



## **PUBLIC DISCLOSURE**

December 08, 2014

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

The National Bank of Coxsackie  
Charter Number 1398

3-7 Reed Street  
Coxsackie, NY 12051

Office of the Comptroller of the Currency

343 Thornall Street  
Suite 610  
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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## **INSTITUTION'S CRA RATING: This institution is rated Satisfactory**

Summarize the major factors supporting the institution's rating.

- **A substantial majority of National Bank of Coxsackie's (NBC) home mortgage loans originated during the evaluation period were within the assessment area (AA), which exceeds the standard for satisfactory performance for lending in the AA;**
- **NBC's record of lending to borrowers of different incomes reflects reasonable penetration when considering the bank's performance context and meets the standard for satisfactory performance; and**
- **The bank has not received any CRA-related consumer complaints since the last CRA examination.**

## **SCOPE OF EXAMINATION**

CRA activities at the National Bank of Coxsackie (NBC) were completed using full-scope review procedures. Our review covered the bank's performance from January 1, 2012 through September 30, 2014. Residential mortgage loans were determined to be the bank's primary loan product and were reviewed as part of this examination. The lending test was performed evaluating the bank's record of meeting the credit needs of its assessment area (AA). The lending test consisted of loans originated from January 1, 2012 through September 30, 2014.

In our evaluation of lending, we evaluated two periods separately, 2012 to 2013 and 2014. The separation is due to The Office of Management and Budget (OMB) revising the Metropolitan Area (MA) and census tract geographic definitions and boundaries in February 2013. Those revisions became effective for CRA purposes on January 1, 2014 and impact the 2014 data. This is referred to as the 2014 OMB MA changes. The 2010 Census information was used for the entire evaluation period.

## **DESCRIPTION OF INSTITUTION**

NBC is an intrastate bank headquartered in Coxsackie, Greene County, New York. NBC is an independent bank and is not part of any holding company nor does it have any subsidiaries or affiliates. The area is primarily rural in nature, situated in the northern Hudson Valley of New York State. As of September 30, 2014, total assets were \$286 million, total loans were \$122 million, investments were \$147 million, total deposits were \$262 million, and Tier 1 capital was \$23 million. Net loans represent 42.77 percent of total assets. The loan portfolio is composed of 85.00 percent real estate, 7.00 percent commercial, and 8.00 percent consumer loans.

Management operates eight banking offices with ATM services except for the main office. The main office is located in Coxsackie, with full service branches located in

Greenville, Ravena, West Coxsackie, Athens, Cairo, Glenmont, and Middleburgh, New York. Branch offices are open Monday through Saturday. As of the last CRA examination in 2009, management opened the Middleburgh and Glenmont branch as of November 3, 2012 and July 19, 2014, respectively.

NBC offers traditional community banking products. There are currently no plans to expand its products or services. NBC will grow the bank as per the strategic plan. Specific strategic initiatives include growth in dollar deposits, deposit accounts, loan to deposit ratio, fee income, and net income. The strategic plan outlines strategies to attain each growth projection as well as challenges that may impede development.

The market in which the bank operates is very competitive. Bank of Greene County and Kinderhook bank are the primary competitors within the local geographic area. According to June 30, 2014 FDIC Deposit Market Share Report, KeyBank, Citizens Bank, and Manufacturers and Traders Trust Company account for the highest market shares of 35.61 percent, 13.14 percent and 10.48 percent, respectively. NBC has 0.18 percent of the deposit base and ranks eleventh among the 26 institutions with offices in the AA.

NBC is not subject to any financial, legal, or regulatory restrictions that could impede its ability to help meet the credit needs of its AA. A data integrity examination of the loan information discussed in the Scope of Examination section above was completed in September 2014. Publicly filed information and registers were examined by the OCC to verify the accuracy of the data. The 2012 and 2013 reportable HMDA data were not accurate and required corrections, which the bank completed prior to this CRA examination. This evaluation period is based on corrected/accurate data. The OCC performed the last CRA examination on April 15, 2009. At that evaluation, this bank received a rating of "Satisfactory."

## **DESCRIPTION OF ASSESSMENT AREA(S)**

NBC has identified Greene County, Schoharie County, and part of Albany County as its AA. Albany and Schoharie County are located in the Albany-Schenectady-Troy, N.Y. MSA, while Greene County is located in a non-MSA. The AA is comprised of 38 total census tracts (CTs). Albany, Greene, and Schoharie County make up 15, 15, and 8 CTs of the AA, respectively. The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies.

### Albany County Assessment Area

NBC designated part of Albany County within their AA. Albany County consists of 75 CTs and is within the Albany-Schenectady-Troy, N.Y. MSA. NBC delineates 15 of Albany County's 75 CTs as part of their AA. This is an expansion from 10 CTs as of the 2009 CRA due to management opening a branch in Glenmont, NY in 2014. The AA has 8 CTs in middle-income (60%) and 7 CTs in the upper-income (40%). There are no low- or middle-income tracts in the AA. The total population in the AA was 60,412 as of the 2010 U.S. Census.

The following describes the demographics of the MSA:

Demographic Information for Full Scope Area: NBC Albany County 2014						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	15	0.00	0.00	60.00	40.00	0.00
Population by Geography	60,412	0.00	0.00	45.07	54.93	0.00
Owner-Occupied Housing by Geography	18,653	0.00	0.00	46.73	53.27	0.00
Business by Geography	3,707	0.00	0.00	43.08	56.92	0.00
Farms by Geography	210	0.00	0.00	67.62	32.38	0.00
Family Distribution by Income Level	16,544	12.84	14.94	22.30	49.93	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	4,595	0.00	0.00	56.74	43.26	0.00
Median Family Income		74,739	Median Housing Value		225,885	
HUD Adjusted Median Family Income for 2014		78,300	Unemployment Rate		4.8%	
Households Below Poverty Level		5%				

The median cost of housing in the AA is \$225,885. The Adjusted Median Family Income is \$78,300. The percentage of households below the poverty level is 5.10%. The AA's population is comprised of 16,544 families with the following family income distribution: 12.84 percent are low-income, 14.94 percent are moderate-income, 22.30 percent are middle-income, and 43.26 are upper-income.

According to the Bureau of Labor Statistics, the unemployment rate for Albany County as of November 2014 was 4.7 percent. This rate is the same rate of the Albany - Schenectady-Troy, NY MSA and below the New York State unemployment rate of 5.8 percent as of November 2014. Within the AA, significant employment segments include service-providing industries, comprised of trade, transportation, utilities, as well as business and professional services.

The Albany County market in which the bank operates is very competitive. Numerous large national and regional banks, community banks, thrift institutions, multinational financial institutions that compete for both commercial and retail banking services as well as loan products are located within the AA. The competitive market is evidenced by deposit and loan market share reports. According to the 2014 FDIC Summary of Deposits Market Share Report for Albany County, NBC ranked 13<sup>th</sup> out of 19 institutions with 0.27 percent deposit market share. KeyBank ranked 1<sup>st</sup> with 21 offices in the county and 50.62 percent of the deposit market share. The other noteworthy institution in the county was Citizens Bank with 13 offices within the MSA and 17.08 percent of the deposit market share.

In 2012, 108 lenders originated or purchased HMDA loans in the AA, according to the HMDA Peer Mortgage Data. NBC was ranked 13<sup>th</sup> in the AA with a market share of 2.04 percent, an increase from 1.29 percent as of 2007. Wells Fargo Bank was ranked 1<sup>st</sup> with a market share of 15.16 percent. Other competitors within the market consist of

large national banks and mortgage companies, large regional banks, and local community banks.

Schoharie County Assessment Area

NBC designated the entire county as part of its AA. Schoharie County consists of 8 CTs and is within the Albany-Schenectady-Troy, N.Y. MSA. This is a newly added AA as management opened a branch in Middleburgh, NY in November 2012. Of the 8 CTs, 4 are middle-income (50.00%) and 3 (37.50%) are moderate-income with one unknown. There are no low- or upper-income areas in the AA. The total population in the AA was 32,749 as of the 2010 U.S. Census.

The following chart below describes the demographics of the non-MSA:

Demographic Information for Full Scope Area: NBC Schoharie County 2014						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	8	0.00	37.50	50.00	0.00	12.50
Population by Geography	32,749	0.00	30.54	65.60	0.00	3.87
Owner-Occupied Housing by Geography	10,055	0.00	34.66	65.34	0.00	0.00
Business by Geography	1,746	0.00	25.54	73.54	0.00	0.92
Farms by Geography	190	0.00	29.47	70.53	0.00	0.00
Family Distribution by Income Level	8,566	23.41	25.20	21.43	29.96	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	4,164	0.00	41.45	58.55	0.00	0.00
Median Family Income		74,739	Median Housing Value	137,137		
HUD Adjusted Median Family Income for 2014		78,300	Unemployment Rate	5.3%		
Households Below Poverty Level		12%				

The median cost of housing in the AA is \$137,137. The Adjusted Median Family income for 2014 was \$78,300. The percentage of households below poverty level is 11.64 percent. The AA’s population is comprised of 8,566 families with the following family income distribution: 23.41 percent are low-income, 25.20 percent are moderate income, 21.43 percent are middle-income, and 29.96 percent are upper income families.

According to the Bureau of Labor Statistics, the unemployment rate for Schoharie County as of November 2014 was 5.6 percent. This rate is higher than Albany - Schenectady-Troy, NY MSA rate of 4.7 percent and below the New York State unemployment rate of 5.8 percent as of November 2014. Major employers in Schoharie County include goods-producing, trade, transportation, and utility companies.

According to the 2014 FDIC Summary of Deposits Market Share Report for Schoharie County, NBC ranked last out of 7 institutions with a deposit market share of 0.70 percent. NBT Bank ranked 1<sup>st</sup> with 4 offices in the market with 49.12 percent of the deposit market share. Other institutions include Bank of Richmondville with 3 offices within the market and 28.13 percent of the deposit market share.

In 2012, 704 lenders originated or purchased HMDA loans in the AA, according to the HMDA Peer Mortgage Data. NBC was ranked 37<sup>th</sup> in the AA with a market share of 0.28 percent. Wells Fargo Bank was ranked 1<sup>st</sup> with a market share of 12.50 percent. NBT Bank ranked 2<sup>nd</sup> with 11.22 percent of market share. Other competitors within the market consist of large national banks and mortgage companies, large regional banks, and local community banks.

Greene County Assessment Area

NBC designated the entire county as part of its AA. Greene County is a non-MSA consisting of 15 CTs. This represents an expansion from 11 CTs since the 2009 CRA exam due to the 2014 OMB MA changes. Of the 15 CTs, 9 are middle-income (60.00%) and 3 are upper-income (20.00%). There are 2 moderate-income CTs and one unknown. Greene County considered rural or underserved by the financial regulators. The total population in the AA was 49,221 as of the 2010 U.S. Census. The following chart below describes the demographics of the non-MSA:

Demographic Information for Full Scope Area: NBC Non MSA Greene County 2014						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	15	0.00	13.33	60.00	20.00	6.67
Population by Geography	49,221	0.00	16.67	56.13	21.57	5.64
Owner-Occupied Housing by Geography	13,620	0.00	16.67	57.70	25.62	0.00
Business by Geography	3,063	0.00	16.62	64.25	19.07	0.07
Farms by Geography	132	0.00	15.15	53.03	31.82	0.00
Family Distribution by Income Level	11,557	19.27	17.68	22.15	40.90	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	4,270	0.00	23.91	58.01	18.08	0.00
Median Family Income		54,386	Median Housing Value		187,518	
HUD Adjusted Median Family Income for 2012		58,200	Unemployment Rate		5.8%	
Households Below Poverty Level		12%				

The median cost of housing in the non-MSA AA is \$187,518. The Adjusted Median Family income for 2014 is \$58,200. The percentage of households below poverty level is 11.85 percent. The AA’s population is comprised of 11,557 families with the following family income distribution: 19.27 percent are low-income, 17.68 percent are moderate income, 22.15 percent are middle-income, and 40.90 percent are upper income families.

According to the Bureau of Labor Statistics, the unemployment rate for Greene County as of November 2014 was 6.0 percent. This rate is slightly higher than the New York State unemployment rate of 5.8 percent as of November 2014. Within the AA,

significant employment segments include government, leisure and hospitality, health care, as well as trade, transit and utility industries.

According to the 2014 FDIC Summary of Deposits Market Share Report for Greene County, NBC ranked 2<sup>nd</sup> out of 9 institutions with a deposit market share of 17.00 percent. Bank of Greene County ranked 1<sup>st</sup> with 7 offices and 44.12 percent of the deposit market share.

According to 2012 peer HMDA data, 159 lenders originated mortgages in Greene County. The Bank of Greene County ranked 1<sup>st</sup> with 15.86 percent of the market share followed by Wells Fargo Bank with 15.05 percent market share. Other market competitors include large national and regional banks, as well as mortgage companies

As part of our CRA evaluation, we contacted a local community organization to discuss local economic conditions, community credit needs, and the level of participation of financial institutions within the AA. The demographic makeup of the community includes approximately: 79.00 percent Caucasian; 12.00 percent black; and 9.00 percent multi-race, as noted by the contact. The community is experiencing gentrification as rents far exceed earning potential. In addition, many consumers are “unbanked” and lack the resources for credit needs. The community contact noted public transportation, affordable housing, daycare, and living wage jobs as priorities of the community. Overall, the contact noted local financial institutions are actively involved in serving the community and specifically noted the bank in question is particularly active in the community.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

### **Loan-to-Deposit Ratio**

NBC's average loan-to-deposit ratio is less than reasonable. The bank's average loan-to-deposit ratio over the twenty-four quarters since the last CRA examination was 56.58 percent. During this period, the bank's performance ranged from a low of 46.71 percent on September 30, 2014 to a high of 68.23 percent on December 31, 2010.

NBC's average loan-to-deposit ratio does not compare favorably to the average for three similarly situated banks over the same time period. The loan-to-deposit ratios for the three other banks averaged 69.23 percent. NBC saw its lowest loan-to-deposit ratio in the third quarter 2014 that is largely attributed to government deposits. Total deposits increased approximately \$33 million in this quarter, of which \$31 million was from municipalities/school districts, about evenly split between new relationships and school tax collection.

### **Lending in Assessment Area**

For the full evaluation period, NBC originated a substantial majority of its HMDA reportable loans inside its AA. The following tables detail the bank's lending in the

assessment area by number and dollar amount of loans. NBC meets the standard for outstanding performance under this criterion.

The bank originated 206 HMDA reportable loans totaling \$24.8 million according to 2012-2013 HMDA data. Based on HMDA data for 2012 and 2013, 89.32 percent of the loans by number and 72.46 percent by dollar volume were within the bank’s AA.

The HMDA data for the first three quarters of 2014 indicates the bank originated 69 HMDA reportable loans totaling \$7.1 million. Based on the 2014 HMDA data 88.41 percent by number and 74.31 percent by dollar volume were within the bank’s AA. The data for 2014 is presented separately due to the 2014 OMB changes. .

Lending Assessment Area 2012-2013										
Loan Type	Number of Loans					Dollars of Loans (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase Loans	64	81.01	15	18.99	79	\$9,313	63.81	\$5,281	36.19	\$14,594
Home Refinance Loans	37	86.05	6	13.95	43	\$5,455	81.12	\$1,270	18.88	\$6,725
Home Improvement Loans	83	98.81	1	1.19	84	\$3,175	92.16	\$270	7.84	\$3,445
Total Loans	184	89.32	22	10.68	206	\$17,943	72.46	\$6,821	27.54	\$24,764

Source: 2012-2013 HMDA Data based on 2010 Census

Lending Assessment Area 2014										
Loan Type	Number of Loans					Dollars of Loans (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase Loans	23	76.67	7	23.33	30	\$3,438	69.09	\$1,538	30.91	\$4,976
Home Refinance Loans	9	90.00	1	10.00	10	\$755	72.39	\$288	27.61	\$1,043
Home Improvement Loans	29	100.00	0	0.00	29	\$1,088	100.00	\$0	0.00	\$1,088
Total Loans	61	88.41	8	11.59	69	\$5,281	74.31	\$1,826	25.69	\$7,107

Source: 2014 HMDA Data based on 2010 Census

### Lending to Borrowers of Different Incomes

Overall, the bank’s record of lending to borrowers of different incomes during the evaluation period reflects reasonable penetration when considering the bank’s performance context and meets the standard for satisfactory performance. Lending in the bank’s assessment area for the evaluation period consisted of the year 2012, 2013 and the first nine months in the year 2014.

#### Conclusion for Albany and Schoharie Counties

The distribution of home mortgage loans to low- and moderate-income families reflects reasonable penetration.

#### Low-income assessment



In 2012 and 2013, the level of home purchase loans originated to low-income borrowers in the two counties is lower than the percentage of low-income families in the AA. The bank did not originate any home refinance loans to low-income borrowers in the two counties therefore the percentage of home refinance loans is significantly lower than the percent of low-income families in the AA. The distribution of home improvement loans originated in Albany County meets the percentage of low-income families. The distribution of home improvement loans originated in Schoharie County reflects poor distribution throughout this county but is modestly weighted given only one home improvement loan was made in this county and the limited branch presence within the county.

**Moderate-income assessment**

In 2012 and 2013, the level of home purchase loans made to moderate-income borrowers in Albany County exceeds the percentage of moderate-income families in the AA. The level of home purchase loans made to moderate-income borrowers in Albany County exceeds the percentage of moderate-income families in the AA. The level of home purchase loans made to moderate-income borrowers in Schoharie County is significantly lower than the percentage of moderate-income families in the AA. The level of home refinance loans to moderate-income borrowers in Albany County is significantly lower than the ratio of moderate-income families in the AA. The level of home refinance loans to moderate-income borrowers in Schoharie County exceeds the ratio of moderate-income families in the AA. The level of home improvement loans made to moderate-income families in both counties exceeds the percentage of moderate-income families in the AA. Please refer to tables below:

<b>Borrower Distribution of Home Mortgage Loans in Albany County 2012-2013</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	15.51	7.14	17.15	28.57	24.94	28.57	42.40	35.71
Home Refinance	15.51	0.00	17.15	11.11	24.94	44.44	42.40	44.44
Home Improvement	15.51	15.79	17.15	26.32	24.94	57.89	42.40	0.00

  

<b>Borrower Distribution of Home Mortgage Loans in Schoharie County 2012-2013</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	23.41	16.67	25.20	16.67	21.43	0.00	29.96	66.67
Home Refinance	23.41	0.00	25.20	75.00	21.43	0.00	29.96	25.00
Home Improvement	23.41	0.00	25.20	100.00	21.43	0.00	29.96	0.00

Source: 2012-2013 HMDA Data based on 2010 Census

**Low-income assessment**

In 2014, the distribution of home mortgage loans to low-income families in Albany and Schoharie Counties is very poor. The bank originated 27 home mortgage loans during the evaluation in the two counties but did not originate any home mortgage loans to low-income borrowers.

**Moderate-income assessment**

In 2014, the level of home purchase loans made to moderate-income borrowers in Albany County exceeds the percentage of moderate-income families in all three categories the AA. The bank did not originate any home purchase or refinance loans to moderate-income borrowers in Schoharie County, as the level is significantly lower than the percentage of moderate-income families in the AA. The level of home improvement loans to moderate-income borrowers in Schoharie County exceeds the percentage of moderate-income families in the AA. Please refer to tables below:

<b>Borrower Distribution of Home Mortgage Loans in Albany County 2014</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	12.84	0.00	14.94	42.86	22.30	14.29	49.93	42.86
Home Refinance	12.84	0.00	14.94	100.00	22.30	0.00	49.93	0.00
Home Improvement	12.84	0.00	14.94	42.86	22.30	42.86	49.93	14.29
<b>Borrower Distribution of Home Mortgage Loans in Schoharie County 2014</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	23.41	0.00	25.20	0.00	21.43	33.33	29.96	66.67
Home Refinance	23.41	0.00	25.20	0.00	21.43	100.00	29.96	0.00
Home Improvement	23.41	0.00	25.20	50.00	21.43	0.00	29.96	50.00

Source: 2014 HMDA Data based on 2010 Census

Conclusion for Greene County

The distribution of home mortgage loans to low- and moderate-income families reflects poor penetration. The bank’s primarily lending area is in Greene County. A significant concentration of lending is derived in Greene County and it is designated as a rural or underserved by the financial regulators.

As a designated rural and underserved county, NBC has faced challenges meeting essential community needs in lending to low- and moderate-income families. However, the bank has conducted several CRA activities over the evaluation period that is responsive to the needs of the communities in Greene County, including the needs of low- and moderate-income persons. Specific to Greene County, the Senior Vice President (SVP) is a member of the Coxsackie Area Chamber and is the Chairman of the Board for the Greene County Economic Development Corporation. Greene County Economic Development Corporation gives loans to start-up businesses and approves loans for residential homes in the economically depressed areas of Greene County. The bank set up a program to help the area residents of Athens hook up to the natural gas line that ran through its town. The SVP has also conducted multiple seminars on financial literacy for high school students; preventing financial abuse to seniors and credit financing options to individuals trying to purchase real estate.

In 2012 and 2013, the distribution of home mortgage loans to low- and moderate-income families does not meet the standards for satisfactory performance. The level of home purchase and refinance loans made to low- and moderate-income borrowers is

significantly lower than the percentage of low- and moderate-income families in the AA. The level of home improvement loans made to low-income borrowers is lower than the percentage of low-income families in the AA. The level of home improvement loans made to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. Please refer to the table below:

<b>Borrower Distribution of Home Mortgage Loans in Greene County 2012-2013</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19.19	5.13	17.65	10.26	22.15	28.21	41.01	56.41
Home Refinance	19.19	0.00	17.65	13.64	22.15	27.27	41.01	59.09
Home Improvement	19.19	16.39	17.65	31.15	22.15	21.31	41.01	31.15

Source: 2012-2013 HMDA Data based on 2010 Census

In 2014, the distribution of home mortgage loans to low- and moderate-income families does not meet the standards for satisfactory performance. The bank did not originate any home purchase loans to low- and moderate families in the AA, as the level of home purchase loans is significantly lower than the percentage of low- and moderate-income families in the AA. The bank did not originate any home refinance loans to low-income families in the AA, as the level of home refinance loans is significantly lower than the percentage of low-income families in the AA. The level of home refinance loans made to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. The level of home improvement loans made to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The level of home improvement loans made to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. Please refer to the table below:

<b>Borrower Distribution of Home Mortgage Loans in Greene County 2014</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19.27	0.00	17.68	0.00	22.15	0.00	40.90	100.00
Home Refinance	19.27	0.00	17.68	14.29	22.15	42.86	40.90	42.86
Home Improvement	19.27	5.26	17.68	15.79	22.15	36.84	40.90	42.11

Source: 2014 HMDA Data based on 2010 Census

### Geographic Distribution of Loans

The geographic distribution of home mortgage loans in bank’s assessment area reflects reasonable dispersion. During the evaluation period, there were no low- income geographic areas (owner-occupied units) within the bank’s AA to analyze. Additionally, the geographic distribution of loans in the Albany County was not evaluated because all of the CTs are middle- and upper-income, therefore this analysis would not be meaningful. *For the review of geographic distribution, we focused on the bank’s ability to penetrate the moderate-income geographic areas in Schoharie and Greene Counties.*

Conclusion for Schoharie County

The geographic distribution of home mortgage loans reflects reasonable dispersion. The bank meets the standard of performance for lending when compared to the 34.66 percent of the AA’s owner-occupied housing located in the moderate-income level of Schoharie County. The bank expanded its AA to included Schoharie County in late 2012 and has one branch in the area. Schoharie County’s performance is given little weight primarily due to limited branch presence.

In 2012 and 2013, the ratio of home purchase loans originated in moderate-income geographies exceeds the percentage of moderate-income owner-occupied-housing. The ratio of home refinance loans originated in moderate-income geographies is lower than the percentage of moderate-income owner-occupied-housing. The bank did not originate any home improvement loans in moderate-income tracts and therefore the geographic distribution of home improvement loans reflects poor distribution throughout this county.

In 2014, the ratio of home purchase loans originated in moderate-income geographies is near to the percentage of moderate-income owner-occupied-housing. The bank’s did not originate any home refinance loans in moderate-income tracts and therefore the percentage of home refinance loans is significantly lower than the percent of owner-occupied units. The ratio of home improvement loans originated in moderate-income geographies exceeds the percentage of moderate-income owner-occupied-housing.

<b>Geographic Distribution of Home Mortgage Loans in Schoharie County 2012-2013</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans
Home Purchase	0.00	0.00	34.66	50.00	65.34	50.00	0.00	0.00
Home Refinance	0.00	0.00	34.66	25.00	65.34	75.00	0.00	0.00
Home Improvement	0.00	0.00	34.66	0.00	65.34	100.00	0.00	0.00

Source: 2012-2013 HMDA Data based on 2010 Census

<b>Geographic Distribution of Home Mortgage Loans in Schoharie County 2014</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans
Home Purchase	0.00	0.00	34.66	33.33	65.34	66.67	0.00	0.00
Home Refinance	0.00	0.00	34.66	0.00	65.34	100.00	0.00	0.00
Home Improvement	0.00	0.00	34.66	50.00	65.34	50.00	0.00	0.00

Source: 2014 HMDA Data based on 2010 Census

Conclusion for Greene County

The geographic distribution of home mortgage loans reflects reasonable dispersion. Greene County has only two moderate-income CTs. The bank meets the standard of

performance for lending when compared to the 16.67 percent of the AA’s owner-occupied housing located in the moderate-income level of Greene County.

In 2012 and 2013, both the ratio of home purchase and home refinance loans originated in moderate-income geographies are slightly higher than the percentage of moderate-income owner-occupied-housing. The geographic distribution of home improvement loans reflects poor dispersion and is significantly lower than the percentage of owner occupied units in the AA.

In 2014, the ratio of home purchase loans originated in moderate-income geographies exceeds the percentage of moderate-income owner-occupied-housing. The bank did not originate any home refinance loans in moderate-income tracts and therefore the percentage of home refinance loans is significantly lower than the percent of owner-occupied units. The ratio of home improvement loans originated in moderate-income geographies is lower than the percentage of moderate-income owner-occupied-housing.

<b>Geographic Distribution of Home Mortgage Loans in Greene County 2012-2013</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans
Home Purchase	0.00	0.00	16.67	20.00	57.70	55.00	25.62	25.00
Home Refinance	0.00	0.00	16.67	17.39	57.70	47.83	25.62	34.78
Home Improvement	0.00	0.00	16.67	6.35	57.70	42.86	25.62	50.79

Source: 2012-2013 HMDA Data based on 2010 Census

<b>Geographic Distribution of Home Mortgage Loans in Greene County 2014</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans
Home Purchase	0.00	0.00	16.67	37.50	57.70	37.50	25.62	25.00
Home Refinance	0.00	0.00	16.67	0.00	57.70	42.86	25.62	57.14
Home Improvement	0.00	0.00	16.67	10.53	57.70	31.58	25.62	57.89

Source: 2014 HMDA Data based on 2010 Census

### Responses to Complaints

National Bank of Coxsackie has not received any CRA related complaints covering the review period with respect to its performance.

### Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank’s (bank) or Federal saving association’s (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s or FSA’s lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.