased to an estimated 96,091 by July 2003. The median housing value in the AA is \$81,298. The median age of the housing stock is 47 years. The estimated percentage change in the number of housing units was an increase of just 0.89% for Delaware County and 1.21% for Greene County for the two years ending July 1, 2002. Total occupied housing units is 65%, with owner-occupied housing at 48% and rental occupied housing at 17%. Vacant housing units in the AA are 35%. The high vacancy rate is a result of many units serving as secondary (vacation) homes to out-of-area inhabitants.

Within the AA, there are 5,930 businesses of which 75% are defined as small businesses and 93% of these are considered non-farm businesses. A small business is defined as a company with gross annual revenues of \$1 million or less.

Schoharie County Assessment Area

The Schoharie County assessment area is within the Albany-Schenectady-Troy MSA # 0160.

Schoharie County is located just west and north of the Catskills and the Hudson River Valley, and just south of the Mohawk River Valley. This AA also lies immediately to the north of the bank's other AA of Delaware and Greene Counties.

Overall, this AA consists of eight census tracts. The census tracts are designated as follows: zero low-income, five moderate-income, two middle-income, zero upper-income, and one that has not been income-designated. The single tract that has not been income-designated includes the local college campus, The State University of New York (SUNY) at Cobleskill.

Table 3 reflects the demographic data by income level of the geographies in the Schoharie County AA.

Table 3 Schoharie County AA Demographics		
Income Designation	# Of Geographies	% Of Total Geographies
Low	0	0%
Moderate	5	63%
Middle	2	25%
Upper	0	0%
Not-designated	1	12%
Total	8	100%

Source: 1990 U.S. Census Data

The 1990 U.S. census median family income for MSA # 0160 is \$39,425. This figure is used to determine the income level of geographies. The HUD-updated MSA median family for 2002, which is used to categorize the income level of individual borrowers residing within the MSA, is \$55,500. The average annual unemployment rate for the AA has ranged from 4.1% to 5.8% for the years 2000 through 2003. However, the rate has increased to 7.7% as of March 2004. The percentage of households below the poverty level is 11%.

Predominant industries in the area include education and health services, other service providers, and government. Trade, transportation, and utilities account for the largest portion of other service provider jobs.

Schoharie County had a population of 31,859 in 1990, which is estimated to have decreased to 31,685 by July 2003. The median housing value in the AA is \$73,803. The median age of the housing stock is 48 years. The estimated percentage change in the number of housing units for Schoharie County for the two years ending July 1, 2002 was an increase of just 1.16%. Total occupied housing units is 78%, with owner-occupied housing at 58% and rental occupied housing at 20%. Vacant housing units in the AA are 22%. The high vacancy rate is a result of many units serving as secondary (vacation) homes to out-of-area residents.

Within the AA, there are 1,820 businesses of which 78% are defined as small businesses and 90% of these are considered non-farm businesses.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Scope of the Examination

The CRA evaluation of the National Bank of Stamford covers the period from January 1999 through December 2003. The loan-to-deposit ratio information covers the quarter-end information from March 1999 through December 2003. Our review covered a random sample of residential real estate loans and commercial loans for the years 2001 and 2002. These are, generally, the primary loan products extended by the bank. The loan information was derived from a data set provided by management and verified for accuracy during the onsite phase of the examination. We evaluated a sample of 53 home equity loans totaling \$2.6 million, 42 residential mortgage loans totaling \$2.8 million, and 40 commercial loans totaling \$2.9 million to determine the bank's lending performance. The sample for the residential mortgage loans and the commercial loans represented nearly the entire population of such loans originated during the evaluation period.

Community Contact

During this examination, we held a discussion with representatives of a community-based development organization to help us determine the perceived credit needs and the performance of various financial institutions operating in the assessment area. The geographic area covered by this organization was similar, though smaller, than the assessment area for the bank. The representatives commented on zoning restrictions implemented in the Catskill/Delaware watershed region. These restrictions reduce the development of new housing and commercial buildings. The representatives noted that the zoning restrictions have been greatly responsible for the lack of living wage jobs, affordable housing, and business and apartment rental units. Credit needs within the assessment area include real estate loans and small business loans.

Loan-to-Deposit Ratio

The bank's average loan-to-deposit ratio meets the standard for satisfactory performance. The average loan-to-deposit ratio for NBS for the period since the prior evaluation is 59%. This is consistent with similarly situated institutions whose combined average loan-to-deposit ratio is 63%. Similarly situated banks include five banks considered to be peers due to their location and/or asset size.

Lending in the Assessment Area

NBS meets the standard for outstanding performance for lending in the AAs. The sample of loan originations revealed that a substantial majority of loan originations are within the bank's AA. An analysis of the sample disclosed that 92% of the number and 93% of the dollar amount of loans were located within the combined AA.

Please refer to table 4 for further information on individual loan categories.

Table 4						
Lending in AAs from January 1, 2001 through December 31, 2002						
Type	# Of Loans Originated	# Of Originations in AA	% # Originated in AA	\$ Amount of Loans Originated (millions)	\$ Amount of Loans Originated in AA (millions)	% \$ Originated in AA
Mortgage/Refinance	42	42	100%	2.8	2.8	100%
Home Equity	53	51	96%	2.6	2.5	98%
Commercial	40	31	78%	2.9	2.4	82%
Total	135	124	92%	\$ 8.3	\$ 7.7	93%

Source: Loan Sample

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The bank's record of lending to borrowers of different incomes and to businesses of different sizes meets the standard for satisfactory performance. The distribution of loans reflects reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes, given the demographics of the AAs. An analysis of the samples for both AAs netted similar results.

Delaware and Greene Counties AA

Residential Real Estate Loans

The level of mortgage lending to low- and moderate-income families is reasonable. While the residential real estate sample resulted in an under representation of residential real estate loans to low- and moderate-income families, there are a number of mitigating factors for the level of lending to the low- and moderate-income families. Firstly, the Delaware/Catskill Watershed restricts the building of new properties, which causes the existing properties to appreciate in value due to a lack of new housing starts. This, therefore, reduces the number of affordable properties for low- and moderate-income families. Secondly, a large percentage of the population in the AA is comprised of elderly persons without the need for home mortgages. This is evidenced by the fact that 35% of the households in the Greene and Delaware Counties AA receive social security. Thirdly, home mortgage loan originations to middle- and upper-income families are high because many borrowers are from the New York City metropolitan area purchasing second/vacation homes in the AAs. Lastly, there is a high level of families living below the poverty level in the AA. This AA has 12% of the households living below the poverty level. These factors significantly reduce the availability of affordable housing to low- and moderate-income families.

See table 5 for further information on borrower distributions.

Table 5 Borrower Distribution of Residential Real Estate Loans in the Delaware and Greene Counties AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Of AA Families	% Of Number of Loans	% Of AA Families	% Of Number of Loans	% Of AA Families	% Of Number of Loans	% Of AA Families	% Of Number of Loans
Mortgage/Refinance	19%	6%	19%	17%	25%	11%	37%	66%
Home Equity	19%	8%	19%	12%	25%	12%	37%	68%

Source: Loan Sample and 1990 U.S. Census Data

Commercial Loans

The bank's lending to businesses of different sizes, based on the sample, is a record of excellent penetration. Based on the sample of commercial loan originations, 86% of the loans originated in this AA were to small businesses (businesses with revenues less than or equal to \$1 million). Please refer to table 6 for more information.

Table 6 Borrower Distribution of Loans to Businesses in the Delaware and Greene Counties AA		
Business Revenues (or Sales)	Less than or equal to \$1 million	Greater than \$1 million
% Of AA Businesses	75%	4%
% Of Bank Loans in AA by #	86%	14%
% Of Bank Loans in AA by \$	71%	29%

Source: Loan Sample and Dun & Bradstreet 2002 Data

Schoharie County Assessment Area

Residential Real Estate Loans

The level of mortgage lending to low- and moderate-income families is reasonable. The residential real estate sample for the Schoharie County AA resulted in an under representation of residential real estate loans to low and moderate-income families as it did for the Greene and Delaware Counties AA. Because Delaware, Greene, and Schoharie are adjacent counties, the socioeconomic conditions that affect the lending in the Greene and Delaware Counties AA also affects the Schoharie County AA. The Schoharie County population has slightly less households receiving social security (32%) than does the Greene and Delaware Counties AA (35%). Additionally, the level of families living below the poverty line is 11% in the Schoharie County AA compared to 12% in the Greene and Delaware Counties AA. The aforementioned socioeconomic conditions listed for the Greene and Delaware Counties AA similarly impacted loans to low- and moderate-income families.

See table 7 for further information on borrower distributions.

Table 7 Borrower Distribution of Residential Real Estate Loans in the Schoharie County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Of AA Families	% Of Number of Loans	% Of AA Families	% Of Number of Loans	% Of AA Families	% Of Number of Loans	% Of AA Families	% Of Number of Loans
Mortgage/Refinance	27%	14%	26%	21%	25%	21%	23%	43%
Home Equity	27%	8%	26%	4%	25%	12%	23%	77%

Source: Loan Sample and 1990 U.S. Census Data

Commercial Loans

The bank's lending to businesses of different sizes, based on the sample, is a record of excellent penetration. Based on the sample of commercial loan originations, 100% of the loans originated in the Schoharie County AA were to small businesses.

Please refer to table 8 for more information.

Table 8 Borrower Distribution of Loans to Businesses in the Schoharie County AA		
Business Revenues (or Sales)	Less than or equal to \$1 million	Greater than \$1 million
% Of AA Businesses	77%	4%
% Of Bank Loans in AA by #	100%	0%
% Of Bank Loans in AA by \$	100%	0%

Source: Loan Sample and Dun & Bradstreet 2002 Data

Geographic Distribution of Loans

The geographic distribution of loans meets the standards for outstanding performance. The geographic distribution of loans reflects excellent dispersion throughout the AAs. A majority of owner occupied housing units and businesses are located in the Delaware and Greene Counties AA. The Delaware and Greene Counties AA has 72% more owner occupied housing units and 79% more businesses than does the Schoharie County AA. However, the only moderate-income geographies with a market for residential real estate loans are located entirely in the Schoharie County AA.

Delaware and Greene Counties Assessment Area

There are no low-income BNAs and only one moderate-income BNA in this AA. The one moderate-income geography consists solely of a college campus (SUNY Delhi). As a result, there is only a minimal opportunity for the bank to extend mortgage or small business credit in this geography. Accordingly, an analysis of the geographic distribution of residential real estate and small business lending within this AA would not be meaningful.

Schoharie County Assessment Area

Residential Real Estate Loans

The Schoharie County AA has 67% of owner occupied housing units in moderate-income census tracts, while the remainder of the housing lies in middle-income census tracts. The bank's dispersion in moderate-income tracts is excellent as the bank made 100% of mortgage/refinance loans and 96% of home equity loans in moderate-income tracts.

See table 9 for further information on loan originations within this AA.

Table 9 Geographic Distribution of Residential Real Estate Loans in the Schoharie County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% Of AA Owner Occupied Housing	% Of Number of Loans	% Of AA Owner Occupied Housing	% Of Number of Loans	% Of AA Owner Occupied Housing	% Of Number of Loans	% Of AA Owner Occupied Housing	% Of Number of Loans
Mortgage/Refinance	0%	0%	67%	100%	33%	0%	0%	0%
Home Equity	0%	0%	67%	96%	33%	4%	0%	0%

Source: Loan Sample and 1990 U.S. Census Data

Commercial Loans

The bank's record of lending to small businesses in moderate-income geographies is excellent.

The Schoharie County AA has 50% of small businesses in moderate-income census tracts, while the remaining 50% of small businesses lie in middle-income census tracts. The loan sample showed that the bank made 100% of small loans to small businesses within the moderate-income census tracts. See table 10 for further information on loan originations within this AA.

Table 10 Geographic Distribution of Small Loans to Small Businesses in the Schoharie County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% Of AA Businesses	% Of Number of Loans	% Of AA Businesses	% Of Number of Loans	% Of AA Businesses	% Of Number of Loans	% Of AA Businesses	% Of Number of Loans
Commercial	0%	0%	50%	100%	50%	0%	0%	0%

Source: Loan Sample and Dun & Bradstreet 2002 Data

Responses to Complaints

NBS has not received any CRA related consumer complaints with respect to the bank's lending performance since the last CRA examination.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.