



PUBLIC DISCLOSURE

June 22, 2020

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

BNY Mellon, National Association
Charter Number: 6301

One Mellon Center, 500 Grant Street
Pittsburgh, PA 15258

Office of the Comptroller of the Currency

Midsized Bank Supervision
425 South Financial Place, Suite 1700
Chicago, IL 60605

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this bank.

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Overall CRA Rating

Bank's CRA Rating: This bank is rated Outstanding.

The major factors that support this rating include:

- The bank demonstrates a high level of community development (CD) loans, CD services, and qualified investment activity.
- The bank demonstrates rare use of innovative or complex qualified investments, CD loans, or CD services.
- The bank exhibits excellent responsiveness to credit and CD needs in its assessment area.

Description of Bank

BNY Mellon, National Association (BNY Mellon or bank) is a \$29.3 billion interstate national bank headquartered in Pittsburgh, Pennsylvania. The bank was created in 2008, upon the merger of Mellon Trust of New England into the Mellon Bank. On July 19, 2002, under this same charter, Mellon Bank, N.A. was designated as a wholesale bank by the OCC, a designation that continues through this evaluation period. The bank is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a \$382 billion financial services company headquartered in New York, NY. As of December 31, 2019, The Bank of New York Mellon Corporation had \$37.1 trillion in assets under custody and/or administration and \$1.9 trillion in assets under management.

This evaluation assesses the overall CRA performance of BNY Mellon as well as its performance in the New York-Newark, NY-NJ-CT combined statistical area (CSA) and the state of Pennsylvania. The overall rating is based on the CRA performance of the bank in the combined statistical area and the state of Pennsylvania. The ratios contained in this evaluation were derived by allocating bank tier 1 capital or total income to the CSA and state.

Based on the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share data as of June 30, 2019, BNY Mellon's deposits in domestic offices totaled \$21.0 billion. Of this total, \$20.7 billion, or 98.4 percent, are deposits in the Pittsburgh metropolitan statistical area (MSA) and \$334 million, or 1.6 percent, are deposits in the state of Connecticut which is part of the New York-Newark, NY-NJ-CT CSA.

At the end of the evaluation period, BNY Mellon had two offices, one in Pennsylvania and one in Connecticut; both located in upper-income census tracts (CT). During the evaluation period, BNY Mellon closed two banking offices in Radnor, PA on December 7, 2017, and New York, New York on August 31, 2018, due to reductions in business activity and changes in business strategy. Both offices were in upper-income CTs.

Wealth management is the core business of the bank. Investment management, wealth and estate planning, private banking, investment servicing, and information management are the primary businesses offered to its clients, both through the bank and its corporate affiliates.

BNY Mellon conducts limited lending activities, primarily as an accommodation to its wealth management and private banking customers. Qualified CD activities of BNY Mellon, BNY Mellon affiliates, or parent company departments are included in this CRA evaluation and are described below:

BNY Aurora Holding Corporation: Sources, closes on, and holds Low-Income Housing Tax Credit (LIHTC) equity investments throughout the bank's assessment areas (AAs). It also makes and holds investments in Small Business Investment Company (SBIC) funds and an affordable housing Real Estate Investment Trust (REIT) that serve the bank's AAs. This entity is a business unit of The Bank of New York Mellon Corporation.

BNY Capital Corp: Holds equity and common stock investments in Strategic Investment Fund Partners and Southern California Business Development Capital Corp, respectively.

BNY Mellon Foundation of Southwestern Pennsylvania and The Bank of New York Mellon Foundation: These two foundations deliver major CD grants to the bank's CRA communities. The former Foundation is restricted to the Pittsburgh AA in southwestern Pennsylvania and was established

in 2007 following the move of the Mellon Financial headquarters to New York. The latter Foundation is eligible to make grants in other areas of the United States exclusive of those in southwestern Pennsylvania counties located in the Pittsburgh AA.

The Bank of New York Mellon: Held an \$88.7 million affordable housing loan commitment to the Massachusetts Housing Partnership (MHP) Fund in Massachusetts. The ten-year MHP agreement ended in June 2017. It also holds many of BNY Mellon's CD loans, mortgage backed securities (MBS)/commercial mortgage backed securities (CMBS) investments, and legacy Community Development Corporation investments in various AAs of the bank.

Corporate Affairs: This shared service business administers employee volunteer CD service efforts, enabling the bank to match service hours with funds (grants) for CD-purpose community projects. Corporate Affairs also administers the Financial Stability Initiative program, corporate grants, and CD qualified sponsorships.

Corporate Treasury Services: This shared service business sources and purchases through open markets CD qualified equity investments in MBS (single family loan pools) comprised of loans made to low-and moderate-income (LMI) borrowers and multi-family housing bonds.

BlueHub Capital: The Bank has invested in the BlueHub Capital Loan Fund, formerly known as Boston Community Capital, and is credited with a pro-rata share of CD loans made through this third-party. BlueHub lends throughout the northeast and mid-Atlantic states that include many loans made in BNY Mellon's AAs.

Table 1 provides an overview of BNY Mellon's financial information.

Table 1: Financial Information (000s)

	Year-end 2018	Year-end 2019	Most Recent Quarter-end 03/31/2020	Average for Evaluation Period
Tier 1 Capital	2,101,022	2,122,000	2,160,000	2,127,674
Total Income	1,427,367	1,546,000	1,444,000**	1,472,456
Net Operating Income	403,394	385,000	388,000**	392,131
Total Assets	28,875,870	29,303,000	31,061,000	29,746,623
Pass Through Receivables /Managed Assets	0	0	0	0

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

Scope of the Examination

Evaluation Period/Products Evaluated

In evaluating the bank's performance under the CRA, we reviewed CD activities from January 1, 2017, through December 31, 2019. We reviewed the level and nature of qualified investments, CD lending, and CD services. At the bank's request, we also considered qualified investments, CD lending, and CD services provided by its affiliates. At the prior evaluation dated September 5, 2017, we rated the bank Outstanding.

For purposes of this evaluation, bank delineated assessment areas located within the same MSA, multistate metropolitan statistical area (MMSA), or CSA are combined and evaluated as a single assessment area. Similarly, bank delineated non-MSA assessment areas within the same state are combined and evaluated as a single area.

We allocated average tier 1 capital of \$2.12 billion between the two full-scope areas. Allocations were based on the percentage of deposits in the full-scope areas; therefore, \$33.8 million was allocated to the New York-Newark, NY-NJ-CT CSA and \$2.09 billion allocated to the Pittsburgh MSA.

We considered a variety of CD activities for investments, grants, loans, and services. At the bank's request, we also considered CD activities provided by affiliates during the evaluation period. Notable CD investments consist of MBS, CMBS, LIHTC, REIT, and equity investments. Many of the grants include bank and affiliate sponsorships; and matching, volunteering, and fundraising matched funds programs to CD qualified organizations. CD loans include affordable housing complexes, loans to revitalize and/or stabilize LMI communities, and community services loans that benefit LMI individuals. CD services provided include serving as board or committee members.

The bank adequately addressed the needs of its assessment area, and therefore, outside of assessment area qualified investments, CD loans and services were considered in evaluating its performance.

The OCC used the following in the evaluation: demographic data using the U.S. Census American Community Survey (ACS); Federal Financial Institutions Examination Council (FFIEC) adjusted median family incomes; and 2018 Dun and Bradstreet (D&B) small business demographic data.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus pandemic across the United States are not addressed in this evaluation. Bank qualifying activities will be considered in the subsequent evaluation.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §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 assessment area 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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified this bank (or any affiliate whose loans have been considered as part of the bank's lending performance) has engaged in discriminatory or other illegal credit practices requiring consideration in this evaluation.

The OCC will consider any information this bank engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the bank'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

CRA Rating for the New York-Newark, NY-NJ-CT CSA: Outstanding

The major factors that support this rating include:

- The bank demonstrates a high level of CD loans, CD services, and qualified investment activity in the New York-Newark, NY-NJ-CT CSA.
- The bank demonstrates no use of innovative or complex qualified investments, CD loans, or CD services in the New York-Newark, NY-NJ-CT CSA.
- The bank exhibits excellent responsiveness to credit and CD needs in the New York-Newark, NY-NJ-CT CSA.

Description of New York-Newark, NY-NJ-CT CSA

The bank has designated 15 counties within the New York-Newark, NY-NJ-CT CSA. The CSA consist of the counties of Bronx, Kings, New York, Queens, Richmond, Rockland, Westchester, and Orange located in the state of New York; Middlesex, Monmouth, Ocean, Bergen, Hudson, and Passaic located in the state of New Jersey; and Fairfield County located in the state of Connecticut.

In describing the community, we used information available for New York-Jersey City-White Plains NY-NJ MSA and Bridgeport-Stamford-Norwalk, CT MSA as these MSAs represent all states and the largest population in the CSA. However, the bank's analysis is based on data at the CSA level.

The following table provides summary statistics for the New York-Newark, NY-NJ-CT CSA.

Table 2: New York-Newark, NY-NJ-CT CSA Description

	Number	Low	Moderate	Middle	Upper
Tracts (1)	3,635	11.3%	22.8%	30.6%	33.1%
Families	3,530,328	26.2%*	15.0%*	16.0%*	42.8%*
Businesses (2)	1,222,143	7.5%**	17.4%**	25.5%**	48.2%**

Source: Demographic Data - 2018 American Community Survey, Dun & Bradstreet Data. *Represents families by income level.

**Represents businesses by income level of census tract. (1) Census Tracts that are not income categorized equal 2.2%. (2) Census Tracts that are not income categorized equal 1.4%.

New York-Jersey City-White Plains NY-NJ MSA

The bank has designated 10 counties within the New York-Jersey City-White Plains NY-NJ. The AA consists of Bergen, Hudson, and Passaic counties in New Jersey, and Bronx, Kings, New York, Queens, Richmond, Rockland, and Westchester counties in New York. The AA complies with CRA guidelines. The area is urban and suburban in nature, contiguous, and does not arbitrarily exclude LMI geographies. There are no known barriers to CD lending, investment, or services.

According to the 2015 U.S. Census, the population of the AA was 14.2 million. The percentage of families in the AA living below the poverty level is significant at 15.84 percent. The 2019 FFIEC

adjusted median family income (MFI) for the AA was \$79,300. The low-income MFI in the AA earned less than \$39,650, and the moderate-income MFI is from \$39,650 to \$63,440.

According to the Bureau of Labor Statistics, unemployment in the AA improved during the evaluation period. As of December 2019, the unemployment rate for the New York AA was 3.6 percent, similar to the national rate of 3.5 percent. The unemployment rate during the same time period for the state of NY was 3.9 percent, 3.7 percent for the state of NJ, and 3.8 percent for the state of CT.

As of December 31, 2019, BNY Mellon had no deposit market share in the AA. The bank closed its New York office in August 2018. Banking competition is very strong in the New York AA. According to the FDIC report, as of June 30, 2019, there were 150 deposit-taking financial institutions with 2,815 offices in the AA, including both large national and regional financial institutions. Banks with the largest market share include JP Morgan Chase Bank, N.A., Goldman Sachs Bank USA, HSBC Bank USA, N.A., and Bank of America, N.A.

Per Moody's Analytics, the AA economy is well past its peak for this business cycle and is currently in the late expansion phase. Although its economy is holding steady, payroll growth is softening, there is a declining population, elevated business costs, and a large state debt burden. Healthcare, financial and business services, and government are the largest economic sectors in the AA. Major employers include Northwell Health, JP Morgan Chase, New York City Health and Hospitals Corp., University of Rochester, and Citibank. Economic strengths include being the financial capital of the U.S., a skilled labor force, health care, and high tech. Weaknesses include the high-costs of doing business and housing. Unemployment rates are expected to increase over the next few years.

The AA is a high cost housing area, limiting access to affordable home ownership among LMI borrowers.

The 2019 FFIEC adjusted median family income (AMFI) in the AA is \$108,100. According to Realtor.com data, the median housing value in the AA is \$427,050 and \$551,530 in 2017 and 2019, respectively, reflecting a percent change of 29.2 percent increase.

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$54,050 per year (or less than 50 percent of the 2019 FFIEC AMFI in the AA) could afford a \$251,713 mortgage with a payment of \$1,351 per month. A moderate-income borrower making \$86,480 per year (or less than 80 percent of the 2019 FFIEC AMFI in the AA) could afford a \$402,741 mortgage with a payment of \$2,162 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$2,961.

The already high cost of housing, particularly in Manhattan and Brooklyn, combined with expected slow growing and even declining population and high business costs are expected to keep future economic growth muted.

During the evaluation period, several community contacts were made regarding AA community needs. Community contact organizations consisted of a non-profit, housing coalition, and business development housing services. The identified AA CD needs, based on community contact information include the following:

- There continues to be a need for both capital and operational support from banks on CD projects such as affordable housing.
- A need for financial literacy courses to help people learn how to access basic funding such as credit cards or bank accounts.
- A need for more financial options in the way of bank branches, as some areas in the AA have little to no branches.

Bridgeport-Stamford-Norwalk, CT MSA

BNY Mellon has one AA in the state of Connecticut. The bank designated Fairfield County as its AA which is the only county in the Bridgeport-Stamford-Norwalk, CT MSA (14860). The bank's AA does not arbitrarily exclude LMI CTs, and the AA complies with CRA guidelines. There are no known barriers to CD lending, investment, or service. Per 2019 demographic information, Fairfield County consists of 212 CTs, including 31 low-income CTs, 40 moderate-income CTs, 57 middle-income CTs, 81 upper-income CTs, and three CTs with no income designation. BNY Mellon has one branch located in Greenwich, CT that is located in an upper-income CT.

According to the 2015 U.S. Census, the population of Fairfield County is approximately 940 thousand. The percentage of AA families living below the poverty level is relatively low but slightly increased since the last census to 9.05 percent. The updated 2019 FFIEC adjusted MFI is \$119,000. The low-income MFI in the AA is less than \$59,500, and moderate-income MFI is from \$59,500 to \$95,200.

According to the Bureau of Labor Statistics, unemployment in the AA improved during the evaluation period and was slightly higher than the national average. The unemployment rate for the AA as of December 2019 was 3.7 percent compared to the national rate of 3.5 percent. The unemployment rate for the AA was slightly lower than the state rate of 3.8 percent. The unemployment rate during the same time period for the state of PA was 4.6 percent.

Based upon FDIC Deposit Market Share data as of June 30, 2019, banking competition is strong with 30 banks and 354 branches in the AA, including several large multistate national or regional institutions. BNY Mellon ranked 19th in deposit market with 0.7 percent market share. The largest competitors include People's United Bank, N.A., Bank of America, N.A., and Citibank, N.A.

The AA is a mix of urban and suburban areas with most of the population residing in small cities. The AA is located on the northeast coast within a commutable distance to New York City. According to Moody's Analytics, the Bridgeport-Stamford-Norwalk CT MSA remains a global financial center with strong professional services, high-tech manufacturing, and a highly educated labor force. The MSA finished strong in 2019 after struggling during most of the evaluation period. Education and health services, professional and business services, retail trade, and government are the largest economic sectors. Major AA employers are Sikorsky Aircraft Corp., St. Vincent's Medical Center, Stamford Hospital, Frontier Communications, and Bridgeport Hospital.

Moody's Analytics also noted strengths including above-average exposure to high tech, reduced financial regulation, and hospitals benefitting from state settlement. AA weaknesses are high living costs, population losses, unfavorable demographics, and shifting cultural preferences. Natural population is at its lowest in more than 30 years and net migration continues to fall.

The AA is a high cost housing area, limiting access to affordable home ownership among LMI borrowers.

The 2019 FFIEC AMFI in the AA is \$119,000. According to Realtor.com data, the median housing value in the AA is \$744,050 and \$669,050 in 2017 and 2019, respectively, reflecting a percent change of 6.0 percent decrease.

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$59,500 per year (or less than 50 percent of the 2019 FFIEC AMFI in the AA) could afford a \$277,094 mortgage with a payment of \$1,488 per month. A moderate-income borrower making \$95,200 per year (or less than 80 percent of the 2019 FFIEC AMFI in the AA) could afford a \$443,350 mortgage with a payment of \$2,380 per month. This illustrates LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$3,753.

During the evaluation period, community contacts were made to organizations that promote economic development in Fairfield County. The identified CD needs in the AA, based on community contact information include the following:

- Affordable housing is the most significant need in the area, and there are opportunities for financial institutions to provide more lending to housing developers to meet the demand for affordable housing projects.
- There is a need for first time homebuyer programs given the high prices of real estate and limited availability of affordable homes.
- There is a need to fund small business loans to assist business growth.

Conclusions About Performance

The bank's performance is rated Outstanding.

Based on a full-scope review of the New York-Newark, NY-NJ-CT CSA, the bank's performance is excellent. We considered the investment opportunities with direct benefit within the AA and the bank's capacity to address those needs.

Summary

BNY Mellon and affiliates provided an excellent level of qualified investments, CD loans, and CD services in relation to its capacity and opportunities. The bank provided qualifying investments and CD loans that were responsive to the identified needs of affordable housing and economic development.

- The bank demonstrates high levels of CD lending, CD services, and qualified investment activities. Current period investments, grants and prior period investments totaled \$238.4 million and originated CD loans totaling \$99.5 million. CD services were provided to four organizations in leadership roles as Board members.

- The bank demonstrates rare use of innovative or complex CD loans, CD services, and qualified investments.
- The bank demonstrates excellent responsiveness to credit and community development needs in its AA, in particular to affordable housing needs. Investments included MBS, CMBS, LIHTCs, and other types of investments. Bank and affiliate representatives also provided leadership to qualified CD organizations.

Qualified Investments

Qualified investments totaled \$238.4 million with current period investments of \$107.8 million, qualified grants of \$348 thousand, and outstanding prior period investments of \$130.3 million.

Qualified investments made in or benefiting the AA totaled \$107.8 million in the AA and broader statewide area or regional area during the evaluation period. BNY Mellon had \$17.8 million in unfunded commitments expected to benefit its AA. These investments consisted of MBS, CMBS, LIHTC, and SBIC totaling \$92.3 million, \$5.2 million, \$2.8 million and \$7.5 million, respectively.

BNY Mellon also provided qualified grants totaling approximately \$348 thousand to qualified CD organizations and programs that benefitted the AA. These grants supported affordable housing, economic development and community services. Qualified grants included bank matched funds from bank and affiliate employees matched program. Many of the qualified organizations supported kids in need, food banks, elderly individuals, and provide assistance to LMI individuals with developmental disabilities.

BNY Mellon has outstanding investments totaling \$130.1 million from prior periods. We considered the ongoing impact from investments made during and prior to the current evaluation period. The majority of these investments support the provision of affordable housing through MBS, CMBS, and LIHTC investments totaling \$62.9 million, \$1.3 million, and \$56.3 million, respectively. Other prior period investment of \$9.8 million was an affordable housing venture capital REIT.

The following table summarizes the bank's investments, grants, and unfunded commitments inside the AA:

Table 3: Qualified Investment Activity (000s) – New York-Newark, NY-NJ-CT CSA

	Benefits AA**
Originated Investments	\$107,783
Originated Grants	\$348
Prior-Period Investments that Remain Outstanding	\$130,301
Total Qualified Investments	\$238,432
Unfunded Commitments*	\$17,814

* "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The following table measures the level of total qualified investment activity in terms of average allocated tier 1 capital and average total income over the evaluation period:

Table 4: Qualified Investment Percentages-New York Newark, NY-NJ-CT CSA

	Benefits AA (%)*
Total Investments/Average Tier 1 Capital	704.79%
Total Investments/Average Total Income	1,018.42%
Total Investments/Average Pass-Through Receivables	0

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Described below are some of the most significant qualified investments:

- Management invested in 76 pools of MBS totaling \$72.6 million that consisted of single-family mortgage loans to LMI borrowers in the NY-NJ AA.
- Management committed to a \$20.6 million LIHTC loan where \$2.8 million was funded and \$17.8 million remains unfunded to an affordable housing complex that will include a common laundry, community room and surface parking. At completion, the project will provide 92 units of affordable rental apartments targeted to family households earning up to 60 percent AMI with five units set aside for formerly homeless families earning no more than 20 percent AMI.
- Management invested \$7.5 million in a SBIC that provides capital to middle market companies and small businesses in the Connecticut AA.

CD Lending

CD lending was considered excellent and had a positive impact on the overall performance in the AA and was considered responsive to the needs of the AA. We considered the lending opportunities with direct benefit within the AA, state, or region and the bank's capacity to address these needs.

During the evaluation period, BNY Mellon originated 41 CD loans totaling approximately \$95.5 million that benefitted the New York-Newark, NY-NJ-CT CSA or broader statewide or regional area that includes the AA.

CD loans consisted of 15 affordable housing loans totaling \$12.9 million, 15 community services loans totaling \$1.2 million and 11 revitalization/stabilization loans totaling \$81.4 million. These CD loans supported affordable housing, the most significant need in one MSA, and the need for both capital and operational support from banks.

The following tables measures the level of total CD loan activity in terms of allocated average tier 1 capital and allocated average total income over the evaluation period:

Table 5: CD Lending Percentages – New York, NY-NJ-CT CSA

	Benefits AA (%)*
Total CD Lending/Average Tier 1 Capital	294.04
Total CD Lending/Average Total Income	424.89
Total CD Lending/Average Pass-Through Receivables	0

* CD loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA

CD lending supported affordable housing, community services and revitalization/stabilization, all of which are responsive to AA identified needs. The following are examples of the bank's CD lending activities:

- A commitment of a \$114 million construction loan for a mixed-use real estate development project during the evaluation period. The development is located in an historic area and will include a leased space for a not-for-profit corporation and a supermarket that created over 500 new jobs where 36 percent of the new hires were public housing residents, 18 percent were long-term unemployed, and 18 percent were previously incarcerated or convicted.
- A \$12.3 million loan for the acquisition and adaptive reuse and historic preservation of a factory building that was converted to a 92-unit affordable, multifamily residential building with units set aside for homeless families.
- A \$9.5 million line of credit (LOC) to a nonprofit organization that advocates for immigrants and economically disadvantaged individuals where services include food relief and legal counseling. The LOC supports the construction of a community center that will include classrooms, community meeting space, a commercial kitchen and a community garden.

CD Services

BNY Mellon and affiliate employees exhibited an excellent responsiveness to CD needs. Employees actively provided 264 hours of services to three organizations and programs that benefit LMI individuals, youths, families, and communities. Services included affordable housing and community services to organizations located within its AA.

Within the AA, Bank and affiliate employees supported organizations by providing support for community services through education, health care, and CD and affordable housing through rehabilitation of houses of low-income homeowners.

The employees' activities include serving in leadership roles as Board of Directors, Board Members, or Board Treasurer.

Table 6: CD Service Activities – New York-Newark, NY-NJ-CT CSA

CD Service	Benefits AA*
Affordable Housing	144
Community Services	120
Total Community Development Service Hours	264

* CD services included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA

The following are examples of the bank's CD services:

- An employee served as a Board member of a non-profit affordable housing organization that partners with the community to rehabilitate houses of low-income homeowners who are physically challenged and elderly.

- An employee served as a Board member of an organization that provides housing, education, childhood development with counseling, and life-skill training to homeless or economically-disadvantaged women and children.

State Rating

State of Pennsylvania

CRA Rating for the State of Pennsylvania: Outstanding

The major factors that support this rating include:

- The bank demonstrates a high level of CD loans, CD services, and qualified investment activity in the state of Pennsylvania.
- The bank demonstrates no use of innovative or complex qualified investments, CD loans, or CD services in the state of Pennsylvania.
- The bank exhibits excellent responsiveness to credit and CD needs in the state of Pennsylvania.

Description of Assessment Area

BNY Mellon has two AAs within the state of Pennsylvania. The Pittsburgh MSA was selected for a full-scope review as the bank has a branch, and the Philadelphia MSA will receive a limited-scope review.

Pittsburgh MSA

The bank has designated the counties of Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland in the Pittsburgh MSA. The AA complies with CRA guidelines. The bank did not arbitrarily exclude LMI geographies. The AA is generally urban or suburban in nature. There are no known barriers to CD lending, investment, or services.

According to the 2015 U.S. Census, the total population of the AA was approximately 2.4 million, and the percentage of families in the AA living below the poverty level is significant at 12.5 percent. The 2019 FFIEC adjusted MFI for the AA was \$79,300. The low-income MFI in the AA is less than \$39,650, and moderate-income MFI is from \$39,650 to \$63,440.

According to the Bureau of Labor Statistics, unemployment in the AA improved during the evaluation period. As of December 2019, the unemployment rate for the Pittsburgh MSA was 4.8 percent, higher than the national rate of 3.5 percent. The unemployment rate during the same time period for the state of Pennsylvania was 4.6 percent.

Based upon FDIC Deposit Market Share data as of June 30, 2019, banking competition is strong with 49 banks and 786 branches in the AA including several large commercial banks. BNY Mellon ranked second in deposit market share with 13.7 percent market share. The largest competitors, other than a bank affiliate, include PNC Bank, N.A., Citizens Bank, N.A., First National Bank of Pennsylvania, Tristate Capital Bank, and Dollar Bank, FSB. These and other financial institutions compete with BNY Mellon over a limited supply of qualified community development opportunities in the Pittsburgh AA.

According to Moody's Analytics, Pittsburgh's economy is struggling and is in the late expansion business cycle. Unemployment is increasing due to lackluster job growth and an increasing pool of available workers. The largest industries in the AA continue to be health, education, retail, and

hospitality services. The top employers include the University of Pittsburgh Medical Center Health System, Highmark, Inc., University of Pittsburgh, the PNC Financial Services Group, Inc., and Walmart, Inc.

Pittsburgh’s growing status as an innovation hub is becoming muted, as the tech boom is concentrated in only a few neighborhoods. The economy has strengths in top education and research institutions, a skilled labor force, and a low cost of living. However, an unfavorable age structure, declining population, aging infrastructure, and a below-average share of jobs in new companies will hinder the economy.

The AA is a high cost housing area, limiting access to affordable home ownership among low-income borrowers.

The 2019 FFIEC AMFI in the AA is \$79,300. According to Realtor.com data, the median housing value in the AA is \$155,050 and \$189,750 in 2017 and 2019, respectively, reflecting a percent change of 22.4 percent increase.

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner’s insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$39,650 per year (or less than 50 percent of the 2019 FFIEC AMFI in the AA) could afford a \$184,652 mortgage with a payment of \$991 per month. A moderate-income borrower making \$63,440 per year (or less than 80 percent of the 2019 FFIEC AMFI in the AA) could afford a \$295,443 mortgage with a payment of \$1,586 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,019.

Per 2015 U.S. Census data, the AA housing market consisted of 1,104,684 housing units, 62.6 percent of which were owner occupied; 27.2 percent of which were non-owner occupied; and 10.2 percent of which were vacant.

Table 7: Pittsburgh MSA Assessment Area Description

	Number	Low	Moderate	Middle	Upper
Tracts (1)	711	8.4%	24.6%	43.9%	21.0%
Families	611,943	21.2%*	17.4%*	20.6%*	40.8%*
Businesses (2)	4,326	4.7%**	16.0%**	42.3%**	36.1%**

Source: Demographic Data – 2019 ACS, Dun & Bradstreet Data. *Represents families by income level. **Represents businesses by income level of census tract. (1) Census Tracts that are not income categorized equal 2.1%. (2) Census Tracts that are not income categorized equal 0.9%.

During the evaluation period, several community contacts were made regarding community needs in the AA. Community contacts consisted of a CDFI, Economic Development organization, and Community Reinvestment Groups. The identified CD needs in the AA based on community contact information include the following:

- A need for affordable housing and funding for home improvements continue to be the primary credit needs.
- A need for home improvement lending programs due to the aging population and lack of new housing developments.

- A need for innovative lending products to assist those with credit history issues.

Conclusions About Performance

The bank's performance is rated Outstanding.

Based on a full-scope review of the Pittsburgh MSA, the bank's performance is excellent. We considered the investment opportunities with direct benefit within the AA, and the bank's capacity to address those needs.

Summary

BNY Mellon and affiliates provided an excellent level of qualified investments, CD loans, and CD services in relation to its capacity and opportunities. The bank provided qualified investments and CD loans that were responsive to the identified needs of affordable housing, economic development, and community services.

- The bank demonstrates high levels of CD lending, CD services, and qualified investment activities. Current period investments, grants and prior period investments totaled \$371.5 million and originated CD loans totaling \$45.9 million. CD services were provided to two organizations in leadership roles as Board and committee members.
- The bank demonstrates rare use of innovative or complex CD loans, CD services, and qualified investments.
- The bank demonstrates excellent responsiveness to credit and CD needs in its assessment area. Investments included MBS, CMBS, LIHTCs, SBIC, and an equity investment. Bank and affiliate representatives also provided leadership and expertise to 19 qualified CD organizations.

Qualified Investments

Qualified investments totaled \$371.5 million with \$230.5 million in current period investments, \$14.3 million in qualified grants and \$126.7 million in outstanding investments. Since the bank at least adequately addressed the needs of its AA, examiners considered an additional \$92.7 million in current and prior period investments and grants made outside its AA when evaluating the bank's performance.

BNY Mellon originated numerous current period qualified investments totaling \$230.5 million in the AA and broader statewide area or regional area during the evaluation period. BNY Mellon had \$17.5 million in unfunded commitments that are expected to benefit its AA. Current period qualified investments consisted of MBS, LIHTC, CMBS, and SBIC totaling \$94.8 million, \$65.3 million, \$65.4 million, and \$5.0 million, respectively. Additionally, \$45.7 million in CMBS qualified investments made outside of the AA were also considered in the evaluation.

BNY Mellon also provided numerous qualified grants totaling \$14.3 million to qualified CD organizations and programs that benefitted the AA. These grants supported affordable housing, economic development, community services, and revitalization/stabilization. Additionally, \$7 thousand in sponsorships and matched funds made outside of the AA were also considered in the evaluation.

BNY Mellon has numerous outstanding investments totaling \$126.7 million from prior periods. Consideration was given to the ongoing impact of investments made prior to the current evaluation period within the AA. Affordable housing investments include LIHTC, MBS, and a multifamily bond totaling \$73.3 million, \$34.4 million, and \$2.8 million, respectively. The majority of the other investments were for economic development including an equity investment and SBIC investments totaling \$4.5 million and \$11.3 million, respectively. Additionally, investments made outside the AA consisting of \$27.7 million in LIHTC investments and \$16.8 million in MBS made outside of the AA were included in the evaluation.

The following table summarizes the bank's investments, grants, and unfunded commitments inside and outside the AA:

Table 8: Qualified Investment Activity (000s) – Pittsburgh MSA

	Benefits AA	Outside AA**	Totals
Originated Investments	\$230,512	\$45,705	\$276,217
Originated Grants	\$14,287	\$2,477	\$16,764
Prior-Period Investments that Remain Outstanding	\$126,730	\$44,484	\$171,214
Total Qualified Investments	\$371,529	\$92,666	\$464,195
Unfunded Commitments*	\$17,462	\$0	\$17,462

* "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The following table measures the level of total qualified investment activity in terms of allocated average tier 1 capital and allocated average total income over the evaluation period:

Table 9: Qualified Investment Percentages- Pittsburgh MSA

	Benefits AA (%)*	Outside AA (%)**
Total Investments/Average Tier 1 Capital	17.74	4.43
Total Investments/Average Total Income	25.64	6.39
Total Investments/Average Pass-Through Receivables	0	0

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Described below are some of the most significant qualified investments and grants:

- Management invested in 94 pools of MBS totaling \$94.8 million that consisted of single-family mortgage loans to LMI borrowers in the Pittsburgh MSA.
- A \$33.6 million investment in a Federal Home Loan Mortgage Corporation Freddie Mac Multifamily bond where 99.7 percent of the affordable housing units are for households at or below 80 percent of AMI.
- A \$12.7 million LIHTC project, \$12.3 million funded and \$351 thousand unfunded, to a mixed-use development consisting of two condominium units; one commercial use and one to operate 33 affordable rental housing units where half of the unit's preference designation for those with

intellectual and/or mental health disabilities. The development will include space for supportive service providers for adults who have been disrupted by mental illness.

CD Lending

CD lending was considered excellent and had a positive impact on the overall performance in the AA and was considered responsive to the needs of the AA. We considered the lending opportunities with direct benefit within the AA, state, and region and the bank’s capacity to address these needs.

During the evaluation period, BNY Mellon extended eight CD loans totaling approximately \$45.9 million that benefitted its Pittsburgh MSA or a broader statewide or regional area that includes the AA. The bank also reported \$9.3 million in unfunded loan commitments for six of these loans. Additionally, consideration was given to 79 loans totaling approximately \$44.1 million made outside of the AA because BNY Mellon had adequately addressed the identified needs of its AA.

The following table measures the level of total CD loan activity in terms of allocated average tier 1 capital and allocated average total income over the evaluation period:

Table 10: CD Lending Percentages – Pittsburgh MSA

	Benefits AA (%)*	Outside AA (%)**
Total CD Lending/Average Tier 1 Capital	2.19	2.10
Total CD Lending/Average Total Income	3.17	3.04
Total CD Lending/Average Pass-Through Receivables	0	0

* CD loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

All of the CD lending supported affordable housing and were responsive to the identified needs of the AA. The following are examples of the bank’s CD lending activities:

- A \$9.9 million loan for the redevelopment of an elementary school and associated land in a mixed-use development that consists of 46 new senior housing units, a community center, and public plaza. All but seven of the housing units are for seniors earning between 20 and 60 percent of the AMI.
- A \$9 million renovation and expansion of a vacant office building into a 41-unit affordable senior apartment complex with 21 units targeted to military veterans from a blighted area. Unit residents will include four units for seniors earning 20 percent of AMI, 17 units for seniors earning 50 percent of AMI, and 20 units for seniors earning 60 percent of AMI.
- A \$8.9 million new construction of a 60-unit affordable housing complex for senior citizens. All units will be affordable for senior households at or below 20 percent AMI, 30 percent AMI, and 60 percent AMI. Sixteen of the units will be available to extremely low-income residents at rents equal to 30 percent of AMI, with operating subsidy provided by a housing authority.

CD Services

BNY Mellon and affiliate employees exhibited excellent responsiveness to CD needs. Employees actively provided 4,608 hours of services to 46 organizations and programs that benefit LMI individuals, youths, families, and AA communities. In addition, employees provided 1,440 hours of services to 19 organizations and programs located outside the AA. Services included affordable housing and community services to organizations located within its AA.

Within the AA, BNY Mellon and affiliate employees supported organizations by providing support for the development of affordable housing to LMI individuals and families; community services to LMI individuals and families; economic development through job creation, workforce development and expanding businesses and neighborhoods; and revitalization/stabilization of neighborhood through partnership programs.

Table 11: CD Service Activities – Pittsburgh MSA

CD Service	Benefits AA*	Outside AA**
Affordable Housing	1,392	144
Community Services	1,920	600
Economic Development	1,032	696
Revitalization/Stabilization	264	
Total Community Development Service Hours	4,608	1,440

* CD services included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The following are examples of the bank's CD services:

- A bank employee served 168 hours as a board member of a vocational support organization that offers individuals with disabilities opportunities for facility-based job training where majority of the organization's revenue is received from Medicaid and medical assistance title funding.
- Five bank employees served 240 hours as board members of a foundation that provides grants for health and human service organizations engaging in workforce development, affordable housing and human services in low-income populations.
- Two bank employees served 72 hours as advisory committee members of neighborhood partnership programs that revitalize and stabilize developments in low-income communities.
- Two bank employees served 168 hours as board members of an organization that promotes homeownership by offering free counseling, homebuyer education and a financial literacy course.
- A bank employee served 24 hours to an economic development organization that creates jobs and improves the vitality of businesses and neighborhoods through providing financing for

business locations, relocation and expansion, housing construction and rehabilitation, and home purchases and improvements.

Conclusions for Area Receiving Limited-Scope Review

Based on a limited-scope review, the bank's performance under the CD Test (loans, investments and services) in the Philadelphia MSA is consistent with the bank's overall performance under the CD Test in the full-scope area and is excellent.

Appendix A: Summary of MMSA and State Ratings

RATINGS: BNY Mellon, National Association	
Overall Bank:	Overall Bank Rating
BNY Mellon, National Association	Outstanding
MMSA or State:	MMSA or State Rating
New York-Newark, NY-NJ-CT CSA	Outstanding
State of Pennsylvania	Outstanding

Appendix B: Definitions and Common Abbreviations

The following terms and abbreviations may be 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 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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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 bank as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the 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.

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 receivable includes receivables attributable and receivables retained on balance sheet as those terms are used in 12 C.F.R. §8.

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 CD.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For a bank with domestic branches in only one state, the bank's CRA rating would be the state rating. If a bank maintains domestic branches in more than one state, the bank will receive a rating for each state in which those branches are located. If a bank maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the bank 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.

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.

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.