



Comptroller of the Currency
Administrator of National Banks

Wholesale

PUBLIC DISCLOSURE

August 1, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Superior Savings of New England, N.A.
Charter Number 24099
45 South Main Street
Branford, Connecticut 06405**

**The Office of the Comptroller of the Currency
New York Metro Field Office
343 Thornall Street – Suite 610
Edison, New Jersey 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.

INSTITUTION'S CRA RATING: SATISFACTORY

The conclusions for the three rating criteria are:

- The bank demonstrates an adequate level of community development lending, community development services, and qualified investment activity. It generally participates in investments that are routinely provided by private investors.
- The bank demonstrates occasional use of complex community development loans and investments. It does not use innovative community development loans, qualified investments, and community development services.
- The bank demonstrates adequate responsiveness to credit and community development needs in its assessment area.

SCOPE OF THE EXAMINATION

In evaluating the bank's performance under the CRA, we reviewed community development activities from **September 30, 2002** through **July 31 2005**. We reviewed the level and nature of qualified investments, community development lending, and community development services. At the bank's request, we also considered qualified investments, community development lending, and community development services provided by its affiliate, North Fork Bank (NFB). The bank's prior evaluation as of **September 29, 2002** resulted in a **Satisfactory** rating.

Activities considered in this evaluation were conducted either by Superior Savings of New England, N.A. (Superior) or through its affiliate, North Fork Bank (NFB), for which Superior is claiming credit. NFB has originated most of the loans and performed some of the community development services for which Superior is claiming credit within each assessment area.

The bank has adequately addressed the needs of its assessment area. Community development loans made outside the assessment area were considered in evaluating the bank's performance.

DESCRIPTION OF INSTITUTION

Superior was chartered in 1889 as a full-service state-chartered mutual savings bank. In November 1986 Superior converted to a state-chartered capital stock savings bank. For most of its history, the bank primarily served as a local lender and depository for small to medium-sized businesses, professional organizations, and individuals in a portion of New Haven County.

In December 1997 North Fork Bancorporation (North Fork) received approval to acquire Superior. North Fork's business strategy in connection with the acquisition included plans to extend the scope of Superior's business to include telemarketing banking. North Fork recognized that conducting the telemarketing business would not require multiple branch sites and therefore it sold four of Superior's five retail facilities in May 1998.

This bank is a wholesale institution with two branches: one in Branford, Connecticut and another in East Tremont, New York. Given management's strategy of pursuing telemarketing business, they applied for and received designation as a wholesale bank from the FDIC in June 1999. In July 2000, Superior converted to a National Banking Association, chartered by the Office of the Comptroller of the Currency (OCC). At that time, the OCC, like the FDIC, designated Superior as a wholesale bank for purposes of the CRA. Accordingly, Superior does not originate any small business or farm loans. As of March 31, 2005 Superior's total assets were \$526 million.

Strong competition from several larger local and regional institutions exists. Among those institutions having a presence in the bank's assessment areas are: JPMorganChase, Webster Bank, Citibank, HSBC Bank, Bank of America, Wachovia, and Peoples Bank of Connecticut.

Other than the restrictions imposed by Superior's normal scope of operations and business strategy, there are no additional constraints, legal or otherwise known, that may impact the bank's ability to meet the community development needs of its assessment area.

Table 1: Financial Information (\$000s)

	Year-end 2003	Year-end 2004	Most Recent Quarter-end 03/31/2005	Average for Evaluation Period
Tier 1 Capital	32,258	36,441	37,356	35,352
Total Income	17,981	18,559	20,992**	19,177
Net Operating Income	6,329	7,271	6,360**	6,653
Total Assets	486,695 *	523,267 *	526,851*	512,271

Source: Consolidated Report of Condition and Income and bank reported data.

The Average for Evaluation Period is the average of the numbers in the three columns.

*Actual data reported. **Annualized data reported.

CRA RATING FOR CONNECTICUT: SATISFACTORY

Superior has an adequate record of participating in and helping to support community development activities within this assessment area. This support was accomplished primarily through community development lending and qualified investments. In addition to investments within the assessment area, credit is given to investments that serve the broader statewide area.

Description of Institution's Operations within Connecticut

Superior's main office is located in Branford, Connecticut. As of June 30, 2005, that office reported \$234 million in deposits, accounting for 52% of total bank deposits. Superior offers retail and commercial deposit accounts along with community development related loans that are originated by its affiliate, NFB. Based on the FDIC's Deposit Market Share Report as of June 30, 2004 major competitors in the county are Webster Bank with 21% market share, Wachovia with 14%, Bank of America with 13.3%, New Alliance Bank with 12.6%, and Peoples Bank of Connecticut with 9%.

Description of Assessment Area

New Haven County, Connecticut is an area that is claimed by three different metropolitan statistical areas (MSAs) within the state. Bridgeport MSA #1160, New Haven-Middlesex MSA #5480, and Waterbury MSA #8880 all claim a piece of the county. However, Superior has the entire geographical area that comprises the entirety of New Haven County (all three MSAs) as its Connecticut assessment area.

Table 2: Assessment Area Description

	Number	Low	Moderate	Middle	Upper
Tracts	185	12 %	20 %	44 %	24%
Families	211,878	21%*	17%*	23%*	39%*
Businesses	53,883	8.5%**	18.5%**	43%**	30%**

Source: Demographic Data –2005 U.S. HUD updated data.

*Represents families by income level. **Represents businesses by income level of census tract.

(1) Census Tract is not income categorized

New Haven County contains a total of 185 census tracts, of which 31% are designated as low or moderate-income. The vast majority of these areas are located within then City of New Haven. Branford has no low-income or moderate-income tracts.

Services, trade, manufacturing, state government, and education industries are the largest employers in the county. Unemployment for the county as of June 2005 decreased to 3.02% compared to 4.00% reported during the prior CRA evaluation.

Branches of Bank of America and larger Connecticut based institutions Webster Bank and Peoples Bank of Connecticut provide the major banking competition within this assessment area. Based upon June 30, 2004 FDIC Deposit Market Share Reports, New Haven County holds 21% of the total deposits in the state and houses 22% of the total of all banking offices in the state.

Community Contacts

The bank’s community contact reported that the community is affluent and has a mix of moderate and upper income residents but also has a small low and moderate-income population. Superior provides grants as well as financial consulting on budgeting and saving to the community contact’s organization clients that primarily consist of low and moderate-income individuals. Other banks that are also active with this organization are Citizens, Webster, New Alliance and Gilford Savings. The contact informed us that local financial institutions adequately address community needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CONNECTICUT

Superior’s overall CRA performance as a wholesale-designated bank is satisfactory. The bank has demonstrated an adequate level of qualified investments, community development loans, and services in the assessment area. The investments and loans were neither complex nor innovative

and were of the types that are routinely provided by private investors. Nevertheless, they did adequately respond to credit and community development needs in the assessment area.

All of the community development related loans originated during the review period, though directly benefiting the bank's assessment area, were originated by the bank's affiliate, NFB. The loan to Springfield Housing Authority originated in 2005 was outside of the bank's assessment areas but was considered for this evaluation because the bank has adequately addressed the needs of its assessment areas (12CFR 25.25 (e)(2).)

Community development activities consist mainly of bank officer involvement in activities providing financial literacy training to local individuals.

Qualified Investments

Qualified investments within the state totaled \$12.4 million. Of this amount, \$8.1 million were originated during the evaluation period. \$3.7 million in new investments consisted of mortgage backed securities (MBS), \$2.4 million was in Fannie Mae MBS and \$1.3 was in Freddie Mac MBS. These were backed by mortgages to low and moderate-income individuals throughout the assessment area.

Two Connecticut Housing Finance Agency bonds amounting to \$5.0 million were outstanding since the prior CRA review until a \$955 thousand bond was called in 2003. The \$4 million bond is still outstanding. The bond is supported by mortgage loans made under a state program to provide loans to LMI individuals throughout the state. Another investment outstanding since the prior exam is \$240 thousand, collateralized by mortgage loans extended to low and moderate-income borrowers who reside in New Haven County.

The remaining investments are qualifying contributions/donations to organizations engaged in affordable housing, economic development, or those serving LMI housing or other community development needs, such as credit counseling, home counseling, social services, and financial services directed to LMI individuals. These contributions were wide spread to numerous groups throughout the bank's assessment area.

No binding commitments to purchase additional securities or investments were noted.

Table 3b: Qualified Investment Activity (\$000s)

	Benefits AA
Originated Investments	\$8,116
Originated Grants	\$26
Prior-Period Investments that Remain Outstanding	\$4,240
Total Qualified Investments	\$12,382
Unfunded Commitments*	0

- "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

Table 4b: Qualified Investment Percentages

	Benefit AA (%)
Total Investments/Average Tier 1 Capital	35
Total Investments/Average Total Income	65

Community Development Lending

Superior originated an adequate level of community development loans during the evaluation period. Community development loans are defined as loans that (1) have a primary purpose of community development, as defined by 12 CFR 25.12(h), (2) have not been reported or collected by the bank or an affiliate for consideration as a home mortgage, small business, small farm, or consumer loan, unless they are multifamily dwelling loans, and (3) benefit the bank’s assessment area or a broader statewide or regional area that includes the bank’s assessment area.

The loans originated during the evaluation period respond directly to the known credit needs of the community. A total of \$7.1 million in loans were originated that meet the above definition. A \$3.3 million loan was originated in June 2005 to Springfield Housing Authority, which is outside the bank’s assessment area but qualifies because the bank has an adequate amount of loans in their assessment area (12 CFR 25.25 (e)(2)).

The community development loans originated during the evaluation period include:

- (a) A \$4.156 million loan purchase from Countrywide. This program involved the purchase of 38 whole loans in which each of the borrowers is of low or moderate income. The purpose of the purchase was to support the provision of affordable housing for low and moderate-income residents of New Haven County.
- (b) A \$2.9 million Green Point Mortgage Loan Allocation. This program involved the allocation to Superior Savings of whole loans originated by Green Point Mortgage Funding, Inc., an affiliate of Superior’s. In each case, the income of the borrower is low or moderate income. No other North Fork Bancorporation affiliate is seeking community development consideration of these loans. The loans support the provision of affordable housing for low and moderate-income residents of New Haven County.
- (c) A \$3.3 million loan to Springfield, MA Housing Authority. The program includes financing ten multifamily buildings and scattered family sites in public housing units operated by the Springfield Housing Authority in Springfield, Massachusetts. This program involves the allocation to Superior of a loan extended by its affiliate, All Points Capital Corp. No other North Fork Bancorporation affiliate is seeking community development consideration of this loan.

Table 5a: Community Development Lending Percentages

	Benefits AA (%)	Outside AA (%)	Total (%)
Total CD Lending/Average Tier 1 Capital	20	9.18	29.19
Total CD Lending/Average Total Income	36.9	16.9	53.8

Community Development Services

Superior provided an adequate level of community development services during the evaluation period. Bank officers and other personnel provided services that were responsive to identified community needs during this evaluation period.

On a monthly basis, branch staff provided financial literacy services at the Community Dining Room, a soup kitchen serving the greater New Haven community. The Community Dining Room serves over 35,000 meals a year to combat the effects of hunger and food insecurity in the organization's Connecticut shoreline communities. The Community Dining Room's clients are primarily low to moderate income.

For several years, Superior's Assistant Branch manager provided financial literacy services at the Community Dining Room. The volunteer visited the Center every third Tuesday of the month to speak with clients, visitors, and center employees to address financially related concerns.

Additional involvement in community services by the bank is noted above in the investment section. Superior donated \$26 thousand in grants to various organizations that provide services to LMI through out the bank's assessment area.

CRA RATING FOR NEW YORK: SATISFACTORY

Superior's overall CRA performance as a wholesale-designated bank is satisfactory. The bank has demonstrated an adequate level of qualified investments, community development loans and services in this assessment area. The investments and loans were generally neither complex nor innovative and were of the types that are routinely provided by private investors. One loan and investment were complex in nature. Overall investment and lending activities of the bank adequately respond to credit and community development needs in the assessment area.

All of the community development related loans originated during the review period were originated by the bank's affiliate, NFB and sold to Superior. Community development activities consist mainly of bank officer or affiliate involvement in activities providing financial literacy training to local individuals.

Description of Institution's Operations within New York

Superior has a single office in the Bronx, New York. As of June 30, 2005, this office reported \$59.5 million in deposits, accounting for 13.3% of total bank deposits. As of June 30, 2004, within the New York area, Superior ranked 213th in deposit share with 0.01% of the market. Dominating the market within the area are JP Morgan Chase with 370 offices, or 24.7% of the market, and Citibank with 245 offices, or 16.6% of the market. Products offered are retail and commercial deposit accounts along with community development related loans.

Description of Assessment Area

Bronx County, New York is part of the New York MSA # 5600. This MSA covers all of the boroughs of New York City together with the neighboring counties of Westchester, Rockland, and Putnam. Bronx County is comprised of 355 census tracts and is located in the northern portion of New York City. Additionally, this area contains the highest proportion of low or moderate-income tracts of any other county in the City. In addition, the highest percentage of low or moderate-income families is also housed in this area. Nearly 18% of all households in this assessment area are living below the poverty level.

Table 2a: Assessment Area Description- Bronx

	Number	Low	Moderate	Middle	Upper
Tracts	355(#)	37%***	28%***	18%***	13%***
Families	317,248	47%*	34%*	13%*	6.5%*
Businesses	38,647	36%**	29%**	20%**	13%**

Source: Demographic Data - 2000 U.S. Census, Dun & Bradstreet Data.

(*) Represents families by income level.

(**) Represents businesses by income level of census tract. Does not equal 100% due to non-categorized tracts

(***) Does not add to 100% due to non-categorized tracts

14 Census Tracts, or 3.9% are not income categorized

Owner occupied housing comprises only 18% of the total housing stock, with one to four family homes amounting to only 27% of all housing. Multi-family housing is the predominate type of housing structure in the area, comprising 73% of total housing. Bank management has indicated that affordable housing continues to be the major community development need in this area. This need can be reportedly addressed primarily through affordable rental units.

Nearly all of the major banking companies have offices in the county, thereby providing stiff competition for business. Those institutions that represent the dominant banks in the assessment area and have offices are, JP Morgan, Citibank, HSBC Bank, and Wachovia. In addition Superior's banking affiliate, North Fork Bank has several full service branches in the Bronx.

Based upon June 30, 2004 FDIC Deposit Market Share Reports, the Bronx holds 1.56% of the total deposits in New York state and houses 2.6% of total banking offices.

The median housing value in the assessment area is \$244,528 and is considered high, making homeownership difficult for most low and moderate-income individuals.

New York City is home to a diversified mix of businesses. Many national and international corporations are headquartered here. Historically, the downtown area has been dominated by the financial services industry. Industries operating in the midtown area include advertising, publishing, and garment production. The retail sector is a major employer along with health and social care. In addition, light manufacturing and the wholesale trades provide a significant level of job opportunities in the Bronx.

After experiencing several years of weakening economic growth, the overall New York City economy has begun to show signs of strengthening in line with the national economy. After the major catastrophe in the September 2001 terrorist attack that destroyed the World Trade Center, tourism, a major contributor to the New York City economy has been negatively impacted and has had a ripple effect on other industries and services. The volatility on Wall Street has also impacted the local and national economy. However, now as the economy is strengthening, the assessment area's unemployment level has declined to 4.01% in 2005 from 9.1% in May 2002.

Community Contacts

Information regarding community credit needs was obtained from a community contact with an organization within the assessment area was conducted as part of this examination. The contact indicated that a competitive environment exists among banks within the assessment area. The contact reported that local banks including NFB, Chase, Citibank, HSBC, and Independence participate in loan programs with their organization. The contact noted that NFB, Superior's affiliate actively participate in discussions with local affordable housing organizations concerning the changes in the area and how strong competition between banks creates maintenance issues in some of the multifamily building in the area. To compete some banks forego requiring a new boiler or fixing the roof or other improvements, which eventually affect the residents of these buildings. The bank's community contact expressed concerns about what will happen in the future if/when the real estate market corrects itself and house values stop growing or drop while rates increase. Some of the buildings in the market area grew in value but their net operating income remains the same, especially in rent-stabilized buildings.

There are reportedly substantial opportunities for financial institutions to participate in various community development opportunities. Such participation may take the form of direct loans, grants, donations, or other like assistance to community development corporations and other similar local groups including New York City.

The contact indicated that financial institutions could open additional branches throughout the neighborhood where there are few or no branches. One of the underserved areas the contact mentioned was East Tremont, where Superior has a branch.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK

Superior has an overall adequate level of community development lending, investments and services within the state. All of the community development related loans and investments originated in the Bronx during the review period directly benefited the bank's assessment area.

Community development activities consist mainly of bank officer or affiliate involvement in activities providing financial literacy training to local individuals.

Qualified Investments

Qualified investments within the state totaled \$2.3 million, \$250 thousand of which was originated during the prior evaluation period was a CRA Qualified Investment Fund. The fund’s proceeds were used to assist banks in finding and investing in community development projects on behalf of shareholder institutions. Superior’s investment in the fund has been allocated to Ginnie Mae Pool 586122, which finances the mortgage restructuring through the mark-to-market program of Concourse Green Apartments, a Section 8 housing project located in the Bronx.

The new \$2 million funding was used to make financing available under the New Markets Tax Credit program for 1227 Webster Avenue LLC to improve vacant property located in an underserved community in Bronx, New York. The property is located in tract 0177.00 in Bronx, New York. The tract is low income at 36.74% of median family income. In addition, 43.11% of the population resides below the poverty level. This program involves the allocation to Superior of a series of investments made by North Fork Bank into its affiliate, North Fork New Markets Credit Corp. No other North Fork Bancorporation affiliate is seeking community development consideration of this investment. The investments support the stabilization and revitalization of a low-income neighborhood.

The remaining investments are qualifying contributions/donations to organizations engaged in affordable housing, economic development, or those serving LMI housing or other community development needs, such as credit counseling, home counseling, social services, and financial services directed to LMI individuals. Such contributions are wide spread to numerous groups throughout the bank's assessment area.

No bindings commitments to purchase additional securities or investments were noted.

Table 3b: Qualified Investment Activity (\$000s)

	Benefits AA
Originated Investments	\$2,001
Originated Grants	\$45
Prior-Period Investments that Remain Outstanding	\$250
Total Qualified Investments	\$2,296
Unfunded Commitments*	0

* “Unfunded Commitments” means legally binding investment commitments that are tracked and recorded by the bank’s financial reporting system.

Table 4b: Qualified Investment Percentages

	Benefit AA (%)
Total Investments/Average Tier 1 Capital	6.5
Total Investments/Average Total Income	12

Community Development Lending

Superior originated an adequate level of community development loans during this evaluation period. Community development loans are defined as loans that (1) have a primary purpose of community development, as defined by 12 CFR 25.12(h), (2) have not been reported or collected by the bank or an affiliate for consideration as a home mortgage, small business, small farm or consumer loan, unless they are multifamily dwelling loans, and (3) benefit the bank’s assessment area or a broader statewide or regional area that includes the bank’s assessment area.

The loans originated during the evaluation period respond directly to the known credit needs of the community. A total of \$6.6 million in loans were originated that meet the above definition. All were within the assessment area. These loans included:

(a) A \$2.9 million was allocated to Superior from facilities extended by its affiliate, North Fork New Markets Credit Corp. No other North Fork Bancorporation affiliate is seeking community development consideration of this facility. The loan is provided to a Community Development Entity, which will in turn finance various community development projects. This loan meets the definition of community development by stabilizing and revitalizing a low-income community. A large part (\$2 million) of this specific facility will be used to improve a vacant lot into an approximately 22,000 square foot commercial building and a parking garage. The site is located across the street from New York City Housing Authority apartments.

(b) A \$1.7 million loan was originated by Superior’s affiliate NFB to support the construction of 114 units of rental housing which will be made available to families earning less than 60% of area median income. The property is located in census tract 0145.00 in the Bronx, a low-income tract with 34.78% of median family income. In addition, 45.35% of the population resides below the poverty line. The facility, therefore, meets the definition of community development by providing affordable housing for low and moderate-income individuals.

(c) A \$1.25 million commercial mortgage was extended by NFB and allocated to Superior. The loan is secured by a Kentucky Fried Chicken restaurant building. The property is located in census tract 0040.01, a moderate-income tract. About 37% of the population resides below the poverty level. The facility meets the definition of community development by stabilizing a moderate-income area in the provision of retail services.

(d) A \$775 thousand facility was extended to construct a ten-family rental apartment in the Bronx. Projected monthly rents have been based on Section 8 rental amounts as follows: \$875 for a studio, \$975 for a one bedroom, and \$1,100 for a two bedroom. The loan meets the

definition of community development by providing affordable housing for low and moderate-income individuals. The property is located in census tract 0380.00 in the Bronx, New York. The tract is of moderate income at 71.62% of area median. In addition, 23.49% of the population resides below the poverty line.

Table 5: Community Development Lending Percentages

	Benefits AA (%)
Total CD Lending/Average Tier 1 Capital	18.7
Total CD Lending/Average Total Income	34.5

Community Development Services

Superior provided an adequate level of community development services during the evaluation period. Bank officers and other personnel provided services that were responsive to identified community needs during this evaluation period. Management provided community development services either directly or in conjunction with local or governmental entities. These organizations targeted primarily low- and moderate-income persons and neighborhoods providing financial educational services. These services were provided by Superior’s affiliate NFB but Superior is claiming credit for them.

- North Fork has been a long time supporter of South Bronx Project Save Program (SoBRO). SoBRO was founded in 1972 by a group of elected officials, business executives, and community representatives. Their mission was to reverse the flight of businesses and jobs from the South Bronx, as a first step toward rebuilding a community whose name evoked images of burned out buildings, crime, poverty, and drugs. SoBRO soon recognized that community revitalization required a multi-faceted effort, and today SoBRO addresses all facets of community development: assisting businesses to get started and grow, training residents according to the needs of employers, offering opportunities for youth to grow and learn, and creating affordable housing and commercial space that reduces blight in the community. The program is designed to introduce elementary-aged school children to basic financial concepts, most importantly, the importance of saving.
- Several years ago, NFB implemented its School Bank Program. The School Bank Program is designed to introduce underserved children to basic financial concepts. From the youngest elementary aged-child to the senior about to graduate, the program seeks to compel children to think about becoming responsible money managers.
- These Our Treasures is a nonprofit organization that provides services for low and moderate-income disabled children in the Bronx. These Our Treasures offers an array of programs to provide parents with support. Programs include parent support groups,

informational workshops, grandparent groups, individual/couple/family counseling, and parent advocacy.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation. 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 both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Assessment Area (AA) – A geographic area that consists generally of one or more MSAs (using the MSA boundaries that were in effect as of January 1 of the calendar year in which the delineation is made) or one or more contiguous political subdivisions, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking ATMs.

Benefit to Assessment Area – A qualified Community Development activity benefits the assessment area if (i) the activity benefits areas within the assessment area, or (ii) the activity has the potential to benefit the assessment area and is located in the broader statewide or regional area that includes the bank’s assessment area. If a bank has adequately addressed the needs of its assessment area, then the OCC also considers activities submitted by the bank that benefit areas outside of its assessment area.

CEBA – Competitive Equality Banking Act of 1987, which permitted corporations to form limited-purpose credit card banks, whose operations are restricted to credit card activities, without the corporation becoming subject to the limitations of a “bank holding company” under the Bank Holding Company Act. A CEBA credit card bank engages only in credit card operations, does not accept demand deposits or savings or time deposits of less than \$100,000 (other than to secure extensions of credit), maintains only one office and does not engage in the business of making commercial loans.

Census Tract (CT) – Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per 10-year census and an average population of 4,000.

Community Development (CD) – Affordable 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.

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

Limited Purpose Institution – An institution that offers only a narrow product line (such as credit cards or automobile loans) to a regional or broader market and for which a designation as limited purpose bank is in effect.

Median Family Income (MFI) – The median income determined by the United States Census Bureau every 10 years and used to determine the income level category of geographies. Also, it is the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of families. For any given geography, the median is the point at which half of the families have income above it and half below it. (See the four categories of median income below.)

- **Low-Income** – An income level that is less than 50% of the MFI.
- **Moderate-Income** – An income level that is at least 50% and less than 80% of the MFI.
- **Middle-Income** – An income level that is at least 80% and less than 120% of the MFI.
- **Upper-Income** – An income level that is 120% or more of the MFI.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Net Operating Income – As listed in the Consolidated Report of Condition and Income: Income before income taxes and extraordinary items and other adjustments.

Pass-Through Receivables – Outstanding receivables tied to all accounts issued or owned by the bank. Pass-through receivables include receivables attributable and receivables retained on balance sheet as those terms are used in 12 CFR 8.

Tier 1 Capital – The total of common shareholders’ equity, perpetual preferred shareholders’ equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Total Assets – Total bank assets as listed in the Consolidated Report of Condition and Income.

Total Income – From the Consolidated Report of Condition and Income – Total Interest income plus Total Noninterest income.

Wholesale Institution – An institution that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers and for which a designation as a wholesale bank is in effect.