



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Millennium BCPBank, N.A.
Charter Number 23913

255 Lafayette Street
Newark, N.J. 07015

Office of the Comptroller of the Currency

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Edison, N.J. 08837

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

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting the institution's rating include:

- Millennium bcpbank's (Mbc) loan to deposit ratio meets the standard for satisfactory performance.
- A preponderance of loans and other lending related activities are in the bank's assessment areas (AAs).
- The geographic distribution of loans reflects reasonable dispersion throughout the census tracts (CTs) in the AA.
- Community development (CD) performance demonstrates adequate responsiveness to the needs of the AA through loans, qualified investments, and services.

Scope of Examination

This Performance Evaluation of Mbc assesses the bank's record of meeting the credit needs of the communities in which it operates. We evaluated Mbc under the Intermediate Small Bank (ISB) performance criteria, which include a lending test and a community development test. The lending test evaluates a bank's record of helping meet the credit needs of its AA through its lending activities. The CD test evaluates a bank's CD lending, qualified investments, and CD services. The evaluation period covers loans originated or purchased from January 1, 2005 to December 31, 2007 and CD activities from August 11, 2004 through April 30, 2008.

Conclusions regarding Mbc's lending performance are primarily based on home mortgage loans, home refinance loans, home improvement loans, and business/commercial loans because these are considered the bank's primary loans products. Consumer loans were excluded from this review because they are not considered a primary loan product. Demographic information was generated from the 2000 census.

Description of Institution

Mbc, formerly BPABank, N.A. opened on October 10, 2000 and officially changed to its current name in September 2006 and operates as an interstate bank. It is a full service community bank with its main office located at 255 Lafayette Street in the "Ironbound" section of Newark, New Jersey (NJ). As of December 31, 2007, the bank had total assets

of \$878.1 million.

Mbcpc currently has 18 branches in New Jersey, New York and Massachusetts, with its principal market serving the Portuguese communities. The bank provides retail and commercial banking services, ATM's and automated telephone banking to its customer base.

As of December 31, 2007, Mbcpc had net loans of \$616.8 million or 71% of its average assets, Tier 1 capital of \$83.8 million and a Tier 1 leverage capital ratio of 9.70%. The loan portfolio consists of 30% commercial real-estate loans, 29% one to four family residential real-estate loans, 14% multi-family residential, 11% construction & development loans, 14% commercial and industrial loans, and 2% other loans. The bank's total deposits as of December 31, 2007 were \$774.7 million.

There are no legal, financial, or other factors hindering Mbcpc's ability to help meet the credit needs in its AAs. The bank received a "Satisfactory" rating on its prior performance evaluation dated December 2, 2002.

Description of Assessment Area(s)

The Board of Directors of the bank approved the following (AAs). These AAs comprised of nine counties located within the larger New York-New Jersey, Nassau-Suffolk Metropolitan Statistical Area (MSA) and two counties located within Providence-New Bedford-Fall River, Rhode Island (RI)-Massachusetts (MA) and Springfield, MA, MSA. The counties fall under five different Metropolitan Divisions (MD) within the MSA – 35084 (Newark-Union, NJ-PA), 35644 (New York-Wayne-White Plains, NY-NJ), 35004 (Nassau-Suffolk), 20764 (Edison, NJ) and 15804 (Camden, NJ). Within the 35644 MD, there are two states – New Jersey and New York. The New Jersey State MD contains the majority of the branches.

- **Northern New Jersey** – is the bank's **principal AA overall** and encompasses all of Union and Essex counties, and portions of Bergen, Hudson and Middlesex counties.
- **Monmouth County** - NJ AA encompasses towns/townships in the eastern portion of the county with an estimated population of 665 thousand residents.
- **Burlington County** – NJ AA is considered the largest county in NJ covering 827 square miles.
- **Queens County** – is the bank's **principal AA for the State of New York** (NY) and encompasses principally the northwest part of the county.
- **Nassau County** – is a suburban county in the NY Metropolitan area east of NY City in NY State. This NY AA encompasses the northern half of the county and includes Mineola, Hicksville and Bethpage north.
- **Bristol County** – is the bank's **principal AA for the State of Massachusetts** (MA) and encompasses principally the central and southern parts of the county.
- **Hampden County** – is located in the Pioneer Valley of Massachusetts and encompasses the central portion of the county.

Selection of Areas for Full-Scope Review

The CRA statute requires a conclusion be drawn about a bank's performance in each metropolitan statistical area (MSA) in which it has a branch. As such, a sample of AAs in each state where the bank has an office was selected for full scope reviews to assign a state rating. In addition, we performed a full-scope review of the New York-Wayne-White Plains, NY-NJ multi-state Metropolitan Statistical Area (MMSA) for assigning a separate multi-state MSA rating. Refer to Appendix A for further details on the scope and AA.

Ratings

The bank's overall rating is a blend of the multistate metropolitan area rating(s) and state ratings.

Mbcip's CRA rating takes into account the ratings in different states/multistate Metropolitan areas. We considered the significance of the bank's activities in each state and multistate metropolitan area compared with the bank's overall activities. In addition, we considered the lending opportunities in each state and multistate metropolitan area, and the demographic and economic conditions in each state and multistate metropolitan area.

The multistate metropolitan area rating(s) and state rating(s) are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each State and Multistate Metropolitan Area Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Conclusions with Respect to Performance Criteria

Lending Test

Mbcip's performance under the Lending Test is *satisfactory*. The bank's loan to deposit ratio is reasonable and a substantial majority of the loans originated were inside the bank's AA. The geographic distribution of Mbcip's residential and business loans reflect excellent dispersion among geographies, and the bank's borrower distribution reflects reasonable penetration among borrowers of different income-levels and businesses of different sizes.

Loan-to-Deposit Ratio

Mbcip's average loan to deposit ratio is reasonable compared to similarly situated competition in the region. The bank's quarterly average loan to deposit ratio since the last CRA examination was 74.76%. This ratio is comparable to those of similarly situated financial institutions (71.66%) within its AAs.

Lending in Assessment Area

Mbcpc meets the standards for satisfactory performance for lending in its AA. We reviewed the distribution of the bank's home and business loan products from January 1, 2005 to December 31, 2007. We also reviewed the distribution of Community Development loans from August 11, 2004 to April 30, 2008. During the assessment period, the bank originated a substantial preponderance of its loans inside its AA. (Refer to the tables below.)

Table 1 - Lending in Mbcpc's Assessment Areas (AA)										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home mortgages	641	83	128	17	769	\$96,471	76	\$29,664	24	\$126,135
Small business	1417	79	369	21	1786	\$397,741	68.5	\$182,989	32	\$580,730
Community Development	18	90	2	10	20	\$33,837,840	94	\$2,276,000	6	\$36,113,840
Totals	2076	81	499	19	2575	\$34,332,052	93	2,488,653	7	\$36,820,705

Source: Mbcpc HMDA data 2005-2007 and Loan Sample

Fair Lending or Other Illegal Credit Practices Review

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

Multistate Metropolitan Area Rating

New York-White Plains-Wayne-New York-New Jersey MMSA

CRA Rating for the New York-White Plains-Wayne-NY-NJ multi-state metropolitan area: **Satisfactory**

The Lending test is rated: Satisfactory.

The Community development test is rated: Satisfactory.

The major factors that support this rating include:

- The distribution of borrowers reflects reasonable penetration among individuals of different income levels (including low-and moderate-income) and businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.

Scope of Evaluation in New York-New Jersey MMSA

The bank's performance in the New York- Wayne-White Plains, NY-NJ metropolitan division (MD) received a full scope review and is the basis of the ratings for this multistate MSA. This MMSA consists of three counties that are comprised of Queens County in New York, and Bergen and Hudson Counties in New Jersey.

New York

According to U.S. Census Bureau, Queens County is the largest in area and the second most populous of the five boroughs of New York City, NY. The borough is often considered one of the more suburban boroughs of NY City. Queens is home to many urban neighborhoods and several central business districts. The economy of Queens is based on tourism, industry, and trade. The census of 2000 indicated that there were 2,229,379 people and 537,690 families residing in the county. The median income for a household in the county was \$37,439 and the median income for a family was \$42,608. The per capita income for the county was \$19,222. The housing in this county is primarily renter occupied at 68%. Additionally, about 16.9% of families and 21.6% of the population were below the poverty line. Queens has recently experienced a real estate boom making most of its neighborhoods very desirable for people who want to reside near Manhattan in a less urban setting.

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

The borrower distribution of loans to businesses is poor. Mbcpc lends proportionately less to businesses with revenues less than \$1MM. This is poor considering that Mbcpc makes a substantial majority (73.68%) of their loans in moderate and middle income geographies and a substantial majority (74%) of the businesses with revenues under \$1MM are located in these geographies.

Table 2A - Borrower Distribution of Loans to Businesses in MMSA NY AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	68.85	5.08	26.06	100
% of Bank Loans in AA by #	47.37	47.37	5.26	100
% of Bank Loans in AA by \$	36.26	63.45	.29	100

Source: Loan Sample

Geographic Distribution of Loans

The geographic distribution of loans to businesses reflects excellent dispersion. Proportionately, Mbcpl lends substantially more to businesses in low and moderate-income census tracts.

Table 3A – Geographic Distribution of Loans to Businesses in MMSA NY AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans						
TOTALS	1.16	15.79	27.29	52.63	46.42	21.05	24.01	10.53

Source: Loan Sample

New Jersey

In the New Jersey MMSA, there are two counties, Bergen and Hudson. Bergen County is the most populous county of the State of New Jersey. As of the 2000 census data, the population was 884,118 growing to 904,037 as of the Census Bureau's 2006 estimate. It is part of the New York Metropolitan Area and ranks as the 21st among the highest-income counties in the U.S., with a per capita income of \$33,638. As of the 2000 census data, there were 235,210 families residing in the county. The median income per household was \$65,241 and the median income per family was \$78,079. The per capita income for the county was \$33,638. About 3.40% of families and 5.00% of the population were below the poverty line.

Hudson County is the most densely populated county in the state. As of the 2000 census data, the population was 608,975. There were 230,546 households and 143,630 families residing in the county. The median housing value is \$217,936, with a median income per household of \$40,293 and median income per family of \$44,053. The per capita income for the county was \$21,154. About 13.30% of families and 15.50% of the population were below the poverty line.

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

The borrower distribution for residential real estate loans in the NJ MMSA is reasonable given the demographic and economic circumstances of the AA. The proportion of loans made to low and moderate income borrower's is significantly lower than demographics. Together, families with low and moderate incomes comprise 29.19% of the families in the AA, but Mbcpc only lent 5.01% of their residential real estate loans to these borrowers during the evaluation period. However, there are mitigating demographic and economic circumstances that limit the opportunities available to serve these demographics.

Hudson County has a relatively high poverty rate, 13.30%, which precludes most of the low-income borrowers from purchasing homes, thereby limiting opportunities to lend. Bergen County has one of the highest median incomes and is one of the least affordable counties in the United States. In addition, there is only one low-income census tract in the AA, and 62% of the low-income families and 37% of the moderate-income families live there.

Borrower Income Level	Low		Moderate		Middle		Upper	
	% 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
Purchase	15.58	0.00	13.61	0.00	17.13	28.57	53.67	71.43
Refinance	15.58	0.00	13.61	3.92	17.13	13.73	53.67	82.35
Improvement	15.58	2.78	13.61	2.78	17.13	27.78	53.67	66.67
TOTALS	15.58	2.78	13.61	2.23	17.13	23.36	53.67	73.48

Source: MbcpcHMDA data 2005-2007, 2000 U.S. Census data

Borrower distribution for loans to businesses is reasonable. Mbcpc lends proportionately more to businesses with revenues less than \$1MM.

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	69.09	8.29	22.36	100
% of Bank Loans in AA by #	60	30	10	100
% of Bank Loans in AA by \$	79.56	20.31	.14	100

Source: Loan Sample

Geographic Distribution of Loans

The geographic distribution of residential real estate loans is reasonable. Mbcpc did not make any residential real estate loans in low or moderate-income census tracts. There is only one low-income census tract in the AA. In addition, there are limited

opportunities to service this area given that, while low and moderate-income census tracts comprise 18.38% of all census tracts, only 5.19% of the owner occupied housing are in those census tracts.

Table 3 - Geographic Distribution of Residential Real Estate Loans in MMSA, NJ								
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
Purchase	0.03	0.00	5.16	0.00	21.13	37.50	73.67	62.50
Refinance	0.03	0.00	5.16	0.00	21.13	59.26	73.67	40.74
Improvement	0.03	0.00	5.16	0.00	21.13	53.85	73.67	46.15
TOTALS	0.03	0.00	5.16	0.00	21.13	50.20	73.67	49.80

Source: Mbcpr HMDA data 2005-2007, 2000 U.S. Census data

Geographic distribution of loans to businesses is reasonable. Again, the low number of low and moderate-income census tracts limits the opportunities to make loans in those areas.

Table 3A – Geographic Distribution of Loans to Businesses in MMSA NJ AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type Small Business	% 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
TOTALS	0.12	0	9.06	0	26.78	50	63.74	50

Source: Loan Sample

State Rating

State of New Jersey

CRA Rating for New Jersey: Satisfactory

The lending test is rated: Needs to Improve.

The Community development test is rated: Outstanding.

The primary factors supporting this rating are:

- The geographic distribution of loans reflects excellent dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, poor penetration among low and moderate-income individuals.
- The level of community development (CD) participation through the bank's involvement in CD loans is excellent.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW JERSEY

The bank's primary market in the state of New Jersey is Northern New Jersey AA. The bank's main competitors in the state for lending include, but not limited to City NB of New Jersey, Union Center National Bank, Synergy Bank, Oritani Savings Bank, and Royal Bank of America. The bank operates ten branches in New Jersey and three stand-alone ATMs in the cities of Elizabeth and Kearny, NJ.

SCOPE OF EVALUATION IN NEW JERSEY

The CRA statute requires a conclusion be drawn about a bank's performance in each metropolitan statistical area (MSA) in which it has a branch. As such, a sample of AAs in each state where the bank has an office was selected for full scope reviews. We performed a full-scope review of the Northern New Jersey and Monmouth County AAs and a limited-scope review of the Burlington County based on the volume and the dollar amount generated from these AAs in New Jersey.

One community contact was called during this examination. The contact has not returned our call as of the date of this writing. We will update the PE as soon as we hear back from the community contact.

Newark/Union – Northern New Jersey AA

Northern New Jersey is the bank's principal AA overall and encompasses all of Union and Essex counties. The bank's primary market is in the state of NJ with eight branches located in Newark, Elizabeth, Kearny, Perth Amboy, Lyndhurst and Union. Within the state of New Jersey, the bank has identified three AAs. Newark is the largest city in the State of New Jersey and the 61st largest in the nation. Newark is the core of a four-county metropolitan region with 1.9 million people making it the 17th largest such region in the country. The city is predominantly minority, lower income area. Policy

makers in Newark, NJ have identified decent housing, a suitable living environment, and expanding economic opportunities for low-and moderate-income residents as areas of concern. Essex County is the second most densely populated county in the state after Hudson County, and has the second largest population after Bergen County. Like many of the counties of Northern New Jersey near New York City, which tend to have sharp divides between relatively rich suburban neighborhoods and less wealthy, more densely-populated cities nearby, the eastern region of Essex County tends to be poorer and more urbanized, while the western parts tend to be more affluent and suburban. Essex County has the highest property taxes in the State of New Jersey, which is the state with the overall highest level of property taxes in the nation. Union County is the last of New Jersey's counties to be created and the second smallest of New Jersey's 21 counties.

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

The bank shows poor penetration of residential real estate loans originated among low-income borrowers. The bank made 0% of their home purchase loans primarily because it is not in the home purchase financing business directly but rather through strategic alliances with Nexstar Mortgage and Wells Fargo Mortgage. The bank made approximately 7% for refinance and home improvement loans to low-income borrowers. Low-income families make up 28.6% of the AAs population. This however, when considering the affordability of housing in the MSA is reasonable. As of the 2000 census data, the median housing value is \$185,888 and the median family income is \$68.4 thousand. This means that a low-income person earns less than \$41.1 thousand. Based on these statistics, it would be difficult for a low-income individual to purchase housing in the AAs.

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
Home								
Purchase	28.60	0.00	18.00	6.25	19.32	37.50	34.08	56.24
Refinance	28.60	6.76	18.00	19.59	19.32	41.22	34.08	32.43
Improvement	28.60	7.35	18.00	25.00	19.32	39.71	34.08	27.94
TOTALS	28.60	4.70	18.00	16.95	19.32	39.48	34.08	38.87

Source: Mbcpc HMDA data 2005-2007, 2000 U.S. Census data

Mbcpc's lending to small businesses by borrower distribution reflects reasonable penetration. Compared to the percentage of AA businesses with gross annual revenues less than or equal to \$1 million, the bank is lower than this ratio in terms of dollar volume and the number of loans originated.

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	71.42	7.84	20.74	100
% of Bank Loans in AA by #	32.00	64.00	4.00	100
% of Bank Loans in AA by \$	7.49	92.41	0.09	100

Source: Loan Sample

Geographic Distribution of Loans

The geographic distribution of residential real estate is excellent in the Newark/Union NJ based primarily on strong performance in the low and moderate-income segment of the area. The percentage of MbcP's loans in low and moderate-income areas exceeded the percentage of owner occupied housing in this 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
Purchase	5.83	15.79	20.29	31.58	32.83	21.05	41.05	31.58
Refinance	5.83	7.89	20.29	50.66	32.83	34.87	41.05	6.58
Improvement	5.83	6.94	20.29	54.17	32.83	31.94	41.05	6.94
TOTALS	5.83	10.21	20.29	45.47	32.83	29.29	41.05	15.03

Source: MbcP HMDA data 2005-2007, 2000 U.S. Census data

MbcP shows excellent dispersion of small business loans among low-and moderate-income geographies. The bank made 44% of their small business loans to businesses in the low-and moderate census tracts when in comparison, only 15% and 24% of the small businesses are in the low and moderate census tracts, respectively.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type Small Business	% 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
TOTALS	15.18	44.00	23.61	44.00	28.13	0	33.07	12.00

Source: Loan Sample

Edison NJ MSA – Monmouth County AA

Monmouth County - is a county located in the State of New Jersey within the New York metropolitan area. This county ranks 42nd among the highest-income counties in the U.S. with a per capita income of \$31,149. The county contains only two incorporated cities, Long Branch and Asbury Park. The bank operates one full-service branch in Long Branch, NJ.

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

The borrower distribution of loans in the Monmouth County AA meets the standards for satisfactory performance. The bank showed more than reasonable penetration of home loans among moderate-income borrowers. The level of home mortgage loans originated to low-income borrowers is less than the percentage of low-income families in the AAs. The distribution of borrowers reflects poor penetration among low-income individuals, and reflects excellent penetration among moderate-income borrowers. This however, when considering the affordability of housing in the MSA is reasonable. As of the 2000 U.S. Census Data, the median housing value is \$186,626 and the median family income is \$69,978 thousand. This means that a low-income family earns less than \$42 thousand. Based on these statistics, it would be difficult for a low-income individual to purchase housing in the AAs.

Table 2 – Borrower Distribution of Residential Real Estate Loans in Monmouth County, NJ 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
Purchase	18.03	0.00	17.48	20.00	22.85	20.00	41.64	60.00
Mortgage Refinance	18.03	5.36	17.48	26.79	22.85	25.00	41.64	42.68
Improvement	18.03	11.11	17.48	25.00	22.85	27.78	41.64	36.11
TOTALS	18.03	5.49	17.48	23.93	22.85	24.26	41.64	46.26

Source: Mbcp HMDA data 2005-2007, 2000 U.S. Census data

The borrower distribution of loans to small businesses in Edison, NJ AA is excellent based on the number and dollar amount shown on the table below.

Table 2A - Borrower Distribution of Loans to Businesses in Monmouth County, NJ AA

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	68.86	8.12	23.03	100
% of Bank Loans in AA by #	85.71	9.52	4.76	100
% of Bank Loans in AA by \$	73.28	26.66	.06	100

Source: Loan Sample

Geographic Distribution of Loans

The geographic distribution of residential real estate loans is considered excellent. Based on the table below, the number of loans made in the low and moderate-income census tracts significantly exceeds available owner-occupied housing.

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
Purchase	0.75	0.00	10.72	37.50	54.43	25.00	34.09	37.50
Refinance	0.75	3.28	10.72	42.62	54.43	42.62	34.09	11.48
Improvement	0.75	0.00	10.72	33.33	54.43	50.00	34.09	16.67
TOTALS	0.75	1.09	10.72	50.32	54.43	39.21	34.09	21.88

Source: Mbcpr HMDA data 2005-2007, 2000 U.S. Census data

Based on the representative loan sample, the geographic distribution of small business loans is excellent. The bank made 67% of their small business loans to businesses located in the moderate-income geographies when in comparison, only 12% of the small businesses are in moderate-income census tracts.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type Small Business	% 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
TOTALS	2.96	0	11.68	66.7	51.93	14.29	33.23	19.05

Source: Loan Sample

Camden NJ – Burlington County AA

Based on limited scope review, the bank's performance under the lending test in the Camden, NJ MSA is not inconsistent with the bank's overall lending test rating under the full-scope area. The bank generated a total of sixteen home loans in the low to moderate-income borrowers in this AA. This AA is the largest county in New Jersey with a population of 423,394 based on the 2000 Census data. The median income for a family was \$67,481 and mean that a low-income family earns less than \$40.7 thousand. About 3.20% of families and 4.70% of the population were below the poverty line. The bank operates one full service branch in Riverside, NJ within this AA.

Community Development Test

The bank's performance under the community development test in New Jersey is rated outstanding. Community Development lending in New Jersey had a positive effect on the overall CRA performance. Together qualified investments and loans total approximately \$23.3 million or 27.34% of Tier 1 Capital. Refer to the overall Community Development Test section of this evaluation for further details.

State Rating

State of New York

CRA Rating for New York: Needs to Improve

The lending test is rated: Needs to Improve.

The Community development test is rated: Satisfactory.

The primary factors supporting this rating are:

- The borrower distribution reflects poor penetration among individuals of different income levels and businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK

The bank's *principal AA for the State of New York is Queens County* and encompasses the northwest portion of the county including Astoria, Long Island City, Woodside, Jackson Heights, Rego Park, Forest Hills, Fresh Pond, East Elmhurst and Kew Gardens. We considered Queens County however, in the MMSA full scope review. Another AA in New York State is Nassau County, a suburban county in the NY MA east of New York City. As of the 2000 census data, the population was 1,334,544. The county seat is Mineola where the bank operates one branch. As of 2008 Nassau County is the second richest county per capita in the State of New York and 10th richest in the nation with a median household income of \$85,994.

SCOPE OF EVALUATION IN NEW YORK

The CRA statute requires a conclusion be drawn about a bank's performance in each metropolitan statistical area (MSA) in which it has a branch. The bank maintains one branch in Mineola, N.Y and a remote ATM at USA Car Wash, in Pelham Manor, New York. We performed a full-scope review of the Nassau County AA to determine the CRA rating for New York, as well as the rating for the bank's lending and community development tests.

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

The bank shows poor penetration of residential real estate loans among low and moderate-income borrowers in its AA. A noted exception is the bank's excellent penetration among moderate-income borrowers for home improvement loans. The economy has been booming and according to the U.S. Census Bureau, residents of Nassau County have the highest per capita wealth in the country, as indicated above. Nassau County has also experienced heavy urbanization in many areas such as Hempstead, Freeport, Mineola, and Westbury, leading some to say that some parts of the county resemble the outer boroughs of New York City rather than a suburb of it. We

noted that the bank has only been in this AA for three years. In addition, the bank is not involved in purchase money lending, which hinders their ability to cater to the low and moderate-income borrowers.

Table 2 - Borrower Distribution of Residential Real Estate Loans in Nassau/Suffolk NY AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type: Home	% 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
Purchase	16.70	0.00	17.06	0.00	23.01	0.00	43.22	0.00
Refinance	16.70	10.00	17.06	0.00	23.01	70.00	43.22	20.00
Improvement	16.70	5.88	17.06	47.06	23.01	35.29	43.22	11.76
TOTALS	16.70	5.29	17.06	15.69	23.01	35.10	43.22	10.59

Source: Mbcop HMDA data 2005-2007, 2000 U.S. Census data

The bank's lending to small businesses by borrower distribution reflects reasonable penetration. Compared to the percentage of AA businesses with gross annual revenues of less than or equal to \$1 Million, the bank is lower than this ratio in terms of number of loans and higher than this ratio in terms of dollar volume of loans originated.

Table 2A - Borrower Distribution of Loans to Businesses in Nassau/Suffolk, NY AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	68.09	5.72	26.18	100
% of Bank Loans in AA by #	52.38	33.33	14.29	100
% of Bank Loans in AA by \$	70.41	27.42	2.17	100

Source: Loan Sample

Geographic Distribution of Loans

Mbcop shows a reasonable dispersion of residential loans among moderate-income geographies. There is a very small number of low income geographies in the Nassau/Suffolk AA. The bank has excellent dispersion among moderate-income borrowers for home refinance loans.

Table 3 - Geographic Distribution of Residential Real Estate Loans in Nassau/Suffolk, NY 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
Purchase	0.18	0.00	4.73	0.00	68.87	0.00	26.22	0.00
Refinance	0.18	0.00	4.73	10.00	68.87	80.00	26.22	10.00
Improvement	0.18	0.00	4.73	0.00	68.87	94.44	26.22	5.56
TOTALS	0.18	0.00	4.73	3.33	68.87	58.15	26.22	5.19

Source: Mbcpc HMDA data 2005-2007, 2000 U.S. Census data

Mbcpc shows poor dispersion of small business loans among moderate-income geographies. There was a very small number of low-income geographies in the Nassau/Suffolk AA. The bank stated that they are still new to this geography and are planning to grow in the near future.

Table 3A – Geographic Distribution of Loans to Businesses in Nassau/Suffolk, NY AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type Small Business	% 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
TOTALS	0.87	0	5.72	0	64.02	95.24	29.39	4.76

Source: Loan Sample

Community Development Test

The bank's performance under the community development test in New York is rated satisfactory. Community Development investments and contributions had a positive effect on the overall CRA performance. Together qualified investments and contributions total approximately \$500,900 or 0.6% of Tier One Capital. Refer to the overall Community Development Test section of this evaluation for further details.

State Rating

State of Massachusetts (MA)

CRA Rating for Massachusetts: Satisfactory

The lending test is rated: Needs to Improve.

The Community development test is rated: Outstanding.

The primary factors supporting this rating are:

- The distribution of borrowers reflects poor penetration among individuals of different income levels, and businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The bank's community development performance demonstrates excellent responsiveness to community development needs in its AAs through CD loans.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MASSACHUSETTS

Within the state of Massachusetts, the bank identified two AAs. Bristol County encompasses the central and south portions of the county including Seekonk, Rehoboth, Dighton, Berkley, Freetown, Somerset, Swansea, Fall River, Acushnet, New Bedford, Dartmouth, Westport, and Fairhaven. The bank operates four branches in Bristol County located in Fall River and New Bedford. These branches offer a full range of banking services. A standalone ATM is located in Big Y Supermarket in Springfield, MA. The other AA is Hampden County and encompasses the central portion of the county including Ludlow, Chicopee, Springfield, Wilbraham, Hampden, East Longmeadow, and Long Meadow. The bank operates one branch located in Ludlow, MA.

Scope of Evaluation in Massachusetts

The Providence, New Bedford and Fall River MSA – Bristol County AA received full-scope reviews and the Springfield, Massachusetts MSA – Hampden County AA received limited scope reviews. The Massachusetts state ratings are based primarily on results of those areas that received full scope reviews.

Providence-New Bedford-Fall River MA – Bristol County AA

Bristol County is the bank's principal AA for the State of Massachusetts, located in the Commonwealth of MA adjacent to the state of Rhode Island. As of the census of 2000, there were 534,678 people, 205,411 households and 140,706 families residing in the county. The U.S. Census Bureau reported Bristol County as being one of two counties in the United States with a plurality of people of Portuguese ancestry, the other being

the contiguous Bristol County Rhode Island.

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

The bank shows poor penetration of residential real estate loans among low to moderate-income borrowers. Even considering poverty levels of 7.8%, penetration is still poor among low-income borrowers. In addition, 74.97% of the low-income and 60.78% of the moderate-income borrowers of the AA live within the low and moderate-income census tracts where three of the four branches in the state are located. However, there are also affordability issues. While a large proportion of the low and moderate-income borrowers are in close proximity to the branches, only 15% of the owner occupied housing is in the same area, limiting opportunities to extend residential real estate loans.

Table 2 - Borrower Distribution of Residential Real Estate Loans in Providence/ New Bedford/Fall River, MA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type: Home	% of AA Families	% of Number of Loans						
Purchase	21.25	0.00	16.97	0.00	22.01	33.33	39.77	66.67
Refinance	21.25	7.58	16.97	21.21	22.01	15.15	39.77	56.06
Improvement	21.25	10.71	16.97	10.71	22.01	32.14	39.77	46.43
TOTALS	21.25	6.10	16.97	10.64	22.01	26.87	39.77	56.39

Source: Mbcpc HMDA data 2005-2007, 2000 U.S. Census data

The borrower distribution of loans to businesses is poor. Both by number and by dollar amount, Mbcpc lends proportionately less to small businesses. This is due to the fact that bank has only been in the market for four years and has not established itself among small businesses in the area.

Table 2A - Borrower Distribution of Loans to Businesses in New Bedford/Fall River, MA AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	65.20	6.01	28.79	100
% of Bank Loans in AA by #	16.67	83.33	0	100
% of Bank Loans in AA by \$	17.5	82.5	0	100

Source: Loan Sample

Geographic Distribution of Loans

The geographic distribution of residential real estate loans is more than reasonable. Overall, Mbcpc lends proportionately more to borrowers who live in low and moderate-income census tracts. This is because three of the four branches in the AA are located around the areas with the highest concentration of low and moderate-income census tracts, thereby increasing the opportunities to lend to these areas.

Table 3 - Geographic Distribution of Residential Real Estate Loans in Providence/ New Bedford/Falls River, MA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans						
Purchase	2.18	0.00	13.31	16.67	46.33	66.67	38.18	16.67
Refinance	2.18	4.48	13.31	32.84	46.33	53.73	38.18	8.96
Improvement	2.18	10.00	13.31	16.67	46.33	53.33	38.18	20.00
TOTALS	2.18	4.83	13.31	22.06	46.33	57.91	38.18	15.21

Source: Mbcpc HMDA data 2005-2007, 2000 U.S. Census data

The geographic distribution of loans to businesses is reasonable. Mbcpc did not make any loans in low-income census tracts. However, the proportions of loans made in moderate census tracts are almost double the demographic levels. Again, this can be attributed to the concentration of branches in these geographies. In addition, proportionately fewer loans are made to businesses in low-income census tracts because the branches in the AA make more loans to businesses with revenues over \$1MM. In the AA, only 10% of the businesses with revenues over \$1 MM are located in low-income census tracts.

Table 3A – Geographic Distribution of Loans to Businesses in New Bedford/Fall River, MA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type Small Business	% of AA Businesses	% of Number of Loans						
TOTALS	8.54	0	17.26	33.33	39.56	54.17	34.64	12.5

Source: Loan Sample

Springfield, MA MSA – Hampden County AA

Based on limited scope review, the bank's performance under the lending test in the Springfield, MA, MSA is not inconsistent with the bank's overall lending test rating under the full-scope areas.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the community development test in Massachusetts is rated outstanding. Community Development lending in Massachusetts had a positive effect on the overall CRA performance. Together qualified investments and loans total approximately \$12.1 million or 14.2% of Tier One Capital. Refer to the overall Community Development Test section of this evaluation for further details.

COMMUNITY DEVELOPMENT TEST

The bank performance under the Community Development Test is rated “**Satisfactory**”.

Mbcpc's community development performance through its record of retail services, qualified investments, and community development loans, services and qualified investments demonstrate adequate responsiveness to community development needs in its AA.

Number and Amount of Community Development Loans

The bank originated 20 community development loans totaling \$36,113,840 during the evaluation period. Community Development loans were distributed among various projects including economic development initiative, revitalization and stabilization efforts towards low and moderate-income communities and affordable housing project financing.

In the Newark/Union AA, the bank originated five loans totaling \$22,235,000. In the New Bedford/Fall River AA, the bank originated thirteen loans totaling \$11,602,840. The bank also originated two loans totaling \$2,276,000, which were outside of the bank's AA. The bank's other five assessment areas did not originate any community development loans. The Springfield AA is relatively new to the bank with a low amount of lending activity, thus, this AA did not have a negative impact on the bank's rating.

Number and Amount of Qualified Investments

The bank made 51 qualified investments and contributions totaling \$2.125 million in 2005-2007 that provide direct benefit to the AAs in New Jersey, Massachusetts, and New York. In addition, one contribution totaling \$500 provides direct benefit to the wider geographic area of the state of Pennsylvania. The investments consist of a mortgage back security that benefits LMI income tracts and families and a Small Business Loan, which provides funding to small businesses in two of the branch's AA's. Contributions were made to organizations that provide healthcare, human services, and fundraising for low- and moderate-income individuals and geographies. In addition, contributions were made to organizations offering economic and business development opportunities for small businesses, small farms and distressed geographies.

There were a total of 22 investments and contributions totaling \$1.100 million during the evaluation period for the Newark Union AA. In the New Bedford/Fall River AA, the bank made a total of 18 investments and contributions totaling \$12 thousand during the evaluation period. In the Multi-State NJ AA, the bank made a total of one contribution and donation totaling \$225 during the evaluation period. In the Multi-State NY AA, the bank made a total of five contributions and investments totaling \$500,900 during the evaluation period. In the Edison, NJ AA the bank made a total of four investments and contributions totaling \$2,705 during the evaluation period. In the Hampden County AA,

the bank made one investment for \$500,000 during the evaluation period. The bank received credit for CRA qualified contributions and investments in their limited scope areas, if there were no contributions or investments in the limited scope areas it did not have a negative impact on the CRA rating.

Extent to Which the Bank Provides Community Development Services

The level of qualified services provided by Mbcpc is satisfactory. During the assessment period, the bank provided 20 services that qualified under the CD test criteria. Of the 20 services, six were for technical assistance for a non-profit organization, seven were for technical assistance to a small business, three were for teaching financial literacy, three were for other designated community services and one supported the revitalization of a National Disaster Area. Community services involved services directed towards low and moderate-income individuals, small businesses and teaching financial literacy. All services reviewed benefit the bank's assessment area and were not claimed by another institution.

Responsiveness to Community Development Needs

Given the bank's capacity and availability of community development opportunities in the AA, the bank demonstrates reasonable responsiveness to community development needs in its AA through CD loans, qualified investments and CD services.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test: January 1, 2005 to December 31, 2007 Community Development Test: August 11, 2004 to April 30, 2008	
Financial Institution	Products Reviewed	
Millennium bcpbank, N.A. Newark, N.J.	Home Loans Business Loans Community Development Loans, Investments and Services	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
New York-White Plains-Wayne NY-NJ MMSA - #35644 Queens County Hudson County Bergen County	Full Scope	
New Jersey Monmouth County	Full Scope	
Edison – #20764	Full Scope	
Burlington County Camden- #15804	Limited Scope	
New York Nassau-Suffolk - #35004 Nassau County	Full Scope	
Massachusetts Providence-New Bedford-Fall River, RI - # 39300 Bristol County	Full Scope	
Springfield - # 44140 Hampden County	Limited Scope	

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

Overall Bank:	Lending Test Rating	Community Development Test Rating	Overall Bank/State/Multistate Rating
Millennium bcpbank	Satisfactory	Satisfactory	Satisfactory
New York-Wayne-White Plains, NY-NJ	Satisfactory	Satisfactory	Satisfactory
New Jersey	Needs to Improve	Outstanding	Satisfactory
New York	Needs to Improve	Satisfactory	Needs to Improve
Massachusetts	Needs To Improve	Outstanding	Satisfactory