



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

January 22, 2019

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Walden Savings Bank  
Charter Number 718043

15 Scott's Corners Drive, Montgomery, NY 12549

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, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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**Overall CRA Rating: This institution is rated Satisfactory.**

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

**The Community Development Test is rated: Outstanding.**

Walden Savings Bank (Walden) has a satisfactory record of meeting community credit needs based on the following:

- Walden's quarterly loan-to-deposit (LTD) ratio is reasonable.
- A majority of the bank's primary lending product, by number and dollar amount, was originated or purchased inside its assessment area (AA).
- The distribution of loans across geographies of different income levels is reasonable.
- The distribution of loans by income level of the borrowers, including low- and moderate-income (LMI) individuals, is reasonable.
- The level of community development (CD) activities is excellent in relation to the bank's performance context, and reflects excellent responsiveness to AA needs.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the CD needs of its AA(s).

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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, home equity 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

**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. 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 it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**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 (MSA):** 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 MSA 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.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

**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 noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Description of Institution

Walden Saving Bank (Walden or bank) is a mutually-owned savings bank founded in 1872 and headquartered in Montgomery, NY. Walden is a full-service community bank that provides a full range of retail and commercial products to borrowers in the local community. Lending products include residential mortgages, commercial mortgages, commercial business loans, and consumer loans. Deposit products include various checking accounts, savings accounts, and certificates of deposit.

Walden operates 11 full-service branches throughout the lower Hudson Valley region of New York State. All of the bank's branches are located in Orange County with the exception of the Gardiner branch, which is located in Ulster County. The main office is located in Montgomery, NY, approximately 60 miles north of New York City. Walden's other branches are located in Walden, Washingtonville, Cornwall-on-Hudson, Pine Bush, Gardiner, New Windsor, Circleville, Middlehope, and Florida. During the review period, there were no branch openings or closings.

As of December 31, 2017, Walden's assets totaled \$543.0 million, with total loans of \$398.1 million and total deposits of \$490.6 million. Tier 1 capital totaled \$54.5 million. The bank's loan portfolio totals \$398.1 million as of year-end 2017 and is primarily composed of one- to four-family residential mortgages, which total \$205.9 million or 51.72 percent of total loans. The bank also originates first lien mortgages to sell in the secondary market. Walden offers both fixed-rate and adjustable-rate mortgages for purchase, as well as refinance and construction loans, for one- to four-family properties. Real estate loans for business properties total \$113.1 million, or 28.4 percent of total loans, and commercial and industrial loans total \$46.5 million, or 11.7 percent of the loan portfolio. The bank also offers real estate loans for multifamily properties, auto loans (new and refinance) and personal loans; however, none of these products exceed 5 percent of the loan portfolio.

Walden operates in a competitive financial services market, competing for both loans and deposits. Significant competitors include large banks such as KeyBank, JPMorgan Chase, TD Bank, and Bank of America and also smaller local institutions such as Ulster Savings Bank, Orange Bank & Trust Company, Jeff Bank, and Catskill Hudson Bank.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA. At the last CRA evaluation, dated February 16, 2016, Walden was rated "Satisfactory."



# **Scope of the Evaluation**

## **Evaluation Period/Products Evaluated**

Walden was evaluated under the Intermediate Small Bank examination procedures, which include a lending test and a CD test. The lending test evaluates the bank's record of meeting the credit needs of the bank's AA through its lending activities. To evaluate the bank's lending performance, we reviewed home mortgage loans, the bank's primary loan product during the evaluation period. The CD test evaluates the bank's responsiveness to CD needs in its AA through qualified lending, investments and donations, and services.

The evaluation period for the lending test, except for community development loans, is January 1, 2016 through December 31, 2017. (This Performance Evaluation does not include 2018 lending data as it was unavailable. The evaluation commenced January 2019, prior to the March 1st submission due date for 2018 HMDA and CRA data.) We evaluated the bank's 2017 lending performance separately from the bank's 2016 lending performance due to changes in census data effective in 2017. The evaluation period for the CD test is February 16, 2016 through December 31, 2017.

## **Selection of Areas for Full-Scope Review**

We completed a full-scope review for the bank's one AA. Walden defines its AA as portions of Orange and Ulster Counties in the State of New York. The counties are contiguous and are both part of the New York-Newark, NY-NJ-CT-PA Combined Statistical Area (CSA 408). Orange County is part of the New York-Jersey City-White Plains, NY-NJ Metropolitan Division (MD 35614), which is itself part of the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA 35620). Ulster County falls within the Kingston, NY MSA (28740). The bank's AA contains 116 contiguous census tracts. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

## **Ratings**

The bank's overall rating is based on the one full-scope review.

## **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 AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

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

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

# Conclusions with Respect to Performance Tests

## LENDING TEST

Walden's performance under the lending test is satisfactory.

### Loan-to-Deposit Ratio

Walden's LTD ratio is reasonable. The bank's quarterly LTD ratio since the prior CRA evaluation through December 31, 2017 averaged 75.07 percent, ranging from a low of 71.14 percent in the second quarter of 2016 to a high of 80.29 percent in the fourth quarter of 2017. We compared Walden's average LTD ratio to four banks similar in size, location, and product offerings. The peer banks' quarterly LTD ratio over the same period averaged 89.88 percent, ranging from a low of 64.85 percent to a high of 107.0 percent.

### Lending in Assessment Area

Based on the data in Table D below, we concluded the inside/outside ratio of the bank's originations and purchases of loans is reasonable. By number and dollar amount, a majority of the loan originations and purchases were inside the bank's AA. The following table details the bank's lending inside and outside its AA by number and dollar amount.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	210	79.5	54	20.5	264	40,844	78.1	11,479	21.9	52,323
2017	201	73.6	72	26.4	273	39,147	71.3	15,726	28.7	54,873
<b>Subtotal</b>	<b>411</b>	<b>76.5</b>	<b>126</b>	<b>23.5</b>	<b>537</b>	<b>79,991</b>	<b>74.6</b>	<b>27,205</b>	<b>25.4</b>	<b>107,196</b>

Source: Evaluation Period: 1/1/2016 - 12/31/2017 Bank Data  
Due to rounding, totals may not equal 100.0

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

Based on the data in Tables O for 2016 and 2017, located in Appendix C, we concluded the geographic distribution of Walden's home mortgage loan originations and purchases is reasonable.

For 2016, the distribution of the bank's home mortgage loans in LMI geographies is reasonable. The proportion of loans was comparable to the proportion of owner-occupied housing units in low-income geographies and weaker than the proportion of owner-occupied housing units in moderate-income geographies. The bank's home mortgage lending was weaker than the aggregate distribution of loans in low-income geographies and comparable to the aggregate distribution of loans in moderate-income geographies.

For 2017, the distribution of the bank's home mortgage loans in LMI geographies is reasonable. The proportion of loans was stronger than the proportion of owner-occupied housing units in low-income geographies and weaker than the proportion of owner-occupied housing units in moderate-income geographies. The bank's home mortgage lending was comparable to the aggregate distribution of loans in low-income geographies and weaker than the aggregate distribution of loans in moderate-income geographies.

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

Based on the data in Tables P for 2016 and 2017, located in Appendix C, and the following performance context considerations, we concluded the borrower distribution of Walden's originations and purchases of home mortgage loans is reasonable.

For 2016, the distribution of the bank's home mortgage loans to LMI borrowers is reasonable. The proportion of loans was weaker than the proportion of low-income families and stronger than the proportion of moderate-income families. The bank's home mortgage lending was comparable to the aggregate distribution of loans to low-income borrowers and stronger than the aggregate distribution of loans to moderate-income borrowers.

For 2017, the distribution of the bank's home mortgage loans to LMI borrowers is reasonable. The proportion of loans was weaker than the proportion of low-income families and stronger than the proportion of moderate-income families. The bank's home mortgage lending was stronger than the aggregate distribution of loans to low-income borrowers and stronger than the aggregate distribution of loans to moderate-income borrowers.

Although the proportion of loans to low-income borrowers compared to the proportion of low-income families is weak for lending activity in both 2016 and 2017, the proportion is comparable to the aggregate distribution of lending to low-income borrowers in the AA. Bank and industry performance was impacted by the ratio of median housing value (MHV) to income in the AA. The MHV constrains lending opportunities to low-income borrowers, as the proportion of properties affordable to low-income borrowers is limited. The median housing value in the AA is \$244,859. The maximum income level for low-income borrowers is \$37 thousand, making the median housing value greater than five times the maximum low-income level.

### **Responses to Complaints**

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

## **COMMUNITY DEVELOPMENT TEST**

Walden's performance under the CD test is outstanding. The bank's level of CD loans and services is excellent given its size and capacity, and considering the CD needs and opportunities of its AA. Walden demonstrated excellent responsiveness to the CD needs of its AA.

### **Community Development Loans**

Walden provided an excellent level of CD loans during the evaluation period. The bank originated six loans, totaling \$6.3 million, for various CD purposes including affordable housing, community services, and economic development. Examples of the loans include:

- \$2 million for a multi-unit property providing affordable housing in a moderate-income tract
- \$1.3 million to a nonprofit organization that provides various after school programs for LMI children
- \$1 million to a nonprofit organization that provides healthcare services to LMI individuals
- \$636 thousand SBA 504 loan to a local small business that employs local workers

Walden also supports LMI individuals and geographies through its first time homebuyer program and by providing free loan servicing for a nonprofit affordable housing organization. During the evaluation period, Walden originated 53 first time homebuyer loans totaling \$10.9 million. The bank services 44 loans for the nonprofit affordable housing organization.

### **Community Development Investments**

Walden provided an adequate level of CD investments and donations. During the evaluation period, Walden purchased one CD investment bond in the amount of \$218 thousand, providing funding for local community improvements benefiting LMI individuals and families. Additionally, the bank had five CD investments outstanding from the prior period, totaling \$987 thousand, which also funded local community improvements benefiting LMI individuals and families. Walden funded 66 qualifying donations and sponsorships during the evaluation period totaling \$84 thousand. The donations supported local organizations focusing on various CD initiatives, which included serving the needs of LMI individuals and families through education/youth programs, healthcare services, and revitalization projects.

### **Community Development Services**

Walden provided an excellent level of CD services in its AA. In total, 31 bank employees, officers, and board members participated in leadership roles within 48 different qualifying CD organizations. The organizations provide education, healthcare, and community services to LMI individuals and families, and support economic development and small businesses throughout the AA.

Notable examples of community development services include:

- One bank officer performs leadership duties, including board member and chairman, for several local community foundations and scholarship programs that benefit LMI children and adults through funds for higher education.
- One bank officer serves as a board member for a local organization that provides assistance and developmental activities for LMI children and families.
- One bank officer serves as an advisory board member for a local food bank, which provides low-cost, healthy meal options for LMI individuals and families.

### **Responsiveness to Community Development Needs**

Walden demonstrated excellent responsiveness to the CD needs of its AA, considering its capacity and the needs and opportunities in its AA. The bank's CD loans and investments met the identified need for affordable housing, economic development, and funding for small businesses. Bank officers and personnel actively participated in CD activities.

# Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 01/01/16 to 12/31/17 Investment and Service Tests and CD Loans: 02/16/16 to 12/31/17	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Walden Savings Bank (Walden) Montgomery, NY	Home Mortgage Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
New York-Newark, NY-NJ-CT-PA CSA (CSA 408)	Full-Scope	Orange and Ulster Counties Please see Appendix B for additional information.

## Appendix B: Community Profiles for Full-Scope Areas

Demographic Information for Full-Scope Area: Orange and Ulster Counties AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	116	5.2	15.5	33.6	45.7	0.0
Population by Geography	521,977	5.7	12.5	30.9	50.9	0.0
Owner-Occupied Housing by Geography	123,282	1.9	8.2	33.4	56.4	0.0
Businesses by Geography	32,071	5.8	11.9	33.3	49.0	0.0
Farms by Geography	1,294	0.4	4.7	29.4	65.5	0.0
Family Distribution by Income Level	123,142	19.4	14.5	18.9	47.2	0.0
Household Distribution by Income Level	180,329	23.1	14.1	16.4	46.4	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	41,798	10.2	19.9	36.1	33.8	0.0
Median Family Income MSA – 28740 Kingston, NY MSA	\$74,546	Median Housing Value				\$244,859
Median Family Income MSA – 35614 New York-Jersey City-White Plains, NY-NJ MD	\$72,047	Median Gross Rent				\$1,137
		Families Below the Poverty Level				8.8%

Walden defines its AA as portions of Orange and Ulster Counties in the Hudson Valley region of New York State. The counties are contiguous and are both part of the New York-Newark, NY-NJ-CT-PA CSA (CSA 408). Orange County is part of the New York-Jersey City-White Plains, NY-NJ MD (MD 35614), which is itself part of the New York-Newark-Jersey City, NY-NJ-PA MSA (MSA 35620). Ulster County falls within the Kingston, NY MSA (MSA 28740). The bank's AA contains 116 contiguous census tracts. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

As of 2017, the AA includes six low-income census tracts (CTs) (5.2 percent), 18 moderate-income CTs (15.5 percent), 39 middle-income CTs (33.6 percent), and 53 upper-income CTs (45.7 percent). According to 2015 US Census data, the total population of the AA is 521,977. The AA consists of 123,142 families, of which 19.4 percent are low-income, 14.5 percent are moderate-income, 18.9 percent are middle-income, and 47.2 percent are upper-income. The median family income of the Orange County area is \$72,047, and the median family income of the Ulster County area is \$74,546.

The median housing value in the AA is \$244,859. This median housing value constrains lending opportunities to low-income borrowers, as the proportion of properties affordable to low-income borrowers is limited. The maximum income level for low-income borrowers is \$37 thousand, making the median housing value greater than six times over the maximum low-



income level. However, as the maximum income level for moderate-income borrowers is \$59 thousand, the proportion of properties affordable to moderate-income borrowers is not as limited.

The ten largest private employers in the AA as of August 2016 are Crystal Run Healthcare, Home Depot, IBM, Nyack Hospital, Orange Regional Medical Center, Regeneron Pharmaceuticals, ShopRite Supermarkets, Stop & Shop Supermarkets, Wal-Mart Stores, and Westchester Medical Center.<sup>1</sup> According to the US Bureau of Labor Statistics, the unemployment rate in Orange County is 4.4 percent as of December 2017, which is 30 bps higher than the national unemployment rate of 4.1 percent and comparable to the unemployment rate for New York State.<sup>2</sup> The unemployment rate in Ulster County is slightly higher at 4.5 percent.

The AA includes 32,071 businesses and 1,294 farms. Approximately 5.8 percent of businesses are located within low-income CTs, 11.9 percent are located in moderate-income CTs, 33.3 percent are located within middle-income CTs, and 49.0 percent are located in upper-income CTs. A majority of businesses in the AA are in the services industry, at 14,769 businesses or 44.3 percent. Other significant industries in the AA are retail trade (15.8 percent), construction (9.1 percent), and finance (6.7 percent).

To gain a better understanding of the AA and community needs, we consulted four community development organizations serving the bank's AA. The community contacts indicated the primary needs of the community are affordable housing and economic development.

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<sup>1</sup> Division of Research & Statistics analysis of infoUSA ARC employer database and publicly available information.

<sup>2</sup> The national unemployment rate is seasonally adjusted. The unemployment rates for the state and the counties are not seasonally adjusted.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MAs are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Tables without data are not included in this PE.

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

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

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

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Walden AA Orange and Ulster Counties	210	40,844	100.0	9,682	1.3	1.0	3.8	7.6	4.8	5.9	34.9	28.1	31.5	56.1	66.2	58.8	0.0	0.0	0.0
<b>Total</b>	<b>210</b>	<b>40,844</b>	<b>100.0</b>	<b>9,682</b>	<b>1.3</b>	<b>1.0</b>	<b>3.8</b>	<b>7.6</b>	<b>4.8</b>	<b>5.9</b>	<b>34.9</b>	<b>28.1</b>	<b>31.5</b>	<b>56.1</b>	<b>66.2</b>	<b>58.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Walden AA Orange and Ulster Counties	201	39,147	100.0	10,077	1.9	3.0	3.8	8.2	3.5	7.3	33.4	23.4	30.7	56.4	70.1	58.1	0.0	0.0	0.0
<b>Total</b>	<b>201</b>	<b>39,147</b>	<b>100.0</b>	<b>10,077</b>	<b>1.9</b>	<b>3.0</b>	<b>3.8</b>	<b>8.2</b>	<b>3.5</b>	<b>7.3</b>	<b>33.4</b>	<b>23.4</b>	<b>30.7</b>	<b>56.4</b>	<b>70.1</b>	<b>58.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Walden AA Orange and Ulster Counties	210	40,844	100.0	9,682	17.3	2.4	3.3	14.7	15.2	13.1	20.2	31.9	23.8	47.8	48.6	45.1	0.0	1.9	14.7
<b>Total</b>	<b>210</b>	<b>40,844</b>	<b>100.0</b>	<b>9,682</b>	<b>17.3</b>	<b>2.4</b>	<b>3.3</b>	<b>14.7</b>	<b>15.2</b>	<b>13.1</b>	<b>20.2</b>	<b>31.9</b>	<b>23.8</b>	<b>47.8</b>	<b>48.6</b>	<b>45.1</b>	<b>0.0</b>	<b>1.9</b>	<b>14.7</b>

*Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Walden AA Orange and Ulster Counties	201	39,147	100.0	10,077	19.4	4.0	3.1	14.5	15.4	14.2	18.9	27.4	24.1	47.2	50.7	46.1	0.0	2.5	12.6
<b>Total</b>	<b>201</b>	<b>39,147</b>	<b>100.0</b>	<b>10,077</b>	<b>19.4</b>	<b>4.0</b>	<b>3.1</b>	<b>14.5</b>	<b>15.4</b>	<b>14.2</b>	<b>18.9</b>	<b>27.4</b>	<b>24.1</b>	<b>47.2</b>	<b>50.7</b>	<b>46.1</b>	<b>0.0</b>	<b>2.5</b>	<b>12.6</b>

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*