



PUBLIC DISCLOSURE

February 14, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Wallkill Valley FS & LA
Charter Number #702528

23 Wallkill Avenue
Wallkill, NY 12589-3103

Office of the Comptroller of the Currency

340 Madison Avenue
New York, NY 10017

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The lending test is rated: Satisfactory.

The major factors that support this rating include:

- Wallkill's average loan-to-deposit (LTD) ratio is more than reasonable based on the bank's size, financial condition, and credit needs of the assessment area (AA).
- The Lending Test based on the bank's performance in the AA in the state of New York is satisfactory.
- A substantial majority of the bank's home mortgage loans are inside the AA.
- The bank exhibits a reasonable geographic distribution of the loans originated in the AA.
- The bank exhibits a reasonable distribution of loans to borrowers of different income levels in the AA.
- The bank has had no consumer complaints regarding its community reinvestment performance during the evaluation period.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit (LTD) ratio is more than reasonable.

The average quarterly LTD ratio for the 12 quarters since the preceding evaluation was 98.49 percent. The ratio ranged from a high of 103.06 percent to a low of 89.66 percent. In comparison, the quarterly average LTD of similarly situated institutions in the surrounding areas was 82.53 percent and ranged from a high of 112.70 percent to a low of 44.96 percent.

Wallkill's quarterly average LTD ratio is more than reasonable compared to institutions of similar asset size, geographic location, and assessment areas. These institutions included Sawyer Savings Bank, Bank of Millbrook, Rondout Savings Bank, Empire Savings Bank, and Walden Savings Bank. Wallkill's quarterly average LTD ratio generally exceeded peer and ranked second highest in terms of the LTD ratio amongst these five similarly situated institutions.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its assessment area(s) (AAs).

The bank originated and purchased 92.00 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under other performance criteria.

| 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 | | | | | | | | | | |
| 2018 | 136 | 90.1 | 15 | 9.9 | 151 | 28,863 | 86.2 | 4,619 | 13.8 | 33,482 |
| 2019 | 152 | 92.7 | 12 | 7.3 | 164 | 39,444 | 92.7 | 3,102 | 7.3 | 42,546 |
| 2020 | 209 | 92.9 | 16 | 7.1 | 225 | 54,029 | 92.3 | 4,530 | 7.7 | 58,559 |
| Subtotal | 497 | 92.0 | 43 | 8.0 | 540 | 122,336 | 90.9 | 12,252 | 9.1 | 134,588 |
| Total | 497 | 92.0 | 43 | 8.0 | 540 | 122,336 | 90.9 | 12,252 | 9.1 | 134,588 |

Description of Institution

Wallkill Valley Federal Savings & Loan (Wallkill or the bank) was founded in 1913 and is a federally chartered institution headquartered in Wallkill, New York. The bank had a total asset size of \$383 million as of December 31, 2021. The bank is a subsidiary of Wallkill Valley Bancorp, which reported \$41.2 million assets as of June 30, 2021. Wallkill offers traditional loan products out of its eight full-service branches located in Milton, Highland Falls, Maybrook, Walden, Monroe, Montgomery, Otisville, and its main office in Wallkill. The bank's loan products include home mortgages, home equity lines of credit, commercial loans, and consumer loans. Deposit products include traditional checking, savings, money market, and IRA accounts as well as certificates of deposit.

The bank has two assessment areas (AAs). One AA consists of Dutchess and Orange Counties within the Poughkeepsie-Newburgh-Middletown NY Metropolitan Statistical Area (MSA) #39100. The other AA includes Ulster County, located in the Kingston NY MSA #28740. The bank's AAs meet the requirements of the regulation and do not arbitrarily exclude low-or-moderate income (LMI) geographies.

Wallkill's loan portfolio as of December 31, 2021 totaled \$259.6 million and represented 67.8 percent of total assets. Total deposits were \$328.4 million or 85.7 percent of total assets. Wallkill's primary lending product was home mortgages. Residential real estate loans were \$168.3 million as of December 31, 2021 and represented 64.8 percent of the loan portfolio. The bank fared well during the Covid-19 pandemic as the housing market exploded and the bank saw volume it had not dealt with in a long time. The low interest rate environment constricted the bank's net interest margin or spread, but earnings remained solid.

Wallkill competed with many other financial institutions operating in the same AA. According to the FDIC Deposit Market Share Report as of June 30, 2020, Wallkill had a deposit market share of 1.33 percent in the Poughkeepsie-Newburgh-Middletown NY and Kingston NY MSAs. By deposit market share, Wallkill ranked 15th out of 31 institutions. The top five competitors in the bank's AA by deposit market share included JP Morgan Chase Bank National Association (NA), Keybank NA, Citizens Bank NA, TD Bank NA, and Manufacturers and Traders Trust Company who had a combined deposit market share of 56.06 percent. In 2020, Wallkill ranked 13th out of 218 lenders in the Kingston NY MSA and 42nd out of 338 lenders in the Poughkeepsie-Newburgh-Middletown NY MSA in total number of loans made in the AA.

There have been no CRA public comments since the last evaluation as of March 25, 2019. There are no financial or legal issues preventing the bank from meeting the credit needs of its AA. Wallkill received an overall rating of “Satisfactory” in the previous CRA performance evaluation dated March 25, 2019.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation (PE) assessed the bank’s lending performance in its AA under the CRA. We evaluated Wallkill using the Small Bank evaluation procedures, which included a lending test. The lending test evaluates the bank’s record of meeting the credit needs in its AA through its lending activities. We reviewed the bank’s primary loan product, home mortgage loans, originated during the time period of January 1, 2018 through December 31, 2020 to evaluate performance under the lending test.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is based on the rating for the state of New York. The State Rating is based on ratings from the AAs in New York. We performed full-scope reviews of the Poughkeepsie-Newburgh-Middletown NY AA and Kingston NY AA.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) 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.

State Rating

State of New York

CRA rating for the State of New York: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- Reasonable lending activity.
- Reasonable geographic distribution of loans.
- Reasonable borrower distribution of loans.

Description of Institution's Operations in New York

Wallkill had two AAs within the state of New York. These AAs included the Poughkeepsie–Newburgh–Middletown MSA AA and the Kingston MSA AA.

The AAs appropriately include geographies where Wallkill maintains its main office and additional branch locations. The AAs include whole counties where the bank maintains branches and additional counties where the bank is attempting to expand its business. Wallkill offers traditional banking products and services at eight branch locations in the towns of Wallkill, Highland Falls, Maybrook, Milton, Monroe, Montgomery, Otisville, and Walden. The bank's offices are located within Ulster County or Orange County.

Wallkill management decided to include the Poughkeepsie MSA as an AA despite the bank not having any branches within Dutchess County because management is actively attempting to grow business in Dutchess County. Dutchess County is contiguous to Ulster and Orange County, where the bank maintains branches. The bank has allowed online account opening and has made Dutchess County zip codes eligible.

The assessment area delineations do not reflect illegal discrimination; and do not arbitrarily exclude any low- or moderate-income areas.

No adjustments or revisions to the bank's designated assessment areas were necessary.

Kingston NY MSA AA

| Table A – Demographic Information of the Assessment Area | | | | | | |
|--|---------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: Kingston NY MSA 2020 | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 47 | 2.1 | 14.9 | 57.4 | 25.5 | 0.0 |
| Population by Geography | 181,300 | 2.5 | 10.0 | 56.1 | 31.4 | 0.0 |
| Housing Units by Geography | 83,733 | 2.8 | 10.7 | 59.2 | 27.3 | 0.0 |
| Owner-Occupied Units by Geography | 47,908 | 1.8 | 7.1 | 59.0 | 32.0 | 0.0 |
| Occupied Rental Units by Geography | 21,566 | 5.4 | 16.5 | 59.7 | 18.4 | 0.0 |
| Vacant Units by Geography | 14,259 | 2.0 | 13.9 | 59.1 | 25.0 | 0.0 |
| Businesses by Geography | 14,635 | 2.5 | 8.2 | 57.5 | 31.8 | 0.0 |
| Farms by Geography | 656 | 0.0 | 4.6 | 52.4 | 43.0 | 0.0 |
| Family Distribution by Income Level | 43,342 | 21.9 | 17.0 | 20.1 | 41.0 | 0.0 |
| Household Distribution by Income Level | 69,474 | 25.6 | 15.6 | 17.1 | 41.7 | 0.0 |
| Median Family Income MSA - 28740 Kingston, NY MSA | | \$74,546 | Median Housing Value | | | \$224,170 |
| | | | Median Gross Rent | | | \$1,009 |
| | | | Families Below Poverty Level | | | 7.3% |
| <i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> | | | | | | |

Employment and Economic Factors

According to the Bureau of Labor Statistics, the unemployment rate in Ulster county was 5.8 percent as of December 31, 2020. Ulster county's unemployment rate was below the state unemployment rate of 8.7 percent and was below the national unemployment rate of 6.7 percent as of December 2020.

Housing

There are limited opportunities for residential mortgage lending in LMI geographies within the AA. There is a low number of housing units within the LMI geographies. Owner occupied units make up 47,908 properties in the Kingston AA. There are 43,342 families in the Kingston AA.

Home ownership in LMI geographies may be difficult due to high median housing prices compared to median family income. The median house value was \$309,000 in the Kingston AA. The median house value in the Kingston AA increased by 72.63 percent from January 2018 to December 2020. The median family income was \$74,546, which would result in a low-income household annual income of \$37,273, and a moderate-income household annual income of \$59,637. These income levels could make it difficult to afford housing at the median housing value in this AA for LMI borrowers.

Community Contacts

As part of the CRA evaluation, we relied upon a community contact to determine local economic conditions and community needs. We reviewed a 40-year-old non-profit organization that focused on affordable housing in the Kingston MSA. The organization provides services to support affordable housing and homeownership. The organization provided information about the local economy and demographic conditions. According to their report, there is a significant housing crisis in the area and Kingston experienced a significant rise in housing prices. The organization identified a need for more housing development, and for banks to form more connections with minority communities.

Poughkeepsie MSA

| Table A – Demographic Information of the Assessment Area | | | | | | |
|--|----------|-----------------------|------------------------------|--------------------------|-------------------------|-----------------------|
| Assessment Area: Poughkeepsie-Newburgh-Middletown NY MSA (2020) | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 158 | 8.9 | 14.6 | 49.4 | 25.9 | 1.3 |
| Population by Geography | 672,312 | 8.9 | 13.4 | 49.7 | 27.5 | 0.4 |
| Housing Units by Geography | 258,099 | 7.4 | 15.0 | 51.1 | 26.4 | 0.0 |
| Owner-Occupied Units by Geography | 159,911 | 2.6 | 10.9 | 53.3 | 33.1 | 0.0 |
| Occupied Rental Units by Geography | 72,130 | 16.6 | 22.7 | 47.6 | 13.1 | 0.0 |
| Vacant Units by Geography | 26,058 | 11.7 | 18.8 | 47.7 | 21.8 | 0.0 |
| Businesses by Geography | 55,847 | 9.8 | 13.4 | 48.1 | 28.7 | 0.0 |
| Farms by Geography | 2,026 | 0.9 | 8.3 | 51.6 | 39.2 | 0.0 |
| Family Distribution by Income Level | 160,812 | 20.3 | 15.7 | 20.4 | 43.6 | 0.0 |
| Household Distribution by Income Level | 232,041 | 24.4 | 14.6 | 17.4 | 43.7 | 0.0 |
| Median Family Income MSA - 39100 Poughkeepsie-Newburgh-Middletown, NY MSA | | \$85,780 | Median Housing Value | | | \$262,211 |
| | | | Median Gross Rent | | | \$1,171 |
| | | | Families Below Poverty Level | | | 7.8% |
| <i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> | | | | | | |

Employment and Economic Factors

According to the Bureau of Labor Statistics, the unemployment rate in Orange and Dutchess counties was 6.0 percent and 5.5 percent respectively as of December 31, 2020. Both counties' unemployment rates are below the state unemployment rate of 8.7 percent and are below the national unemployment rate of 6.7 percent as of December 2020.

Housing

There are also limited opportunities for residential mortgage lending in LMI geographies within the AA. There are not enough housing units for residential mortgage lending within the LMI geographies. Owner

occupied units make 159,991 properties in the Poughkeepsie AA. There are 160,812 families in the Poughkeepsie AA.

Home ownership in LMI geographies may be difficult due to high median housing prices compared to median family income. The median house value was \$284,500 in the Poughkeepsie AA. The median house value in the Poughkeepsie AA increased by 33.88 percent from January 2018 to December 2020. The median family income was \$85,780, which would result in a low-income household annual income of \$42,890, and a moderate-income household annual income of \$68,624. These income levels could make it difficult to afford housing at the median housing value in this AA for LMI borrowers.

Scope of Evaluation in New York

We completed full-scope reviews of Poughkeepsie–Newburgh–Middletown MSA AA and the Kingston MSA AA. Ratings are based primarily on results of the full-scope areas. Please refer to the table in Appendix A: Scope of the Examination for additional information.

Wallkill has 8 branches in their AAs, which are all the bank’s branches in the State of New York. The bank had a 1.33 percent deposit market share, ranking fifteenth among all banks in the AA. The top competitors include JPMorgan Chase Bank with 14.10 percent market share, Keybank National Association with 13.55 percent market share, Citizens Bank with 11.55 percent market share, TD Bank with 8.81 percent market share, and Manufacturers and Traders Trust with 8.05 percent market share.

LENDING TEST

The bank’s performance under the Lending Test in New York is rated satisfactory.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Poughkeepsie-Newburgh-Middletown NY MSA

Home Mortgage Loans

Refer to Table O in the state of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

The distribution of the bank’s home mortgage loans in LMI geographies is reasonable. The percentage of home mortgage loans to borrowers in low-income CTs was above the percentage of owner-occupied housing in low-income CTs and in line with the percentage of loans by all lenders in low-income CTs. The percentage of home mortgage loans to borrowers in moderate-income CTs was below the percentage of owner-occupied housing in moderate-income CTs and below the percentage of loans by all lenders in moderate-income CTs. The bank originated more loans in this AA than the Kingston NY MSA AA.

Kingston NY MSA***Home Mortgage Loans***

Refer to Table O in the state of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The distribution of the bank's home mortgage loans in LMI geographies was poor. The percentage of home mortgage loans to borrowers in low-income CTs was well below the percentage of owner-occupied housing in low-income CTs and was well below the percentage of loans by all lenders in low-income CTs. The percentage of home mortgage loans to borrowers in moderate-income CTs was well below both the percentage of owner-occupied housing in moderate-income CTs and the percentage of loans by all lenders in moderate-income CTs. Wallkill has limited opportunities to lend in LMI geographies as the bank faces significant competition from other lenders in the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits reasonable distribution of loans to individuals of different income levels in the state.

Poughkeepsie-Newburgh-Middletown NY MSA***Home Mortgage Loans***

Refer to Table P in the state of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of loans reflects reasonable distribution among individuals of different income levels. The percentage of home mortgage loans to low-income borrowers was well below both the distribution of low-income families and the aggregate percentage of loans by all lenders to low-income borrowers. The percentage of home mortgage loans to moderate-income borrowers was below the percentage of moderate-income families and the percentage of loans by all lenders to moderate-income borrowers. Lending to low- and moderate-income borrowers for home mortgage loans is difficult within the MSA, as there is a housing shortage, high housing costs, and competition from other lenders.

Kingston NY MSA***Home Mortgage Loans***

Refer to Table P in the state of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of loans reflects reasonable distribution among individuals of different income levels. The percentage of home mortgage loans to low-income borrowers was below the distribution of low-income families but above the aggregate of all lenders to low-income families. The percentage of home mortgage loans to moderate-income borrowers was below both the distribution of moderate-income families and the percentage of loans by all lenders to moderate-income families. Home mortgage lending opportunities to LMI individuals is limited due to a shortage of housing and high housing costs relative to median income. Lending to low- and moderate-income borrowers for home mortgage loans is

difficult within the MSA, as there is a housing shortage, high housing costs, and competition from other lenders.

Responses to Complaints

Wallkill did not receive any complaints about its performance in helping to meet the credit needs in the AAs during this evaluation period. This has a neutral impact on the bank's CRA assessment.

Appendix A: Scope of Examination

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

| | | |
|---|-------------------------------|--------------------------------|
| Time Period Reviewed: | 1/1/2018 to 12/31/2020 | |
| Bank Products Reviewed: | Home mortgage loans | |
| Affiliate(s) | Affiliate Relationship | Products Reviewed |
| NONE | | |
| List of Assessment Areas and Type of Examination | | |
| Rating and Assessment Areas | Type of Exam | Other Information |
| State of New York | | |
| Poughkeepsie–Newburgh– Middletown MSA AA | Full Scope | Dutchess County, Orange County |
| Kingston MSA AA. | Full Scope | Ulster County |

Appendix B: Summary of State Ratings

| RATINGS | |
|-------------------------|----------------------------|
| Overall Bank: | Lending Test Rating |
| Wallkill Valley FS & LA | Satisfactory |
| MMSA or State: | |
| New York | Satisfactory |

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

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

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

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

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

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

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

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

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

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

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

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

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

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

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

| 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 |
| Kingston NY MSA | 241 | 57,927 | 48.5 | 5,350 | 1.8 | 0.4 | 1.8 | 7.1 | 2.5 | 5.9 | 59.0 | 45.2 | 55.9 | 32.0 | 51.9 | 36.4 | 0.0 | 0.0 | 0.0 |
| Poughkps Newbrgh Middletwn NY MSA | 256 | 64,409 | 51.5 | 23,885 | 2.6 | 6.3 | 6.4 | 10.9 | 6.3 | 8.5 | 53.3 | 48.8 | 48.7 | 33.2 | 38.7 | 36.3 | 0.0 | 0.0 | 0.0 |
| Total | 497 | 122,336 | 100.0 | 29,235 | 2.4 | 3.4 | 5.6 | 10.1 | 4.4 | 8.1 | 54.6 | 47.1 | 50.0 | 32.9 | 45.1 | 36.3 | 0.0 | 0.0 | 0.0 |

*Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2020 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 |
| Kingston NY MSA | 241 | 57,927 | 48.5 | 5,350 | 21.9 | 3.3 | 2.9 | 17.0 | 9.1 | 13.4 | 20.1 | 20.3 | 23.3 | 41.0 | 56.8 | 50.5 | 0.0 | 10.4 | 9.9 |
| Poughkps Newbrgh Middletwn NY MSA | 256 | 64,409 | 51.5 | 23,885 | 20.3 | 2.0 | 4.9 | 15.7 | 11.7 | 17.9 | 20.4 | 23.4 | 26.6 | 43.6 | 39.8 | 37.3 | 0.0 | 23.0 | 13.3 |
| Total | 497 | 122,336 | 100.0 | 29,235 | 20.6 | 2.6 | 4.5 | 16.0 | 10.5 | 17.1 | 20.3 | 21.9 | 26.0 | 43.0 | 48.1 | 39.7 | 0.0 | 16.9 | 12.7 |

*Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*