



## **PUBLIC DISCLOSURE**

June 11, 2018

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

National Bank of Coxsackie  
Charter Number #1398

3-7 Reed St.  
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, 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

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

- National Bank of Coxsackie's (NBC) average loan-to-deposit ratio is less than reasonable and does not favorably compare with six other peer institutions in the surrounding area over the same time period. NBC ranks seventh among seven similarly situated banks.
- A substantial majority of NBC's home mortgage loans originated between January 1, 2015 and December 31, 2017 (evaluation period) were located inside the assessment area (AA).
- NBC's overall record of lending to borrowers of different income levels reflects reasonable penetration and satisfies the standard for satisfactory performance.
- The geographic distribution of loans in NBC's AA reflects reasonable dispersion and meets the standard for satisfactory performance.
- The Bank did not have any CRA-related complaints.
- Qualified community development investments were not significant and had a neutral impact on the overall rating. Community development services had a positive impact on the overall rating.

## 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/assessment area.

**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:** 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 assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(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/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. 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:** 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.

**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 metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan 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 One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Description of Institution

NBC is an intrastate, locally-owned community bank headquartered in Coxsackie, New York (NY). NBC is an independent bank and is not part of any holding company and does not have any subsidiaries or affiliates. NBC is part of a competitive market of financial institutions. Berkshire Bank, Key Bank, Kinderhook Bank, NBT Bank NA, The Bank of Greene County (TBGC) and TrustCo Bank are the primary competitors within the local market.

NBC is comprised of eight branches throughout the rural Northern Hudson Valley area of NY State. The main office is located in Coxsackie, New York, approximately 20 miles south of Albany. NBC's other full service branches are located in Glenmont, Middleburgh, Cairo, Athens, West Coxsackie, Ravena, and Greenville, NY. NBC did not open any new branches between January 1, 2015 and December 31, 2017.

NBC is a full service community bank offering a standard range of retail and commercial products. The scope of retail products includes checking and savings accounts, certificate of deposits, home mortgages, home equity loans, and home equity lines of credit. Commercial products include business checking accounts, real estate loans and construction loans.

As of December 31, 2017, NBC reported total assets of \$303.15 million, total deposits of \$277.13 million, total loans of \$139.30 million, and tier 1 capital of \$26.3 million.

<b>Table 1: Loan Portfolio Summary by Loan Product December 31, 2017</b>		
<b>Loan Category</b>	<b>\$ Amount (millions)</b>	<b>% of Outstanding Loans</b>
Residential Real Estate	81,230	58.3%
Non-Farm/Non-Residential	27,342	19.6%
Commercial & Industrial	8,210	6.0%
Construction and Land Development	7,725	5.5%
Consumer Loans	7,723	5.5%
Multifamily Loans	6,989	5.0%
Other Loans	111	0.1%
<b>TOTAL</b>	<b>139,330</b>	<b>100%</b>

NBC was rated satisfactory at the last CRA examination dated December 8, 2014. NBC is not constrained by any legal, financial, or regulatory restrictions that could impede the ability of the bank to meet the credit needs of its AA.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We performed a full-scope evaluation of NBC's performance using Small Bank CRA examination procedures. The evaluation period ranged from January 1, 2015 through December 31, 2017. We performed the lending test in order to evaluate NBC's record of meeting the credit needs of its AA. The lending test included loans originated throughout the evaluation period. We determined that the bank's primary loan product is residential home mortgage loans, given the loans originated during the evaluation period and the bank's business strategy. Additionally, we considered NBC's submitted community development investments and community development services.

We evaluated the periods of January 1, 2015 to December 31, 2016 and January 1, 2017 to December 31, 2017 separately in our assessment. The separation is due to adjustments to income categorization following the results of the 2015 American Community Service survey conducted by the U.S. Census Bureau. The need for a second evaluation period is a result of changes to the 2010 U.S Census by the Office of Management and Budget effective for 2017. The changes resulted in differences to the MSA/MD tract and income designations. To reflect these changes to the Census, we established a second evaluation period for the Lending Test. The second evaluation period covers the bank's performance from January 1, 2017 to December 31, 2017.

Borrower income distribution of home mortgage loans was weighted most heavily in determining conclusions for the lending test. Less weight was given to the geographic distribution of loans since the bank has limited opportunities to lend in the low- or moderate-income tracts. Our conclusions are based on information contained within the bank's Home Mortgage Disclosure Act Loan Application Registers (HMDA-LARs), from U.S. Census reports and the Uniform Bank Performance Report. Qualified community investments and services were also evaluated.

### **Data Integrity**

NBC's primary loan product is home mortgage loans. NBC reports data under the requirements of the Home Mortgage Disclosure Act (HMDA). We performed a Data Integrity examination at NBC commencing on November 13, 2017 in order to assess the validity and reliability of reportable HMDA data.

The results of this examination indicated the data was reasonably accurate and could be relied upon. Therefore, we utilized the HMDA data from January 1, 2015 through December 31, 2017 for this evaluation.

Community development investments, and services submitted by management were verified to ensure that they met the regulatory definition for community development.

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

NBC has two AAs located in Upstate New York. The AAs consist of a portion of the Albany-Schenectady-Troy MSA #10580 and the entirety of Greene County. The AA within Albany-Schenectady-Troy MSA consists of eight contiguous CTs within Schoharie County and 14 contiguous CTs within Albany County. The Greene County AA consists of 15 contiguous CTs in the county. NBC's main office is located in Greene County. We performed a full-scope review of each AA. Refer to the tables in Appendix A for demographic information for each AA.

## **Ratings**

NBC's overall rating is based on our full scope reviews of the bank's two AAs. NBC has five branches in Greene County, two branches in Albany County and one branch in Schoharie County.

## **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 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 NBC 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

NBC's performance under the Lending Test is Satisfactory. A majority of NBC's home mortgage loans were made within the bank's assessment area. NBC has a reasonable loan penetration among borrowers of different income levels. NBC has reasonable loan dispersion throughout census tracts of different income levels.

#### Loan-to-Deposit Ratio

NBC's average loan-to-deposit ratio is less than reasonable. The bank's quarterly average net loan-to-deposit ratio throughout the evaluation period is 47.4 percent. During this period, the ratio ranged from a low of 45.1 percent on March 31, 2016 to a high of 51.1 percent on June 30, 2015. NBC's average loan-to-deposit ratio does not favorably compare with six other peer institutions in the surrounding area over the same time period. NBC ranks seventh among seven similarly situated banks. The average loan-to-deposit ratio for the six other institutions over the same time period was 76.9 percent, ranging from 57.5 percent to 87.7 percent. The less than reasonable loan-to-deposit ratio is impacted by a larger amount of municipal deposits; approximately 37.5 percent of the bank's total deposits. Management believes the decreasing loan-to-deposit trend has stabilized. Management projects the ratio to increase over the next three years.

#### Lending in Assessment Area

NBC originated a substantial majority of HMDA-reportable loans inside its AA during the 2015-2016 and the 2017 evaluation periods. The following tables display NBC's lending activities in the assessment area by number and dollar volume of loans.

As detailed in Table 2, NBC originated 205 home mortgage loans totaling \$21.66 million. Home mortgage loans within NBC's AA account for 84.4 percent of loans by number of loans and 80.4 percent by dollar volume.

Loan Type	Number of Loans					Dollars of Loans (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2015	96	87.3	14	12.7	110	9,923	84.6	1,801	15.4	11,724
2016	77	81.1	18	18.9	95	7,489	75.4	2,448	24.6	9,937
Total Loans	173	84.4	32	15.6	205	17,412	80.4	4,249	19.6	21,661

Source: 2015-2016 HMDA Data.

As detailed in table 2A, NBC originated 99 home mortgage loans totaling \$14.68 million. Home Mortgage loans within NBC's AA account for 75.8 percent of loans by number and 72.1 percent by dollar volume.

Table 2-A Lending Assessment Area 2017										
Loan Type	Number of Loans					Dollars of Loans (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	75	75.8	24	24.2	99	10,577	72.1	4,103	28.0	14,680
Total Loans	75	75.8	24	24.2	99	10,577	72.1	4,103	27.9	14,680

Source: 2017 HMDA Data.

## Lending to Borrowers of Different Incomes

The distribution of loans reflects reasonable penetration among individuals of different income levels. NBC's record of lending to borrowers of different incomes meets the standard of satisfactory performance.

The following tables show NBC's lending activities to borrowers of different incomes:

Table 3 - Borrower Distribution of Home Mortgage Loans in Assessment Area 2015-2016								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% 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
Albany-Schenectady- Troy MSA	16.5	14.6	18.4	29.3	22.2	24.4	42.9	26.8
Greene County AA	19.3	5.5	17.7	25.5	22.2	29.1	40.9	36.4
<b>Total</b>	<b>17.4</b>	<b>11.0</b>	<b>18.2</b>	<b>21.4</b>	<b>22.2</b>	<b>23.1</b>	<b>42.2</b>	<b>39.3</b>

Source: 2010 U.S. Census; 1/1/2015 – 12/31/2016 Bank Data; 2016 HMDA Aggregate Data

Table 3A - Borrower Distribution of Home Mortgage Loans in Assessment Area 2017								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% 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
Albany-Schenectady- Troy MSA	16.8	16.2	18.2	24.3	22.4	16.2	42.6	32.4
Greene County AA	19.2	5.3	16.0	21.1	20.6	15.8	44.2	42.1
<b>Total</b>	<b>17.6</b>	<b>10.7</b>	<b>17.5</b>	<b>22.7</b>	<b>21.8</b>	<b>16.0</b>	<b>43.1</b>	<b>37.3</b>

Source: 2015 ACS Census; 1/1/2017 – 12/31/2017 Bank Data; 2017 HMDA Aggregate Data

### Albany-Schenectady-Troy MSA

The distribution of loans to low- and moderate-income families meets the standard for satisfactory performance and reflects reasonable penetration.

As detailed in Table 3, the level of home mortgage loans for low-income families in 2015 and 2016 is similar to the percentage of low-income families in the Albany and Schoharie

counties. The level of home mortgage loans for moderate-income families exceeds the percentage of moderate-income families in the county.

As detailed in table 3A, the level of home mortgage loans for low-income families in 2017 exceeds the percentage of low-income families in the Albany and Schoharie counties. The level of home mortgage loans for moderate-income families also exceeds the percentage of moderate-income families in the county.

#### Greene County AA

The distribution of home mortgage loans to low- and moderate-income families reflects reasonable penetration and meets the standard for satisfactory performance.

Home ownership for low-income families is difficult and opportunities for loans are limited. According to demographic information for this AA, the average median housing value in 2017 was \$184,871. The U.S. Census median family income shows a low-income family earned less than \$31,250, and a moderate-income family earned less than \$50,000. In 2017, 9.8 percent of households in the AA were below the poverty level. This lack of affordability limits the opportunity for home mortgage lending to low-income families.

As detailed in table 3, the level of home mortgage loans for low-income families in 2015 and 2016 is lower than the percentage of low-income families in Greene County. The level of home mortgage loans for moderate-income families in 2015 and 2016 exceeds the percentage of moderate-income families in Greene County.

As detailed in table 3A, the level of home mortgage loans for low-income families in 2017 is lower than the number of low-income families in the county. The level of home mortgage loans for moderate-income families in 2017 continued to exceed the number of moderate-income families in the county.

#### **Geographic Distribution of Loans**

The geographic distribution of loans in NBC's assessment areas reflects reasonable dispersion and meets the standard for satisfactory performance. We focused on NBC's ability to penetrate the moderate-income geographic areas in Albany County, Schoharie County and Greene County. There were no low-income geographic areas in any of the bank's AAs during the evaluation period.

The following tables display NBC's lending activities in the AA within each income geography:

Table 4 - Geographic Distribution of Home Mortgage Loans in Assessment Area 2015-2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Assessment Area	% 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
Albany-Schenectady-Troy MSA	0.0	0.0	12.5	2.4	54.9	75.6	32.5	22.0
Greene County AA	0.0	0.0	16.7	12.4	57.7	44.3	25.6	43.3
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>13.9</b>	<b>8.7</b>	<b>55.8</b>	<b>58.4</b>	<b>30.3</b>	<b>32.9</b>

Source: 2010 U.S. Census; 1/1/2015 – 12/31/2016 Bank Data; 2016 HMDA Aggregate Data

Table 4A - Geographic Distribution of Home Mortgage Loans in Assessment Area 2017								
Census Tract Income	Low		Moderate		Middle		Upper	
Assessment Area	% 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
Albany-Schenectady-Troy MSA	0.0	0.0	20.0	24.3	51.0	67.6	29.0	8.1
Greene County AA	0.0	0.0	6.8	2.6	61.9	65.8	31.3	25.8
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>15.7</b>	<b>13.3</b>	<b>54.5</b>	<b>66.7</b>	<b>29.7</b>	<b>24.2</b>

Source: 2015 ACS Census; 1/1/2017 – 12/31/2017 Bank Data; 2017 HMDA Aggregate Data

### Albany-Schenectady-Troy MSA

The geographic distribution of loans in the Albany-Schenectady-Troy AA reflects reasonable dispersion.

As detailed in table 4, the percentage of home mortgage loans in the moderate-income geographies in 2015 and 2016 is below the percentage of owner-occupied units in moderate-income geographies. Given the difficulty of home affordability and the limited opportunities for home mortgage loans, the performance is adequate.

As detailed in table 4A, the ratio of home mortgage loans in the moderate-income geographies in 2017 exceeds the percentage of owner-occupied units in moderate-income geographies. Given the difficulty of home affordability and the limited opportunities for home mortgage loans, the performance is adequate.

### Greene County AA

The geographic distribution of loans in Greene County reflects adequate dispersion. Opportunities for home mortgage loans in the AA are limited. Based on the 2015 Census, there are no owner occupied units in the AA located in low-income geographies. Only 6.8 percent or 902 owner occupied units are located in moderate-income geographies. The small number of owner occupied units limits lending opportunities in these geographies.

The geographic distribution of home mortgage loans in the AA in 2015-2016 is adequate. The percentage of home mortgage loans in the moderate-income geographies in 2015

and 2016 is slightly below the percentage of owner-occupied units in moderate-income geographies. The performance is adequate, given the limited lending opportunities in the AA.

The geographic distribution of home mortgage loans in 2017 is adequate. The percentage of home mortgage loans in moderate-income geographies is below the percentage of owner-occupied units in moderate-income geographies. The performance is adequate, given the limited lending opportunities in the AA.

### **Community Development Activities**

Community development investments and services submitted by management were verified to ensure that they met the regulatory definition for community development. There were no community development loans included in our evaluation. Qualified community development investments were not significant and had a neutral impact on the overall rating.

Community development services had a positive impact on the overall rating. A senior bank officer is the chairman of the board of a community development organization that provides financing for community development projects throughout the county. This qualified community development activity had a positive impact on the overall rating.

### **Responses to Complaints**

NBC did not receive any CRA-related complaints throughout the evaluation period.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the 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): 1/01/2015 to 12/31/2016 Lending Test (excludes CD loans): 1/01/2017 to 12/31/2017	
<b>Financial Institution</b>		<b>Products Reviewed</b>
National Bank of Coxsackie (NBC) Coxsackie, NY		Home Mortgage Loans
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<i>Not Applicable</i>		
<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 Albany-Schenectady-Troy (#10580)	Full-Scope Examination	
Greene County (Non-MSA)	Full-Scope Examination	

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

NBC has identified Greene County, Schoharie County, and a portion of Albany County as its AA. Albany and Schoharie County are located within the Albany-Schenectady-Troy, NY MSA. Greene County is located within a non-MSA. The entire AA is comprised of 37 CTs, consisting of 15 CTs in Greene County, eight CTs in Schoharie County and 14 CTs in Albany County.

The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas. The AA includes the entirety of Greene and Schoharie Counties. The AA in Albany County consists of a contiguous area surrounding the sole branch in Albany.

### Albany-Schenectady-Troy MSA #10580 Assessment Area

Demographic Information for Full-Scope Area: Albany and Schoharie MSA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	22	0.0	18.2	59.1	18.2	4.5
Population by Geography	90,899	0.0	19.2	51.4	28.1	1.4
Owner-Occupied Housing by Geography	27,979	0.0	20.0	51.0	29.0	0.0
Businesses by Geography	4,515	0.0	15.5	54.6	29.5	0.4
Farms by Geography	348	0.0	29.9	56.6	13.2	0.3
Family Distribution by Income Level	23,647	16.8	18.2	22.4	42.6	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	8,277	0.0	29.6	56.3	14.1	0.0
Median Family Income	\$81,103	Median Housing Value		\$199,769		
HUD-Adjusted Median Family Income	\$83,100	Unemployment Rate		4.2%		
		Families Below Poverty Level		5.1%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2015 U.S. Census, and 2017 HUD updated MFI.

NBC designated a portion of the Albany-Schenectady-Troy MSA #10580 as part of their AA. The AA includes all of Schoharie County and a contiguous part of Albany County. The portion of the Albany-Schenectady-Troy MSA is comprised of four moderate-income CTs (18.2 percent), 13 middle-income CTs (59.1 percent), four upper-income CTs and one CT is unknown. The AA does not have any low-income tracts. According to 2015 US Census data, the total population of the AA is 90,899.

The Albany and Schoharie MSA consists of 23,647 Families, with a median family income of \$81,103 and a HUD adjusted median family income of \$83,100. Within the AA, 16.8 percent of families are low-income, 18.2 percent of families are moderate-income, 22.4

percent of families are middle-income and 42.6 percent of families are upper-income. Within the AA, 29.6 percent of low- and moderate-income families reside in moderate-income CTs, 56.3 percent are located in middle-income CTs and 14.1 percent are located in upper-income CTs. The median housing value is \$199,769 and 1,206 families (5.1 percent) are below the poverty level.

The Albany and Schoharie MSA includes 4,515 businesses and 348 farms. Within the AA, 15.5 percent of businesses are located within moderate-income CTs, 54.6 percent of businesses are located in moderate-income CTs and 13.2 percent of businesses are located in upper-income CTs. Within the AA, 29.9 percent of farms are located in moderate-income CTs, 56.6 percent of farms are located in middle-income CTs and 13.2 percent of farms are located in upper-income CTs.

A majority of businesses in the AA are in the service industry. Retail trade, construction, and agriculture are also prevalent industries in the AA. The AA also includes public sector workers, as the state capital is located within Albany County. Unemployment in the Albany and Schoharie MSA for 2017 is 4.2 percent, lower than the national average of 4.4 percent.

### Greene County Assessment Area

Demographic Information for Full-Scope Area: NBC - Non MSA Greene County 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	15	0.00	6.67	60.00	26.67	6.67
Population by Geography	48,312	0.00	9.21	58.65	26.71	5.43
Owner-Occupied Housing by Geography	13,261	0.00	6.77	61.90	31.32	0.00
Businesses by Geography	2,578	0.00	16.49	61.91	21.45	0.16
Farms by Geography	115	0.00	3.48	59.13	37.39	0.00
Family Distribution by Income Level	11,541	19.24	15.97	20.64	44.16	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	4,063	0.00	17.18	58.63	24.19	0.00
Median Family Income	\$59,570	Median Housing Value		\$184,871		
HUD-Adjusted Median Family Income	\$63,800	Unemployment Rate		5.6%		
		Families Below Poverty Level		9.8%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2015 U.S. Census, and 2017 HUD updated MFI.

NBC designated all of Greene County as part of the AA. Greene County is comprised of one moderate-income CT (6.7 percent), nine middle-income CTs (60.0 percent), and four upper-income CTs (26.7 percent). One CT is not designated. The AA does not have any

low-income tracts. According to 2015 US Census data, the total population of the county is 48,312.

The Greene County AA consists of 11,541 families, with a median family income of \$59,570 and a HUD adjusted median family income of \$63,800. Within the AA, 19.2 percent of families are low-income, 16.0 percent are moderate-income, 20.6 percent are middle-income, and 44.2 percent are upper-income. Within Greene County, 17.2 percent of low- and moderate-income families reside in moderate-income CTs, 58.6 percent are located in middle-income CTs, and 24.2 percent are located in upper-income CTs. The median housing value is \$184,871 and 1,131 families (9.8 percent) are below the poverty level.

Greene County includes 2,578 businesses. Businesses are primarily located in middle-income CTs, with 62.9 percent located in middle-income CTs. A majority of businesses in the AA are in the services industry. Retail trade, construction, and transportation and communication are also prevalent industries in the AA. Unemployment in Greene County for 2017 is 5.6 percent, higher than the national average of 4.4 percent.

The Greene County banking market is very competitive. While larger banks such as NBT Bank, KeyBank, and Trustco Bank have a presence in the county, smaller banks dominate the Greene County local market. According to the 2017 FDIC Summary of Deposits Market Share Report for Greene County, NBC ranked third in overall deposit market share in Greene County with 13.2 percent of deposits amounting to \$185.12 million. The Bank of Greene County ranked first with 47.9 percent of deposits, amounting to \$669.65 million. Greene County Commercial Bank, a small local bank with one branch in the area, ranked second with 20.7 percent of deposits amounting to \$289.58 million.