



## **PUBLIC DISCLOSURE**

July 25, 2022

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Abacus Federal Savings Bank  
Charter Number 708059

6 Bowery  
New York, NY 10013-5101

Office of the Comptroller of the Currency

91 Fieldcrest Avenue, Suite A-30  
Edison, NJ 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, and should not 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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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Outstanding**.

**The lending test is rated: Outstanding.**

The major factors that support this rating include:

- The bank's quarterly loan-to-deposit (LTD) ratio is more than reasonable.
- A substantial majority of the bank's lending is inside its assessment area (AA) by number and dollar amount of home mortgage loans originated.
- The distribution of loans across geographies of different income levels is excellent.
- The distribution of loans by income level of the borrower reflects excellent distribution of home mortgage loans to individuals of low- and moderate-income levels.
- The bank did not receive any CRA-related complaints during the evaluation period.

The overall Lending Test rating is based on the New York-Newark-Bridgeport, NY-NJ-CT-PA Combined Statistical Area (CSA) rating and the state of Pennsylvania rating. Significant weight was placed on the CSA due to the bank's larger branch footprint and volume of business in this area. The bank has 91.94 percent of deposits in the CSA and 8.06 percent in the state of Pennsylvania. Similarly, lending over the evaluation period was 94.49 percent in the CSA and 5.51 percent in the state of Pennsylvania.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is more than reasonable. The LTD ratio was calculated using quarterly data from the first quarter of 2019 through the fourth quarter of 2021. The bank's quarterly LTD ratio over the review period averaged 91.87 percent. The high of 99.83 percent occurred in the third quarter of 2019 and the low of 82.05 percent occurred in the fourth quarter of 2021. The bank's LTD compares favorably to the other banks of similar size that are operating in at least one of the bank's designated AAs. The average quarterly LTD for similar banks over the same period was 80.88 percent. The ratio ranged from an average quarterly high of 110.69 percent and a low of 46.64 percent.

### Lending in Assessment Area

Based on the data in Table D below, a substantial majority of the bank's loans are inside its AAs by both number of loans and dollar amount of loans during the evaluation period. The bank originated 83.54 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. The bank originated 87.22, 82.48, and 81.12 percent of its total loans inside the bank's AA during 2019, 2020, and 2021, respectively. These results factored favorably into the overall analysis of the geographic distribution of lending by income level of geography.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	116	87.2	17	12.8	133	53,241	90.6	5,516	9.4	58,757
2020	113	82.5	24	17.5	137	44,443	84.7	8,029	15.3	52,472
2021	116	81.1	27	18.9	143	54,896	83.0	11,246	17.0	66,142
<b>Subtotal</b>	<b>345</b>	<b>83.5</b>	<b>68</b>	<b>16.5</b>	<b>413</b>	<b>152,579</b>	<b>86.0</b>	<b>24,791</b>	<b>14.0</b>	<b>177,370</b>
<b>Total</b>	<b>345</b>	<b>83.5</b>	<b>68</b>	<b>16.5</b>	<b>413</b>	<b>152,579</b>	<b>86.0</b>	<b>24,791</b>	<b>14.0</b>	<b>177,370</b>
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

Abacus Federal Savings Bank (Abacus or bank) is a \$336.78 million minority depository institution headquartered in New York, NY. The bank primarily provides credit and bank facilities to the Asian-American community. A group of Chinese business leaders founded the bank in 1984. The principal organizer remains the primary shareholder and Chairman of the Board of Directors.

The minority owned institution operates six full-service bank branches in two AAs. The branches are located in major Asian-American communities – Manhattan’s Chinatown; the New York City Financial District; Flushing, Queens; Sunset Park, Brooklyn; Philadelphia, Pennsylvania; and Edison, New Jersey. The bank’s main branch and headquarters are located in Manhattan’s Chinatown. The Manhattan Chinatown and Sunset Park, Brooklyn branches are located in low-income geographies. The Flushing, Queens branch is located in a moderate-income geography. The Edison, NJ and Philadelphia, PA branches are located in middle-income geographies. The New York City Financial District branch is located in an upper-income geography. During the evaluation period, the bank did not close or open any new branches.

As of December 31, 2021, Abacus reported total assets of \$336.78 million, with net loans and leases of \$233.66 million and total deposits of \$284.76 million. Real estate loans represent the primary asset class and totaled \$236.54 million. Tier 1 capital totaled \$44.19 million. The bank primarily offers traditional credit and bank facilities to address the needs of the Asian-American community that it serves. These products include home mortgages, passbook savings accounts, and secured credit cards. All of the branches have automatic teller machine (ATM) services onsite. Three of the branches offer safe deposit services: the Manhattan Chinatown branch, the Flushing branch, and the Philadelphia branch.

Abacus operates in a competitive financial services market, with large institutions and other small institutions offering competing products in the bank’s AAs. The bank’s loan officers have a physical presence at the branches periodically to assist in increasing lending activity. The bank also participates in the Federal Home Loan Bank of New York first time home buyer program.

Abacus has no financial or legal impediments affecting the bank’s ability to meet the credit needs of its community. At the last CRA evaluation, dated May 28, 2019, Abacus was rated “Outstanding.”

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The OCC completed a review of Abacus' CRA performance in its AA under the Small Bank examination procedures, which includes a lending test. The lending test evaluates the bank's record of meeting the credit needs of the bank's AAs through its lending activities. The evaluation period for the lending test is January 1, 2019 through December 31, 2021. Based on a review of the number and dollar amount of loans originated, the OCC determined that home mortgage loans were the bank's primary loan product during this evaluation period. Additionally, the OCC considered the bank's community development activities, which included community development loans, services, and investments.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same CSA were evaluated as a single AA. These combined AAs were evaluated as full-scope. The state of Pennsylvania also received a full-scope review. Refer to the "Scope" section under the CSA and State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full-scope AAs.

### Ratings

The bank's overall rating is a blend of the CSA and state rating. There was significant weight placed on the CSA to arrive at an overall conclusion. The bank has 91.94 percent of deposits in the CSA and 8.06 percent in the state of Pennsylvania. Lending during the evaluation period was 94.49 percent in the CSA and 5.51 percent in the state of Pennsylvania. The CSA rating and state rating are based on performance in all bank AAs. Refer to the "Scope" section under the state and CSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

### Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## **Multistate Metropolitan Statistical Area Rating**

New York-Newark-Bridgeport, NY-NJ-CT-PA Combined Statistical Area (CSA)

**CRA rating for the NY-NJ-CT-PA CSA<sup>1</sup>:** Outstanding.

**The Lending Test is rated:** Outstanding.

The major factors that support this rating include:

- The bank's quarterly LTD ratio is more than reasonable.
- A substantial majority of the bank's lending is inside its AA by number and dollar amount of home mortgage loans originated.
- The distribution of loans across geographies of different income levels is excellent.
- The distribution of loans by income level of the borrower reflects excellent distribution of home mortgage loans to individuals of low- and moderate-income levels.
- The bank did not receive any complaints related to the CRA during the evaluation period.

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<sup>1</sup> This rating reflects performance within the MMSA. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

## Description of Institution's Operations in NY-NJ-CT-PA CSA

Abacus operates five branches in the NY-NJ-CT-PA CSA. Branches operate in Kings, Queens, and New York Counties in New York State, and Middlesex County in New Jersey. There have been no branch openings or permanent closings in the CSA since the previous evaluation. Branches were closed temporarily due to the pandemic and the Brooklyn branch was relocated 0.3 miles away from the prior location. Each branch has ATMs onsite, and two of the branches in the CSA offer safety deposit box services.

Abacus provides traditional home mortgage loan and deposit products within the CSA. In 2019, Abacus originated 91.38 percent of its total loan quantity and 97.13 percent of its total loan dollar amount inside the CSA. In 2020, Abacus originated 92.04 percent of its total loan quantity and 96.23 percent of its total loan dollar amount inside the CSA. In 2021, Abacus originated 100 percent of its total loan quantity and total loan dollar amount inside the CSA. As of June 30, 2021, Abacus had \$278.04 million of deposits within the CSA. This represented 91.94 percent of the bank's total deposits and .01 percent of the total CSA deposit market share at that time.

The New York-Newark-Jersey City NY-NJ-CT-PA CSA consists of 2,003 contiguous census tracts. As of 2021, the CSA's 2,003 census tracts consist of 8.0 percent low-income tracts, 24.8 percent moderate-income tracts, 33.9 percent middle-income tracts, and 30.3 percent upper-income tracts. The overall population of the CSA is 7.83 million, including 2.91 million households and 1.75 million families. Within the CSA, 10.2 percent of individuals reside in low-income geographies, 27.7 percent in moderate-income geographies, 30.7 percent in middle-income geographies, and 31.1 percent in upper-income geographies.

Within the CSA, the median family income in the New York-Jersey City-White Plains, NY-NJ MSA is \$67.56 thousand and in the New Brunswick-Lakewood, NJ MSA is \$95.56 thousand. Within the CSA, 27.8 percent of families are low-income, 15.5 percent are moderate-income, 16.1 percent are middle-income, and 40.6 percent are upper-income. 14.2 percent of families in the CSA are below poverty level. The median housing value in this CSA is \$559.39 thousand. This high median housing value limits the proportion of properties that are affordable to low- and moderate-income borrowers and therefore constrains lending opportunities to low- and moderate-income borrowers. In the New York-Jersey City-White Plains, NY-NJ MSA, the maximum income level for low-income borrowers is under \$34 thousand, and the median housing value is greater than 16 times over the maximum low-income level. The maximum income level for moderate-income borrowers is under \$55 thousand, and the median housing value is greater than ten times over the maximum moderate-income level.

Banking in the CSA of NY-NJ-CT-PA is competitive, with 173 institutions offering deposit services in the CSA. The top five institutions with the highest share of deposits hold an aggregate of 60.68 percent of all deposits within the CSA, and include JPMorgan Chase Bank, N.A. (33.51 percent market share), Goldman Sachs Bank USA (8.04 percent market share), Bank of America, N.A. (7.11 percent market share), The Bank of New York Mellon (6.87 percent market share), and Citibank, N.A. (5.15 percent market share). The bank also competes with multiple other small institutions who offer similar products. The top employers in the New York-Jersey City-White Plains NY-NJ region are Montefiore Health System, Mount Sinai Health System, JPMorgan Chase & Co., Bank of America, and New York-Presbyterian Healthcare System.

As of December 2021, the U.S. Bureau of Labor Statistics (BLS) reported the unemployment rate for the New York-Newark-Jersey City, NY-NJ-CT-PA MSA as 4.8 percent. For the same period, the BLS reported the unemployment rate for New York state as 4.5 percent, 4.3 percent for New Jersey, and the national unemployment rate as 3.9 percent.

To determine local economic conditions and community needs, the OCC reviewed information from two community contacts serving the bank's AA. The community contacts indicated that affordable housing loans, financial education, and investment of funds for micro-loans are primary needs in the community.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: New York-Newark-Jersey City NY-NJ-CT-PA CSA 2021</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	2,003	8.0	24.8	33.9	30.3	2.9
Population by Geography	7,828,686	10.2	27.7	30.7	31.1	0.2
Housing Units by Geography	3,199,836	9.1	25.3	28.6	36.7	0.3
Owner-Occupied Units by Geography	1,080,669	2.5	15.3	35.9	46.2	0.2
Occupied Rental Units by Geography	1,830,022	13.4	31.5	25.0	29.8	0.3
Vacant Units by Geography	289,145	6.8	23.6	24.1	45.2	0.4
Businesses by Geography	1,074,108	6.7	20.4	24.5	46.0	2.4
Farms by Geography	5,297	5.1	15.9	28.8	48.8	1.4
Family Distribution by Income Level	1,751,050	27.8	15.5	16.1	40.6	0.0
Household Distribution by Income Level	2,910,691	28.4	14.0	15.4	42.2	0.0
Median Family Income MSA - 35154 New Brunswick-Lakewood, NJ		\$95,564	Median Housing Value			\$559,390
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ		\$67,560	Median Gross Rent			\$1,403
			Families Below Poverty Level			14.2%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## **Scope of Evaluation in the NY-NJ-CT-PA CSA**

The bank identified the New York-Newark-Bridgeport, NY-NJ-CT-PA CSA 35620 as its AA. The CSA includes the Bridgeport-Stamford-Norwalk, CT Metropolitan Statistical Area (MSA) 14860, Nassau County-Suffolk County, NY Metropolitan Division (MD) 35004, and the New York-Jersey City-White Plains, NY-NJ MD 35614. For the purpose of this evaluation, the AAs within the bank delineated CSA were combined and evaluated as a single AA. The AA meets regulatory requirements and does not arbitrarily exclude low- and moderate-income geographies.

In arriving at overall conclusions, significant weight was placed on lending activities within the CSA compared to the state of Pennsylvania. This was due to 91.94 percent of deposits in the CSA and 8.06 percent in the state of Pennsylvania. Lending during the evaluation period was 94.49 percent in the CSA and 5.51 percent in the state of Pennsylvania.

## **LENDING TEST**

The bank's performance under the Lending Test in the NY-NJ-CT-PA CSA is rated Outstanding.

Based on a full-scope review, the bank's performance in the NY-NJ-CT-PA CSA is excellent.

The lending test was based on home mortgage loans for 2019-2021.

## **Distribution of Loans by Income Level of the Geography**

The bank exhibits excellent geographic distribution of home mortgage loans for 2019-2021 in the CSA.

### ***Home Mortgage Loans***

Refer to Table O in the CSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loans. The bank had excellent distribution of loans in low- and moderate-income geographies over the three-year review period from January 1, 2019 through December 31, 2021. The bank's proportion of loans in low-income tracts is comparable to the aggregate and greater than the percentage of owner-occupied units. The bank's proportion of loans in moderate-income tracts is significantly stronger than the aggregate and significantly greater than the percentage of owner-occupied units.

### ***Lending Gap Analysis***

The OCC reviewed summary reports and maps in analyzing Abacus' home mortgage lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. The OCC did not identify any unexplained conspicuous gaps.

## **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an excellent distribution of loans to individuals of different income levels for 2019-2021 in the CSA, given the product lines offered by the bank.

### ***Home Mortgage Loans***

Refer to Table P in the CSA section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loans. The bank had excellent distribution of loans to low- and moderate-income borrowers over the three-year evaluation period from January 1, 2019 through December 31, 2021. The bank's proportion of loans to low-income borrowers is significantly stronger than the aggregate but below the proportion of low-income families. The bank's proportion of loans to moderate-income borrowers is significantly stronger than the aggregate and greater than the percent of moderate-income families.

The table below illustrates housing affordability calculations for the New York-Jersey City-White Plains, NY-NJ MSA. The maximum low-income and maximum moderate-income annual income calculations are based on 50 percent and 80 percent of the 2021 FFIEC adjusted median family income for the MSA, respectively. The maximum monthly mortgage payment low-income and moderate-income borrowers can afford is \$509 and \$1 thousand, respectively. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$2,667. Therefore, low-income and moderate-income borrowers would be challenged to qualify for a mortgage loan in the MSA. Thus, the weaker proportion of lending to low-income families is reasonable given the low median income of \$67.56 thousand in the New York-Jersey City-White Plains, NY-NJ MSA, compared to median housing values of \$559.39 thousand according to the 2015 ACS census data.

MSA Name	2021 Updated MFI	Maximum Low-Income Annual Income	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Maximum Moderate-Income Annual Income	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Median Housing Value	Mortgage Payment Based on Housing Value
New York-Jersey City-White Plains, NY-NJ MSA	67,560	33,780	157,315	509	54,048	251,704	1,016	559,390	2,667

### **Responses to Complaints**

The bank did not receive any CRA-related complaints during the evaluation period.

## **COMMUNITY DEVELOPMENT ACTIVITIES**

During the evaluation period, Abacus demonstrated commitment to addressing the community development needs of the NY-NJ-CT-PA CSA AA. The bank originated 103 Paycheck Protection Program (PPP) loans amounting to \$2.62 million. The PPP loan funds were primarily used by businesses to retain workers and maintain payrolls in low- and moderate-income tracts. In addition, Abacus originated eight multi-family and mixed-use loans that provide affordable housing units within low- and moderate-income tracts.

In addition, Abacus made 24 donations totaling \$15 thousand throughout the review period. Contributions supported organizations that provide community services to domestic violence survivors, homeless families, and recent immigrants to the United States.

The bank's marketing manager, regional business development manager and customer service representative held various local events for various organizations in the AA discussing how to identify elder financial exploitation and fraud prevention strategies. These services provided financial education to elderly and low-income individuals. The bank's staff also provided education on requirements for first-time homebuyer grant programs and general homeownership during the evaluation period.

## State Rating

### State of Pennsylvania

**CRA rating for the State of Pennsylvania<sup>2</sup>:** Satisfactory

**The Lending Test is rated:** Satisfactory

The major factors that support this rating include:

- The bank's quarterly LTD ratio is more than reasonable.
- A substantial majority of the bank's lending is inside its AA by number and dollar amount of home mortgage loans originated.
- The bank did not receive any complaints related to the CRA during the evaluation period.
- Due to the low level of lending, the OCC did not have a sufficient sample to perform a meaningful analysis for the borrower and geographic distribution.

### Description of Institution's Operations in Pennsylvania

Abacus operates one branch in the Philadelphia Metropolitan Division (MD) – 37964, which is in Philadelphia County, Pennsylvania. There were no branch openings or permanent closings in the AA since the previous evaluation. The branch offers both onsite ATM and safe deposit box services.

Abacus provides traditional home mortgage loan and deposit products in the Philadelphia MD. The bank's lending and deposit activity in this MD, however, is limited. Abacus continues to retain a loan officer at the Philadelphia branch on certain days in the month to expedite the loan application process and increase lending activity. Over the three-year evaluation period, the bank originated 5.51 percent of its total loans and 2.10 percent of its total loan dollar amount inside the AA. As of June 30, 2021, Abacus had \$24.38 million of total deposits within the MD. This represented 8.06 percent of the bank's total deposits and .03 percent of the MD's total deposit market share at that time.

The Philadelphia, PA MSA consists of 384 contiguous census tracts. As of 2021, the MSA's 384 census tracts consist of 13.0 percent low-income tracts, 33.9 percent moderate-income tracts, 22.9 percent middle-income tracts and 26.8 percent upper-income tracts. The overall population of the MSA is 1.56 million, including 581 thousand households and 310 thousand families. Within the MSA, 13.8 percent of individuals reside in low-income geographies, 36.2 percent in moderate-income geographies, 25.5 percent in middle-income geographies, and 23.9 percent in upper-income geographies.

The median family income in the Philadelphia, PA MSA is \$56.41 thousand. Within the MSA, 30.6 percent of families are low-income, 17.8 percent are moderate-income, 16.5 percent are middle income, and 35.1 percent are upper-income. 21.0 percent of families in the MSA are below property level. The

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<sup>2</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

median housing value in this MSA is \$169.60 thousand. The maximum income level for low-income borrowers is under \$29 thousand, making the median housing value greater than five times over the maximum low-income level. The maximum income level for moderate-income borrowers is under \$46 thousand, making the median housing value less than four times over the maximum moderate-income level.

Banking in the Philadelphia AA is competitive, with 105 institutions offering deposit services in the MD. Two large banks hold an aggregate of 56.03 percent of the total market share of deposits, and include Capital One, N.A. (28.27 percent market share) and TD Bank, N.A. (27.76 percent market share). The bank also competes with numerous midsize and small institutions that offer similar products within the MD.

The top employers in the Philadelphia, PA region are University of Pennsylvania and Penn Medicine, Thomas Jefferson University and Jefferson Health, Children's Hospital of Philadelphia, Comcast, and Virtua Health. As of December 2021, the U.S. BLS reported the unemployment rate for the Philadelphia PA MSA as 4.3 percent. For the same period, the BLS reported the unemployment rate for Pennsylvania as 4.4 percent, and the national employment rate as 3.9 percent.

To gain a better understanding of the AA and performance context, the OCC reviewed information from four community contacts serving the bank's AA. The community contacts indicated various opportunities to address primary needs in the community, including better education of banks as to what type of investments are CRA eligible, loan products that assist low- and moderate-income borrowers with purchasing homes, bank products that provide equity capital for entrepreneurs, and more unrestricted funding to adequately support staffing and competitive salaries at community development programs.

## State of Pennsylvania

### Philadelphia MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Philadelphia PA MSA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	384	13.0	33.9	22.9	26.8	3.4
Population by Geography	1,555,072	13.8	36.2	25.5	23.9	0.6
Housing Units by Geography	670,229	13.1	35.7	24.5	26.3	0.4
Owner-Occupied Units by Geography	305,884	10.0	32.1	28.3	29.6	0.0
Occupied Rental Units by Geography	275,166	15.0	36.9	22.0	25.3	0.8
Vacant Units by Geography	89,179	17.5	44.8	19.1	18.4	0.3
Businesses by Geography	187,688	9.3	30.6	21.7	36.8	1.6
Farms by Geography	1,067	8.2	25.3	22.6	42.3	1.7
Family Distribution by Income Level	309,568	30.6	17.8	16.5	35.1	0.0
Household Distribution by Income Level	581,050	31.3	15.5	15.4	37.8	0.0
Median Family Income MSA - 37964 Philadelphia, PA		\$56,411	Median Housing Value			\$169,604
			Median Gross Rent			\$956
			Families Below Poverty Level			21.0%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Pennsylvania

The OCC completed a full-scope review for Abacus' Philadelphia, PA AA. The AA consists of the Philadelphia, PA MD- 37964. The AA meets regulatory requirements and does not arbitrarily exclude low- and moderate-income geographies.

### LENDING TEST

The bank's performance under the Lending Test for the state of Pennsylvania is rated Satisfactory.

Based on a full-scope review, the bank's lending performance in the state of Pennsylvania is reasonable.

The lending test was based on home mortgage loans for 2019-2021.

While the level of lending is low in the state, it is reasonable given the low level of deposits in the state.

## **Distribution of Loans by Income Level of the Geography**

The OCC did not have a sufficient sample of home mortgage loans to perform a meaningful analysis for geographic distribution.

### ***Home Mortgage Loans***

Refer to Table O in the state of Pennsylvania section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loans. The bank originated 19 loans from 2019-2021. The bank did not originate any loans in low-income tracts over the three-year evaluation period. The bank's proportion of loans in moderate-income tracts is slightly below the aggregate and the percentage of owner-occupied units.

### ***Lending Gap Analysis***

The OCC reviewed summary reports and maps in analyzing Abacus' home mortgage lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. The OCC did not identify any unexplained conspicuous gaps.

## **Distribution of Loans by Income Level of the Borrower**

The OCC did not have a sufficient sample of home mortgage loans to perform a meaningful analysis for loans to individuals of different income levels.

### ***Home Mortgage Loans***

Refer to Table P in the state of Pennsylvania section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loans. The bank's proportion of loans to low-income borrowers is above the aggregate and in line with the percent of low-income families. The bank's proportion of loans to moderate-income borrowers is above the aggregate and above the percent of moderate-income families.

## **Responses to Complaints**

The bank did not receive any CRA-related complaints during the evaluation period.

## **COMMUNITY DEVELOPMENT ACTIVITIES**

During the evaluation period, Abacus demonstrated commitment to addressing the community development needs of the Philadelphia, PA AA. The bank originated one PPP loan amounting to \$41 thousand. The PPP loan's funds were primarily used by the business to retain workers and maintain payrolls in a low- and moderate-income tract. Abacus also made two donations totaling \$730 throughout the review period. Contributions supported an organization that addresses the needs of urban renewal and affordable housing development in the AA. The development corporation's programs and resources help clients overcome barriers to affordable housing, social services and economic revitalization.

# 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 MSAs and non-MSAs 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”.

<b>Time Period Reviewed:</b>	01/01/19 to 12/31/21	
<b>Bank Products Reviewed:</b>	Home mortgage Community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	Not applicable	Not applicable
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA(s)</b>		
NY NJ PA & CT CSA - 35620	Full-scope	Counties of Kings, Manhattan, Queens, Richmond, Bronx, Nassau, Suffolk & Westchester in NY. Counties of Middlesex & Bergen in NJ and Fairfield County in CT.
<b>Pennsylvania</b>		
Philadelphia, PA MD - 37964	Full-scope	County of Philadelphia

## Appendix B: Summary of MMSA and State Ratings

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RATINGS Abacus Federal Savings Bank	
Overall Bank:	Lending Test Rating
Abacus Federal Savings Bank	Outstanding
MMSA or State:	
NY-NJ-CT-PA CSA	Outstanding
Pennsylvania	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope 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 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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**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-Scope 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:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

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

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

**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.

**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.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial 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 1 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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

<b>Table O - Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2019-21</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
New York - Newark - NY-N J-CT-PA CSA	325	149,615	94.5	159,203	2.5	3.4	3.3	15.3	24.9	15.0	35.9	35.1	34.7	46.2	36.6	46.9	0.2	0.0	0.2		
Philadelphia MSA	19	3,225	5.5	56,059	10.0	0.0	6.3	32.1	26.3	28.2	28.3	42.1	28.1	29.6	31.6	37.4	0.0	0.0	0.0		
<b>Total</b>	<b>344</b>	<b>152,840</b>	<b>100.0</b>	<b>215,262</b>	<b>4.1</b>	<b>3.2</b>	<b>4.1</b>	<b>19.0</b>	<b>25.0</b>	<b>18.4</b>	<b>34.2</b>	<b>35.5</b>	<b>33.0</b>	<b>42.5</b>	<b>36.3</b>	<b>44.4</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>		

*Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table P - Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2019-21</b>
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
New York - Newark-NY-NJ-CT-PA CSA	325	149,615	94.5	159,203	27.8	7.4	2.5	15.5	23.4	9.8	16.1	31.4	19.6	40.6	37.5	53.6	0.0	0.3	14.5	
Philadelphia MSA	19	3,225	5.5	56,059	30.6	31.6	5.5	17.8	21.1	14.0	16.5	15.8	19.8	35.1	31.6	41.4	0.0	0.0	19.4	
<b>Total</b>	<b>344</b>	<b>152,840</b>	<b>100.0</b>	<b>215,262</b>	<b>28.2</b>	<b>8.7</b>	<b>3.3</b>	<b>15.8</b>	<b>23.3</b>	<b>10.9</b>	<b>16.2</b>	<b>30.5</b>	<b>19.6</b>	<b>39.8</b>	<b>37.2</b>	<b>50.4</b>	<b>0.0</b>	<b>0.3</b>	<b>15.8</b>	

*Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*