



PUBLIC DISCLOSURE

October 9, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Flagstar Bank, NA
Charter Number: 25282

102 Duffy Ave
Hicksville, NY 11801

Office of the Comptroller of the Currency

Large Bank Supervision
Constitution Center
400 7th Street SW
Washington, DC 20219

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 following table indicates the performance level of **Flagstar Bank, NA** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Flagstar Bank, NA Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	x		
High Satisfactory			x
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

*The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based on Outstanding performance in the Lending Test in the states of California, Indiana, and Michigan.
- The Investment Test rating is based primarily on Low Satisfactory in the Investment Test in the states of Indiana and Michigan.
- The Service Test rating is based primarily on the High Satisfactory rating in the states of California and Michigan.

Lending in Assessment Area

A small percentage of the bank’s loans are in in its assessment areas (AA).

The bank originated and purchased 11.7 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 the other performance criteria.

Lending Inside and Outside of the Assessment Area 1/1/2020 – 12/31/2022										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	45,741	11.0	368,678	89.0	414,419	10,983,718	8.2	123,377,119	91.8	134,360,837
Small Business	3,040	87.5	434	12.5	3,474	300,060	84.2	56,095	15.8	356,155
Total	48,781	11.7	369,112	88.3	417,893	11,283,778	8.4	123,433,214	91.6	134,716,992

We considered the overall bank lending inside the AA in the geographical distribution of lending. Lending inside and outside of the AA had a neutral impact on the geographical distribution of loan ratings throughout the evaluation period and rating areas. We considered the bank's business strategy of originating loans nationwide and collecting deposits only within the geographic region consisting of the five bank rating areas.

Other Factors Considered in our Analysis Under Performance Tests

Lending Test

Small Business Administration's (SBA) Paycheck Protection Program (PPP) loans – Due to the exigent circumstances related to the Covid-19 pandemic, the bank responded to the needs of small businesses within its AAs by originating a significant volume of loans under the PPP. Banks were not required to collect revenue information as part of the underwriting process for PPP loans. The significant volume of PPP loans in the bank's AAs resulted in a very low percentage of small loans to small businesses compared to the percentage of small businesses and aggregate lending in the AAs. When concluding on borrower income distribution of small loans to small businesses, we considered the bank's responsiveness to needs created by the Covid-19 pandemic resulting in the significant volume of small business loans without revenue information. We also considered the bank's historical small business lending performance. Historically, the bank has not been a significant small business lender, instead focusing on home mortgage loans. Given the extraordinary circumstances and needs brought on by the Covid-19 pandemic and the bank's responsiveness to those needs by originating a significant volume of PPP loans, we gave positive consideration to the bank's lending to small businesses in its rating areas and AA.

Community Development (CD) loans quantitative analysis – When conducting quantitative analysis of CD loans, we compare the proportion of the bank's CD loans to tier 1 capital allocated to a respective bank AA. The higher the proportion of bank CD loans as compared to tier 1 capital, the better the performance is relative to the quantitative aspects of CD loan performance. To determine the amount of tier 1 capital to allocate to a respective AA, we typically use the tier 1 capital number at the end of the evaluation period. For this examination, the last day of the evaluation period is December 31, 2022. Given the merger of the former Flagstar FSB with New York Community Bank (NYCB) on December 1, 2022, the bank's total tier 1 capital increased by 40.0 percent within the last month of the evaluation period (December 1, 2022, to December 31, 2022). An increase in tier 1 capital causes the proportion of bank CD loans as compared to tier 1 capital to become smaller. To reduce the impact of the significant capital increase, we used a blended tier 1 capital amount based on a three-year average of tier 1 capital balances as of December 31, 2020, through 2022.

CD Loans in Broader Statewide or Regional Area - The bank originated one CD loan totaling \$8.5 million that funded a project to build 65 units of new construction affordable housing and benefited the broader, statewide area of Arizona. The project used low-income housing tax credits (LIHTC) as part of its funding. The loan served the broader statewide area and does not have a purpose, mandate, or function to serve the bank's AAs.

Investment Test

CD Investments Quantitative Analysis - When conducting quantitative analysis of CD investments, we compare the proportion of the bank's CD investments to their tier 1 capital as allocated to the bank's respective AA. The higher the proportion of the bank's CD investments compared to the allocated tier 1 capital, the better the performance is relative to the quantitative aspects of CD investment performance. To determine the amount of tier 1 capital to allocate to a respective AA, we typically use the total tier 1 capital number at the end of the evaluation period. When determining our conclusions for bank quantitative CD investment performance, we considered that the bank's total tier 1 capital increased significantly in the last month of the evaluation and was not consistent with the bank's tier 1 capital throughout the majority of the evaluation period. Like CD loans quantitative analysis, we used a blended tier 1 capital figure based on a three-year average of tier 1 capital balances as of December 31, 2020, through 2022.

CD Investments in Broader Statewide or Regional Area – Throughout the evaluation period, the bank made 50 CD investments and grants in a broader statewide or regional area that did not have a purpose, mandate, or function to serve the bank's rating areas. These CD investments and grants totaled \$41.7 million and focused on economic development and community service. Five CD investments totaling \$25.0 million were made to small business investment companies (SBICs), with the funds benefitting small businesses in a geography with no purpose, mandate, or function to serve the bank's AAs. The bank also made nine CD investments totaling \$2.6 million by purchasing certificates of deposit with various minority deposit institutions (MDIs) located in states outside of the bank's rating areas.

Service Test

The OCC's review of services during the evaluation period included analyzing Flagstar's network of retail branches and deposit-taking automated teller machines (ATMs) for the availability and effectiveness of delivering retail banking services. Examiners gave the most weight to the geographic distribution of bank branches.

Retail Branches - Primary consideration was given to Flagstar's performance in delivering retail products and services to geographies and individuals of different income levels through the bank's distribution of branches. The OCC focused the analysis of retail branches on the current distribution of the bank's branches in low-to-moderate income (LMI) geographies. The analysis of the distribution of the bank's retail branches was based on locations as of December 31, 2022, and income category classifications for the locations were based on the 2020 Census data. When applicable, examiners considered changes to the branch distribution in an AA that resulted solely from a geography's income classification changing from the 2015 U.S. Census American Community Survey (ACS) to the 2020 U.S. Census.

Branch Distribution - In both full-scope and limited-scope AAs, examiners gave the most weight to the geographic distribution of bank branches among LMI geographies. In the full-scope AAs, examiners gave consideration for branches located in middle- or upper-income (MUI) geographies that served

customers in LMI geographies and improved accessibility. Flagstar provided internal data to support MUI branches that are being used by customers residing in LMI geographies. Flagstar collected deposit transaction data and used customer address as a proxy to determine LMI status. MUI branches with the majority of their transactions conducted by LMI customers residing in LMI geographies were presented for consideration. Positive consideration was given to the MUI branches providing increased access to retail banking services for customers in LMI geographies. Consideration was given to each MUI branch only once.

Alternate Delivery Systems - Management complements its traditional service delivery systems with alternative delivery systems, including deposit-taking ATMs, telephone banking, mobile banking, and online banking, throughout the bank's AAs. No significant weight was placed on these services. No data and analysis were available, throughout all the bank's AAs for the evaluation period, to determine its impact on LMI individuals.

Flagstar operates multiple deposit-taking ATMs throughout its AAs. In addition, customers can continue to access cash from their accounts outside of the bank's AAs through the Allpoint ATM network, consisting of over 55,000 ATMs.

Branch Openings and Closings - Over the evaluation period, Flagstar maintained a consistent retail branch network as there was only one mitigated branch closure in a LMI geography. The OCC did not assess this performance criteria for the Service Test evaluation in AAs where the bank had no branch openings or closings during the evaluation period.

Branch Hours and Retail Products and Services - The OCC evaluated the range of products and services offered by all the bank's branches. The OCC specifically focused on any differences in branch hours, products, and services provided in LMI geographies compared to those provided in MUI geographies. Branch hours and retail products and services offered at branches are consistent throughout the bank's AAs regardless of the income level of the area. Therefore, examiners concluded that for each of the bank's AAs, services, including business hours, where appropriate, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals.

Community Development Services - The bank's record of providing CD services was evaluated in the AAs that received full-scope reviews. Examiner's primary consideration was the responsiveness to the needs of the community. Services that addressed critical needs, were most impactful, or reflected ongoing relationships with organizations involved in CD, received the most consideration in this analysis.

Description of Institution

Flagstar Bank, N.A. (Flagstar) is an interstate, nationally chartered bank headquartered in Hicksville, New York, with assets of \$90.0 billion as of December 31, 2022. From January 1, 2020, to November 30, 2022, Flagstar FSB operated as a federally chartered savings bank with 158 branches in five states and headquarters in Troy, Michigan. In April 2021, parent holding companies New York Community Bancorp, Inc. and Flagstar Bancorp, Inc. entered into a merger agreement that closed December 1, 2022, and combined Flagstar FSB and NYCB into Flagstar Bank, NA. At the time of merger, Flagstar FSB had approximately \$25.4 billion in assets, and NYCB had approximately \$63.0 billion in assets. This review focuses on Flagstar FSB's performance during the evaluation period. Given that Flagstar FSB and NYCB were merged for only one month in 2022, we did not assess or conclude on NYCB's performance.

Flagstar has five rating areas and 17 AAs spanning five states: California, Indiana, Michigan, Ohio, and Wisconsin. Flagstar provides home loans through a wholesale network of brokers and correspondents in all 50 states, including 88 home loan centers in 27 states and two call centers. While the bank is primarily a home mortgage lender, Flagstar also offers a wide range of retail banking products and services to individuals and businesses through its branch network. Consumer loans, credit cards, business loans, cash management, and merchant services are offered.

As of December 31, 2022, Flagstar had total assets of \$90.0 billion including total loans of \$70.1 billion and tier 1 capital of \$7.7 billion. Approximately 80.5 percent of the bank's loan portfolio consisted of real estate loans, of which the predominant portion, or 67.5 percent, was secured by multi-family commercial real estate properties and 15.2 percent by one-to-four family residential real estate properties.

Flagstar FSB was rated "Outstanding" in the prior CRA evaluation dated November 16, 2020.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Flagstar's evaluation period is January 1, 2020, through December 31, 2022. We use this evaluation period to conduct analysis and form conclusions for the entirety of all performance tests associated with this evaluation. For the Home Mortgage Disclosure Act (HMDA) analysis and conclusions related to lending activity, geographical distribution of loans, and borrower distribution of loans, we consolidated the bank's home purchase, home refinance, home improvement, and multifamily lending. We concluded on all home mortgage and small loans to businesses loan products that met the definition of a primary loan product. To be considered a primary loan product, there must have been, at minimum, 20 loan originations for a specific loan product within a respective AA in an evaluation period. The bank did not originate any small farm loans; therefore, small farm loans were not included in any analysis or considered in the ratings.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) 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 section 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 a blend of the state ratings.

For the lending test, geographical and borrower distribution of HMDA and small loans to businesses, there were two evaluation periods. The evaluation periods are January 1, 2020, through December 31, 2021, and January 1, 2022, through December 31, 2022. The two evaluation periods were necessary due to the changes in demographics between the 2015 U.S. Census ACS and the 2020 U.S. Census. For the lending test, we placed more weight on the bank’s performance during the January 1, 2020, through December 31, 2021, evaluation period. We did so as this evaluation period contained 78.8 percent of HMDA originations and 79.4 percent of HMDA volume, within the bank’s AAs, throughout the evaluation period. The January 1, 2020, through December 31, 2021, evaluation period had 95.9 percent of small business loan originations and 85.8 percent of small business loan volume throughout the evaluation period, within the bank’s AAs. Additionally, in determining our conclusions for the lending activity, geographical, and borrower distribution of loans, we gave significantly more weight to performance in home mortgage lending. We weighed home mortgage lending more in all the bank’s full- and limited-scope AAs throughout the full evaluation period. We did so because home mortgage lending made up 93.7 percent of originations and 97.3 percent of the loan volume of all home mortgage and small business loans made within the bank’s AAs, throughout the entirety of both evaluation periods.

Due to the timing of this evaluation, geographical and borrower distribution of small loans to businesses in the 2022 evaluation period did not have aggregate lending data available. Therefore, in concluding, we placed all weight on performance compared to the demographics.

The state ratings are based on performance in all bank AAs within those states. Refer to the “Scope” section under each State 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 C.F.R. §25.28(c), 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 does not have public information regarding non-compliance with statutes and regulations prohibiting discriminatory or other illegal credit practices with respect to this institution. In determining this institution's overall CRA rating, the OCC has considered information that was made available to the OCC on a confidential basis during its consultations.

The CRA performance rating was not lowered as a result of these findings. We considered the nature, extent, and strength of the evidence of the practices; the extent to which the institution had policies and procedures in place to prevent the practices; and the extent to which the institution has taken or has committed to take corrective action, including voluntary corrective action resulting from self-assessment; and other relevant information.

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 California

CRA rating for the State of California: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to the credit needs of the AA.
- The bank exhibits excellent geographical distribution of loans in its AA.
- The bank is a leader in making CD loans. CD lending had a significantly positive impact on the Lending Test rating.
- The institution has an excellent level of qualified CD investment and grants, often in a leadership position, and particularly those that are not routinely provided by private investors.
- Branch delivery systems are accessible to geographies and people of different income levels.
- The bank is a leader in providing CD services.

Description of Institution's Operations in California

The bank's only AA in California is the Riverside-San Bernardino-Ontario MSA (Riverside MSA) that includes all of San Bernardino and Riverside Counties (refer to appendix A for a list of all AAs). While Flagstar's branch presence includes only eight branches in San Bernardino County, they include Riverside County in its AA due to Flagstar originating a high volume of mortgage lending in that county. Flagstar operates its branches in the high desert area of Southern California over the Cajon pass. Flagstar operates the branches branded as "Desert Community Bank" in this AA. These branches are from a prior bank acquisition and Flagstar has opted to keep the Desert Community Bank brand name in this AA. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI CTs.

As of June 30, 2022, deposits in the state of California totaled \$838.3 million and represented 4.8 percent of total bank-wide deposits. Home Mortgage loan originations in the Riverside MSA account for 35.8 percent of the home mortgage loans originated by the entire bank. Flagstar's eight branches in California are equal to 5.1 percent of the bank-wide total number of branches.

According to the 2020 U.S. Census, the Riverside MSA has a population of approximately 4.6 million, of which 4.0 percent is low-income and 27.3 percent is moderate income, with 10.5 percent of the families living below the poverty level. The 2022 U.S Census population number represents a 4.7 percent increase since the 2015 American Community Survey (ACS). As of the 2020 U.S. Census, the Riverside MSA is made up of 984 census tracts (CTs,) which include 4.9 percent low-income and 28.7 percent moderate-income CTs.

The Riverside MSA is a competitive banking environment. As of June 30, 2022, there were 42 banks operating 485 banking offices within the counties. With its eight branches and \$838.3 million in deposits, Flagstar ranked 14th with a 1.0 percent market share based on deposits. The top five banks with the largest deposit market shares in the Riverside MSA are: Bank of America, National Association, JPMorgan Chase Bank, National Association, Wells Fargo Bank, National Association, U.S Bank, National Association, and Citizens Business Bank. These banks combined for a 74.9 percent deposit market share.

The economy of the MSA has a heavy reliance on health care, retail trade and logistics. Warehousing is a mainstay of the economy. Unemployment and, perhaps more significantly, underemployment are growing issues. This AA unemployment rate as of year-end 2022 is 3.8 percent compared to 5.1 percent at year-end 2021.

According to the “Bureau of Labor Statistics” (BLS), the unemployment rate at the beginning of the evaluation period in January 2020 was 4.1 percent. The unemployment rate peaked to 15.4 percent in April 2020 due to the circumstances involving business shutdowns due to the Covid-19 pandemic. The unemployment rate at the end of the evaluation period in December 2022 dropped to 3.7 percent, which is lower than the statewide unemployment rate of 3.9 percent.

According to 2020 U.S. Census demographic data, the number of housing units in the MSA was 1,566,422. Owner-occupied housing units (OOHU) and rental units represented 56.3 percent and 32.0 percent of total housing units, respectively, and total vacant units of 12.1 percent of total housing units. The critical statistic related to housing appears to be the high cost for single-family homes. According to 2015 ACS demographic data, the number of housing units in the MSA was 1,521,284. OOHU and rental units represented 53.9 percent and 32.5 percent of total housing units, respectively, and 13.7 percent of total vacant units.

For 2020-2021, based on the 2015 ACS demographic table, low-income families earned less than \$30,754 and moderate-income families earned less than \$49,206 annually. One method used to determine housing affordability assumes a maximum monthly principal and interest payment of no more than 30 percent of the applicant’s net income. Using 30 percent as a reasonable debt-to-income (DTI) ratio, a maximum monthly mortgage payment was calculated of \$769 for low-income borrowers and \$1,230 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner’s insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Riverside MSA median housing value would be \$1,109. As such, we concluded that home mortgage loans were not affordable to all low-to-moderate income borrowers in the geography.

In 2022, based on the 2020 U.S. Census demographic table, low-income families earned less than \$38,343 and moderate-income families earned less than \$61,349. Using 30 percent as a reasonable debt-to-income (DTI) ratio, a maximum monthly mortgage payment was calculated of \$959 for low-income borrowers and \$1,534 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner’s insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Riverside MSA median housing value would be \$2,017. We concluded that home mortgage loans were not affordable to LMI borrowers in this AA.

We utilized one OCC community contact performed during the evaluation period to identify community needs in the Riverside MSA. The community contact worked for a county organization, chartered by the state of California, that’s purpose is to build, provide, and preserve affordable housing to LMI people. The mission of the organization is to transform and promote healthy, thriving communities, which enhance the quality of life and revitalize neighborhoods to foster self-sufficiency. The contact stated the economic conditions “were good, not great”, and that a lot of people still need help. The contact identified a need for affordable housing noting that the costs of owner-occupied housing has increased significantly, which has also increased the costs of renting. Additionally, the contact stated a need for community services helping LMI families with transportation to work, childcare, and assistance to the needs of LMI seniors.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Riverside MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	822	5.2	29.9	36.6	27.5	0.7
Population by Geography	4,392,801	5.4	27.6	35.4	31.2	0.4
Housing Units by Geography	1,521,284	5.0	27.4	36.5	31.1	0.1
Owner-Occupied Units by Geography	819,653	2.6	21.0	37.2	39.1	0.1
Occupied Rental Units by Geography	493,904	9.1	37.8	33.8	19.2	0.0
Vacant Units by Geography	207,727	4.5	27.5	40.0	27.5	0.5
Businesses by Geography	323,761	4.2	24.8	34.5	36.4	0.1
Farms by Geography	6,567	3.7	24.1	37.6	34.4	0.1
Family Distribution by Income Level	979,189	23.0	16.8	18.9	41.3	0.0
Household Distribution by Income Level	1,313,557	24.6	15.9	17.4	42.2	0.0
Median Family Income MSA - 40140 Riverside-San Bernardino-Ontario, CA MSA		\$61,507	Median Housing Value			\$246,946
			Median Gross Rent			\$1,192
			Families Below Poverty Level			14.3%
<i>Source: 2015 ACS and 2021 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Riverside MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	984	4.9	28.7	36.8	28.4	1.3
Population by Geography	4,599,839	4.0	27.3	37.4	30.4	1.0
Housing Units by Geography	1,566,442	4.2	27.3	37.8	29.9	0.7
Owner-Occupied Units by Geography	882,033	2.2	21.4	38.3	37.4	0.6
Occupied Rental Units by Geography	494,470	7.5	37.1	37.1	17.7	0.7
Vacant Units by Geography	189,939	4.7	29.4	37.4	26.9	1.6

Businesses by Geography	369,356	2.8	23.3	37.1	36.1	0.7
Farms by Geography	7,250	3.0	21.0	39.7	35.7	0.6
Family Distribution by Income Level	1,029,309	21.8	17.5	19.3	41.4	0.0
Household Distribution by Income Level	1,376,503	24.3	15.8	17.9	42.0	0.0
Median Family Income MSA - 40140 Riverside-San Bernardino-Ontario, CA MSA	\$76,686	Median Housing Value				\$355,170
		Median Gross Rent				\$1,427
		Families Below Poverty Level				10.5%
<i>Source: 2020 U.S. Census and 2022 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>						

Scope of Evaluation in California

We conducted a full-scope review of the Riverside MSA, as it is the only AA in the state of California. We placed significantly more weight on home mortgage lending performance in the Lending Test. Flagstar's home mortgage originations represented 97.7 percent of total home mortgage and small business loan originations in the AA. For the 2022 evaluation period, the bank did not originate or purchase enough small business loans to conduct a meaningful performance analysis. Therefore, when evaluating performance for geographical and borrower distribution of small loans to businesses, our conclusions were based solely on performance in the 2020 through 2021 evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

LENDING TEST

The bank's performance under the Lending Test in California is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Riverside MSA is excellent.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans* 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Riverside MSA	16,319	384	0	5	16,708	100.0	100.0

*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas.

Dollar Volume of Loans* (000's) 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Riverside MSA	5,496,897	35,818	0	24,691	5,557,406	100.0	100.0

*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

According to the June 30, 2021, FDIC Summary of Deposits report, the bank had \$759.7 million of deposits in the Riverside MSA. The bank had a 1.0 percent deposit market share within the AA. The bank's deposit market share ranked 14th out of 41 deposit taking institutions in the AA. The bank's deposit market share ranked in the top 34.1 percent of all deposit taking institutions.

According to 2021 peer mortgage data, the bank had a 2.0 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations was stronger than its deposit market share. The bank ranked 12th out of 852 HMDA lenders. The bank's market share ranking was in the top 1.4 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations was stronger than its deposit market share ranking.

In 2021, the bank did not make enough small loans to businesses to perform a meaningful analysis.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AAs.

Home Mortgage Loans

Refer to Table O in the state of California 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 geographic distribution of home mortgage loans was excellent. The geographic distribution of home mortgage loans in 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans in low-income geographies was below the percentage of owner-occupied housing and approximated the aggregate industry distribution of home mortgage loans in those geographies. The proportion of the bank's home mortgage loans in moderate-income geographies approximated the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans to those geographies. The bank's geographical distribution of home mortgage loans in 2022 was consistent with the bank's performance in 2020 through 2021.

Small Loans to Businesses

Refer to Table Q in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. The geographic distribution of small loans to businesses in 2020 through 2021 was excellent. The proportion of the bank's small loans to businesses in both LMI geographies exceeded the percentages of businesses and the aggregate industry distribution of small loans to businesses in those geographies. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for evaluation period.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of California 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 borrower distribution of home mortgage loans was adequate. We considered the fact that the home purchases were not affordable to LMI borrowers throughout the evaluation period. Therefore, we placed more weight to the aggregate industry distribution of loans. The borrower distribution of home mortgage loans in 2020 through 2021 was poor. The proportion of the bank's home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and below the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers was significantly below the percentage of moderate-income families and below the aggregate industry distribution of home mortgage loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was consistent with the bank's performance in 2020 through 2021.

Small Loans to Businesses

Refer to Table R in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to business was adequate. As discussed in the front section of this PE, we gave positive consideration for the bank's small loans to businesses given the significant volume of lending without revenue information. As a result of that positive consideration, the bank's performance in making small loans to small businesses is adequate. The percentage of bank loans in 2020 and 2021 to businesses with revenues less than \$1 million was significantly below the percentage of businesses and the aggregate industry distribution of loans to those businesses. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation period.

Community Development Lending

The institution is a leader in making CD loans. CD lending had a significantly positive impact on the Lending Test rating in California.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The volume of CD lending was excellent. Throughout the evaluation period, Flagstar originated five CD loans totaling \$24.7 million within the Riverside MSA. The volume of CD loans was equivalent to 8.6 percent of allocated tier 1 capital. The bank's CD loans were responsive to community needs, particularly affordable housing and community services.

- The bank extended a \$23.4 million construction line of credit, leveraging LIHTC funding, to fund a 60-unit affordable housing development on a vacant parcel of land owned by the City of Palm Springs Successor Redevelopment Agency. The project is in partnership with the city under a Disposition Development Agreement.
- The bank extended a \$500,000 line of credit to a nonprofit organization that provided community services including shelter and advocacy services to victims of domestic violence and other services such as runaway/homeless youth shelters. The operations are in a moderate-income tract. The organization primarily serves LMI people.
- The bank made a \$96,000 loan to a non-profit organization that serves the LMI population with housing. The goal of this organization is to provide skills training to avoid future homelessness.
- The bank made two PPP loans totaling \$655,000 that qualified as CD loans. These PPP loans were made to non-profit organizations providing services to LMI individuals in the AA.

Statewide

The bank originated one CD loan totaling \$15.0 million within the state of California that was not inside a Flagstar AA. This line of credit was extended to a community reinvestment institution for the purpose of making permanent financing available to LIHTC projects that support affordable housing throughout the state of California.

Product Innovation and Flexibility

The institution makes limited use of innovative and/or flexible lending practices to serve AA credit needs.

The PPP provided economic relief to small businesses impacted by the Covid-19 pandemic and subsequent business shut-downs. In total, Flagstar originated 442 PPP loans totaling \$37.5 million within the state of California. Of these, 186 PPP loan originations totaling \$16.9 million, were in a low- or moderate-income CT. The bank originated the majority of its PPP loans in California within the Riverside MSA. PPP loans in the Riverside MSA numbered 361 and totaled \$14.8 million, and 169 PPP loans totaling 14.8 million were in a low- or moderate-income CTs. The bank's PPP loan originations had a neutral impact on its overall rating.

INVESTMENT TEST

The bank's performance under the Investment Test in California is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Riverside MSA is excellent.

The institution has an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

Qualified Investments 1/1/2020 – 12/31/2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Riverside MSA	1	5,000	40	12,783	41	100.0	17,783	100.0	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

In total, current and prior period CD investments equaled \$17.8 million and represented 6.2 percent of allocated tier 1 capital. Throughout the evaluation period, the bank made two CD investments totaling \$12.0 million and 38 donations and grants totaling \$783,000. Current period CD investments and grants were equivalent to 4.4 percent of allocated tier 1 capital. Current period CD investments and grant supported 24 organization/projects focusing on affordable housing and community service needs in the AA. The AA also benefitted from the ongoing impact of one prior period investment, totaling \$5.0 million.

The two CD investments made during current period focused on affordable housing through LIHTC financing, a primary community development need in the AA. The bank’s investments in LIHTC demonstrate complexity and leadership. The remaining CD investments were comprised of grants and donations. The following are examples of CD grants and donations made in this AA:

- In December 2022, the bank donated \$100,000 to a community service organization. The organization provides support for potential low-and-moderate income first-time homebuyer programs including programmatic and training costs for staff. The program provides prospective homebuyers a path towards financial stability and homeownership.
- In November 2020, the bank donated \$175,000 to two economic development organizations. The organizations provide support to small business programs by providing funding and technical assistance to minority-owned small businesses including Black and Indigenous peoples in the assessment area.

Statewide

The bank made one qualified investment in a minority-owned financial institution totaling \$250,000. Additionally, the bank made 10 grants totaling \$260,000 to community service and economic development organizations located throughout the state. These grants serve the broader statewide area that does not have a purpose, mandate, or function to serve the bank’s AA.

SERVICE TEST

The bank's performance under the Service Test in California is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Riverside MSA is good.

Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Riverside MSA	100.0	8	100.0	0.0	25.0	62.5	12.5	4.0	27.3	37.4	30.4

*Does not equal 100.0 percent due to NA CTs.

Flagstar's branch distribution in the Riverside MSA is good. The bank's distribution of branches in low-income geographies was significantly below, and in moderate-income geographies was near-to, the percentages of the population living within those geographies. Examiners further considered two middle middle-income CT branches that bank data indicated served customers from LMI geographies within the AA. Consideration was given to the adjacent branches and positively impacted the overall branch distribution conclusion. The bank also operates 11 deposit-taking ATMs in the AA, of which two were in moderate-income geographies.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. Services offered and branch hours are comparable amongst locations regard of the income level of the area.

Community Development Services

Flagstar is a leader in providing CD services.

The bank's performance in providing CD services in the Riverside MSA is excellent. During the evaluation period, 15 bank employees performed 62 CD activities that totaled 117 hours of service for

nine organizations. The employees are involved with community service events and providing financial education and mentorship to LMI youth.

Leadership was evident by 10 bank employees performing 152 CD activities and spending 266 hours serving on boards and committees for 11 different CD organizations.

Examples of CD services in the AA include:

- A bank employee provided 46 service hours while serving as a board member for an organization that assists LMI residents in the AA who have been displaced from long-term housing due to natural disaster or loss of income. The organization empowers homeless individuals by providing the necessary skills to become self-sufficient.
- A bank employee provided seven service hours while serving as a board member for an organization that provides an international trade program to high school students in LMI areas who have been displaced from long-term housing due to natural disaster or loss of income. The organization empowers homeless LMI individuals by providing the necessary skills to become self-sufficient.

State Rating

State of Indiana

CRA rating for the State of Indiana: Satisfactory

The Lending Test is rated: Outstanding

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflects excellent responsiveness to community and economic development needs.
- The bank exhibits an excellent geographic and borrower distribution of loans.
- The bank has an adequate level of qualified CD investments and grants.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels.
- The bank provides an adequate level of CD services.
- Performance in limited-scope AA had a positive impact on the Service Test rating.

Description of Institution's Operations in Indiana

Flagstar acquired operations in Indiana in November 2018. The bank has five AAs in the state of Indiana: Elkhart-Goshen MSA (Elkhart MSA), Fort Wayne MSA, Indiana Non-MSA, Michigan City-LaPorte MSA (Michigan City MSA), and South Bend-Mishawaka MSA (South Bend MSA) (refer to appendix A for a list of all AAs). The AAs meet the requirement of the regulation and do not arbitrarily exclude any LMI CTs.

According to the FDIC's June 30, 2022, Deposit Market Share report, Flagstar held \$1.4 billion in deposits ranking 25th out of 132 institutions and 0.7 percent deposit market share in Indiana. The five largest competitors in the AA include JP Morgan Chase Bank, National Association, PNC Bank, National Association, Fifth Third Bank, National Association, Old National Bank, and First Merchants Bank. These competitors' deposits total \$82.7 billion, representing 42.4 percent of total deposit market share. Flagstar's deposits within the state of Indiana represent 8.0 percent of bank-wide deposits. Home mortgage loan originations, within the bank's AAs in Indiana, account for 5.5 percent of bank wide home mortgage lending within a Flagstar AA. The bank has 32 bank branches in Indiana, which represent 20.2 percent of the bank-wide branch network.

Fort Wayne MSA

Flagstar's Fort Wayne MSA AA consists of all of Allen County. Flagstar operates 13 branches, which equals 40.6 percent of the bank's branches in Indiana. The bank has deposits totaling \$712.4 million in the Fort Wayne MSA. The bank has 7.7 percent deposit market share in the AA, which ranks fifth out of 20 institutions. The bank's deposits in the Fort Wayne MSA account for 52.0 percent of the bank's total

deposits in Indiana. According to the FDIC's June 30, 2022, Deposit Market Share report, the top five banks with the largest deposit market shares are: JP Morgan Chase Bank, National Association, Lake City Bank, Star Financial Bank, First Merchants Bank, and PNC Bank, National Association. These five banks combine for a 65.1 percent deposit market share.

Fort Wayne has a strong economy as a regional business and manufacturing center. Several large companies headquarter there including Parkview Health, General Motors, Lutheran Health Network, Steel Dynamics, Inc., and Raytheon Technologies. The area also offers a low cost of living compared to national averages. According to the BLS, the unemployment rate at the beginning of the evaluation period in January 2020 was 3.4 percent. The unemployment rate increased to 18.9 percent as of April 2020 due to the circumstances surrounding business lockdown related to the Covid-19 pandemic. At the end of the evaluation period in December 2022 the unemployment rate has dropped to 2.3 percent, which is below the statewide unemployment rate of 2.6 percent.

According to 2015 ACS demographic data, the number of housing units in the MSA was 153,860. Owner-occupied housing units and rental units represented 62.8 percent and 28.4 percent of total housing units, respectively, and 8.7 percent of total are vacant units. According to 2020 U.S. Census demographic data, the number of housing units grew by 3.6 percent to 159,424. Owner-occupied housing units and rental units represented 60.5 percent and 27.8 percent of total housing units, respectively, and 11.5 percent of total are vacant units.

In 2021, based on 2015 ACS demographic table below, low-income families earned less than \$30,341 and moderate-income families earned less than \$48,545. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$759 for low-income borrowers and \$1,214 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Fort Wayne MSA median housing value would be \$500. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, based on 2020 U.S. Census, low-income families earned less than \$35,948 and moderate-income families earned less than \$57,517. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, payment of \$899 for low-income borrowers and \$1,438 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Fort Wayne MSA median housing value would be \$759. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

To identify community needs, we used a community contact interview performed with a nonprofit organization during the evaluation period. The organization has a mission to help communities, families, and individuals remove the causes and conditions of poverty. The organization stated many LMI individuals and families in this AA financially struggle to pay all their monthly bills and to afford car maintenance. The contact further stated that 22.0 percent of children in Allen County live in poverty. The organization indicated a need for affordable housing, emergency assistance, childcare subsidies, and more reliable, cost-effective public transportation in the AA. The organization also indicated that there are opportunities for construction financing for multi-family housing rental projects and investment in small business loan pools. The contact added that participation from local banks is needed to serve on boards of directors or loan review committees of community organizations in the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Fort Wayne						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	96	12.5	25.0	36.5	22.9	3.1
Population by Geography	363,453	10.6	19.4	38.8	30.5	0.7
Housing Units by Geography	153,860	11.3	21.5	38.8	27.9	0.5
Owner-Occupied Units by Geography	96,765	6.7	15.1	42.0	36.1	0.1
Occupied Rental Units by Geography	43,771	17.8	31.6	35.1	14.4	1.2
Vacant Units by Geography	13,324	23.5	34.6	27.9	13.0	1.1
Businesses by Geography	35,497	8.5	19.4	34.1	33.7	4.4
Farms by Geography	1,052	4.1	11.1	46.9	36.8	1.1
Family Distribution by Income Level	91,978	20.7	17.9	21.8	39.6	0.0
Household Distribution by Income Level	140,536	22.8	17.6	19.4	40.1	0.0
Median Family Income MSA - 23060 Fort Wayne, IN MSA		\$60,681	Median Housing Value			\$111,417
			Median Gross Rent			\$679
			Families Below Poverty Level			12.0%
<i>Source: 2015 ACS and 2021 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Fort Wayne MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	96	8.3	27.1	38.5	22.9	3.1
Population by Geography	385,410	6.4	22.5	36.4	34.1	0.7
Housing Units by Geography	159,424	6.8	24.3	40.0	28.4	0.6
Owner-Occupied Units by Geography	100,935	3.5	19.6	40.1	36.6	0.2
Occupied Rental Units by Geography	46,108	11.8	32.7	40.9	13.3	1.3
Vacant Units by Geography	12,381	14.8	31.3	36.3	16.8	0.8
Businesses by Geography	43,412	4.7	19.7	38.6	32.4	4.5
Farms by Geography	1,208	2.0	14.8	43.6	38.2	1.4
Family Distribution by Income Level	93,168	19.7	18.9	21.9	39.4	0.0
Household Distribution by Income Level	147,043	22.9	16.9	19.4	40.8	0.0
Median Family Income MSA - 23060 Fort Wayne, IN MSA		\$71,896	Median Housing Value			\$133,673
			Median Gross Rent			\$784
			Families Below Poverty Level			9.3%
<i>Source: 2020 U.S. Census and 2022 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>						

South Bend-Mishawaka MSA

The South Bend MSA is a single-county MSA encompassing all of St. Joseph County. Flagstar operates four branches in the county, which equals 12.5 percent of the bank's branch network in Indiana. As of June 30, 2022, the bank had \$115.3 million in deposits. The bank had a 1.9 percent deposit market share in the AA which ranked ninth out of 14 banks. The bank's deposits in the South Bend MSA account for 8.4 percent of the bank's total deposits in Indiana.

According to the FDIC's June 30, 2022, Deposit Market Share report, the top five banks with the largest deposit market shares are: First Source Bank, PNC Bank, National Association, Lake City, JP Morgan Chase Bank, National Association, and KeyBank, National Association. The top five institutions with the highest deposit market shares in the South Bend MSA combined for an 83.4 percent deposit market share.

The most recent census data reveals a population estimate of 272,234 for the county, a number which has been stable for several years. The area had a reasonable cost-of-living, with median home values significantly below national averages, but it does experience poverty at 14.3 percent which is higher than the national average of 11.3 percent. Health care, higher education, and social assistance are the largest industries for employment in the South Bend MSA.

According to the BLS, the unemployment rate at the beginning of the evaluation period in January 2020 was 4.1 percent. The unemployment rate peaked at 20.5 percent in April 2020 due to the circumstances related to business shutdowns due to the Covid-19 pandemic. The unemployment rate dropped to 3.3 percent at the end of the evaluation period in December 2022. The unemployment rate in the South Bend MSA in December 2022 was higher than the statewide unemployment rate of 2.6 percent.

In 2021, based on the 2015 ACS demographic table below, low-income families earned less than \$28,846 and moderate-income families earned less than \$46,154 in 2020 and 2021. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, payment of \$721 for low-income borrowers and \$1,154 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the South Bend MSA median housing value would be \$507. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, based on the 20202 U.S. Census, low-income families earned less than \$35,219 and moderate-income families earned less than \$56,350. This calculated to a maximum monthly mortgage at, 30.0 percent DTI, payment of \$880 for low-income borrowers and \$1,409 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the South Bend MSA median housing value would be \$730. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

We utilized two community contacts performed in this AA during the evaluation period. The first was an affordable housing entity of the State of Indiana. The second community contact was a nonprofit community development corporation that is committed to the stabilization and empowerment of South Bend's neighborhoods.

The organizations stated that, while there has been a recovery of employment since the Covid-19 pandemic, higher interest rates had contributed to a slowdown in the economy and many jobs are still unfilled. One of the organizations stated that the biggest challenge it faced is providing enough of a pipeline of affordable housing to serve the needs of LMI clients. The contact added that the cost of housing materials and groceries are still high in the area. These organizations indicated a need for affordable housing, eviction prevention services, homeless shelters, and services for returning citizens who were formerly incarcerated. In addition, opportunities for construction of a demo and new multi-family housing, funding for homeownership courses and financial literacy, banking services for LMI residents (brick and mortar), and investment in a new CDFI in South Bend were identified during the community contact interviews.

Table A – Demographic Information of the Assessment Area						
Assessment Area: South Bend MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	75	14.7	25.3	34.7	25.3	0.0
Population by Geography	267,246	8.9	17.9	41.8	31.3	0.0
Housing Units by Geography	115,351	10.8	18.5	45.0	25.7	0.0
Owner-Occupied Units by Geography	69,843	4.9	15.0	44.4	35.7	0.0
Occupied Rental Units by Geography	32,162	19.9	22.4	48.0	9.7	0.0
Vacant Units by Geography	13,346	19.8	27.4	40.6	12.2	0.0
Businesses by Geography	23,301	12.1	17.8	41.9	28.3	0.0
Farms by Geography	599	4.2	11.2	41.7	42.9	0.0
Family Distribution by Income Level	65,126	22.1	16.7	20.1	41.2	0.0
Household Distribution by Income Level	102,005	23.8	16.8	17.7	41.7	0.0
Median Family Income MSA - 43780 South Bend-Mishawaka, IN-MI MSA		\$57,692	Median Housing Value			\$112,830
			Median Gross Rent			\$710
			Families Below Poverty Level			13.3%
<i>Source: 2015 ACS and 2021 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: South Bend MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	82	11.0	25.6	32.9	29.3	1.2
Population by Geography	272,912	7.0	23.7	38.2	30.3	0.7
Housing Units by Geography	117,050	7.1	26.0	38.4	27.9	0.6
Owner-Occupied Units by Geography	70,887	4.1	18.5	38.9	38.1	0.4
Occupied Rental Units by Geography	33,493	11.9	38.0	37.8	11.5	0.9

Vacant Units by Geography	12,670	11.3	36.0	37.3	14.2	1.3
Businesses by Geography	27,170	6.4	25.5	35.3	32.1	0.7
Farms by Geography	677	3.8	16.4	47.3	32.1	0.4
Family Distribution by Income Level	63,705	20.4	17.2	22.0	40.4	0.0
Household Distribution by Income Level	104,380	24.8	16.4	17.8	41.0	0.0
Median Family Income MSA - 43780 South Bend-Mishawaka, IN-MI MSA		\$70,437	Median Housing Value			\$128,492
			Median Gross Rent			\$804
			Families Below Poverty Level			10.6%

Source: 2020 U.S. Census and 2022 D&B Data

Due to rounding, totals may not equal 100.0%

(*) The NA category consists of geographies that have not been assigned an income classification.

Scope of Evaluation in Indiana

We conducted full-scope reviews of the Fort Wayne MSA and South Bend MSA, all other AAs received limited-scope reviews. Combined the full-scope AAs accounted for 60.4 percent deposits and 59.3 percent of bank's home mortgage and small business loans within its AAs, in the state of Indiana. For the full scope areas, regarding all performance tests, we gave more weight to the bank's performance in the Fort Wayne MSA. We gave more weight to the Fort Wayne MSA due to it having the largest percentage of statewide deposits and loans, 52.0 and 47.2 percent respectively. When determining our overall conclusions for the Lending Test, we gave significantly more weight to home mortgage lending performance. The bank's home mortgage originations represented 86.3 percent of the total home mortgage and small business loan originations within the bank's AAs in Indiana, for the entire evaluation period. For the 2022 evaluation period, the bank did not originate or purchase enough small business loans for consideration as a primary loan product and to have performance evaluated in the Lending Test. Therefore, when evaluating performance for geographical and borrower distribution of small loans to businesses, our conclusions were based solely on performance in the 2020 through 2021 evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INDIANA

LENDING TEST

The bank's performance under the Lending Test in Indiana is rated Outstanding.

Conclusions for Areas Receiving a Full-Scope Review

Based on full-scope reviews, the bank's performance in the Fort Wayne MSA is excellent and in the South Bend MSA is good.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans* 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Elkhart MSA	93	8	0	0	101	3.5	0.0
Fort Wayne MSA	1,157	210	0	0	1,367	47.2	52.0
Indiana Non-MSA	823	118	0	0	941	32.5	35.1
Michigan City MSA	122	15	0	0	137	4.7	4.5
South Bend MSA	306	44	0	2	352	12.1	8.4

*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans* (000's) 1/1/2020 -12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Elkhart MSA	17,601	194	0	0	17,795	5.3	0.0
Fort Wayne MSA	145,128	8,509	0	0	153,637	45.9	52.0
Indiana Non-MSA	97,000	3,820	0	0	100,820	30.1	35.1
Michigan City MSA	15,352	1,708	0	0	17,060	5.1	4.5
South Bend MSA	43,592	1,939	0	185	45,716	13.6	8.4

*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

Fort Wayne MSA

Lending levels reflect excellent responsiveness to AA credit needs, primarily based on Flagstar's HMDA lending activity in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$698.0 million in deposits with a deposit market share of 8.6 percent. The bank's deposit market share ranked sixth out of 20 deposit taking institutions. Flagstar's deposit market share ranked the top 30.0 percent of all deposit taking institutions within the Fort Wayne MSA.

According to 2021 peer mortgage data, Flagstar had 2.1 percent market share of home mortgage loan origination. The bank's market share of home mortgage loan origination was weaker than its deposit market share. Flagstar ranked 13th out of 347 HMDA lenders, ranking it in the top 3.7 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations was stronger than its deposit market share ranking.

In 2021, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for the evaluation of lending activity.

South Bend MSA

Lending levels reflect excellent responsiveness to AA credit needs, primarily based on Flagstar's HMDA lending activity in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$115.0 million in deposits with a deposit market share of 2.2 percent. The bank's deposit market share ranked ninth out of 14 deposit taking institutions. Flagstar's deposit market share ranked the top 64.3 percent of all deposit taking institutions within the South Bend MSA.

According to 2021 peer mortgage data, Flagstar had 1.0 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations was weaker than its deposit market share. Flagstar ranked 24th out of 340 HMDA lenders, ranking it in the top 7.1 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations was stronger than its deposit market share ranking.

In 2021, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for the evaluation of lending activity.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AAs.

Home Mortgage Loans

Refer to Table O in the state of Indiana 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.

Fort Wayne MSA

The geographic distribution of home mortgage loans is excellent.

The geographic distribution of home mortgage loans in years 2020 and 2021 was excellent. The proportion of the bank's home mortgage loans in low-income geographies was below the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans in those geographies. The proportion of the bank's home mortgage loans in moderate-income geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies. The bank's geographical distribution of home mortgage loans in 2022 was consistent with the bank's performance in years 2020 through 2021.

South Bend MSA

The geographic distribution of home mortgage loans is excellent.

The geographic distribution of home mortgage loans in 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans in both LMI geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans in those

geographies. The bank's geographical distribution of home mortgage loans in 2022 was consistent with the bank's performance in 2020 through 2021.

Small Loans to Businesses

Refer to Table Q in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Fort Wayne MSA

The geographic distribution of small loans to businesses is excellent.

The geographic distribution of small loans to businesses in 2020 through 2021 was excellent. The proportion of the bank's small loans to businesses in both LMI geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation period.

South Bend MSA

The geographic distribution of small loans to businesses is excellent.

The geographic distribution of small loans to businesses in 2020 through 2021 was excellent. The proportion of the bank's small loans to businesses in low-income geographies was near to the percentage of businesses and exceeded the aggregate industry distribution of small loans to businesses in those geographies. The proportion of the bank's small loans to businesses in moderate-income geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation period.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Indiana 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.

Fort Wayne MSA

The borrower distribution of home mortgage loans is excellent.

The borrower distribution of home mortgage loans in 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans to both LMI borrowers exceeded the percentages of LMI families and the aggregate industry distribution of home mortgage loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was consistent with the bank's performance in 2020 through 2021.

South Bend MSA

The borrower distribution of home mortgage loans is good.

The borrower distribution of home mortgage loans in 2020 through 2021 was good. The proportion of the bank's home mortgage loans to low-income borrowers was near to the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and was below the aggregate industry distribution of loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was stronger than the bank's performance in 2020 through 2021. Stronger performance was due to a higher percentage of loans to moderate-income borrowers as compared to the aggregate industry distribution.

Small Loans to Businesses

Refer to Table R in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Fort Wayne MSA

The borrower distribution of small loans to businesses by revenue size is adequate. As discussed in the front section of this PE, we gave positive consideration for the bank's small loans to businesses given the significant volume of lending without revenue information. As a result of that positive consideration, the bank's performance in making small loans to small businesses is adequate.

The borrower distribution of small loans to businesses in 2020 through 2021 is adequate. The percentage of bank loans in 2020 through 2021 to businesses with revenues less than \$1 million was significantly below the percentage of businesses and the aggregate industry distribution of loans to those businesses. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation.

South Bend MSA

The borrower distribution of small loans to businesses by revenue size is adequate given performance context discussed in the front section of this PE.

The borrower distribution of small loans to businesses in 2020 through 2021 was adequate. In 2020 through 2021, the percentage of bank loans to businesses with revenues less than \$1 million was significantly below the percentage of businesses and the aggregate industry distribution of loans to those businesses. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation.

Community Development Lending

The institution made few, if any, CD loans within its AAs in Indiana. The bank's very limited CD lending in the state of Indiana had a negative impact on the overall Lending Test rating in Indiana. However, the negative impact does not result in a downgrade in the overall Lending Test rating of Outstanding due to the excellent responsiveness of the bank's lending and excellent geographic and borrower distributions of lending.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Fort Wayne MSA

Flagstar made few, if any, CD loans within the Fort Wayne MSA. The bank did not originate any CD loans in the Fort Wayne MSA during the evaluation period. CD lending had a negative impact on the Lending Test rating.

South Bend MSA

Flagstar originated a low-level of CD loans in the South Bend MSA during the evaluation period. CD lending had a negative impact on the Lending Test rating.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The bank demonstrated a low level of CD loans in the South Bend MSA during the evaluation period, which had a negative impact on the Lending Test performance. Flagstar originated \$185,000 in CD lending, or 0.5 percent of allocated tier one capital.

- The bank made two loans totaling \$185,000 that benefitted economic development. The bank made the loans to a business that used the funds to retain and create jobs in a low-income CT.

Broader Statewide or Regional Area

The bank extended one \$25.0 million CD loan to a healthcare fund in Indiana that provides affordable housing and assisted living services to LMI families nationwide. The funds proceeds were not used within a bank AA in Indiana.

Product Innovation and Flexibility

The institution makes limited use of innovative and/or flexible lending practices in order to serve its AAs credit needs within the state of Indiana.

The SBA PPP provided economic relief to small businesses impacted by the Covid-19 pandemic economic conditions and the subsequent business shut-downs. Flagstar originated 369 PPP loans totaling \$14.6 million within the bank's AAs in Indiana. Of these loans, 92 PPP loan originations,

totaling \$4.5 million, were in either low- or moderate-income CTs. The bank's PPP loan originations had a neutral impact on overall rating.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope review, the bank's performance under the Lending Test in the Indiana Non-MSA is consistent with the bank's overall performance under the Lending Test in the full-scope areas. Performance in the Elkhart MSA and Michigan City MSA is weaker. Weaker performance due to good performance in the Michigan City MSA, and adequate performance in the Elkhart MSA.

Refer to Tables O through R in the state of Indiana section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in Indiana is rated Low Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Fort Wayne MSA is adequate and the South Bend MSA is poor.

The institution has an adequate level of qualified CD investments and grants, not in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and community economic development needs. The institution occasionally uses, innovative and/or complex investments to support CD initiatives.

Qualified Investments 1/1/2020 – 12/31/2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Elkhart MSA	0	0	3	16	3	2.1	16	0.1	0	0
Fort Wayne MSA	1	2,000	72	7,018	73	52.1	9,018	94.3	0	0
Indiana Non-MSA	0	0	29	209	29	20.7	209	2.2	0	0
Michigan City MSA	0	0	5	30	5	3.5	30	0.3	0	0
South Bend MSA	0	0	30	285	30	21.4	285	3.0	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Fort Wayne MSA

Based on a full-scope review, the bank's performance in the Fort Wayne MSA is adequate. The bank had an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The institution occasionally makes

extensive use of innovative and/or complex investments to support CD initiatives. The current and prior period CD investments totaled \$9.0 million and represented 3.7 percent of allocated tier 1 capital. Throughout the evaluation period, the bank made one CD investment totaling 6.3 million and 71 donations and grants totaling \$718,000. Current period CD investments and grants were equivalent to 2.9 percent of allocated tier 1 capital. Current period CD investments and grant supported 60 organization/projects primarily benefitting affordable housing and community service needs in the AA.

The institution exhibits adequate responsiveness to credit and communities' economic development needs. The one CD investment made during current period focused on affordable housing through LIHTC financing, a primary community development need in the AA. The remaining CD investments were comprised of grants and donations. The following are examples of CD grants and donations made in this AA:

- During the evaluation period, the bank donated \$152,000 in down payment assistance funds to LMI mortgage applicants. The contributions help address affordable housing, a key need in the assessment area.
- In November 2020, the bank donated \$175,000 to an organization that focused on advancing economic development in the AA. The donation benefitted small business development in LMI areas.

South Bend MSA

Based on the full-scope review, the bank's performance in the South Bend MSA is poor. The bank had a poor level of qualified CD investments and grants, not in a leadership position, particularly those that are not routinely provided by private investors. The institution rarely makes use of innovative and/or complex investments to support CD initiatives. The institution made no CD investments during the evaluation period or prior period and 71 donations and grants totaling \$285,000 that represented 0.7 percent of the bank's tier 1 capital allocated to the AA. Current period donations and grant supported 29 organization/projects.

The institution exhibits poor responsiveness to credit and communities' economic development needs. The CD investments were entirely comprised of grants and donations. The following are examples of CD grants and donations made in this AA:

- During the evaluation period, the bank donated \$85,000 in down payment assistance funds to 21 LMI mortgage applicants. The contributions help address affordable housing, a key need in the assessment area.
- In November 2020, the bank donated \$100,000 to an economic development organization that works to provide tribal citizens with access to affordable capital for the purposes of small business loans.

Statewide

The bank made five CD grants totaling \$103,000 to community service and economic development organizations located throughout Indiana. These grants serve the broader statewide area that does not have a purpose, mandate, or function to serve the bank's AAs in Indiana.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Elkhart MSA is stronger than the bank's overall performance under the Investment Test in the full-scope areas. Stronger performance is due to the greater percentage of CD investments as compared to allocated tier 1 capital. Based on limited-scope reviews, the bank's performance under the Investment Test in the Indiana Non-MSA and the Michigan City MSA is weaker than the bank's overall performance under the Investment Test in the full-scope areas. Weaker performance is due to a smaller percentage of CD investments as compared to allocated tier 1 capital in the respective AAs. Performance in the limited-scope AAs had a neutral impact on the overall Investment Test rating in Indiana.

SERVICE TEST

The bank's performance under the Service Test in Indiana is rated Low Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in Fort Wayne MSA is poor and performance in the South Bend MSA is good.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Reviews:											
Fort Wayne MSA	52.0	13	40.6	0.0	15.4	61.5	23.1	6.4	22.5	36.4	34.1
South Bend MSA	8.4	4	12.5	25.0	25.0	25.0	25.0	7.0	23.7	38.2	30.3
Limited Reviews:											
Elkhart MSA	0.0	0	0.0	0.0	0.0	0.0	0.0	4.2	20.5	49.7	25.6
Indiana Non-MSA	35.1	14	43.8	0.0	35.7	57.1	7.1	0.0	10.1	68.9	21.0
Michigan City MSA	4.5	1	3.1	0.0	100.0	0.0	0.0	0.0	26.4	48.9	21.9

Fort Wayne MSA

Flagstar's branch distribution in the Fort Wayne MSA is poor. The bank's distribution of branches in low-income geographies was significantly below, and in moderate-income geographies was below, the percentage of the population living within those geographies. The bank also operates 21 deposit-taking ATMs in the AA, of which five were in moderate-income geographies. During the evaluation, there was one ATM closure in a moderate-income geography.

South Bend MSA

Flagstar’s branch distribution in the South Bend is excellent. With operating only four branches, the bank’s distribution of branches in low- and moderate-income geographies exceeded the percentage of the population living within those geographies. The bank also operates seven deposit-taking ATMs in the AA, of which one was in a low-income geography and three were in moderate-income geographies.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Elkhart MSA	0	0	0	0	0	0
Fort Wayne MSA	0	0	0	0	0	0
Indiana Non-MSA	0	0	0	0	0	0
Michigan City MSA	0	0	0	0	0	0
South Bend MSA	0	1	-1	0	0	0

Fort Wayne MSA

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Services offered and branch hours are comparable among locations regardless of the income level of the area.

South Bend MSA

To the extent changes have been made, the bank’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank closed one branch in a low-income geography due to closure of the leased office building that housed the branch.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Services offered and branch hours are comparable among locations regardless of the income level of the area.

Community Development Services

Fort Wayne MSA

Flagstar provides an adequate level of CD services.

The bank's performance in providing CD services in Fort Wayne MSA is adequate. During the evaluation period, 11 bank employees performed 23 CD activities that totaled 113 hours of service for seven organizations within the AA. The employees are involved with community service events and providing financial literacy and mentorship to the youth. Leadership was evident by six bank employees performing 27 CD activities and spending 77 hours sharing their financial expertise in leadership roles by participating on boards and committees for seven CD organizations.

Examples of CD Services in the AA include:

- A bank employee provided 38 service hours working in partnership planning activities and events with an organization located in LMI geographies with a commitment to promoting voluntarism, developing the potential of women, and improving the community through the effective action and leadership of trained volunteers. The organization's purpose is exclusively educational and charitable.
- A bank employee provided 55 service hours serving on the board of directors lending their financial expertise and assisting in establishing fund raising to an organization with a mission to provide financial assistance to low-income families for children to have recreational activities.

South Bend MSA

Flagstar provides a low level of CD services.

The bank's performance in providing CD services in South Bend MSA is poor. During the evaluation period, five bank employees performed seven CD activities that totaled nine hours of service for one organization within the AA. The bank employees provided mentorship, tutored, read to, and taught financial literacy to children of LMI adults living in low-income geographies.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Indiana Non-MSA and Michigan City MSA is stronger than the bank's performance in the full-scope AAs. Stronger performance is due to a higher proportion of bank branches in LMI CTs as compared to the percentages of the population in LMI CTs. Performance exhibits excellent branch distribution. Performance in the Elkhart MSA is consistent with performance in the full-scope areas.

Performance in the limited-scope areas had a positive impact on the Service Test rating in Indiana.

State Rating

State of Michigan

CRA rating for the State of Michigan: Satisfactory

The Lending Test is rated: Outstanding.

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs.
- The bank exhibits excellent borrower distribution of loans.
- The bank has an adequate level of CD investments.
- Service delivery systems are accessible to geographies and individuals of different income levels in the AA.
- The bank is a leader in providing CD services.

Description of Institution's Operations in Michigan

Flagstar has eight AAs in the state of Michigan: Battle Creek MSA, Detroit-Warren-Ann Arbor CSA (Detroit CSA), Grand Rapids-Kentwood MSA (Grand Rapids MSA), Jackson MSA, Kalamazoo-Portage MSA (Kalamazoo MSA), Lansing-East Lansing MSA (Lansing MSA), Michigan Non-MSA (MI Non-MSA), and Niles MSA (refer to appendix A for a list of all AAs). The AAs meet the requirement of the regulation and do not arbitrarily exclude any LMI CTs.

According to the FDIC's June 30, 2022, Deposit Market Share report, Flagstar held \$15.0 billion in deposits, ranking seventh out of 103 institutions in the state, and representing a 4.8 percent deposit market share. The five largest competitors in Michigan include JP Morgan Chase Bank, The Huntington National Bank, Comerica Bank, Bank of America, and PNC Bank. These competitors' deposits total \$210.0 billion, representing 66.9 percent of the total deposit market share. Flagstar's deposits within the state of Michigan represent 86.5 percent of the bank's total bank-wide deposits. Home mortgage lending within the Michigan AAs accounts for 57.9 percent of bank-wide home mortgage loans in Flagstar AAs. The bank has 114 bank branches in Michigan, which accounts for 72.2 percent of the bank-wide total number of branches.

Detroit CSA

The Detroit CSA consists of all of Genesee, Livingston, Macomb, Monroe, Oakland, Washtenaw, and Wayne Counties for this evaluation period. The 2015 ACS data shows 4.9 million people live in the Detroit CSA. According to Moody's Analytics, the CSA growth, sustained over the past ten years, has recently plateaued. As of the 2020 U.S Census the population of the Detroit CSA grew 2.2 percent to 5.1 million people since the 2015 ACS.

According to the FDIC 's June 30, 2022, Deposit Market Share report the five banks with the largest deposit market share are: JP Morgan Chase, National Association, Comerica Bank, Bank of America, National Association, The Huntington National Bank, and PNC Bank, National Association. The five largest bank deposit market shares total 79.8 percent.

The leading industries in the area are motor vehicle parts manufacturing, management of companies and enterprises, motor vehicle manufacturing, federal government, and local government. The largest employers in the area include General Motors Corp., Ford Motor Co., University of Michigan, Chrysler Group LLC, and Beaumont Health System. According to the Bureau of Labor Statistics, the unemployment rate at the beginning of the evaluation period in January 2020 was 2.5 percent and 3.0 percent in December 2022 at the end of the evaluation period. Unemployment hit an evaluation period peak of 14.3 percent in April 2020 due to the business shutdowns caused by the Covid-19 pandemic. The poverty rate dropped from 12.8 percent to 9.9 percent from the 2015 ACS to the 2020 U.S. Census, respectively.

According to 2015 ACS demographic data, the number of housing units in the MSA was 2,186,952. According to 2020 U.S. Census demographic data, the number of housing units was 2,210,848. This equates to 1.0 percent growth in owner-occupied housing stock compared to the 2015 ACS. According to the 2015 ACS, owner-occupied and rental units represented 60.2 percent and 27.9 percent of total housings units, respectively, and 19.6 percent of total vacant units.

In 2021, based on the 2015 ACS demographic table below, low-income families earned less than \$26,367 and moderate-income families earned less than \$42,187. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$659 for low-income borrowers and \$1,055 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Detroit CSA median housing value would be \$589. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, according to the 2020 U.S. Census, low-income families earned less than \$31,042 and moderate-income families earned less than \$49,667. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$776 for low-income borrowers and \$1,242 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Detroit CSA median housing value would be \$1,032. Based on this we concluded that home mortgages were not affordable to low-income borrowers or all moderate-income borrowers.

We utilized three OCC community contacts performed for the Detroit CSA during the evaluation period. A municipal downtown development authority that strives to promote economic development through creating an environment where small businesses can thrive. Also, a county organization that promotes economic development through community planning, workforce development, support for entrepreneurs, and overall business development. Additionally, we contacted a municipal housing authority that promotes home ownership and affordable rents for LMI people in the AA.

The two organizations that focused on economic development stated the Covid-19 pandemic was difficult on small businesses and forced some to close. That a lot of small businesses relied on Cares Act money to remain viable post-pandemic. The organizations stated there was a continued need for working capital for small businesses. Both organizations stated that finding employees was challenging.

Challenges to finding employees revolve around childcare and transportation concerns of the employee, with few viable and affordable options available to LMI working families.

The affordable housing organization noted several needs relative to housing. First off, that some LMI CT neighborhoods are underinvested in, which causes the needs for high loan-to-value loans, which are expensive. This can lead to houses needing repairs or rehabilitation in older neighborhoods for things such as roofing, plumbing, or asbestos abatement. There is an identified need for small loans or grants for repairing homes in LMI geographies. The contact also stated that there needs to be rental assistance and services to allow aging LMI seniors to receive medical care while remaining in their homes.

Detroit CSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Detroit CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,497	13.8	23.6	32.5	28.1	2.1
Population by Geography	4,968,154	10.6	21.4	35.1	32.5	0.5
Housing Units by Geography	2,186,952	12.2	23.2	34.4	29.7	0.4
Owner-Occupied Units by Geography	1,316,739	6.2	17.6	38.1	37.9	0.1
Occupied Rental Units by Geography	611,285	19.3	30.3	31.2	18.4	0.8
Vacant Units by Geography	258,928	26.5	34.6	23.1	14.8	1.1
Businesses by Geography	413,015	7.8	18.9	32.6	39.7	1.0
Farms by Geography	9,470	4.7	14.2	44.4	36.4	0.3
Family Distribution by Income Level	1,240,781	22.7	16.4	18.9	42.0	0.0
Household Distribution by Income Level	1,928,024	24.9	15.4	16.9	42.8	0.0
Median Family Income MSA - 11460 Ann Arbor, MI MSA		\$87,331	Median Housing Value			\$131,071
Median Family Income MSA - 19804 Detroit-Dearborn-Livonia, MI		\$52,733	Median Gross Rent			\$866
Median Family Income MSA - 22420 Flint, MI MSA		\$53,333	Families Below Poverty Level			12.8%
Median Family Income MSA - 33780 Monroe, MI MSA		\$67,811				
Median Family Income MSA - 47664 Warren-Troy-Farmington Hills, MI		\$76,739				
<i>Source: 2015 ACS and 2021 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Detroit CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,563	9.7	23.9	30.6	29.5	6.4
Population by Geography	5,076,317	7.9	22.8	33.4	34.4	1.5

Housing Units by Geography	2,210,848	9.3	24.6	32.9	31.8	1.5
Owner-Occupied Units by Geography	1,374,608	4.6	19.2	35.8	39.9	0.6
Occupied Rental Units by Geography	626,509	16.0	32.5	30.0	18.9	2.6
Vacant Units by Geography	209,731	20.1	36.5	22.3	17.6	3.5
Businesses by Geography	424,787	6.4	19.2	31.4	40.3	2.7
Farms by Geography	9,676	4.0	15.9	42.5	36.6	1.0
Family Distribution by Income Level	1,245,398	21.4	17.0	20.1	41.6	0.0
Household Distribution by Income Level	2,001,117	24.6	15.6	17.2	42.6	0.0
Median Family Income MSA - 11460 Ann Arbor, MI MSA	\$105,224	Median Housing Value			\$181,797	
Median Family Income MSA - 19804 Detroit-Dearborn-Livonia, MI	\$63,896	Median Gross Rent			\$988	
Median Family Income MSA - 22420 Flint, MI MSA	\$62,084	Families Below Poverty Level			9.9%	
Median Family Income MSA - 33780 Monroe, MI MSA	\$80,507					
Median Family Income MSA - 47664 Warren-Troy-Farmington Hills, MI	\$92,419					
<i>Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Jackson MSA

The Jackson MSA consist of all of Jackson County. The Jackson MSA represents a vital area of Flagstar and its history. It was in Jackson, MI, that Flagstar became a retail bank when it acquired Security Savings and transitioned from its mortgage company roots to a full-service bank.

According to the June 30, 2022, FDIC Deposit Market report, 12 financial institutions operated 34 offices in Jackson County. In Jackson County, Flagstar is the market leader with 38.8 percent deposit market share, eight offices and \$1.1 billion in deposits. Comerica Bank ranks second with a 19.4 percent deposit market share, seven offices and \$550.8 million in deposits. County National Bank ranks third with a 15.6 percent of the market share, six offices and \$442.3 million in deposits. The Huntington National Bank ranks fourth with a 12.3 percent of the market share, four offices and \$348.0 million in deposits. Fifth Third Bank, National Association ranks fifth with a 3.6 percent of market share, one office and \$103.4 million in deposits.

The Moody's Analytics report shows that the Jackson MSA's economy is struggling to build momentum as overall employment has plateaued even through manufacturing payrolls have been inching ahead. The leading industries in the area are state government, offices of physicians, architectural and engineering services, computer systems design and related services, and local government. The largest employers in the area include Allegiance Health, Consumers Energy Co., Michigan Department of Corrections, Great Lakes Caring, and Michigan Automotive Compressor. According to the U.S. Bureau of Labor Statistics, unemployment rate in Jackson MSA was 3.8 percent in January 2020 at the beginning of the evaluation period. The unemployment rate peaked in April 2020 at 22.7 percent due to business shutdown related to the Covid-19 pandemic. The unemployment rate in Jackson MSA declined throughout the evaluation

period to 4.0 percent in December 2021 and was steady at 4.0 percent in December 2022 at the end of the evaluation period.

According to 2015 ACS demographic data, the number of housing units was 69,121. Owner-occupied and rental units represented 63.1 percent and 24.6 percent of total housings units, respectively. The number of housing units remained relatively flat throughout the evaluation period. According to 2020 U.S. Census demographic data, the number of housing units in the CSA was 69,719. Owner-occupied housing and rental units represented 66.3 percent and 28.3 percent of total housing units, respectively.

In 2021, based on the 2015 ACS demographic table below, low-income families earned less than \$29,216 and moderate-income families earned less than \$46,746 in 2021. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$730 for low-income borrowers and \$1,169 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Jackson MSA median housing value would be \$505. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, according to the 2020 U.S Census demographic table below, low-income families earned less than \$33,838 and moderate-income families earned less than \$54,140. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$846 for low-income borrowers and \$1,354 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Jackson MSA median housing value would be \$745. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

We utilized one community contact performed during the evaluation period to identify community needs in the Jackson MSA. The organization offers community services to LMI people and youth on a nationwide basis, throughout a series of affiliated centers. The contact had concerns about economic development opportunities and employment due to the high levels of poverty and the inability of people to attain a job paying a living wage. The contact stated affordable housing is a need and there is an issue with homes in need of repair and overcrowding in homes that lack sufficient plumbing and kitchens. The contact also stated that community services for LMI people in need of mental health care is limited, with affordable mental healthcare service providers needed.

Jackson MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Jackson MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	38	15.8	23.7	36.8	21.1	2.6
Population by Geography	159,759	9.9	19.4	47.4	20.1	3.2
Housing Units by Geography	69,121	9.8	20.7	47.0	22.5	0.0
Owner-Occupied Units by Geography	43,555	5.7	15.6	53.7	25.0	0.0
Occupied Rental Units by Geography	17,036	18.9	32.2	34.9	14.0	0.0
Vacant Units by Geography	8,530	12.7	23.9	36.7	26.7	0.0
Businesses by Geography	8,946	8.9	27.3	42.4	21.3	0.1
Farms by Geography	451	1.6	8.9	66.1	23.5	0.0

Family Distribution by Income Level	39,930	22.3	17.5	20.2	40.0	0.0
Household Distribution by Income Level	60,591	24.6	16.0	17.0	42.4	0.0
Median Family Income MSA - 27100 Jackson, MI MSA		\$58,432	Median Housing Value			\$112,449
			Median Gross Rent			\$722
			Families Below Poverty Level			12.9%
<i>Source: 2015 ACS and 2021 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Jackson MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	46	6.5	30.4	32.6	26.1	4.3
Population by Geography	160,366	4.1	27.5	38.6	25.2	4.6
Housing Units by Geography	69,719	4.6	29.4	38.5	26.3	1.2
Owner-Occupied Units by Geography	46,231	1.8	23.5	43.0	31.7	0.1
Occupied Rental Units by Geography	15,985	11.3	48.0	29.0	8.3	3.4
Vacant Units by Geography	7,503	7.6	26.0	31.3	31.4	3.6
Businesses by Geography	8,969	2.8	30.3	36.7	24.1	6.0
Farms by Geography	446	0.4	12.8	54.5	32.1	0.2
Family Distribution by Income Level	39,908	18.7	19.0	20.9	41.3	0.0
Household Distribution by Income Level	62,216	22.7	16.9	18.4	42.0	0.0
Median Family Income MSA - 27100 Jackson, MI MSA		\$67,657	Median Housing Value			\$131,185
			Median Gross Rent			\$783
			Families Below Poverty Level			8.6%
<i>Source: 2020 U.S. Census and 2022 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>						

Scope of Evaluation in Michigan

We conducted full-scope reviews of the Detroit CSA and Jackson MSA AAs with all other AAs receiving limited-scope reviews. Combined, the full-scope AAs accounted for 90.8 percent of deposits and 77.7 percent of the bank's home mortgage and small business loans within the bank's AAs in Michigan. For the full scope areas, regarding all performance tests, we gave more weight to the bank's performance in the Detroit CSA. We gave more weight to the Detroit CSA due to it having the highest percentage of statewide deposits and loans, 83.5 and 73.5 percent, respectively. The Detroit CSA is home to the bank's headquarters and has the largest percentage of branches in the state, with 60.5 percent. When evaluating the overall performance for the Lending Test, we gave significantly more weight to the bank's home mortgage performance. The bank's home mortgage originations represented 92.1 percent of total home mortgage and small business loans originated in the bank's AAs in Michigan, for the entire evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MICHIGAN

LENDING TEST

The bank's performance under the Lending Test in Michigan is rated Outstanding.

Conclusions for Areas Receiving a Full-Scope Review

Based on full-scope reviews, the bank's performance in the Detroit CSA is excellent and performance in the Jackson MSA is good.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans* 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Battle Creek MSA	278	10	0	1	289	1.0	0.2
Detroit CSA	19,349	1,676	0	35	21,060	73.5	83.5
Grand Rapids MSA	1,715	134	0	3	1,852	6.5	2.1
Jackson MSA	1,035	154	0	8	1,197	4.2	7.3
Kalamazoo MSA	430	16	0	1	447	1.6	0.4
Lansing MSA	2,101	92	0	0	2,193	7.7	1.4
Michigan Non-MSA	1,161	141	0	1	1,303	4.5	4.8
Niles MSA	312	11	0	0	323	1.1	0.2

*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans* (000's) 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Battle Creek MSA	35,620	967	0	1,500	38,087	0.7	0.2
Detroit CSA	3,966,397	205,061	0	104,711	4,276,169	77.8	83.5
Grand Rapids MSA	344,462	14,335	0	30,900	389,697	7.1	2.1
Jackson MSA	144,867	11,341	0	2,096	158,304	2.9	7.3
Kalamazoo MSA	76,502	1,324	0	5,430	83,256	1.5	0.4
Lansing MSA	331,786	7,942	0	0	339,728	6.2	1.4

Michigan Non-MSA	145,506	5,890	0	9,075	160,471	2.9	4.8
Niles MSA	48,791	249	0	0	49,040	0.9	0.2

*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

Detroit CSA

Lending levels reflect excellent responsiveness to AA credit needs, primarily based on Flagstar's HMDA lending activity in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$15.0 billion in deposits with a deposit market share of 6.9 percent. The bank's deposit market share ranked sixth out of 46 deposit taking institutions. Flagstar's deposit market share ranked the top 13.0 percent of all deposit taking institutions within the Detroit CSA.

According to 2021 peer mortgage data, Flagstar had 2.7 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations was weaker than its deposit market share. Flagstar ranked fifth out of 731 HMDA lenders, ranking it in the top 0.7 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations and its ranking relative to the level of competition were both stronger than its deposit market share ranking and its ranking relative to competition.

According to 2021 peer small business data, Flagstar had 0.1 percent market share of small business loan originations. The bank's market share of small business loan originations was weaker than its deposit market share. Flagstar ranked 56th out of 242 small business loan lenders, ranking it in the top 23.1 percent of all small business loan lenders in the AA. The bank's market share ranking of small business loan originations was weaker than its deposit market share ranking.

Jackson MSA

Lending levels reflect good responsiveness to AA credit needs, primarily based on Flagstar's HMDA lending activity in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$1.2 billion in deposits with a deposit market share of 41.0 percent. The bank's deposit market share ranked first out of 12 deposit taking institutions. Flagstar's deposit market share ranked the top 8.3 percent of all deposit taking institutions within the Jackson MSA.

According to 2021 peer mortgage data, Flagstar had 5.2 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations was weaker than its deposit market share. Flagstar ranked second out of 296 HMDA lenders, ranking it in the top 0.7 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations was near to its deposit market share ranking and was stronger than its deposit market share ranking compared to competition.

In 2021, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for the evaluation of lending activity.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AAs.

Home Mortgage Loans

Refer to Table O in the state of Michigan 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.

Detroit CSA

The geographic distribution of home mortgage loans is good.

The geographic distribution of home mortgage loans in 2020 through 2021 was good. The proportion of the bank's home mortgage loans in low-income geographies was significantly below the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans in those geographies. The proportion of the bank's home mortgage loans in moderate-income geographies was below the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans to those geographies. The bank's geographical distribution of home mortgage loans in 2022 was stronger than the bank's performance in 2020 through 2021. Stronger performance was due to a higher percentage of home mortgage loans in both LMI CTs as compared to the percentage of owner-occupied housing. Performance in 2022 was excellent and had a neutral impact on the conclusion.

Jackson MSA

The geographic distribution of home mortgage loans is good.

The geographic distribution of home mortgage loans in 2020 through 2021 was adequate. The proportion of the bank's home mortgage loans in low-income geographies was significantly below the percentage of owner-occupied housing and well below the aggregate industry distribution of home mortgage loans in those geographies. The proportion of the bank's home mortgage loans in moderate-income geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies. The bank's geographical distribution of home mortgage loans in 2022 was stronger than the bank's performance in 2020 through 2021 and it had a positive impact on overall rating. Stronger performance was due to a higher percentage of loans in low-income census tracts. The proportion of the bank's home mortgage loans in low-income geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans in those geographies. Performance in 2022 was excellent and had a positive impact on the conclusion.

Small Loans to Businesses

Refer to Table Q in the state of Michigan section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Detroit CSA

The geographic distribution of small loans to businesses is excellent.

The geographic distribution of small loans to businesses in 2020 through 2021 was excellent. The proportion of the bank's small loans to businesses in low-income geographies approximated the percentage of businesses and exceeded the aggregate industry distribution of small loans to businesses in those geographies. The proportion of the bank's small loans to businesses in moderate-income geographies was near to the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies. The bank's geographical distribution of small loans to businesses in 2022 was consistent with the bank's performance in 2020 through 2021.

Jackson MSA

The geographic distribution of small loans to businesses is good.

The geographic distribution of small loans to businesses in 2020 through 2021 was good. The proportion of the bank's small loans to businesses in low-income geographies was below the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies. The proportion of the bank's small loans to businesses in moderate-income geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation period.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits excellent distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Michigan 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.

Detroit CSA

The borrower distribution of home mortgage loans is excellent.

The borrower distribution of home mortgage loans in 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans to low-income borrowers was below the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate industry distribution of loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was consistent with the bank's performance in 2020 through 2021.

Jackson MSA

The borrower distribution of home mortgage loans is good.

The borrower distribution of home mortgage loans in 2020 through 2021 was good. The proportion of the bank's home mortgage loans to low-income borrowers was well below the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate industry distribution of loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was stronger than the bank's performance in 2020 through 2021. Stronger performance was due to a higher percentage of loans to low-income families and had a neutral impact on the conclusion.

Small Loans to Businesses

Refer to Table R in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Detroit CSA

The borrower distribution of small loans to businesses by revenue size is adequate. As discussed in the front section of this PE, we gave positive consideration for the bank's small loans to businesses given the significant volume of lending without revenue information. As a result of that positive consideration, the bank's performance in making small loans to small businesses is adequate.

The borrower distribution of small loans to businesses in 2020 through 2021 is adequate. The percentage of bank loans in 2020 through 2021 to businesses with revenues less than \$1 million was significantly below the percentage of businesses and the aggregate industry distribution of loans to those businesses. The borrower distribution of small loans to businesses with revenues less than \$1 million in 2022 was consistent with the bank's performance in 2020 through 2021.

Jackson MSA

The borrower distribution of small loans to business by revenue size is adequate. As discussed in the front section of this PE, we gave positive consideration for the bank's small loans to businesses given the significant volume of lending without revenue information. As a result of that positive consideration, the bank's performance in making small loans to small businesses is adequate.

The borrower distribution of small loans to businesses in 2020 through 2021 is adequate. The percentage of bank loans in 2020 through 2021 to businesses with revenues less than \$1 million was significantly below the percentage of businesses and the aggregate industry distribution of loans to those businesses. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation period.

Community Development Lending

The institution has made an adequate level of CD loans. CD lending had a neutral impact on the Lending Test rating.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Detroit CSA

The volume of CD lending was adequate and had a neutral impact on the Lending Test performance in the Detroit CSA. During the evaluation period, Flagstar originated 25 CD loans totaling \$104.7 million or 2.4 percent of allocated tier 1 capital. The CD loans were responsive to affordable housing and revitalization and stabilization efforts in LMI geographies.

The following are examples of CD loans in the AA:

- The bank originated a \$33.9 million loan to fund a 154-unit mixed-income housing community. LIHTC funding is being utilized and 65 of the units are rent restricted for households with incomes at or below 60.0 percent of area median income.
- The bank facilitated a \$23.0 million real estate mortgage draw to build 151 units of affordable housing involving LIHTC funding and the Michigan State Housing Development Authority.
- The bank extended a \$6.4 million loan to a construction project management entity to finance the creation of a modular housing factory in the Detroit CSA area that will create new jobs, and eventually, more housing affordable to LMI individuals.
- The bank made 10 PPP loans, totaling \$1.4 million, that also qualified as CD loans. The loans were made to non-profits providing community services to LMI people in the AA.

Jackson MSA

The volume of CD lending was poor and had a neutral impact on the Lending Test performance in the Jackson MSA. During the evaluation period, the bank originated eight CD loans totaling \$2.1 million, which is equivalent to 0.6 percent of allocated tier 1 capital. The CD loans were responsive to community services targeted to LMI individuals.

- Flagstar originated a \$650,000 real estate mortgage to a nonprofit organization located in a moderate-income community, that provides essential community services to LMI families within the MSA. Community services include a breakout drug education program that provides drug abuse prevention skills to middle and high school students throughout Jackson County, and programs for youth that are first-time court-referred minor offenders.
- Flagstar extended a \$250,000 line of credit to a nonprofit organization located in a moderate-income community, that provides essential community services to LMI families within the MSA that includes substance abuse counselling.
- The bank made six PPP loans totaling \$1.2 million that also qualified as CD loans. The loans were made to non-profits providing community services to LMI people in the AA.

Product Innovation and Flexibility

The institution uses of innovative and/or flexible lending practices in order to serve AA credit needs.

The SBA PPP provided economic relief to small businesses impacted by the Covid-19 pandemic and subsequent business shut-downs. Flagstar originated 1,917 PPP loans totaling \$139.4 million within the bank's AAs in Michigan. Of these, 441 PPP loan originations, totaling \$32.8 million, were in either a low-or moderate-income CT.

Conclusions for Areas Receiving a Limited-Scope Review

Based on limited-scope reviews, the bank's performance under the Lending Test in the Battle Creek MSA, Grand Rapids MSA, Kalamazoo MSA, and Lansing MSA is consistent with the bank's overall performance under the Lending Test in the full-scope areas. Performance in the Niles MSA is weaker than the full-scope areas. Weaker performance is due to good performance in geographical and borrower distribution of loans. Performance in the limited-scope AAs had a neutral impact on the Lending Test rating in Michigan.

Refer to Tables O through R in the state of Michigan section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in Michigan is rated Low Satisfactory.

Conclusions for Areas Receiving a Full-Scope Review

Based on full-scope reviews, the bank's performance in the Detroit CSA and Jackson MSA is adequate.

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and community economic development needs. The institution occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments 1/1/2020 – 12/31/2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Battle Creek MSA	0	0	7	43	7	1.0	43	0.0	0	0
Detroit CSA	2	10,700	517	72,581	519	74.2	83,281	60.3	0	0
Grand Rapids MSA	2	3,500	30	31,683	32	4.0	35,183	25.5	0	0
Jackson MSA	2	12,271	34	334	36	5.0	12,605	9.1	0	0
Kalamazoo MSA	0	0	8	2,682	8	1.1	2,682	2.0	0	0
Lansing MSA	0	0	53	1,895	53	7.5	1,895	1.4	0	0
Michigan Non-MSA	0	0	33	2,246	33	4.7	2,246	1.6	0	0
Niles MSA	0	0	18	98	18	2.5	98	0.1	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Detroit CSA

Based on the full-scope review, the bank's performance in the Detroit CSA is adequate. The bank had an adequate level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The institution made significant use of innovative and/or complex investments to support CD initiatives. The current and prior period CD investments totaled \$83.3 million and represented 1.9 percent of allocated tier 1 capital. Throughout the evaluation period, the bank made 14 CD investments totaling 63.3 million and 503 donations and grants totaling \$9.2 million. Current period CD investments and grants were equivalent to 1.7 percent of allocated tier 1 capital. Current period CD investments and grants supported 618 organization or projects. CD grants provided a significant amount of funding to a variety of entities providing valuable community services and demonstrated the bank's leadership and commitment to its community.

The institution exhibits adequate responsiveness to credit and communities' economic development needs. The majority of current period CD investments, 92.0 percent of the bank's overall CD investment dollars focused on affordable housing through LIHTC financing. The bank investments in LIHTCs demonstrate complexity and are responsive to identified community needs related to affordable housing. Additionally, 7.0 percent of CD investments focused on economic development through new market tax credit financing. The remaining CD investments benefitted minority owned deposit institutions. The following are examples of some CD investments and grants:

- The bank made an investment totaling \$6.5 million in a \$10.0 million LIHTC project. The bank's proceeds benefitted a project that provided 234 affordable housing units to the AA. The property was located within a low-income CT.
- The bank made nine additional CD investments in LIHTCs totaling \$51.6 million. These CD investments targeted the creation of affordable housing for LMI families throughout the Detroit CSA. These investments demonstrate complexity through the bank's responsiveness to the development of large affordable housing projects.

- In 2022, the bank donated \$987,000 in down payment assistance funds to LMI mortgage applicants. The contributions help address affordable housing, a key need in the assessment area.

Jackson MSA

Based on the full-scope review, the bank's performance in the Jackson MSA is adequate. The bank had an adequate level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are routinely provided by private investors. The institution occasionally uses innovative and/or complex investments to support CD initiatives. The current and prior period CD investments totaled \$12.6 million and represented 3.3 percent of the bank's allocated tier 1 capital. Throughout the current evaluation period, the bank made 0 CD investments and 34 donations and grants totaling \$334,000. Current period CD grants were equivalent to 0.1 percent of allocated tier 1 capital. Current period CD investments and grants supported 32 organization. The AA had the ongoing benefit of two prior period CD investments totaling \$12.3 million.

The institution exhibits adequate responsiveness to credit and communities' economic development needs. Prior period CD investments, representing 97.3 percent of the bank's overall CD investment dollars in the AA focused on affordable housing through LIHTC financing, a primary community development need in the AA. The remaining CD investments were in the form of grants and donations benefitting organizations and LMI persons in the AA. The following are examples of CD grants and donations made in this AA.

- In 2022, the bank donated \$65,000 in down payment assistance funds to LMI mortgage applicants. The contributions help address affordable housing, a key need in the assessment area.
- In May 2021, the bank donated \$75,000 to an organization that focused on performing community service in the AA. The donation benefitted the expansion of an existing building where the organization provides community services including mentoring to LMI youth.

Statewide

The bank made three qualified CD investments including two LIHTCs and one NMTC totaling \$11.3 million. These investments serve the broader statewide area and do not have a purpose, mandate, or function to serve the bank's AA. Statewide CD investments had a neutral impact on the Investment Test rating in Michigan.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Lansing MSA is consistent the bank's overall performance under the Investment Test in the full-scope areas.

Based on limited-scope reviews, the bank's performance under the Investment Test in the Grand Rapids MSA and Kalamazoo MSA is stronger than the bank's overall performance under the Investment Test in the full-scope areas. Stronger performance is due to the greater percentage of CD investments as compared to allocated tier 1 capital in the respective AAs.

Based on limited-scope reviews, the bank's performance under the Investment Test in the Battle Creek MSA, Michigan Non-MSA, and Niles MSA are weaker than the bank's overall performance under the

Investment Test in the full-scope areas. Weaker performance is due to a smaller percentage of CD investments as compared to allocated tier 1 capital in the respective AAs.

Performance in the limited-scope AAs had a neutral impact on the overall Investment Test rating in Michigan.

SERVICE TEST

The bank’s performance under the Service Test in Michigan is rated High Satisfactory.

Conclusions for Areas Receiving a Full-Scope Review

Based on full-scope reviews, the bank’s performance in the Detroit CSA and the Jackson MSA is good.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System													
Assessment Area	Deposits	Branches							Population				
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)					% of Population within Each Geography*				
				Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	
Full Reviews:													
Detroit CSA*	83.5	69	60.5	4.3	17.4	31.9	42.0	4.3	7.9	22.8	33.4	34.4	
Jackson MSA*	7.3	8	7.0	0.0	25.0	37.5	25.0	12.5	4.1	27.5	38.6	25.2	
Limited Reviews:													
Battle Creek MSA	0.2	1	0.9	0.0	0.0	0.0	100.0	0.0	5.5	30.0	38.2	26.4	
Grand Rapids MSA	2.1	10	8.8	0.0	10.0	70.0	20.0	0.0	4.7	16.7	47.8	29.8	
Kalamazoo MSA	0.4	2	1.8	0.0	0.0	50.0	50.0	0.0	6.3	21.5	37.6	33.3	
Lansing MSA	1.4	5	4.4	0.0	0.0	60.0	40.0	0.0	4.5	19.6	43.7	26.7	
Michigan Non-MSA	4.8	18	15.8	0.0	22.2	61.1	16.7	0.0	0.6	15.9	72.0	11.5	
Niles MSA	0.2	1	0.9	0.0	0.0	0.0	100.0	0.0	9.1	15.6	42.8	31.5	

*May not equal 100.0 percent due to NA CTs

Detroit CSA

Flagstar's branch distribution in the Detroit CSA is good. The bank's distribution of branches in low-income geographies was below, and in moderate-income geographies was near-to, the percentage of the population living within those geographies. Examiners further considered two middle branches, that data indicated served customers from LMI geographies within the AA. Consideration was given to the adjacent branches but had minimal impacted on the overall branch distribution conclusion. The bank also operates 65 deposit-taking ATMs in the AA, of which 14 were located in LMI geographies.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Services offered and branch hours are comparable among locations regardless of the income level of the area.

Jackson MSA

Flagstar's branch distribution in the Jackson MSA is adequate. The bank's distribution of branches in low-income geographies was significantly below, and in moderate-income geographies was near-to the percentage of the population living within those geographies. The bank also operates nine deposit-taking ATMs in the AA, of which two were in moderate-income geographies.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Services offered and branch hours are comparable among locations regardless of the income level of the area.

Community Development Services

The institution is a leader in providing CD services. CD services had a positive impact on Service Test rating in Michigan.

Detroit CSA

Flagstar is a leader in providing CD services.

The bank's performance in providing CD services in the Detroit MSA is excellent. During the evaluation period, 289 bank employees performed 647 CD activities that totaled 2,599 hours of service for 49 organizations within the AA. The employees are involved with organizations working to create affordable housing, provide education to children of LMI parents, and provide economic development support to the local community.

Leadership was evident by 12 bank employees performing 123 CD activities and spending 327 hours sharing their financial expertise in leadership roles by participating on boards and committees for 15 CD organizations.

Examples of CD Services in the AA include:

- Bank employees worked in partnership with a global non-profit youth organization with a purpose of providing the youth financial literacy serving LMI individuals. Bank employees dedicated 173 service hours teaching at the organizations event about basic banking functions, budgeting skills, and improving credit scores.
- A bank employee provided 26 service hours serving as a board member to a non-profit organization that raises funds for LMI individuals. The money raised at fundraising events held throughout the year is granted to people supported by CLS for opportunities such as community connections, starting or furthering their education, start-up funds for small businesses and much more. The money donated also assist LMI individuals to fund different expenses in their lives that Medicaid dollars do not cover.
- A bank employee provided eight service hours serving as a board member contracting negotiations for a free clinic organization that provides low or no cost medical services for uninsured and underinsured LMI individuals.

Jackson MSA

Flagstar is a leader in providing CD services.

The bank's performance in providing CD services in the Jackson MSA is excellent. During the evaluation period, eight bank employees performed 39 CD activities that totaled 72 hours of service for 12 organizations within the AA. The employees are involved with organizations working to provide community services and financial literacy to LMI individuals.

Leadership was evident by five bank employees performing 83 CD activities and spending 162 hours sharing their financial expertise in leadership roles by participating on boards and committees for six CD organizations.

Examples of CD Services in the AA include:

- A bank employee provided 60 service hours serving as a board member for an organization that aids in the prevention of blindness and supplying eye wear to LMI individuals.
- A bank employee provided three hours using their professional skills as a member of the board of directors on the finance committee, reviewing budgets and making recommendations, for an organization. The organization's mission is to strengthen the emotional health and functioning of LMI families through counseling, education, adoption, foster care, advocacy, adult guardian services, and program development.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Battle Creek MSA, Grand Rapids MSA, Kalamazoo MSA, Lansing MSA, Michigan Non-MSA, and Niles MSA is weaker than the bank's overall performance under the Service Test in the full-scope AAs. Weaker performance is due to a smaller percentage of branches in LMI CTs as compared to the percentage of the

population in those geographies. Weaker performance had a neutral impact on the Service Test rating in Michigan.

State Rating

State of Ohio

CRA rating for the State of Ohio: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: Needs to Improve

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs.
- The bank exhibits good geographical and excellent borrower distribution of loans.
- The bank made few if any CD loans. CD lending had a negative impact on the Lending Test rating.
- The institution has a poor level of qualified CD investments and grants.
- Service and delivery systems are reasonably accessible to geographies and individuals of different income levels.
- The bank did not provide any CD services.

Description of Institution's Operations in Ohio

Flagstar acquired one branch in Ohio from Wells Fargo in November 2018. Flagstar's Ohio Non-MSA assessment area consists of all of Van Wert County, located in western Ohio (refer to appendix A for a list of all AAs). The city of Van Wert is the county seat, with the only branch in an upper-income CT. The bank ranks sixth in deposits market share holding \$63.7 million in deposit or 8.9 percent of deposits in the AA. This AA meets the requirement of the regulation and does not arbitrarily exclude any LMI CTs.

Van Wert's population has remained relatively flat since Flagstar's 2020 CRA exam and stands at an estimated 28,769 as of the most recent census data. The area is affordable by cost-of-living metrics, with median home values less than half of the national average. While incomes are far closer to national averages, poverty is nearly 3.0 percentage points below at 6.2 percent.

According to the FDIC's June 30, 2022, Deposit Market Share report, the top five banks with the largest deposit market shares are: Citizens National Bank of Bluffton, First Financial Bank, Van Wert Federal Savings Bank, First Federal Savings, and U. S. Bank, National Association. The top five institutions combined for an 82.2 percent overall deposit market share.

The Ohio Non-MSA is primarily rural. According to the Van Wert Area Economic Development Corporation, most regional employees are in Manufacturing, Finance, Health Care and Social Assistance, Education, and Retail Trade. Large private-sector employers include Eaton Corporation, Cooper Foods, Toledo Molding & Die, Inc., and Van Wert County Hospital. Van Wert County's

unemployment rate as of September 2022 is 3.2 percent. This unemployment rate is lower than state average of 3.4 percent.

According to 2015 American Community Survey (ACS) demographic data, the number of housing units in the MSA was 12,672. Owner-occupied housing units and rental units represented 67.8 percent and 21.8 percent of total housing units, respectively, and total vacant units represent 10.4 percent of total housing units. The overall housing units remained stable throughout the evaluation period. According to 2020 U.S Census demographic data, the number of housing units in the MSA was 12,724. Owner-occupied and rental units represented 71.0 percent and 20.4 percent of total housing units, respectively, and total vacant units represented 8.51 percent of total housing units.

In 2021, based on the 2015 ACS demographic table below, low-income families earned less than \$27,893 and moderate-income families earned less than \$44,628 in 2021. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$697 for low-income borrowers and \$1,116 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner’s insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Ohio Non-MSA median housing value would be \$438. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, based on the 2020 U.S. Census demographic table below, low-income families earned less than \$33,342 and moderate-income families earned less than \$53,347. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$834 for low-income borrowers and \$1,334 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner’s insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Ohio Non-MSA median housing value would be \$633. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

We conducted a community contact interview with a nonprofit organization in the Ohio Non-MSA during the evaluation period. The organization’s function is to plan, develop, and coordinate programs and services designed to help mainly low-income people in Van Wert County become more self-sufficient. The contact stated that employment levels have recovered since pandemic and wages have increased. However, inflation is forcing some LMI clients to rely on food banks. There is a shortage of affordable housing and less housing inventory. The contact added that the homeless population has increased in the area. The contact identified a need for affordable housing, food donations, homeless shelters, housing and utility cost assistance, financial literacy program, and public transportation. The contact suggested that banks should partner with affordable housing developers to build homes in rural areas.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Ohio Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	0.0	88.9	11.1	0.0
Population by Geography	28,576	0.0	0.0	84.3	15.7	0.0
Housing Units by Geography	12,672	0.0	0.0	85.3	14.7	0.0
Owner-Occupied Units by Geography	8,594	0.0	0.0	82.2	17.8	0.0

Occupied Rental Units by Geography	2,761	0.0	0.0	92.4	7.6	0.0
Vacant Units by Geography	1,317	0.0	0.0	90.8	9.2	0.0
Businesses by Geography	1,588	0.0	0.0	84.7	15.3	0.0
Farms by Geography	232	0.0	0.0	78.0	22.0	0.0
Family Distribution by Income Level	7,851	16.5	18.1	23.9	41.5	0.0
Household Distribution by Income Level	11,355	19.1	18.0	18.8	44.0	0.0
Median Family Income Non-MSAs - OH		\$55,785	Median Housing Value			\$97,464
			Median Gross Rent			\$642
			Families Below Poverty Level			9.1%
<i>Source: 2015 ACS and 2021 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Ohio Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	33.3	66.7	0.0	0.0
Population by Geography	28,931	0.0	22.4	77.6	0.0	0.0
Housing Units by Geography	12,724	0.0	22.2	77.8	0.0	0.0
Owner-Occupied Units by Geography	9,042	0.0	17.3	82.7	0.0	0.0
Occupied Rental Units by Geography	2,598	0.0	37.7	62.3	0.0	0.0
Vacant Units by Geography	1,084	0.0	26.0	74.0	0.0	0.0
Businesses by Geography	2,388	0.0	20.6	79.4	0.0	0.0
Farms by Geography	326	0.0	6.7	93.3	0.0	0.0
Family Distribution by Income Level	8,315	13.8	22.1	24.6	39.6	0.0
Household Distribution by Income Level	11,640	19.0	15.5	22.5	43.0	0.0
Median Family Income Non-MSAs - OH		\$66,684	Median Housing Value			\$111,493
			Median Gross Rent			\$694
			Families Below Poverty Level			6.2%
<i>Source: 2020 U.S. Census and 2022 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>						

Scope of Evaluation in Ohio

We conducted a full-scope review of the Ohio Non-MSA, as it is the only AA in the state of Ohio. For the Lending Test we placed more weight on the bank's home mortgage performance. The bank's home mortgage originations represented 92.6 percent of total home mortgage and small business originations with the bank's AAs in Ohio, for the entire evaluation period.

There were no LMI census tracts in the 2020 through 2021 evaluation period and no low-income census tracts in 2022 evaluation period. Therefore, for the Lending Tests geographical distribution of home mortgage loans, our conclusion was based on the bank’s performance in moderate-income census tracts in 2022.

For the entire evaluation period, the bank did not originate or purchase enough small business loans for consideration as a primary loan product and to have performance evaluated in the Lending Test. Therefore, all conclusions in the Lending Test are based solely on home mortgage performance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OHIO

LENDING TEST

The bank’s performance under the Lending Test in Ohio is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Ohio Non-MSA is good.

Lending Activity

Lending levels reflects excellent responsiveness to AA credit needs.

Number of Loans* 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Ohio Non-MSA	63	5	0	0	68	100.0	100.0

*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans* (000’s) 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Ohio Non-MSA	5,027	350	0	0	5,377	100.0	100.0

*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$56.9 million in deposits with a deposit market share of 8.8 percent. The bank’s deposit market share ranked sixth out of eight deposit taking institutions. Flagstar’s deposit market share ranked the top 75.0 percent of all deposit taking institutions within the Ohio Non-MSA.

According to 2021 peer mortgage data, Flagstar had 3.0 percent market share of home mortgage loan originations. The bank’s market share of home mortgage loan originations was weaker than its deposit market share. Flagstar ranked 12th out of 96 HMDA lenders, ranking it in the top 12.5 percent of all HMDA lenders in the AA. The bank’s market share ranking of home mortgage loan originations relative to the number of competitor lenders was stronger than its deposit market share ranking relative to the number of depository institutions.

In 2021, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for the evaluation of lending activity.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the state of Ohio 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 geographic distribution of home mortgage loans is good.

There were no LMI geographies in 2020 through 2021, and no low-income census tracts in 2022. The analysis was based on the bank's home mortgage loans in moderate-income geographies in 2022. The proportion of the bank's home mortgage loans in moderate-income geographies approximated the percentage of owner-occupied housing and was below the aggregate industry distribution of home mortgage loans to those geographies.

Small Loans to Businesses

Refer to Table Q in the state of Ohio section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank did not originate or purchase a sufficient volume of small loans to businesses throughout the evaluation period to be considered a primary product for evaluation.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Ohio 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 borrower distribution of home mortgage loans is excellent.

The borrower distribution of home mortgage loans 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans to low-income borrowers approximated the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the

percentage of moderate-income families and the aggregate industry distribution of loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was weaker than the bank's performance in 2020 through 2021. Weaker performance was due to a lower percentage of loans to moderate-income borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers was below the percentage of moderate-income families and well below the aggregate industry distribution of loans to those borrowers. Weaker performance had a neutral impact on the conclusion.

Small Loans to Businesses

Refer to Table R in the state of Ohio section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank did not originate or purchase a sufficient volume of small loans to businesses throughout the evaluation period to be considered a primary product for evaluation.

Community Development Lending

The institution made few if any CD loans in Ohio. CD lending had a negative impact on the Lending Test rating.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Ohio Non-MSA

The bank did not originate any CD loans within the Ohio Non-MSA. CD lending had a negative impact on the Lending Test rating in the Ohio Non-MSA.

Broader Statewide or Regional Area

The bank made three statewide CD loans totaling \$43.0 million. The bank's statewide CD lending supported affordable housing projects throughout Ohio. The proceeds from these loans did not benefit the bank's AA and had a neutral impact on the bank's Lending Test rating in Ohio.

Product Innovation and Flexibility

The institution makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

The SBA PPP provided economic relief to small businesses impacted by the Covid-19 pandemic and subsequent business shut-downs. Flagstar originated four PPP loans totaling \$330,600 within the bank's AA in Ohio. No PPP loan originations were in LMI CTs. The bank's PPP loan originations had a neutral impact on overall rating.

INVESTMENT TEST

The bank's performance under the Investment Test in Ohio is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Ohio Non-MSA is poor.

The institution has a poor level of qualified CD investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits poor responsiveness to credit and community economic development needs. The institution rarely uses innovative and/or complex investments to support CD initiatives.

Qualified Investments 1/1/2020 – 12/31/2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Ohio Non-MSA	0	0	6	40	6	100.0	40	100.0	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

Based on a full-scope review, the bank’s performance in the Ohio Non-MSA is poor. Throughout the evaluation period, the bank made six CD grants totaling \$40,000. Current period CD investments and grants were equivalent to 0.2 percent of allocated tier 1 capital. Current period CD grants supported four organization that benefitted community service and economic development needs in the AA.

The following are examples of CD grants made in this AA:

- In November 2022, the bank donated \$10,000 to an economic development organization. The organization worked to promote and retain existing business and to design and implement solutions to drive investment and facilitate job creation throughout Van Wert County.
- In November 2021, the bank donated \$10,000 to a community service organization. The organization provided financial education workshops. The organization primarily serves LMI people.

Statewide

The bank made two qualified investments including one LIHTC that benefits affordable housing in the state. These investments serve the broader statewide area, but do not have a purpose, mandate, or function to serve the bank’s AA. Statewide CD investments had a neutral impact on the Investment Test rating in Ohio.

SERVICE TEST

The bank’s performance under the Service Test in Ohio is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Ohio Non-MSA is poor. The lack of any CD services reflects very poor performance in the Ohio Non-MSA and has a negative impact on the Service Test rating.

Retail Banking Services

Service delivery systems are reasonably accessible geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Ohio Non-MSA	100.0	1	100.0	0	0	100.0	0	0.0	22.4	77.6	0.0

Flagstar’s branch distribution in the Ohio Non-MSA is adequate. The bank’s distribution of branches in moderate-income geographies was significantly below the percentage of the population living within those geographies as the bank does not have any moderate-income branches. The bank has a very limited presence in the AA with only one branch in a middle-income geography representing 77.6 percent of the total population in the AA and no low-income geographies. The bank also operates one deposit-taking ATM attached to the branch and one stand-alone deposit-taking ATM both of which are located in middle-income geographies.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly to low- and moderate-income individuals.

Community Development Services

Flagstar provides few if any CD services.

The bank’s performance of providing CD services in the Ohio Non-MSA is very poor. The bank did not provide any CD services during the evaluation period. The lack of any CD services reflects very poor performance in the Ohio Non-MSA. This has a negative impact on the Service Test rating.

State Rating

State of Wisconsin

CRA rating for the State of Wisconsin: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels exhibit excellent responsiveness to community credit needs.
- The bank exhibits good geographical and borrower distribution of home mortgage loans.
- The bank made few, if any, CD loans. CD lending had a negative impact on the Lending Test rating.
- The bank has a poor level of CD investments and grants.
- Service delivery systems are readily accessible to geographies and individuals of different income levels.
- The bank provided a low level of CD services.

Description of Institution's Operations in Wisconsin

The Green Bay MSA is the bank's only AA in Wisconsin, at the end of the evaluation period (refer to appendix A for a list of all AAs). The Flagstar AA includes all of Oconto County, where it has three retail branches. The AA meets the requirements of the regulation and does not arbitrarily exclude any LMI CTs. As of June 30, 2022, the bank had \$63.6 million in deposits in Wisconsin, which accounts for 0.4 percent of the bank-wide total. Home mortgage loan originations in the AA in Wisconsin, accounted for 0.6 percent of total home mortgage loan originations by the bank. Bank branches in Wisconsin total 1.9 percent of the bank-wide totals.

According to the 2015 ACS, the Green Bay MSA had a population of 37,476. There were no low-income CTs, and 20.6 percent of the population lived in moderate-income CTs. According to the 2020 U.S. Census, the population increased 3.9 percent to 38,965 people. There were no low-income CTs, and 22.4 percent of the population lived in moderate-income CTs.

Oconto County, while part of the Green Bay MSA, is more rural and consists of farms and small communities. Agriculture and dairy farms are prevalent, as is boat building in one region of the county, while tourism is popular in another. Small business activity seems to be focused on hospitality, restaurants, and brew pubs. Outmigration of young people is a long-term problem for the county, both as worker replacement, and as consumers. According to Moody's, the Green Bay MSA labor market has slowed down and manufacturing has stopped fueling the area's job growth. Transportation and warehousing are faring better due to the Port of Green Bay. Construction jobs, however, remain unfilled due to unfilled remote work locations or low population density in the AA. Inadequate public

transportation limits the potential workforce in fulling these employment opportunities. Large private-sector employers include Humana, Inc., Bellin Health, and Oneida Tribe of Indians of Wisconsin.

According to the BLS, the unemployment rate in the Green Bay MSA at the beginning of the evaluation period in January 2020 was 3.1 percent. The unemployment rate peaked at 13.4 percent due to the business shutdowns related to the Covid-19 pandemic. The unemployment rate dropped to 2.0 percent at the end of the evaluation period in December 2022, which was slightly better than the state unemployment rate at 2.2 percent.

According to 2015 ACS demographic data, the number of housing units in the Green Bay MSA was 23,705. OOHU and rental units represented 54.6 percent and 10.7 percent of total housing units, respectively, and total vacant housing represented 34.7 percent of total housing units. According to 2020 U.S. Census demographic data, the number of housing units grew 2.6 percent to 24,344. Owner-occupied housing units and rental units represented 55.2 percent and 11.6 percent of total housing units, respectively, and total vacant units represented 33.1 percent of total housing units.

In 2021, based on the 2015 ACS demographic table below, low-income families earned less than \$33,833 and moderate-income families earned less than \$54,133 in 2020 and 2021. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$846 for low-income borrowers and \$1,353 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Green Bay MSA median housing value would be \$666. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, according to the 2020 U.S. Census low-income families earned less than \$40,935 and moderate-income families earned less than \$65,496. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$1,023 for low-income borrowers and \$1,637 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Green Bay MSA median housing value would be \$877. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

We utilized two community contacts interviews in this AA performed during the evaluation period. The first was an affordable housing entity and the second community contact was an economic development entity of the state of Wisconsin. Both contacts stated that current economic conditions are good and local unemployment rate is low but rising interest rates are beginning to affect local employers. These conditions are aggravating the housing market for both developers and home buyers. The contact also added that per a recent housing study, the city is lacking thousands of housing units, both market rate and affordable. There are not enough high-end units, so those that can afford upper-income units are renting at the lower level, displacing less affluent renters in the area. The contacts identified a need for more housing units across the market and the need for workers and the funding for worker training. In addition, more flexible sources of funding are needed to work with refugee populations.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Green Bay MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	27.3	54.5	9.1	9.1
Population by Geography	37,476	0.0	20.6	56.2	23.2	0.0
Housing Units by Geography	23,705	0.0	26.0	60.5	13.5	0.0
Owner-Occupied Units by Geography	12,951	0.0	21.3	55.8	23.0	0.0
Occupied Rental Units by Geography	2,535	0.0	24.7	70.5	4.9	0.0
Vacant Units by Geography	8,219	0.0	33.8	65.0	1.3	0.0
Businesses by Geography	1,996	0.0	18.8	59.9	21.3	0.0
Farms by Geography	240	0.0	33.8	42.1	24.2	0.0
Family Distribution by Income Level	10,867	20.9	19.9	23.8	35.4	0.0
Household Distribution by Income Level	15,486	22.1	17.7	19.8	40.4	0.0
Median Family Income MSA - 24580 Green Bay, WI MSA		\$67,666	Median Housing Value			\$148,406
			Median Gross Rent			\$608
			Families Below Poverty Level			6.5%
<i>Source: 2015 ACS and 2021 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Green Bay MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	0.0	33.3	50.0	8.3	8.3
Population by Geography	38,965	0.0	30.8	55.6	13.7	0.0
Housing Units by Geography	24,344	0.0	34.3	58.3	7.3	0.0
Owner-Occupied Units by Geography	13,459	0.0	31.9	56.2	11.9	0.0
Occupied Rental Units by Geography	2,824	0.0	38.3	56.2	5.5	0.0
Vacant Units by Geography	8,061	0.0	37.0	62.6	0.5	0.0
Businesses by Geography	2,508	0.0	28.7	60.2	11.1	0.0
Farms by Geography	263	0.0	38.4	52.1	9.5	0.0
Family Distribution by Income Level	10,967	20.1	20.1	25.4	34.4	0.0
Household Distribution by Income Level	16,283	23.6	16.3	20.7	39.4	0.0
Median Family Income MSA - 24580 Green Bay, WI MSA		\$81,870	Median Housing Value			\$154,407
			Median Gross Rent			\$683
			Families Below Poverty Level			5.6%
<i>Source: 2020 U.S. Census and 2022 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>						

Scope of Evaluation in Wisconsin

We conducted a full-scope review of the Green Bay MSA, which accounted for 100.0 percent deposits and 75.2 percent of bank loans in the state of Wisconsin as of December 31, 2022. The Wisconsin Non-MSA received a limited-scope review. The bank closed its branch in the Wisconsin Non-MSA and exited the AA on December 31, 2020. Performance in the Wisconsin Non-MSA will only be evaluated January 1, 2020, through December 31, 2020. For the Lending Test, we placed significantly more weight on home mortgage lending performance. The bank's home mortgage originations represented 92.2 percent of total home mortgage and small business loan originations in the bank's AAs, within Wisconsin, for the entire evaluation period.

There were no low-income census tracts throughout the evaluation period. Therefore, for the Lending Test geographical distribution of home mortgage loans, our conclusion was based on the bank's performance in moderate-income census tracts.

For the entire evaluation period, the bank did not originate or purchase enough small business loans for consideration as a primary loan product and to have performance evaluated in the Lending Test. Therefore, all conclusions in the Lending Test are based solely on home mortgage performance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WISCONSIN

LENDING TEST

The bank's performance under the Lending Test in Wisconsin is rated High Satisfactory

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Green Bay MSA is good.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans* 1/1/2020 -12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Green Bay MSA	212	18	0	0	230	75.2	100.0
Wisconsin Non-MSA**	72	4	0	0	76	24.8	0.0

*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

**Data from 1/1/2020 – 12/31/2020 only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Green Bay MSA	35,200	548	0	0	35,748	78.4	100.0

Wisconsin Non-MSA**	9,801	40	0	0	9,841	21.6	0.0
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*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

**Data from 1/1/2020 – 12/31/2020 only. No deposits as of 12/31/2022

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$57.3 million in deposits with a deposit market share of 16.5 percent. The bank’s deposit market share ranked fourth out of five deposit taking institutions. Flagstar’s deposit market share ranked the top 80.0 percent of all deposit taking institutions within the Green Bay MSA.

According to 2021 peer mortgage data, Flagstar had 3.4 percent market share of home mortgage loan originations. The bank’s market share of home mortgage loan originations was weaker than its deposit market share. Flagstar ranked seventh out of 179 HMDA lenders, ranking it in the top 3.9 percent of all HMDA lenders in the AA. The bank’s market share ranking of home mortgage loan originations relative to the number of competitors was stronger than its deposit market share ranking relative to the number of depository institutions.

In 2021, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for the evaluation of lending activity.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the state of Wisconsin 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 geographic distribution of home mortgage loans is good.

The geographic distribution of home mortgage loans in 2020 through 2021 was adequate. The proportion of the bank’s home mortgage loans in moderate-income geographies was below the percentage of owner-occupied housing and near to the aggregate industry distribution of home mortgage loans in those geographies. The bank’s geographical distribution of home mortgage loans in 2022 was stronger than the bank’s performance in 2020 through 2021 and it had a positive impact on the conclusion. Stronger performance was due to a higher percentage of loans in moderate-income census tracts. The proportion of the bank’s home mortgage loans in moderate-income geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans in those geographies and is considered excellent.

Small Loans to Businesses

Refer to Table Q in the state of Wisconsin section of appendix D for the facts and data used to evaluate the geographic distribution of the bank’s originations and purchases of small loans to businesses.

The bank did not originate or purchase a sufficient volume of small loans to businesses throughout the evaluation period to be considered a primary product for evaluation.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Wisconsin 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 borrower distribution of home mortgage loans is good.

The borrower distribution of home mortgage loans in in 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans to low-income borrowers was below the percentage of low-income families and approximated the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate industry distribution of loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was weaker than the bank's performance in 2020 through 2021 and it had a negative impact on the overall rating. Weaker performance was due to a lower percentage of loans to moderate-income borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers was below the percentage of moderate-income families and the aggregate industry distribution of loans to those borrowers.

Small Loans to Businesses

Refer to Table R in the state of Wisconsin section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank did not originate or purchase a sufficient volume of small loans to businesses throughout the evaluation period to be considered a primary product for evaluation.

Community Development Lending

The institution made few, if any, CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Green Bay MSA

The bank made no CD loans in the state of Wisconsin throughout the evaluation period. CD lending had a negative impact on the Lending Test rating in the Green Bay MSA.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution’s level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Product Innovation and Flexibility

The institution makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

The SBA PPP provided economic relief to small businesses impacted by the economic conditions associated with the Covid-19 pandemic and related business shut-downs. Flagstar originated 18 PPP loans totaling \$546,600 within Wisconsin. Of these 18 loans, 11 borrowers, totaling \$273,400, were in a low- to moderate-income CT. The bank’s PPP loan originations had a neutral impact on the overall rating.

Conclusions for Area Receiving Limited-Scope Review

Based on a limited-scope review, the bank’s performance under the Lending Test in the Wisconsin Non-MSA is consistent with the bank’s overall performance under the Lending Test in the full-scope area.

Refer to Tables O through R in the state of Wisconsin section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank’s performance under the Investment Test in Wisconsin is rated Needs to Improve.

Conclusions for Areas Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Green Bay MSA is poor.

The institution has a poor level of qualified CD investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits poor responsiveness to credit and community economic development needs. The institution rarely uses innovative and/or complex investments to support CD initiatives.

Qualified Investments 1/1/2020 – 12/31/2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Green Bay MSA	0	0	10	200	10	76.9	200	93.0	0	0
Wisconsin Non-MSA	0	0	3	15	3	23.1	15	7.0	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
 ** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Based on a full-scope review, the bank’s performance in the Green Bay MSA is poor. Throughout the evaluation period, the bank made 10 CD grants totaling \$200,000. Current period CD investments and grants were equivalent to 0.9 percent of allocated tier 1 capital. Current period CD grants supported 10 organization/projects. The bank’s CD grants supported organizations providing community services, economic development, and affordable housing.

The following are examples of CD grants made in this AA:

- In November 2021, the bank donated \$30,000 to an organization that supported affordable housing. The organization was in a moderate-income CT and its services primarily benefitted LMI people. The organization is a non-profit that provides homeownership counseling and down payment assistance to qualified candidates.
- In December 2022, the bank donated \$20,000 to an economic development organization. The organization provides support to small business programs by providing technical assistance to businesses with 20 or fewer employees and less than \$1 million in annual revenues.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank’s performance under the Investment Test in the Wisconsin Non-MSA is consistent with the bank’s overall performance under the Investment Test in the full-scope area.

SERVICE TEST

The bank’s performance under the Service Test in Wisconsin is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Green Bay MSA is good.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:											
Green Bay MSA	100.0	3	100.0	0.0	66.7	33.3	0.0	0.0	30.8	55.6	13.7
Limited Review:											
Wisconsin Non-MSA	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	16.9	83.1	0.0

Flagstar's branch distribution in the Green Bay MSA is excellent. With operating only three branches, the bank's distribution of branches in moderate-income geographies exceeds the percentage of the population living within those geographies. The AA had no low-income geographies. However, two of the three bank branches are in moderate-income geographies. The bank also operates three deposit-taking ATMs of which two are in moderate-income geographies.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly moderate-income geographies and/or individuals. Services offered and branch hours are comparable among locations regardless of the income level of the area.

Community Development Services

The bank provides a low level of CD services.

The bank's performance in providing CD services in Green Bay MSA is poor. During the evaluation period, two bank employees performed two CD activities that totaled four hours of service for two organizations within the AA. The bank employees provided financial education to an organization creating affordable housing to LMI individuals and board services to an organization providing community services to LMI individuals in the AA.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Service Test in the Wisconsin Non-MSA is weaker than the bank's overall performance under the Service Test in Green Bay MSA. The weaker performance in the Wisconsin non-MSA is due to no branch presence in the AA, the bank closed its only branch and exited the AA. The limited-scope review had a neutral impact on the Service Test rating.

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:	1/1/2020 – 12/31/2022	
Bank Products Reviewed:	Home mortgage, small business, CD loans, CD investments, CD services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Desert Community Bank	Flagstar brand in CA.	Home mortgage, small business, CD loans
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
California		
Riverside–San Bernadino-Ontario MSA	Full-scope	Riverside and San Bernardino Counties
Indiana		
Elkhart-Goshen MSA	Limited-scope	Elkhart County
Fort Wayne MSA	Full-scope	Allen County
Indiana Non-MSA	Limited-scope	Adams, Dekalb, Fulton, Huntington, Lagrange, Miami, Rush, Steuben, Wabash, Wells, and White Counties
Michigan City–LaPorte MSA	Limited-scope	Laporte County
South Bend-Mishawaka MSA	Full-scope	St. Joseph County
Michigan		
Battle Creek MSA	Limited-scope	Calhoun County
Detroit-Warren-Ann Arbor CSA	Full-scope	Genesee, Livingston, Macomb, Monroe, Oakland, Washtenaw, and Wayne Counties.
Grand Rapids-Kentwood MSA	Limited-scope	Kent and Ottawa Counties
Jackson MSA	Full-scope	Jackson County
Kalamazoo-Portage MSA	Limited-scope	Kalamazoo County
Lansing-East Lansing MSA	Limited-scope	Eaton and Ingham Counties
Michigan Non-MSA	Limited-scope	Branch, Delta, Dickinson, Gogebic, Hillsdale, Houghton, Iron, Marquette, Menominee, and Schoolcraft* Counties
Niles MSA	Limited-scope	Berrien County
Ohio		
Ohio Non-MSA	Full-scope	Van Wert County
Wisconsin		
Green Bay MSA	Full-scope	Oconto County
Wisconsin Non-MSA	Limited-scope	Marinette** County

*Added 1/1/2021

**Closed all branches 1/1/2021, AA removed

Appendix B: Summary of MMSA and State Ratings

RATINGS Flagstar, NA				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Flagstar, NA	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
MMSA or State:				
California	Outstanding	Outstanding	High Satisfactory	Outstanding
Indiana	Outstanding	Low Satisfactory	Low Satisfactory	Satisfactory
Michigan	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
Ohio	High Satisfactory	Needs to Improve	Needs to Improve	Satisfactory
Wisconsin	High Satisfactory	Needs to Improve	High Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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

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

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

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

Market Share: The number of loans originated and purchased by the 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.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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 loans are treated the same 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.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer 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 households in those geographies.
- Table V. Assessment Area Distribution of Consumer 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 households by income level in each MMSA/assessment area.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

California

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2020-21
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	
Riverside MSA	13,677	4,500,900	100.0	314,269	2.6	1.8	1.9	21.0	20.7	17.3	37.2	31.0	36.3	39.1	46.4	44.4	0.1	0.0	0.0	
Total	13,677	4,500,900	100.0	314,269	2.6	1.8	1.9	21.0	20.7	17.3	37.2	31.0	36.3	39.1	46.4	44.4	0.1	0.0	0.0	

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2022**

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
Riverside MSA	2,642	995,997	100.0	145,545	2.2	2.5	2.2	21.4	21.0	20.2	38.3	37.1	38.4	37.4	38.7	38.5	0.6	0.7	0.8
Total	2,642	995,997	100.0	145,545	2.2	2.5	2.2	21.4	21.0	20.2	38.3	37.1	38.4	37.4	38.7	38.5	0.6	0.7	0.8

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2020-21	
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Riverside MSA	13,677	4,500,900	100.0	314,269	23.0	1.4	3.1	16.8	7.2	9.5	18.9	15.4	20.0	41.3	37.4	45.0	0.0	38.7	22.4	
Total	13,677	4,500,900	100.0	314,269	23.0	1.4	3.1	16.8	7.2	9.5	18.9	15.4	20.0	41.3	37.4	45.0	0.0	38.7	22.4	
<i>Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%</i>																				

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Riverside MSA	2,642	995,997	100.0	145,545	21.8	2.0	4.3	17.5	7.9	9.8	19.3	14.5	20.3	41.4	31.3	45.9	0.0	44.3	19.7
Total	2,642	995,997	100.0	145,545	21.8	2.0	4.3	17.5	7.9	9.8	19.3	14.5	20.3	41.4	31.3	45.9	0.0	44.3	19.7
<i>Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%</i>																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2020-21
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Riverside MSA	375	33,409	100.0	132,675	4.2	9.6	3.5	24.8	37.3	23.8	34.5	44.3	34.4	36.4	8.8	38.3	0.1	0.0	0.1
Total	375	33,409	100.0	132,675	4.2	9.6	3.5	24.8	37.3	23.8	34.5	44.3	34.4	36.4	8.8	38.3	0.1	0.0	0.1

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography														2022
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Riverside MSA	9	2,409	100.0	2.8	0.0	23.3	44.4	37.1	33.3	36.1	22.2	0.7	0.0	
Total	9	2,409	100.0	2.8	0.0	23.3	44.4	37.1	33.3	36.1	22.2	0.7	0.0	

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2020-21	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Riverside MSA	375	33,409	100.0	132,675	89.3	1.3	46.3	3.5	1.9	7.3	96.8	
Total	375	33,409	100.0	132,675	89.3	1.3	46.3	3.5	1.9	7.3	96.8	

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Riverside MSA	9	2,409	100.0	--	90.3	33.3	--	3.0	66.7	6.6	0.0	
Total	9	2,409	100.0	--	90.3	33.3	--	3.0	66.7	6.6	0.0	

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.
 Due to rounding, totals may not equal 100.0%

Indiana

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2020-21	
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	
Elkhart MSA	66	13,131	3.9	9,517	0.4	1.5	0.3	12.3	6.1	10.4	63.7	54.5	65.1	23.7	37.9	24.2	0.0	0.0	0.0	
Fort Wayne MSA	813	101,265	48.0	22,078	6.7	5.4	2.3	15.1	21.0	13.2	42.0	38.6	39.5	36.1	34.9	44.9	0.1	0.0	0.1	
Indiana Non-MSA	530	63,223	31.3	15,597	0.0	0.0	0.0	7.1	8.1	7.7	80.1	74.2	77.5	12.7	17.7	14.8	0.0	0.0	0.0	
Michigan City MSA	87	11,568	5.1	5,355	2.9	3.4	2.8	20.7	19.5	21.3	30.6	29.9	32.5	45.8	47.1	43.5	0.0	0.0	0.0	
South Bend MSA	198	27,004	11.7	13,294	4.9	9.1	3.8	15.0	16.2	10.5	44.4	44.4	46.8	35.7	30.3	38.9	0.0	0.0	0.0	
Total	1,694	216,190	100.0	65,841	3.2	3.9	1.8	12.9	15.8	11.6	55.5	50.6	53.1	28.4	29.8	33.5	0.0	0.0	0.0	
<i>Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%</i>																				

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2022**

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
Elkhart MSA	27	4,470	3.3	6,645	2.3	0.0	2.4	16.9	7.4	14.9	53.5	59.3	51.7	27.3	33.3	31.0	0.0	0.0	0.0
Fort Wayne MSA	344	43,863	42.6	13,754	3.5	5.5	2.1	19.6	22.7	15.7	40.1	35.8	37.2	36.6	36.0	44.8	0.2	0.0	0.2
Indiana Non-MSA	293	33,777	36.3	11,181	0.0	0.0	0.0	9.4	16.4	9.1	68.1	61.8	66.9	22.5	21.8	23.9	0.0	0.0	0.0
Michigan City MSA	35	3,784	4.3	3,669	0.0	0.0	0.0	18.6	11.4	16.0	56.2	51.4	56.9	25.1	37.1	27.1	0.1	0.0	0.0
South Bend MSA	108	16,588	13.4	8,761	4.1	5.6	2.9	18.5	23.1	18.9	38.9	40.7	38.1	38.1	28.7	39.7	0.4	1.9	0.4
Total	807	102,482	100.0	44,010	2.1	3.1	1.6	16.0	19.5	14.6	51.2	47.3	48.8	30.5	29.9	34.9	0.1	0.2	0.1

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2020-21**

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
Elkhart MSA	66	13,131	3.9	9,517	19.0	3.0	7.0	18.1	16.7	21.7	23.4	16.7	25.6	39.5	36.4	32.2	0.0	27.3	13.4
Fort Wayne MSA	813	101,265	48.0	22,078	20.7	21.6	8.9	17.9	24.4	21.5	21.8	18.3	21.0	39.6	22.0	32.6	0.0	13.7	15.9
Indiana Non-MSA	530	63,223	31.3	15,597	17.3	14.2	7.8	18.5	23.8	19.7	23.9	22.8	22.6	40.3	27.0	34.6	0.0	12.3	15.3
Michigan City MSA	87	11,568	5.1	5,355	21.7	17.2	8.7	17.3	16.1	21.0	20.1	21.8	20.4	40.9	24.1	32.8	0.0	20.7	17.1
South Bend MSA	198	27,003	11.7	13,294	22.1	17.7	13.5	16.7	18.7	23.3	20.1	25.8	20.5	41.2	24.2	28.8	0.0	13.6	13.8
Total	1,694	216,190	100.0	65,841	19.8	17.9	9.3	17.8	22.8	21.4	22.1	20.7	21.9	40.2	24.5	32.3	0.0	14.1	15.1

Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2022**

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
Elkhart MSA	27	4,470	3.3	6,645	19.2	0.0	11.3	18.5	25.9	24.8	22.7	14.8	26.3	39.7	22.2	24.8	0.0	37.0	12.8
Fort Wayne MSA	344	43,863	42.6	13,754	19.7	23.3	11.6	18.9	29.9	23.1	22.0	17.7	22.3	39.4	18.0	29.9	0.0	11.0	13.1
Indiana Non-MSA	293	33,777	36.3	11,181	17.0	17.7	11.7	19.3	24.6	23.5	23.4	22.5	23.0	40.3	15.7	30.0	0.0	19.5	11.9
Michigan City MSA	35	3,784	4.3	3,669	21.4	8.6	11.4	16.0	37.1	22.4	23.5	22.9	21.5	39.1	17.1	28.9	0.0	14.3	15.9
South Bend MSA	108	16,588	13.4	8,761	20.4	13.9	15.3	17.2	25.9	20.9	22.0	27.8	21.4	40.4	15.7	29.8	0.0	16.7	12.7
Total	807	102,482	100.0	44,010	19.1	18.6	12.3	18.4	27.6	23.0	22.6	20.9	22.8	39.9	17.0	29.0	0.0	15.9	12.9

Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2020-21

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Elkhart MSA	8	194	2.1	3,338	1.2	0.0	1.1	16.7	0.0	13.5	62.8	50.0	66.0	19.4	50.0	19.4	0.0	0.0	0.0
Fort Wayne MSA	209	8,489	53.7	7,216	8.5	8.6	7.7	19.4	20.6	17.9	34.1	39.2	35.9	33.7	28.7	33.9	4.4	2.9	4.5
Indiana Non-MSA	113	3,422	29.0	5,430	0.0	0.0	0.0	8.2	12.4	6.8	79.7	77.9	79.7	12.1	9.7	13.4	0.0	0.0	0.0
Michigan City MSA	15	1,708	3.9	2,076	6.7	6.7	10.0	33.3	20.0	23.4	26.1	46.7	27.0	33.9	26.7	39.6	0.0	0.0	0.0
South Bend MSA	44	1,939	11.3	4,935	12.1	11.4	10.1	17.8	27.3	15.9	41.9	31.8	42.5	28.3	29.5	31.5	0.0	0.0	0.0
Total	389	15,752	100.0	22,995	6.0	6.2	5.7	17.1	18.5	14.7	50.1	50.1	51.2	25.3	23.7	27.0	1.4	1.5	1.4

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2022	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Elkhart MSA	0	0	0.0	2.8	0.0	20.1	0.0	54.1	0.0	23.0	0.0	0.0	0.0	
Fort Wayne MSA	1	20	16.7	4.8	0.0	19.7	0.0	38.6	100.0	32.4	0.0	4.5	0.0	
Indiana Non-MSA	5	398	83.3	0.0	0.0	11.7	0.0	66.7	60.0	21.5	40.0	0.0	0.0	
Michigan City MSA	0	0	0.0	0.0	0.0	28.1	0.0	49.2	0.0	22.5	0.0	0.2	0.0	
South Bend MSA	0	0	0.0	6.4	0.0	25.5	0.0	35.3	0.0	32.1	0.0	0.7	0.0	
Total	6	418	100.0	3.4	0.0	19.8	0.0	47.4	66.7	27.7	33.3	1.7	0.0	
<i>Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data Due to rounding, totals may not equal 100.0%</i>														

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2020-21	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Elkhart MSA	8	194	2.1	3,338	83.6	0.0	40.8	6.2	0.0	10.3	100.0	
Fort Wayne MSA	209	8,489	53.7	7,216	85.9	3.8	46.2	4.6	0.5	9.5	95.7	
Indiana Non-MSA	113	3,422	29.0	5,430	84.3	3.5	46.8	4.4	0.0	11.3	96.5	
Michigan City MSA	15	1,708	3.9	2,076	84.8	0.0	50.4	4.1	0.0	11.1	100.0	
South Bend MSA	44	1,939	11.3	4,935	85.2	9.1	46.0	4.3	0.0	10.5	90.9	
Total	389	15,752	100.0	22,995	84.9	4.1	45.9	4.7	0.3	10.4	95.6	
<i>Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data Due to rounding, totals may not equal 100.0%</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2022
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Elkhart MSA	--	--	--	--	85.4	--	--	5.4	--	9.2	--	
Fort Wayne MSA	1	20	16.7	--	88.4	100.0	--	3.6	0.0	8.0	0.0	
Indiana Non-MSA	5	398	83.3	--	86.2	100.0	--	3.8	0.0	10.0	0.0	
Michigan City MSA	--	--	--	--	86.7	--	--	3.5	--	9.8	--	
South Bend MSA	--	--	--	--	87.3	--	--	3.5	--	9.2	--	
Total	6	418	100.0	--	87.1	100.0	--	3.9	0.0	9.0	0.0	

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0%*

Michigan

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
Battle Creek MSA	212	26,840	1.0	5,597	5.2	0.5	2.6	21.1	20.3	19.1	42.7	39.2	42.1	31.0	40.1	36.3	0.0	0.0	0.0
Detroit CSA	15,095	3,148,004	74.6	263,247	6.2	2.9	2.5	17.6	14.1	12.3	38.1	37.6	39.2	37.9	45.3	46.0	0.1	0.1	0.1
Grand Rapids MSA	1,268	226,153	6.3	58,537	2.0	1.9	2.1	12.3	13.0	12.9	53.4	53.6	51.2	32.4	31.5	33.9	0.0	0.0	0.0
Jackson MSA	757	106,715	3.7	7,462	5.7	2.0	3.2	15.6	16.6	14.9	53.7	50.6	53.1	25.0	30.8	28.7	0.0	0.0	0.0
Kalamazoo MSA	319	55,905	1.6	13,719	4.9	5.0	3.1	11.1	12.2	11.1	50.7	51.1	48.6	33.3	31.7	37.1	0.1	0.0	0.1
Lansing MSA	1,587	246,648	7.8	17,152	2.9	4.7	2.6	19.3	23.8	17.3	45.8	39.8	44.3	31.9	31.6	35.6	0.2	0.1	0.2
Michigan Non-MSA	798	102,103	3.9	10,668	0.0	0.0	0.0	11.5	13.0	10.1	71.9	67.7	70.8	16.6	19.3	19.2	0.0	0.0	0.0
Niles MSA	210	32,758	1.0	8,296	5.7	3.3	1.7	13.7	18.6	12.6	49.5	57.6	52.3	31.1	20.5	33.5	0.0	0.0	0.0
Total	20,246	3,945,125	100.0	384,678	5.1	2.9	2.4	16.4	15.0	12.6	43.4	40.9	43.1	35.0	41.3	41.9	0.1	0.0	0.1

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2022**

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
Battle Creek MSA	66	8,780	1.1	3,910	3.9	7.6	4.1	21.5	21.2	22.2	41.7	37.9	41.7	33.0	33.3	32.0	0.0	0.0	0.0
Detroit CSA	4,254	818,393	69.3	144,338	4.6	4.7	3.0	19.2	19.3	16.5	35.8	35.6	37.8	39.9	39.8	42.1	0.6	0.6	0.5
Grand Rapids MSA	447	118,309	7.3	33,640	1.9	2.9	2.4	13.1	15.4	14.2	49.5	47.4	48.9	34.4	33.6	33.6	1.1	0.7	0.9
Jackson MSA	278	38,152	4.5	4,650	1.8	2.2	1.5	23.5	26.6	24.8	43.0	38.1	43.4	31.7	33.1	30.1	0.1	0.0	0.3
Kalamazoo MSA	111	20,597	1.8	8,598	2.8	2.7	3.8	18.4	24.3	20.7	42.6	42.3	38.9	36.0	29.7	36.5	0.1	0.9	0.2
Lansing MSA	514	85,138	8.4	10,608	3.2	3.1	3.6	16.5	26.1	18.3	47.8	45.9	48.6	32.4	24.9	29.3	0.1	0.0	0.2
Michigan Non-MSA	363	43,403	5.9	7,319	0.3	0.0	0.4	13.4	17.6	13.1	75.3	74.4	74.5	11.0	8.0	11.9	0.0	0.0	0.0

Niles MSA	102	16,033	1.7	5,342	5.6	2.0	2.5	13.6	28.4	15.3	44.0	42.2	44.0	36.3	27.5	37.9	0.6	0.0	0.3
Total	6,135	1,148,803	100.0	218,405	3.8	4.0	2.9	17.9	20.1	16.6	41.0	40.0	41.7	36.7	35.5	38.4	0.6	0.5	0.5

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data
 Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2020-21**

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
Battle Creek MSA	212	26,840	1.0	5,597	21.7	8.5	6.6	17.8	23.6	20.7	19.6	27.8	23.8	40.9	32.1	36.6	0.0	8.0	12.4
Detroit CSA	15,095	3,148,003	74.6	263,247	22.7	10.5	9.2	16.4	21.1	19.6	18.9	22.7	23.2	42.0	34.5	35.3	0.0	11.3	12.8
Grand Rapids MSA	1,268	226,153	6.3	58,537	19.1	7.6	8.3	17.6	25.1	21.4	22.2	26.7	23.4	41.2	25.7	35.4	0.0	15.0	11.6
Jackson MSA	757	106,715	3.7	7,462	22.3	7.7	6.7	17.5	21.3	19.2	20.2	26.2	23.4	40.0	36.6	35.8	0.0	8.3	14.9
Kalamazoo MSA	319	55,905	1.6	13,719	20.5	14.4	10.2	16.6	27.6	21.4	20.0	22.9	23.4	42.9	24.1	34.3	0.0	11.0	10.8
Lansing MSA	1,587	246,648	7.8	17,152	22.8	13.3	9.8	17.9	30.1	22.9	20.1	24.9	23.8	39.1	26.4	31.3	0.0	5.3	12.1
Michigan Non-MSA	798	102,103	3.9	10,668	19.3	10.0	6.8	18.1	20.1	19.0	22.8	25.9	23.6	39.8	34.3	38.5	0.0	9.6	12.2
Niles MSA	210	32,759	1.0	8,296	22.6	9.5	7.9	17.0	27.1	17.6	19.4	24.8	18.6	40.9	33.8	45.6	0.0	4.8	10.2
Total	20,246	3,945,125	100.0	384,678	21.9	10.5	8.9	16.8	22.2	20.0	19.7	23.4	23.2	41.6	33.2	35.4	0.0	10.8	12.4

Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Battle Creek MSA	66	8,780	1.1	3,910	21.9	9.1	10.1	17.2	24.2	26.7	19.8	22.7	24.9	41.2	25.8	26.7	0.0	18.2	11.7
Detroit CSA	4,254	818,393	69.3	144,338	21.4	13.0	11.3	17.0	24.6	22.5	20.1	21.6	23.2	41.6	28.6	31.5	0.0	12.1	11.5
Grand Rapids MSA	447	118,309	7.3	33,640	18.0	8.1	10.4	17.9	28.0	23.4	23.2	20.1	23.0	40.9	18.1	32.8	0.0	25.7	10.5
Jackson MSA	278	38,152	4.5	4,650	18.7	22.3	16.5	19.0	27.7	26.6	20.9	19.8	22.8	41.3	19.1	23.3	0.0	11.2	10.9
Kalamazoo MSA	111	20,597	1.8	8,598	21.5	8.1	12.1	18.3	26.1	21.9	19.7	31.5	21.9	40.5	18.9	31.4	0.0	15.3	12.7
Lansing MSA	514	85,138	8.4	10,608	21.1	13.4	12.9	17.1	35.0	25.6	21.7	22.8	23.4	40.0	23.2	26.7	0.0	5.6	11.4
Michigan Non-MSA	363	43,403	5.9	7,319	18.4	12.1	8.9	19.4	28.9	23.3	23.6	23.4	22.5	38.6	28.9	35.2	0.0	6.6	10.0
Niles MSA	102	16,033	1.7	5,342	22.8	13.7	9.2	17.7	34.3	17.8	17.8	26.5	21.5	41.7	17.6	41.4	0.0	7.8	10.1
Total	6,135	1,148,803	100.0	218,405	20.7	13.0	11.2	17.3	26.3	22.8	20.7	21.9	23.1	41.2	26.6	31.6	0.0	12.2	11.3

*Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2020-21**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Battle Creek MSA	9	763	0.4	1,337	8.3	0.0	9.1	26.1	11.1	26.2	33.4	0.0	32.8	32.3	88.9	31.9	0.0	0.0	0.0
Detroit CSA	1,588	169,958	74.8	126,388	7.8	7.6	7.5	18.9	16.7	19.0	32.6	31.4	32.7	39.8	43.3	39.9	1.0	1.1	0.8
Grand Rapids MSA	125	12,330	5.9	20,067	3.4	2.4	3.6	14.3	12.8	13.5	47.6	57.6	48.4	34.8	27.2	34.6	0.0	0.0	0.0
Jackson MSA	151	10,490	7.1	1,924	8.9	6.6	9.6	27.3	34.4	27.6	42.4	33.1	40.5	21.3	25.8	22.3	0.1	0.0	0.0
Kalamazoo MSA	16	1,324	0.8	4,057	8.3	0.0	8.0	19.8	6.3	18.0	45.1	75.0	45.8	26.2	18.8	28.0	0.6	0.0	0.2
Lansing MSA	90	7,653	4.2	5,490	8.2	2.2	8.2	21.2	18.9	19.7	34.3	34.4	33.5	33.2	44.4	36.8	3.2	0.0	1.8
Michigan Non-MSA	133	4,516	6.3	4,345	0.0	0.0	0.0	16.7	18.0	13.5	64.4	51.9	64.7	18.6	30.1	21.8	0.3	0.0	0.0
Niles MSA	11	249	0.5	2,573	10.1	18.2	9.8	11.3	0.0	12.1	43.8	9.1	45.6	34.7	72.7	32.5	0.0	0.0	0.0
Total	2,123	207,308	100	166,181	7.1	6.5	7.0	18.5	17.7	18.3	36.4	34.5	36.1	37.1	40.5	38.0	0.9	0.8	0.7

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2022	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Battle Creek MSA	1	204	0.9	5.6	0.0	30.8	0.0	37.3	0.0	26.3	100.0	0.0	0.0	
Detroit CSA	88	35,103	79.3	6.4	8.0	19.2	19.3	31.4	35.2	40.3	28.4	2.7	9.1	
Grand Rapids MSA	9	2,005	8.1	2.3	0.0	16.8	0.0	45.7	33.3	34.4	55.6	0.8	11.1	
Jackson MSA	3	851	2.7	2.8	0.0	30.3	33.3	36.7	66.7	24.1	0.0	6.0	0.0	
Kalamazoo MSA	0	0	0.0	6.6	0.0	18.1	0.0	40.0	0.0	34.9	0.0	0.5	0.0	
Lansing MSA	2	289	1.8	5.8	0.0	21.7	0.0	41.5	100.0	27.2	0.0	3.9	0.0	
Michigan Non-MSA	8	1,374	7.2	0.5	0.0	18.9	37.5	67.3	62.5	13.3	0.0	0.0	0.0	
Niles MSA	0	0	0.0	9.9	0.0	13.0	0.0	39.3	0.0	37.3	0.0	0.5	0.0	
Total	111	39,826	100.0	5.7	6.3	19.2	18.9	35.5	38.7	37.3	27.9	2.3	8.1	

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2020-21	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Battle Creek MSA	9	763	0.4	1,337	79.7	11.1	46.0	6.3	0.0	14.0	88.9	
Detroit CSA	1,588	169,958	74.8	126,388	87.0	3.3	46.0	4.9	6.0	8.1	90.7	
Grand Rapids MSA	125	12,330	5.9	20,067	83.8	3.2	44.2	6.4	8.0	9.8	88.8	
Jackson MSA	151	10,490	7.1	1,924	82.4	3.3	44.6	6.3	2.0	11.4	94.7	
Kalamazoo MSA	16	1,324	0.8	4,057	82.6	31.3	47.8	6.0	0.0	11.4	68.8	
Lansing MSA	90	7,653	4.2	5,490	82.5	11.1	47.5	5.1	1.1	12.4	87.8	
Michigan Non-MSA	133	4,516	6.3	4,345	79.8	4.5	49.7	5.9	1.5	14.3	94.0	
Niles MSA	11	274	0.5	2,573	83.4	9.1	49.7	5.3	0.0	11.4	90.9	
Total	2,123	207,308	100.0	166,181	85.8	4.0	46.0	5.2	5.3	9.1	90.8	
<i>Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data Due to rounding, totals may not equal 100.0%</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Battle Creek MSA	1	204	0.9	--	79.9	100.0	--	5.9	0.0	14.2	0.0
Detroit CSA	88	35,103	79.3	--	87.2	48.9	--	4.6	51.1	8.2	0.0
Grand Rapids MSA	9	2,005	8.1	--	83.8	22.2	--	6.1	77.8	10.1	0.0
Jackson MSA	3	851	2.7	--	82.0	33.3	--	6.4	66.7	11.6	0.0
Kalamazoo MSA	--	--	--	--	82.7	--	--	5.8	--	11.5	--
Lansing MSA	2	289	1.8	--	82.7	50.0	--	4.8	50.0	12.5	0.0
Michigan Non-MSA	8	1,374	7.2	--	79.9	75.0	--	5.6	25.0	14.5	0.0
Niles MSA	--	--	--	--	83.8	--	--	4.9	--	11.3	--
Total	111	39,826	100.0	--	85.9	48.6	--	4.9	51.4	9.1	0.0

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0%

Ohio

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2020-21	
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		
Ohio Non-MSA	39	3,341	100.0	799	0.0	0.0	0.0	0.0	0.0	0.0	82.2	79.5	83.1	17.8	20.5	16.9	0.0	0.0	0.0		
Total	39	3,341	100.0	799	0.0	0.0	0.0	0.0	0.0	0.0	82.2	79.5	83.1	17.8	20.5	16.9	0.0	0.0	0.0		

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data
Due to rounding, totals may not equal 100.0%*

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2022**

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
Ohio Non-MSA	24	1,686	100.0	557	0.0	0.0	0.0	17.3	16.7	24.4	82.7	83.3	75.6	0.0	0.0	0.0	0.0	0.0	0.0
Total	24	1,686	100.0	557	0.0	0.0	0.0	17.3	16.7	24.4	82.7	83.3	75.6	0.0	0.0	0.0	0.0	0.0	0.0

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2020-21		
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Ohio Non-MSA	39	3,341	100.0	799	16.5	15.4	9.5	18.1	33.3	26.0	23.9	23.1	22.8	41.5	17.9	27.2	0.0	10.3	14.5		
Total	39	3,341	100.0	799	16.5	15.4	9.5	18.1	33.3	26.0	23.9	23.1	22.8	41.5	17.9	27.2	0.0	10.3	14.5		
<i>Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%</i>																					

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2022**

	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Ohio Non-MSA	24	1,686	100.0	557	13.8	29.2	15.3	22.1	16.7	26.4	24.6	20.8	22.1	39.6	25.0	26.0	0.0	8.3	10.2
Total	24	1,686	100.0	557	13.8	29.2	15.3	22.1	16.7	26.4	24.6	20.8	22.1	39.6	25.0	26.0	0.0	8.3	10.2

*Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2020-21	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Ohio Non-MSA	5	350	100.0	377	0.0	0.0	0.0	0.0	0.0	0.0	84.7	40.0	86.2	15.3	60.0	13.8	0.0	0.0	0.0	
Total	5	350	100.0	377	0.0	0.0	0.0	0.0	0.0	0.0	84.7	40.0	86.2	15.3	60.0	13.8	0.0	0.0	0.0	

*Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography														2022	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts			
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Ohio Non-MSA	0	0	0.0	0.0	0.0	20.6	0.0	79.4	0.0	0.0	0.0	0.0	0.0		
Total	0	0	0.0	0.0	0.0	20.6	0.0	79.4	0.0	0.0	0.0	0.0	0.0		

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2020-21
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Ohio Non-MSA	5	350	100.0	377	78.5	20.0	51.7	6.1	0.0	15.4	80.0
Total	5	350	100.0	377	78.5	20.0	51.7	6.1	0.0	15.4	80.0

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Ohio Non-MSA	--	--	--	--	85.9	--	--	3.9	--	10.2	--
Total	--	--	--	--	85.9	--	--	3.9	--	10.2	--

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.
 Due to rounding, totals may not equal 100.0%

Wisconsin

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2020-21	
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		
Green Bay MSA	180	31,206	48.4	2,553	0.0	0.0	0.0	21.3	15.0	17.0	55.8	47.2	53.8	23.0	37.8	29.2	0.0	0.0	0.0		
Wisconsin Non-MSA*	72	9,801	43.4	1,937	0.0	0.0	0.0	17.4	12.5	20.4	82.6	87.5	79.6	0.0	0.0	0.0	0.0	0.0	0.0		
Total	252	41,007	100.0	4,490	0.0	0.0	0.0	19.3	12.6	18.4	69.6	69.1	64.5	11.1	18.3	17.0	0.0	0.0	0.0		

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 *1/1/2020 - 12/31/2020 only

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2022**

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
Green Bay MSA	32	3,994	30.5	1,637	0.0	0.0	0.0	31.9	43.8	28.0	56.2	46.9	56.9	11.9	9.4	15.1	0.0	0.0	0.0
Total	32	3,994	30.5	1,637	0.0	0.0	0.0	31.9	43.8	28.0	56.2	46.9	56.9	11.9	9.4	15.1	0.0	0.0	0.0

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2020-21		
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Green Bay MSA	180	31,206	48.4	2,553	20.9	9.4	10.5	19.9	26.7	21.4	23.8	32.8	23.5	35.4	23.3	35.1	0.0	7.8	9.4		
Wisconsin Non-MSA*	72	9,801	43.4	1,937	0.0	0.0	0.0	17.4	12.5	20.4	82.6	87.5	79.6	0.0	0.0	0.0	0.0	0.0	0.0		
Total	252	41,007	100.0	4,490	20.6	11.3	9.4	21.0	30.1	21.4	24.3	24.7	23.0	34.1	28.2	35.2	0.0	5.6	11.1		
<i>Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>*1/1/2020 – 12/31/2020 only</i>																					

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022	
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Green Bay MSA	32	3,994	30.5	1,637	20.1	28.1	14.8	20.1	15.6	22.3	25.4	18.8	24.3	34.4	25.0	30.2	0.0	12.5	8.5	
Total	32	3,994	30.5	1,637	20.1	28.1	14.8	20.1	15.6	22.3	25.4	18.8	24.3	34.4	25.0	30.2	0.0	12.5	8.5	
<i>Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%</i>																				

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2020-21**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Green Bay MSA	18	548	81.8	572	0.0	0.0	0.0	18.8	66.7	15.9	59.9	33.3	47.7	21.3	0.0	36.4	0.0	0.0	0.0
Wisconsin Non-MSA*	4	40	18.2	496	0.0	0.0	0.0	13.1	0.0	13.5	86.9	100.0	86.5	0.0	0.0	0.0	0.0	0.0	0.0
Total	22	588	100.0	1,068	0.0	0.0	0.0	15.7	54.5	14.8	74.5	45.5	65.7	9.8	0.0	19.5	0.0	0.0	0.0

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 *1/1/2020 - 12/31/2020 only

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2022	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Green Bay MSA	0	0	0.0	0.0	0.0	28.7	0.0	60.2	0.0	11.1	0.0	0.0	0.0	
Total	0	0	0.0	0.0	0.0	28.7	0.0	60.2	0.0	11.1	0.0	0.0	0.0	

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2020-21	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Green Bay MSA	18	548	81.8	572	83.9	5.6	60.8	4.2	0.0	12.0	94.4	
Wisconsin Non-MSA	4	40	18.2	496	77.0	0.0	54.0	6.8	0.0	16.3	100.0	
Total	22	588	100.0	1,068	80.1	4.5	57.7	5.6	0.0	14.3	95.5	
<i>Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data Due to rounding, totals may not equal 100.0%</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Green Bay MSA	--	--	--	--	87.4	--	--	3.1	--	9.5	--
Total	--	--	--	--	87.4	--	--	3.1	--	9.5	--

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0%*

PUBLIC DISCLOSURE

September 24, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

New York Community Bank
Certificate Number: 16022

102 Duffy Avenue
Hicksville, New York 11801

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated High Satisfactory.

- Lending levels reflect good responsiveness to assessment area credit needs.
- An adequate percentage of loans are made in the bank’s assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment areas.
- The distribution of borrowers reflects adequate penetration among retail customers of different income levels.
- The bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The bank is a leader in making community development loans.

The Investment Test is rated High Satisfactory.

- The bank has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibits good responsiveness to credit and community economic development needs.
- The bank occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are reasonably accessible to essentially all portions of the bank's assessment areas.
- To the extent changes have been made, the bank's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.
- Services do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies or individuals.
- The bank provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

Background

New York Community Bank (NYCB) is a New York State-chartered savings bank established in 1859 and headquartered in Hicksville, New York. NYCB operates in five states including Arizona, Florida, New Jersey, New York, and Ohio. The bank is a wholly owned subsidiary of New York Community Bancorp (Bancorp), a bank holding company headquartered in Westbury, New York. In November 2018, NYCB merged with New York Commercial Bank, NYCB's former affiliate and a subsidiary of Bancorp.

The FDIC assigned NYCB a rating of "Satisfactory" at the prior Community Reinvestment Act (CRA) Performance Evaluation dated October 17, 2017, based on Interagency Large Institution CRA Examination Procedures.

Operations

NYCB operates 237 branch offices in Arizona, Florida, New York, New Jersey, and Ohio. The New York branches operate under the New York Community Bank name, as well as under the names Atlantic Bank, Queens County Savings Bank, Richmond County Savings Bank, Roosevelt Savings Bank, and Roslyn Savings Bank. The New Jersey branches operate under the name Garden State Community Bank. The Arizona and Florida branches operate under the name AmTrust, while the Ohio branches operate under the name Ohio Savings Bank.

NYCB offers various deposit products such as checking, money market, and savings accounts, as well as personal retirement accounts and certificates of deposit (CD). Alternative banking services include online and mobile banking, electronic bill pay, bank by mail, and access to 341 proprietary automated teller machines (ATMs).

The primary focus of NYCB's business model is multi-family lending. The bank originates a significant portion of its multi-family loans in New York and New Jersey, with rent-regulated apartment buildings as the predominant housing type. The bank also engages in multi-family lending in Arizona, Florida, and Ohio. A smaller portion of NYCB's lending is in commercial real estate and commercial and industrial lending, which includes some small business lending. In September 2017, NYCB sold its mortgage subsidiary, New York Community Bank Mortgage Company, which included a majority of the bank's 1-4 family loan portfolio. NYCB no longer originates consumer-purpose 1-4 family loans, but has periodically purchased 1-4 family loan portfolios in order to support its ongoing CRA activities.

Ability and Capacity

Based on the bank's June 30, 2020 Consolidated Report of Condition and Income (Call Report), NYCB reported total assets of \$54.2 billion, total deposits of \$31.9 billion, and total equity capital of \$7.2 billion. Loans represent the bank's primary asset, with multi-family and commercial real estate loans representing 74.6 percent and 16.3 percent of the portfolio, respectively. These lending

activities are heavily concentrated in the bank’s New York and New Jersey markets. Commercial and industrial loans make up 4.0 percent of the portfolio. The following table illustrates the institution’s loan portfolio.

Loan Portfolio Distribution as of 6/30/2020		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	126,306	0.3
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	321,045	0.8
Secured by Multifamily (5 or more) Residential Properties	31,620,151	74.6
Secured by Nonfarm Nonresidential Properties	6,932,775	16.3
Total Real Estate Loans	39,000,277	92.0
Commercial and Industrial Loans	1,678,351	4.0
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	2,471	<0.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	4,280	<0.1
Lease Financing Receivable (net of unearned income)	1,724,170	4.0
Total Loans	42,409,549	100.0
<i>Source: Call Report</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. NYCB designated the following seven assessment areas within its five rated areas:

New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA) (NY-NJ Multistate MSA): This assessment area consists of 19 contiguous counties, including 9 counties in New York and 10 counties in New Jersey. The New York portion of the assessment area includes Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester Counties. Nassau and Suffolk Counties are in the Nassau County-Suffolk County, NY Metropolitan Division (MD) (#35004). The remaining counties in New York are in the New York-Jersey City-White Plains, NY-NJ MD (#35614). The New Jersey portion of the assessment area includes Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, and Union Counties. Essex, Morris, and Union Counties are in the Newark, NJ-PA MD (#35084); Bergen, Hudson, and Passaic Counties are in the New York-Jersey City-White Plains, NY-NJ MD (#35614); and Middlesex, Monmouth, Ocean, and Somerset Counties are in the New Brunswick-Lakewood, NJ MD (#35154). Since the previous evaluation, NYCB expanded this assessment area to include Bergen, Morris, Passaic, and Somerset Counties in New Jersey, and Rockland County, New York. Notably, the four MDs within the bank’s assessment area (#35004, #35614, #35084, and #35154) compose the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA).

Cleveland-Akron-Canton, OH Combined Statistical Area (CSA) (Cleveland, OH CSA): This assessment area consists of Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit Counties, Ohio. While Cuyahoga, Geauga, Lake, Lorain and Medina Counties are in the Cleveland-Elyria, OH MSA (#17460), Portage and Summit Counties are in the Akron, OH MSA (#10420). Both MSAs are part of the larger Cleveland-Akron-Canton, OH CSA (#184).

Miami-Port St. Lucie-Fort Lauderdale, FL CSA (Southeast Florida): This assessment area consists of five contiguous counties in southeastern Florida, including Broward, Martin, Miami-Dade, Palm Beach, and St. Lucie Counties. While Martin and St. Lucie Counties are in the Port St. Lucie, FL MSA (#38940), Broward, Miami-Dade, and Palm Beach Counties are in the Miami-Fort Lauderdale-Pompano Beach, FL MSA (#33100). Both MSAs are within the Miami-Port St. Lucie-Fort Lauderdale, FL CSA (#370).

Cape Coral-Fort Myers-Naples, FL CSA (Southwest Florida): This assessment area consists of two contiguous counties, Collier and Lee Counties, in southwestern Florida. Collier County is located in the Naples-Marco Island, FL MSA (#34940), and Lee County is in the Cape Coral-Fort Myers-Naples, FL MSA (#15980). Both MSAs are within the Cape Coral-Fort Myers-Naples, FL CSA (#163).

Phoenix-Mesa-Chandler, AZ MSA (Phoenix, AZ MSA): This assessment area includes Maricopa County, Arizona, located within the Phoenix-Mesa-Chandler, AZ MSA (#38060).

Prescott Valley-Prescott, AZ MSA (Prescott, AZ MSA): This assessment area includes Yavapai County, Arizona, located in the Prescott Valley-Prescott, AZ MSA (#39150).

Trenton-Princeton, NJ MSA (Trenton, NJ MSA): This assessment area includes Mercer County, New Jersey, located in the Trenton-Princeton, NJ MSA (#45940).

Please refer to the Description of Institution's Operations section within each individual assessment area for more detail regarding those areas.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated October 17, 2017, to the current evaluation dated September 24, 2020. Examiners used the Interagency Large Institution CRA Examination Procedures to evaluate NYCB's CRA performance. These procedures include the Lending, Investment, and Service Tests (see Appendices for complete descriptions). Examiners weighted performance under the Lending Test more heavily than performance under the Investment and Service Tests when arriving at the overall rating.

Examiners conducted a full-scope review of the bank's performance in each of its assessment areas. The NY-NJ Multistate assessment area received the greatest weight when determining the overall rating, as this area accounted for a majority of the bank's loans, deposits, and branch office locations.

NYCB elected to include for consideration in this evaluation the multi-family and small business loans originated by its former affiliate, New York Commercial Bank. Although CRA examination procedures prohibit the consideration of affiliate lending in the Assessment Area Concentration criterion, this evaluation includes the affiliate loans in the Geographic Distribution and Borrower Profile performance criteria.

Activities Reviewed

Examiners reviewed NYCB's multi-family, 1-4 family, and small business loans to assess its lending performance, as these loans represent the bank's major product lines based on its business strategy and the number and dollar volume of loans originated or purchased during the evaluation period. NYCB did not originate any farm loans during the review period; therefore, the evaluation does not include small farm loan data.

Examiners reviewed the bank's multi-family loans for 2017, 2018, and 2019, using data reported pursuant to the Home Mortgage Disclosure Act (HMDA). During the review period, the bank's multi-family HMDA activity included 233 loans totaling \$2.1 billion in 2017; 894 loans totaling \$6 billion in 2018; and 764 loans totaling \$5.7 billion in 2019. While examiners analyzed multi-family lending for all three years, the evaluation only presents the 2018 and 2019 data under the Geographic Distribution criterion, as the lending performance in 2017 was consistent with 2018 and 2019. Examiners compared the bank's multi-family HMDA lending to the 2018 and 2019 aggregate HMDA data and to the U.S. Census Bureau's 2015 American Community Survey (ACS) data.

Examiners also reviewed the bank's multi-family New York Modification, Extension, and Consolidation Agreements (MECAs) for 2017. (New York MECAs are essentially refinance transactions where the original loan is not satisfied, but is instead consolidated and modified into a new loan under New York Tax Law Section 255.) In 2017, NYCB originated 590 multi-family MECAs totaling \$4 billion. Effective January 1, 2018, New York MECAs became HMDA-reportable and, as a result, are included in the 2018 and 2019 HMDA data. Since MECAs were not HMDA-reportable for 2017, examiners presented the data separately under the Assessment Area Concentration criterion.

Examiners also analyzed the bank's HMDA-reportable 1-4 family loans for 2017, 2018, and 2019. NYCB's 1-4 family HMDA activity included 6,422 loans totaling \$1.8 billion in 2017; 13 loans totaling \$24.5 million in 2018; and 512 loans totaling \$97.6 million in 2019. Examiners used the 2017, 2018, and 2019 aggregate data and the 2015 ACS data for comparison purposes.

Examiners also analyzed NYCB's small business lending activity for 2017, 2018, and 2019. The bank reported 86 small business loans totaling \$35 million in 2017; 132 small business loans totaling \$63.6 million in 2018; and 229 small business loans totaling \$102.6 million in 2019. While examiners analyzed small business lending data for all three years, the evaluation only presents the 2018 and 2019 data under the Geographic Distribution and Borrower Profile performance criteria, as lending performance in 2017 was consistent with 2018 and 2019. Examiners reviewed 2018 aggregate data and D&B demographic data for comparison purposes.

For the Lending Test, examiners placed greater weight on NYCB's multi-family lending in evaluating its performance in its NY-NJ Multistate MSA assessment area, as the bank originated a greater number and dollar volume of multi-family loans compared to 1-4 family loans and small business loans. Examiners placed greater or equal weight on NYCB's 1-4 family lending in the remaining assessment areas, as the bank originated a comparatively lower number of multi-family loans in those areas. Additionally, while this evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals or businesses served.

The evaluation of the bank's community development loans, investments, and services includes all qualified activities since the prior evaluation to the current evaluation date of September 24, 2020. The Investment Test includes investments and grants made during the current evaluation period, and the current book value of any qualified investments outstanding from the prior evaluation.

Other Information

The FDIC received one comment letter regarding NYCB's CRA performance from a New York City-based affordable housing organization. Examiners considered the information provided by the organization in the analysis and performance conclusions. For additional information, please refer to the comment letter, which is maintained in NYCB's CRA public file.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

NYCB's overall Lending Test performance is rated "High Satisfactory." The bank's good performance in the Lending Activity, Geographic Distribution, and Innovative or Flexible Lending Practices criteria, and its outstanding performance in the Community Development Lending criterion supports this rating. NYCB's overall Lending Test performance was consistent with the conclusions for the NY-NJ Multistate MSA and Arizona rated areas, but differed from the Ohio, Florida, and New Jersey rated areas. The bank's performance in its NY-NJ Multistate MSA rated area contributed the most weight when arriving at conclusions for each performance criteria in the Lending Test.

This section presents NYCB's Lending Test performance at the institution level. Refer to the separate assessment area sections for details regarding the bank's performance in those specific areas.

Lending Activity

NYCB's lending levels reflect good responsiveness to assessment area credit needs. The bank's lending activity in the NY-NJ Multistate MSA assessment area contributed the greatest weight to this conclusion.

NYCB's assets consist primarily of loans. As of June 30, 2020, loans totaled \$42.4 billion and composed 77.9 percent of total assets. The loan portfolio grew \$5.9 billion, or 16.1 percent, since

the prior evaluation. The bank's primary lending focus continues to be the origination of loans secured by multi-family properties. NYCB's growth since the prior evaluation is due primarily to the merger with its former affiliate, New York Commercial Bank.

Although NYCB has historically been a significant 1-4 family lender, it made a strategic decision to sell its home mortgage division in September 2017, and to discontinue the origination of consumer-purpose 1-4 family loans. However, the bank purchased 1-4 family loans in 2019 to support its CRA performance in each of its assessment areas except for the NY-NJ Multistate MSA and Trenton, NJ MSA assessment areas.

Assessment Area Concentration

NYCB originated and purchased an adequate percentage of its loans within its assessment areas on a combined basis. In accordance with the CRA examination procedures, this performance criterion considered NYCB's loans only, and did not include the multi-family and small business loans originated or purchased by its former affiliate, New York Commercial Bank. Examiners assessed the bank's performance under this factor at the institution level only.

The following table shows the distribution of multi-family (including MECA multi-family), 1-4 family, and small business loans by both number and dollar volume during the review period.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
HMDA Multi-family										
2017	134	57.5	99	42.5	233	796,308	37.3	1,339,397	62.7	2,135,705
2018	828	92.6	66	7.4	894	5,274,573	87.4	761,657	12.6	6,036,230
2019	716	93.7	48	6.3	764	5,016,461	87.3	731,566	12.7	5,748,027
Subtotal	1,678	88.7	213	11.3	1,891	11,087,342	79.7	2,832,620	20.3	13,919,962
MECA Multi-family										
2017	579	98.1	11	1.9	590	3,858,971	95.6	178,771	4.4	4,037,742
Subtotal	579	98.1	11	1.9	590	3,858,971	95.6	178,771	4.4	4,037,742
1-4 Family										
2017	1,351	21.0	5,071	79.0	6,422	303,057	17.1	1,465,086	82.9	1,768,143
2018	12	92.3	1	7.7	13	23,515	96.1	950	3.9	24,465
2019	512	100.0	0	0.0	512	97,581	100.0	0	0.0	97,581
Subtotal	1,875	27.0	5,072	73.0	6,947	424,153	22.4	1,466,036	77.6	1,890,189
Small Business										
2017	84	97.7	2	2.3	86	33,891	96.8	1,137	3.2	35,028
2018	130	98.5	2	1.5	132	62,237	97.9	1,344	2.1	63,581
2019	224	97.8	5	2.2	229	99,934	97.4	2,714	2.6	102,648
Subtotal	438	98.0	9	2.0	447	196,062	97.4	5,195	2.6	201,257
Total	4,570	46.3	5,305	53.7	9,875	15,566,528	77.6	4,482,622	22.4	20,049,150
<i>Source: 1/1/2017 - 12/31/2019 Bank Data. Due to rounding, totals may not equal 100.0%.</i>										

As shown in the table, NYCB made less than a majority of its total number of loans inside its assessment areas for the review period. However, the large volume of 1-4 family loans originated outside the bank's assessment area in 2017 had a disproportionate and adverse skewing effect on the assessment area concentration. The high volume of 1-4 family loans outside the assessment area in 2017 was due to the bank's former home mortgage division, which extended home loans throughout the United States. Since the sale of this division in September 2017, the bank's 1-4 family lending, which consists mainly of purchased loans, is more heavily concentrated in the assessment areas. Notably, NYCB originated a majority of the number of loans within its assessment areas for all loan categories and for each year except for the 1-4 family loans in 2017. Additionally, the bank had a high percentage of its total dollar volume inside the assessment areas for the review period.

Given the bank's strong performance by total dollar volume and the consistently strong performance across all loan categories by number of loans, except for the 1-4 family loans in 2017, examiners determined that NYCB made an adequate percentage of its loans within its assessment areas.

Geographic Distribution

NYCB's geographic distribution of loans reflects good penetration throughout its assessment areas. NYCB's performance in the Geographic Distribution criterion varied among the rated areas, with the bank's good performance in its NY-NJ Multistate MSA assessment area contributing most to the overall conclusion.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment areas, adequate penetration among retail customers of different income levels. Examiners based this conclusion primarily upon NYCB's 1-4 family lending in each of its assessment areas and, to a lesser extent, the bank's small business lending in its NY-NJ Multistate MSA assessment area. Although multi-family lending is the bank's most significant product line, examiners did not analyze these loans under this performance criterion, as lenders do not collect or report borrower income information for such loans. NYCB's overall performance in the Borrower Profile criterion was generally consistent throughout the rated areas.

Innovative or Flexible Lending Practices

NYCB uses innovative and/or flexible lending practices to serve the credit needs of its assessment areas. Since NYCB offers each of these products throughout all of its assessment areas, examiners rated and discussed the bank's performance under this criterion at the institution level only.

Examiners noted that NYCB ceased offering several flexible lending programs since the prior evaluation, such as loans guaranteed by the Federal Housing Administration, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation, due to the sale of its 1-4 family lending division.

As shown in the table below, the bank's current flexible lending programs are primarily limited to supporting businesses affected by the COVID-19 pandemic, which included participation in the Paycheck Protection Program (PPP).

Innovative or Flexible Lending Programs						
Type of Program	2019		2020		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
Paycheck Protection Program*	0	0	1,408	117,201	1,408	117,201
COVID-19 Loan Modification	0	0	1,116	7,195,585	1,116	7,195,585
Non-Profit Fee Waivers	2	1,800	2	1,793	4	3,593
Totals	2	1,800	2,526	7,314,579	2,528	7,316,379

*Source: Bank Data. *Only available in 2020.*

Below are details of the bank's innovative or flexible lending programs.

- Paycheck Protection Program Loans: NYCB participated in the Small Business Administration's (SBA) Paycheck Protection Program. This loan program provides a direct incentive for small businesses to keep their workers on their payroll. The SBA will forgive these loans if the business meets all employee retention criteria and uses the funds for eligible expenses.
- COVID-19 Loan Modifications: NYCB provided relief for its borrowers affected by the COVID-19 pandemic through loan modifications. These modifications included features such as an interest-only period, deferral of principal and interest payments, deferral of escrow payments, waiver of certain loan payment late fees, or the use of an interest reserve to make partial or full payments. The bank also created an innovative short-form modification agreement that allowed certain borrowers to receive a modification without the need for their own legal representation, which helped the borrower save costs in this process.
- Nonprofit Fee Waivers: NYCB continues to provide flexible community development loan considerations for nonprofit organizations, and financing of essential local projects, especially those serving primarily low- and moderate-income housing or other community development needs. NYCB may waive origination fees, interest rate floors (minimums), and other underwriting criteria to a number of nonprofit borrowing entities, including those involved in affordable housing, economic development, and social services.

Community Development Loans

This evaluation assessed the bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness. For affordable housing loans, examiners did not give community development credit for any multi-family loan secured by distressed or deteriorated properties, if applicable, which includes loans secured by buildings with excessive code violations that do not provide quality affordable housing.

NYCB is a leader in making community development loans. Examiners based this conclusion primarily on the bank's performance within its NY-NJ Multistate MSA assessment area, which received the greatest weight in the overall rating. NYCB's community development lending performance varied throughout the assessment areas, with the NY-NJ Multistate MSA assessment area accounting for a significant majority of the institution's community development loans. Overall, NYCB has been responsive to the opportunities for community development lending in its assessment areas.

During the evaluation period, the bank originated 1,096 community development loans totaling \$7.6 billion. This activity level represents 15.1 percent of average total assets and 19.4 percent of average total loans since the prior evaluation. This performance is similar to that reflected in the prior evaluation, which noted that the bank's community development loans totaled \$6.9 billion, and represented 15.5 percent of total assets and 19.0 percent of total loans as of June 30, 2017.

NYCB’s community development loans primarily helped finance affordable housing initiatives and revitalization efforts in low- and moderate-income areas, consistent with the needs identified by community contacts. The following table illustrates the community development lending activity by rated area for each community development purpose.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
NY-NJ Multistate MSA	577	3,205,454	53	351,973	28	68,048	378	3,559,036	1,036	7,184,511
Ohio	9	37,319	0	0	0	0	3	10,475	12	47,794
Florida	3	44,300	4	12,223	1	2,830	10	68,650	18	128,003
Arizona	13	129,161	1	1,545	1	1,300	11	42,868	26	174,874
New Jersey	4	52,670	0	0	0	0	0	0	4	52,670
Total	606	3,468,904	58	365,741	30	72,178	402	3,681,029	1,096	7,587,851

Source: Bank Data

INVESTMENT TEST

NYCB’s overall Investment Test performance is rated “High Satisfactory.” The bank’s significant level of qualified community development investments and grants primarily supports this rating. NYCB’s overall Investment Test performance was consistent with the conclusions for the NY-NJ Multistate MSA, Florida, and New Jersey rated areas, but differed from the Ohio and Arizona areas. The bank’s performance in its NY-NJ Multistate MSA rated area contributed the most weight when arriving at conclusions for each performance criteria in the Investment Test.

This section presents NYCB’s Investment Test performance at the institution level. Refer to the separate assessment area sections for details regarding the bank’s performance in those specific areas.

Investment and Grant Activity

NYCB has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

During the evaluation period, the bank reported 950 qualified investments totaling \$277.1 million, which includes 18 new investments totaling \$98.3 million, 71 outstanding prior period investments with a current balance of \$172.2 million, and 861 grants totaling \$6.6 million. The total qualified investments and grants of \$277.1 million represent 0.6 percent of average total assets and 5.6 percent of average total securities. Total qualified investments declined slightly since the prior evaluation, which reported total qualified investments of \$283.8 million.

The NY-NJ Multistate MSA assessment area accounted for the greatest share of the qualified investments at 62.2 percent, followed by the Arizona assessment areas at 16.6 percent, the Florida assessment areas at 12.7 percent, the Ohio assessment area at 7.8 percent, and the New Jersey assessment area at 0.7 percent. Approximately 96.8 percent of the dollar volume of the bank’s total

qualified investments supported affordable housing. These investments include mortgage-backed securities (MBSs) and low-income housing tax credits (LIHTCs). Most of the remaining investments funded community services.

The table below details the institution’s qualified investments and grants by community development activity and area.

Qualified Investments and Donations by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
NY-NJ Multistate MSA	97	164,083	522	4,215	32	3,216	68	868	719	172,382
Ohio	24	21,332	82	264	3	9	7	68	116	21,673
Florida	22	34,982	26	59	2	100	1	2	51	35,143
Arizona	21	46,016	34	44	0	0	1	<1	56	46,060
New Jersey	8	1,847	0	0	0	0	0	0	8	1,847
Total	172	268,260	664	4,582	37	3,325	77	938	950	277,105

Source: Bank Records

Responsiveness to Credit and Community Development Needs

NYCB exhibits good responsiveness to assessment area credit and community economic development needs. The bank’s qualified investments primarily promoted affordable housing efforts, which is a community development need within the assessment areas.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. Although the majority of NYCB’s new investments consist of Federal National Mortgage Association MBS, which are not particularly innovative or complex, the New York City Community Fund investment discussed in the NY-NJ Multistate MSA section and the LIHTCs have innovative and/or complex characteristics.

NYCB uses investments in LIHTCs, which are funds that support the federal government’s programs to provide affordable rental housing for low-income households. Investments in LIHTCs represent approximately 23.2 percent of the institution’s qualified investments and present a higher degree of complexity than other investments, such as the MBS.

SERVICE TEST

NYCB’s overall Service Test performance is rated “High Satisfactory.” NYCB’s good performance in the Community Development Services criterion primarily supports this rating. NYCB’s overall performance was consistent with conclusions for the NY-NJ Multistate MSA assessment area, and generally consistent with the Ohio, Florida, Arizona, and New Jersey rated areas. The bank’s performance in its NY-NJ Multistate MSA rated area contributed the most weight when arriving at conclusions for each performance criteria in the Service Test.

This section presents NYCB’s Service Test performance at the institution level. Refer to the separate assessment area sections for details regarding the bank’s performance in those specific areas.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank’s assessment areas, including low- and moderate-income areas. NYCB operates 237 full-service branches and 341 ATMs. The table below details the distribution of the bank’s branch office and ATM network by census tract income.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	859	11.0	3,481,644	10.4	7	3.0	8	2.3
Moderate	1,790	22.9	7,912,293	23.6	41	17.3	59	17.3
Middle	2,544	32.5	10,988,353	32.7	94	39.7	145	42.5
Upper	2,473	31.6	11,079,596	33.0	94	39.7	128	37.5
NA	156	2.0	95,388	0.3	1	0.4	1	0.3
Total	7,822	100.0	33,557,274	100.0	237	100.0	341	100.0

Source: 2015 ACS data and Bank Records

In addition to the physical access to NYCB’s branches and ATMs, the bank offers other alternative delivery systems in all assessment areas that improve accessibility for its products and services for all geographies, including low- and moderate-income areas. These delivery systems include online banking, mobile banking, telephone banking, and bank by mail.

Changes in Branch Locations

To the extent changes have been made, the bank’s opening and closing of branches has generally not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income census tracts.

During the evaluation period, the bank did not open any new branch offices, though it acquired a number of branches operated by its affiliate New York Commercial Bank through its merger with that institution. NYCB closed 18 branch offices during the review period, including 17 branches in the NY-NJ Multistate MSA assessment area and 1 branch in the Southeast Florida assessment area. Of the closed branch offices, 7 were in moderate-income tracts, 7 were in middle-income

tracts, and 4 were in upper-income tracts. Regarding the branch closures in the moderate-income tracts, NYCB continued to operate branches in the same general neighborhoods or in other nearby areas, which helped mitigate the impact of the closures on those communities.

Reasonableness of Business Hours and Services

Services do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income census tracts or individuals. NYCB's service hours and its loan and deposit products are generally similar throughout the assessment areas. Additionally, the bank offers several low-cost demand deposit accounts and interest bearing deposit accounts in each of its assessment areas, which are detailed below.

- *My Community Basic Checking Account* – A non-interest bearing checking account with a \$1 minimum deposit requirement to open, a \$2 monthly maintenance fee, and no monthly minimum balance requirement.
- *My Community Free Checking* – A non-interest bearing account with a \$1 minimum deposit requirement to open, no monthly maintenance fees, and no monthly minimum balance requirement.
- *My Community Interest Checking* – An interest-bearing checking account with a \$100 minimum deposit requirement to open, a \$6 monthly maintenance fee that can be waived with a \$500 daily minimum balance, and \$100 minimum daily balance requirement to earn interest.
- *My Community Military Checking* – A checking account for active and former military personnel, allowing for fee waivers, the ability to earn an additional 0.10 percent interest on CDs, a \$100 minimum deposit requirement to open, no minimum balance requirements, no monthly maintenance service charge, one free box of checks yearly, and six free non-NYCB ATM transactions per statement cycle.
- *My Community Savings* – An interest-bearing account with a \$100 minimum deposit requirement to open, a \$5 monthly maintenance fee that can be waived with a \$500 minimum daily balance, a \$200 minimum daily balance requirement to earn interest, and free access to ATMs.
- *Smart Student Banking* – Targeted to the underbanked, college-aged student population to encourage financial literacy skills in young adults, these non-interest bearing savings and checking accounts have no monthly service fees, no minimum requirements, and unlimited check writing.
- *Summer Youth Employment* – NYCB created this savings account to address the financial needs of young adults between the ages of 14 and 24 that participate in summer youth employment programs throughout its assessment areas. There is no minimum balance requirement, no monthly fees, and no bank fees for any non-NYCB ATM transactions.

In addition, during the partial government shutdown in 2018, which affected over 800,000 government employees in the bank’s assessment areas, NYCB implemented some deposit practices to lessen the financial hardship. Specifically, the bank waived any non-sufficient fund fees charged to affected customers, and allowed penalty free CD withdrawals up to \$2,500 to help cover ongoing living expenses while unemployed.

Lastly, in response to COVID-19, NYCB implemented other deposit-related practices that lower costs for consumers, including:

- waiving overdraft protection fees,
- waiving non-sufficient and uncollected funds fees,
- waiving ATM/debit card fees, and
- waiving early withdrawal penalties for CDs.

Community Development Services

NYCB provided a relatively high level of community development services. During the evaluation period, NYCB staff provided 4,318 instances of community development services, which represents an increase from the 3,026 instances provided at the prior evaluation. The table below provides further detail by rated area.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
NY-NJ Multistate MSA	74	2,754	15	16	2,859
Ohio	6	676	4	1	687
Florida	9	468	1	4	482
Arizona	27	255	6	0	288
New Jersey	3	0	0	0	3
Total	117	4,154	26	21	4,319
<i>Source: Bank Data</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank’s compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

NEW YORK-NEW JERSEY MULTISTATE AREA

CRA RATING FOR NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA METROPOLITAN STATISTICAL AREA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA METROPOLITAN STATISTICAL AREA

NYCB operates 168 of its 237 branches (70.9 percent) and 250 of its 341 ATMs (73.3 percent) in the NY-NJ Multistate MSA assessment area.

This assessment area consists of 19 contiguous counties, including 9 counties in New York and 10 counties in New Jersey. The New York portion of the assessment area includes Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester Counties. The New Jersey portion of the assessment area includes Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, and Union Counties. As previously noted, the bank expanded this assessment area since the previous evaluation to include Bergen, Morris, Passaic, and Somerset Counties in New Jersey, and Rockland County, New York. The assessment area is centered around the New York City metropolitan area, and is situated entirely within the New York-Newark-Jersey City, NY-NJ-PA MSA.

The assessment area contains 4,438 census tracts, with income designations as follows:

- 495 low-income census tracts
- 959 moderate-income census tracts
- 1,466 middle-income census tracts
- 1,426 upper-income census tracts
- 92 census tracts with no income designation

Economic and Demographic Data

The table below provides select demographic characteristics of the NY-NJ Multistate MSA assessment area.

Demographic Information NY-NJ Multistate MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4,438	11.2	21.6	33.0	32.1	2.1
Population by Geography	18,879,338	11.9	22.6	31.9	33.4	0.2
Housing Units by Geography	7,406,704	11.1	21.7	31.5	35.5	0.2
Owner-Occupied Units by Geography	3,389,198	3.0	13.7	37.2	46.0	0.1
Occupied Rental Units by Geography	3,343,958	19.2	29.5	25.9	25.1	0.2
Vacant Units by Geography	673,548	11.2	23.4	31.4	33.8	0.2
Businesses by Geography	1,534,251	6.8	16.3	30.0	45.6	1.2
Farms by Geography	20,770	3.4	14.4	35.5	46.4	0.3
Family Distribution by Income Level	4,442,380	25.4	15.5	17.1	42.0	0.0
Household Distribution by Income Level	6,733,156	27.4	14.3	15.8	42.5	0.0
Median Family Income - 35004 Nassau County- Suffolk County, NY MD		\$108,193	Median Housing Value			\$467,644
Median Family Income - 35084 Newark, NJ-PA MD		\$90,570	Median Gross Rent			\$1,338
Median Family Income - 35154 New Brunswick- Lakewood, NJ MD		\$95,564	Families Below Poverty Level			11.5%
Median Family Income - 35614 New York-Jersey City-White Plains, NY-NJ MD		\$67,560				
<i>Source: 2015 ACS and 2019 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The table above shows that the median housing value is significantly higher than the median family income across the assessment area. Therefore, lenders may find it challenging to make affordable housing loans. In addition, the 11.5 percent of families living below the poverty level also limits the pool of available borrowers, as families living below the poverty line are unlikely to qualify for conventional home mortgage loans.

The table below shows the median family income ranges for the MDs represented in the assessment area.

Median Family Income Ranges NY-NJ Multistate MSA Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Nassau County-Suffolk County, NY MD Median Family Income (35004)				
2017 (\$110,800)	<\$55,400	\$55,400 to <\$88,640	\$88,640 to <\$132,960	≥\$132,960
2018 (\$116,700)	<\$58,350	\$58,350 to <\$93,360	\$93,360 to <\$140,040	≥\$140,040
2019 (\$124,000)	<\$62,000	\$62,000 to <\$99,200	\$99,200 to <\$148,800	≥\$148,800
Newark, NJ-PA MD Median Family Income (35084)				
2017 (\$99,800)	<\$49,900	\$49,900 to <\$79,840	\$79,840 to <\$119,760	≥\$119,760
2018 (\$100,700)	<\$50,350	\$50,350 to <\$80,560	\$80,560 to <\$120,840	≥\$120,840
2019 (\$98,600)	<\$49,300	\$49,300 to <\$78,880	\$78,880 to <\$118,320	≥\$118,320
New Brunswick-Lakewood, NJ MD Median Family Income (35154)				
2019 (\$108,100)	<\$54,050	\$54,050 to <\$86,480	\$86,480 to <\$129,720	≥\$129,720
New York-Jersey City-White Plains, NY-NJ MD Median Family Income (35614)				
2017 (\$73,700)	<\$36,850	\$36,850 to <\$58,960	\$58,960 to <\$88,440	≥\$88,440
2018 (\$78,000)	<\$39,000	\$39,000 to <\$62,400	\$62,400 to <\$93,600	≥\$93,600
2019 (\$79,300)	<\$39,650	\$39,650 to <\$63,440	\$63,440 to <\$95,160	≥\$95,160
<i>Source: FFIEC</i>				

According to 2019 D&B data, there were 1,534,251 businesses operating in the assessment area. The businesses had gross annual revenues (GARs) as follows:

- 87.6 percent had GARs of \$1 million or less
- 5.8 percent had GARs greater than \$1 million
- 6.6 percent did not report revenues

Service industries represented the greatest percentage of businesses in the assessment area at 42.4 percent, followed by non-classifiable establishments at 16.7 percent and retail trade at 13.2 percent. In addition, 64.7 percent of the businesses had four or fewer employees, and 92.2 percent operated out of a single location.

According to data obtained from the Bureau of Labor Statistics, the states of New York and New Jersey have experienced significant increases in their unemployment rates over the last year, primarily due to the effects of the COVID-19 pandemic. The table below provides further detail.

Unemployment Rates				
NY-NJ Multistate MSA Assessment Area				
Area	July 2017	July 2018	July 2019	July 2020
	%	%	%	%
New York-Newark-Jersey City, NY-NJ-PA MSA	4.9	4.3	4.0	16.4
New York City	4.7	4.1	3.9	19.9
New York	4.8	4.0	3.9	15.9
New Jersey	4.7	4.0	3.3	14.2
<i>Source: Bureau of Labor Statistics</i>				

According to data obtained from Moody’s Analytics, the top employers in the assessment area include Montefiore Health System, Northwell Health, and Newark International Airport.

Competition

The assessment area is a highly competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 175 financial institutions operated 4,804 offices within the bank’s assessment area. Of these institutions, NYCB ranked fourteenth with a deposit market share of 1.1 percent.

The assessment area is also a highly competitive market for multi-family loans. According to 2019 aggregate data, 173 lenders originated or purchased 5,332 multi-family loans totaling \$36.6 billion in the assessment area. Out of this group of lenders, NYCB ranked second by count with a 12.6 percent market share, and first by total dollar amount with a 12.1 percent market share. Another top lender, JPMorgan Chase Bank, N.A., ranked first by count with a 15.4 percent market share, and second by total dollar amount with a 10.2 percent market share. This ranking suggests that NYCB is a leading competitor in the multi-family lending market.

Significant competition also exists for small business loans within the area. According to 2018 aggregate data, 307 lenders reported 614,724 small business loans originated or purchased in the assessment area. Of this group of lenders, NYCB ranked 81st with a market share of less than 0.1 percent. The two most prominent small business lenders, American Express National Bank and Chase Bank USA, N.A., accounted for 53.9 percent of total market share by number of loans.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 775 lenders reported 383,590 1-4 family loans originated or purchased in the assessment area. NYCB ranked 551st out of this group of lenders with a less than 0.1 percent market share. Large national banks, including Wells Fargo Bank N.A., JPMorgan Chase Bank, N.A., and Quicken Loans, dominate the assessment area. Collectively, these lenders represented 21.8 percent of all 1-4 family loan originations and purchases in 2019.

Community Contact

Examiners reviewed a recent community contact with a representative from a community development corporation active within the NY-NJ Multistate MSA assessment area to identify the

area's credit and community development needs. The organization focuses on affordable housing. The contact identified a concern relating to the effect of the pandemic on low-income areas, specifically the impact of possible foreclosures. The contact was also concerned that funds normally used for affordable housing and community development are being redirected to issues caused by the pandemic. The contact identified a need for more grants from financial institutions, as well as financial literacy programs for low- and moderate-income individuals.

Credit and Community Development Needs and Opportunities

Based on the area's demographics and the information obtained from the community contact, affordable housing loans, small business loans, and loans to mitigate the impact of the COVID-19 pandemic represent significant credit and community development needs in the assessment area. There is also a need for banks to work with borrowers, particularly property owners of multi-family housing, to mitigate the impact of the pandemic on low- and moderate-income tenants who have lost employment. Demographic data suggests that there are opportunities to make loans in the assessment area, particularly affordable housing loans, based on the high number of renter-occupied housing units in the low- and moderate-income areas.

SCOPE OF EVALUATION – NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA METROPOLITAN STATISTICAL AREA

Examiners used full-scope examination procedures to evaluate the bank's performance in the NY-NJ Multistate MSA assessment area. Examiners reviewed the bank's multi-family, small business, and 1-4 family lending in this assessment area. Examiners placed the greatest weight on the bank's multi-family lending performance, as this loan type represents its primary product in this assessment area and had the highest volume by both number and dollar amount. Refer to the overall Scope of Evaluation section for further details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA METROPOLITAN STATISTICAL AREA

LENDING TEST

NYCB is rated "High Satisfactory" in the Lending Test for the NY-NJ Multistate MSA assessment area. The bank's good performance in the Lending Activity and Geographic Distribution criteria, and its outstanding performance in the Community Development Lending criterion primarily supports this conclusion.

Lending Activity

NYCB's lending levels reflect good responsiveness to the credit needs of the NY-NJ Multistate MSA assessment area. Examiners based this conclusion on the bank's excellent responsiveness for multi-family loans and adequate responsiveness for small business loans.

The bank's multi-family lending levels reflect excellent responsiveness to assessment area credit needs. Multi-family lending decreased slightly during the review period. In 2018, NYCB reported 803 multi-family loans totaling \$5.1 billion. In 2019, the bank reported 673 multi-family loans totaling \$4.4 billion, which represented a 12.6 percent market share. In 2019, NYCB ranked second out of 173 lenders that reported a multi-family loan origination or purchase in the assessment area.

The bank's small business lending levels reflect adequate responsiveness in the assessment area. NYCB's small business lending increased slightly during the review period. In 2018, the bank and its former affiliate originated or purchased 203 small business loans totaling \$91.8 million. According to the 2018 aggregate small business loan data, NYCB and New York Commercial Bank each had a less than 0.1 percent market share and ranked 81st and 91st, respectively, out of 307 lenders that reported a small business loan origination or purchase in the assessment area. In 2019, the bank reported 223 small business loans totaling \$99.2 million. Aggregate data for 2019 was not available for comparison purposes.

NYCB's 1-4 family lending levels reflected poor responsiveness to the assessment area's credit needs. The bank's 1-4 family lending declined over the evaluation period, primarily due to the bank's decision to stop offering 1-4 family loans in 2017. In 2017, the bank reported 474 1-4 family loans within the assessment area for \$151.7 million. In 2018, the bank reported 12 1-4 family loans totaling \$23.5 million. In 2019, the bank reported five 1-4 family loans for \$5 million, which represented a less than 0.1 percent market share. In 2019, NYCB ranked 551st out of 775 lenders that reported a 1-4 family loan origination or purchase in the assessment area.

Geographic Distribution

The geographic distribution of NYCB's lending activity reflects good penetration throughout this assessment area. Examiners based this conclusion primarily on NYCB's multi-family lending performance, since multi-family loans represent the bank's most significant product line within this assessment area.

Multi-family Loans

The geographic distribution of multi-family loans reflects good penetration throughout this assessment area. The following table details the distribution of multi-family loans by tract income level.

Geographic Distribution of Multi-family Loans NY-NJ Multistate MSA Assessment Area						
Tract Income Level	% of Multi-family Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	21.1	21.1	174	21.7	891,747	17.4
2019	18.5	19.8	124	18.4	869,637	19.7
Moderate						
2018	25.4	33.1	283	35.2	1,659,605	32.4
2019	25.7	32.4	236	35.1	1,462,360	33.1
Middle						
2018	20.0	19.0	154	19.2	1,002,464	19.6
2019	21.7	20.1	127	18.9	999,658	22.6
Upper						
2018	33.2	26.6	190	23.7	1,542,391	30.1
2019	33.8	27.4	185	27.5	1,089,197	24.6
Not Available						
2018	0.3	0.2	2	0.2	23,838	0.5
2019	0.3	0.3	1	0.1	1,115	0.0
Totals						
2018	100.0	100.0	803	100.0	5,120,045	100.0
2019	100.0	100.0	673	100.0	4,421,967	100.0

Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

As shown in the table, the percentage of multi-family loans within the low-income census tracts in 2018 exceeded the demographic comparison and the aggregate performance. In 2019, lending in the low-income tracts decreased, but was only nominally below the demographic comparison and the aggregate performance. As a result, NYCB's distribution of multi-family loans in the low-income tracts is good.

The percentage of multi-family loans within the moderate-income census tracts in 2018 exceeded both the demographic comparison and the aggregate performance. In 2019, the bank's lending level in the moderate-income tracts was almost unchanged as a percent of total loans, and continued to exceed both the demographic comparison and the aggregate performance. Overall, NYCB's distribution of multi-family loans in the moderate-income tracts is good.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout this assessment area, based primarily on its good performance in the moderate-income tracts. The following table details the distribution of small business loans by tract income level.

Geographic Distribution of Small Business Loans NY-NJ Multistate MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	7.4	7.3	5	2.5	2,400	2.6
2019	6.8	--	4	1.8	2,150	2.2
Moderate						
2018	15.9	16.3	30	14.8	10,208	11.1
2019	16.3	--	36	16.1	16,322	16.4
Middle						
2018	28.1	27.2	74	36.5	29,291	31.9
2019	30.0	--	86	38.6	37,876	38.2
Upper						
2018	47.4	48.2	85	41.9	43,867	47.8
2019	45.6	--	93	41.7	40,036	40.3
Not Available						
2018	1.2	1.0	9	4.4	6,000	6.6
2019	1.3	--	4	1.8	2,850	2.9
Totals						
2018	100.0	100.0	203	100.0	91,766	100.0
2019	100.0	--	223	100.0	99,234	100.0

Source: 2018 & 2019 D&B Data; Bank Data; 2018 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

As shown in the table, the percentage of small business loans within the low-income census tracts in 2018 was well below the demographic and aggregate levels. In 2019, lending in the low-income tracts decreased further, and remained below the demographic comparison. Overall, NYCB's distribution of small business loans in the low-income tracts is poor.

NYCB's percentage of small business loans within the moderate-income census tracts in 2018 was only slightly less than both the demographic comparison and the aggregate level. In 2019, lending in the moderate-income tracts increased by number of loans and as a percentage of total loans, with the level of lending now comparable to the demographic comparison. Overall, NYCB's distribution of small business loans in the moderate-income tracts is good.

1-4 Family Loans

The geographic distribution of 1-4 family loans reflects poor penetration throughout the assessment area. The following table details the geographic distribution of 1-4 family loans by tract income level.

Geographic Distribution of 1-4 Family Loans NY-NJ Multistate MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	2.9	3.7	42	8.9	16,982	11.2
2018	2.9	3.8	0	0.0	0	0.0
2019	3.0	3.8	1	20.0	1,000	20.2
Moderate						
2017	13.4	14.0	79	16.7	19,120	12.6
2018	13.4	13.7	6	50.0	8,024	34.1
2019	13.7	14.1	2	40.0	2,550	51.5
Middle						
2017	35.4	34.2	170	35.9	47,609	31.4
2018	35.4	34.1	3	25.0	4,536	19.3
2019	37.2	36.8	2	40.0	1,404	28.3
Upper						
2017	48.2	48.0	183	38.5	68,022	44.8
2018	48.2	48.4	3	25.0	10,955	46.6
2019	46.0	45.2	0	0.0	0	0.0
Not Available						
2017	0.1	0.1	0	0.0	0	0.0
2018	0.1	0.1	0	0.0	0	0.0
2019	0.1	0.1	0	0.0	0	0.0
Totals						
2017	100.0	100.0	474	100.0	151,733	100.0
2018	100.0	100.0	12	100.0	23,515	100.0
2019	100.0	100.0	5	100.0	4,954	100.0

Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

As shown in the table, the bank's percentage of 1-4 family home loans within the low-income census tracts in 2017 far exceeded both the demographic comparison and the aggregate performance. However, NYCB had no 1-4 family loans within the low-income tracts in 2018 and only one loan in 2019, primarily due to the bank's decision to exit the 1-4 family lending market. While the bank's distribution of loans in 2019 compares favorably to demographic and aggregate levels, the overall distribution in the low-income tracts is poor considering the low volume of 1-4 family lending in 2018 and 2019.

The percentage of 1-4 family home loans within the moderate-income census tracts exceeded both the demographic comparison and the aggregate performance during 2017, 2018, and 2019. While the distribution of loans compares favorably to both demographic and aggregate levels, the overall

distribution in the moderate-income tracts is poor considering the low volume of 1-4 family lending in 2018 and 2019.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different revenue sizes. Examiners based this conclusion on the bank’s excellent distribution of small business loans and poor distribution of 1-4 family loans. Although multi-family lending is the bank’s most significant loan product line within this assessment area, examiners did not analyze multi-family loans for this performance criterion since lenders do not collect or report borrower income information for such loans.

Small Business Loans

The distribution of borrowers reflects excellent penetration of small business loans among business customers of different sizes. Examiners focused on the percentage of small business loans made to businesses with GARs of \$1 million or less by the number of loans, as detailed in the following table.

Distribution of Small Business Loans by Gross Annual Revenue Category NY-NJ Multistate MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2018	85.9	40.8	106	52.2	39,415	43.0
2019	87.6	--	112	50.2	48,056	48.4
>\$1,000,000						
2018	6.8	--	78	38.4	42,750	46.6
2019	5.8	--	74	33.2	33,835	34.1
Revenue Not Available						
2018	7.3	--	19	9.4	9,601	10.4
2019	6.6	--	37	16.6	17,343	17.5
Totals						
2018	100.0	100.0	203	100.0	91,766	100.0
2019	100.0	--	223	100.0	99,234	100.0
<i>Source: 2018 & 2019 D&B Data; Bank Data; 2018 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

As shown in the table, the bank’s 2018 small business lending level to businesses with GARs of \$1 million or less is lower than the demographics, but greater than the aggregate performance. Since the aggregate data is generally a better indicator of demand, the evaluation gave more weight to this comparison. As a result, the bank’s 2018 performance among businesses with GARs of \$1 million or less is excellent. The bank’s lending to businesses with GARs of \$1 million or less decreased slightly as a percentage of total loans in 2019, but remained excellent.

1-4 Family Loans

The distribution of borrowers reflects poor penetration of 1-4 family loans among retail customers of different income levels. Examiners focused on the percentage of 1-4 family loans made to low- and moderate-income borrowers, as detailed in the following table.

Distribution of 1-4 Family Loans by Borrower Income Level NY-NJ Multistate MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	25.4	2.7	21	5.6	2,804	1.8
2018	25.4	3.3	0	0.0	0	0.0
2019	25.4	4.0	0	0.0	0	0.0
Moderate						
2017	15.5	11.1	140	30.5	30,785	20.3
2018	15.5	11.7	0	0.0	0	0.0
2019	15.5	12.7	0	0.0	0	0.0
Middle						
2017	17.1	20.2	102	20.7	26,757	17.6
2018	17.1	19.5	0	0.0	0	0.0
2019	17.1	20.2	0	0.0	0	0.0
Upper						
2017	42.0	52.1	188	38.6	77,875	51.3
2018	42.0	50.5	0	0.0	0	0.0
2019	42.0	48.4	0	0.0	0	0.0
Not Available						
2017	0.0	13.9	23	4.6	13,512	9.0
2018	0.0	15.0	12	100.0	23,515	100.0
2019	0.0	14.7	5	100.0	4,954	100.0
Totals						
2017	100.0	100.0	502	100.0	151,733	100.0
2018	100.0	100.0	12	100.0	23,515	100.0
2019	100.0	100.0	5	100.0	4,954	100.0

Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

As shown in the table, the percentage of 1-4 family loans among low-income borrowers in 2017 was less than the demographic comparison, but exceeded the aggregate performance. Since the aggregate data is generally a better indicator of demand, the evaluation gave more weight to this comparison. However, the bank had no 1-4 family loans to low-income borrowers during 2018 or 2019, which is poor. Given the declining trend in loans to low-income borrowers, the overall distribution of 1-4 family loans to low-income borrowers is poor.

The percentage of 1-4 family home loans among moderate-income borrowers far exceeded both the demographic comparison and the aggregate performance during 2017, which is excellent. However, the bank did not make or purchase any 1-4 family loans among moderate-income borrowers during 2018 and 2019, which is poor. Given the declining trend in loans to moderate-income borrowers, the overall distribution of 1-4 family loans to moderate-income borrowers is poor.

Community Development Loans

The bank is a leader in making community development loans. During the evaluation period, the bank originated 1,036 loans for nearly \$7.2 billion in the assessment area. These loans helped meet the assessment area’s community development needs as identified by the community contact. This activity level exceeds the prior evaluation, which reported 878 community development loans for approximately \$6.3 billion. The following table illustrates the community development lending activity by year and purpose.

Community Development Lending NY-NJ Multistate MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2017	67	404,357	10	69,592	0	0	22	122,085	99	596,034
2018	273	1,413,777	18	123,009	3	14,890	92	748,707	386	2,300,383
2019	148	849,892	15	87,270	4	11,984	178	1,972,485	345	2,921,631
YTD 2020	89	537,428	10	72,102	21	41,174	86	715,759	206	1,366,463
Total	577	3,205,454	53	351,973	28	68,048	378	3,559,036	1,036	7,184,511
<i>Source: Bank Data</i>										

The following is a sample of community development loans that benefit the assessment area.

- In 2017, the bank provided a \$24 million loan to a limited liability corporation (LLC) to refinance six apartment buildings containing 188 units in a low-income census tract in Bronx County, New York. Housing Assistance Payments (HAP) contracts issued by the U.S. Department of Housing and Urban Development (HUD) govern the six properties. The HAP contract supports Section 8 tenant-based housing, which provides housing vouchers for low- and moderate-income families.
- In 2018, the bank provided a \$56.3 million loan to finance the acquisition of 10 multi-family properties consisting of 343 apartments in Bronx County, New York. The loan was made under the NYC Department of Housing Preservation and Development’s (HPD) Article XI Payment In-Lieu of Taxes (PILOT) program. Under this tax incentive program, low-income families, as defined by HPD, reside in these units. This loan supports affordable housing for low- and moderate-income families in the assessment area.

- In 2018, the bank refinanced its share of a participation line of credit totaling \$11.3 million. The line of credit, made through the Suffolk County Industrial Development Agency, enhances economic development throughout Suffolk County. The agency provides permanent job creation, retention, and improvement in the area.
- In 2019, the bank provided a \$57.2 million loan to finance the acquisition of a 400-unit apartment building in a low-income census tract in Bronx County, New York. The loan was made under the HPD’s Article XI PILOT program, which benefits low-income families. This loan supports affordable housing for low- and moderate-income families in the assessment area.
- In 2020, the bank originated a \$9.2 million loan to a LLC to refinance a 117-unit apartment building in a low-income census tract in Bronx County, New York. The borrower used additional loan proceeds to make capital improvements to the subject property. Of the 117 units, 98 units (83.8 percent) have rents below the High Home Rent Limit (HHRL) amount for the area as established by HUD. This loan supports affordable housing for low- and moderate-income families in the assessment area.
- In 2020, the bank originated a \$6.2 million loan to a LLC to refinance a 28-unit apartment building in a low-income census tract in Union County, New Jersey. Of the 28 units, 19 units (67.9 percent) have rents below the HHRL amount for the area as established by HUD. This loan supports affordable housing for low- and moderate-income families in the assessment area.

INVESTMENT TEST

NYCB is rated “High Satisfactory” in the Investment Test for the NY-NJ Multistate MSA assessment area. NYCB’s significant level of qualified community development investments and grants primarily supports this conclusion.

Investment and Grant Activity

NYCB has a significant level of qualified community development investments and grants in its NY-NJ Multistate MSA assessment area. During the evaluation period, NYCB reported 721 qualified investments and grants totaling \$172.4 million in this assessment area, which includes 11 new investments totaling \$89.3 million, 29 outstanding prior period investments with a current balance of \$77.5 million, and 679 grants totaling \$5.6 million. This activity accounts for 62.2 percent of the bank’s total qualified investments.

The table below details the institution’s qualified investments and grants by year and community development purpose.

Qualified Investments NY-NJ Multistate MSA Assessment Area										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Prior Period	27	77,021	1	149	1	315	0	0	29	77,485
2017	0	0	0	0	0	0	0	0	0	0
2018	5	75,457	0	0	2	250	0	0	7	75,707
2019	0	0	0	0	0	0	0	0	0	0
YTD 2020	2	11,137	0	0	2	2,500	0	0	4	13,637
Subtotal	34	163,615	1	149	5	3,065	0	0	40	166,829
Grants and donations	63	468	521	4,066	27	151	68	868	679	5,553
Total	97	164,083	522	4,215	32	3,216	68	868	719	172,382
<i>Source: Bank Records</i>										

The following is a sample of community development investments and grants that benefit the assessment area.

- In 2018, NYCB invested \$4.1 million in a CRA qualified investment fund to support community development activities, with a primary focus on affordable housing inside this assessment area.
- In 2018, the bank invested \$20 million in a multi-family MBS that supports affordable housing efforts in the assessment area. The investment is secured by a housing project that contains 135 Section 8 units.
- In 2018, NYCB made a \$20.7 million investment in a LIHTC fund. The investment helped fund the construction of 83 affordable housing units inside the assessment area.
- In 2020, the bank invested \$500,000 in a community development SBA Loan Fund. The primary purpose of the fund is to promote permanent job creation, retention, and/or improvement for low- or moderate-income individuals who are employed by small businesses by creating greater financial liquidity and a lower cost of capital.
- During the review period, NYCB provided two grants totaling \$500,000 to an organization that works to create and renovate affordable housing inside the assessment area. The organization has helped construct 130,000 units of affordable housing.
- During the review period, the bank provided two grants totaling \$75,000 to a community service organization that provides food to the assessment area's homeless population and low-income families.

Responsiveness to Credit and Community Development Needs

NYCB’s qualified investments and donations exhibit good responsiveness to the credit and community development needs of the NY-NJ Multistate MSA assessment area. The bank’s qualified investments mainly supported affordable housing and economic development, which are demonstrated community development needs in the area.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives in the assessment area. As an example, NYCB created the New York City Community Fund to provide low-cost capital to community development financial institutions (CDFIs) that address small business lending needs in New York City. The low-cost capital enables CDFIs to expand existing lending opportunities, support new lending programs to small businesses, and target niche sectors to jumpstart or expand successful businesses. NYCB invested \$2 million in this program and distributed the funds to four different CDFIs in New York City. Furthermore, NYCB’s LIHTC investments are complex, with approximately \$49.5 million of the funding benefitting this assessment area.

SERVICE TEST

NYCB is rated “High Satisfactory” in the Service Test for the NY-NJ Multistate MSA assessment area. NYCB’s relatively high level of community development services primarily supports this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The branch distribution and alternative delivery systems are generally consistent with the institution overall. NYCB operates 168 full-service branches and 250 ATMs in the NY-NJ Multistate MSA assessment area. The table below details the distribution of the bank’s branch office and ATM network by census tract income.

Branch and ATM Distribution by Geography Income Level NY-NJ Multistate MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	495	11.2	2,239,749	11.9	7	4.2	8	3.2
Moderate	959	21.6	4,275,228	22.6	28	16.7	40	16.0
Middle	1,466	33.0	6,020,670	31.9	72	42.9	113	45.2
Upper	1,426	32.1	6,296,495	33.4	60	35.7	88	35.2
NA	92	2.1	47,196	0.2	1	0.5	1	0.4
Total	495	11.2	2,239,749	11.9	168	100.0	250	100.0
<i>Source: 2015 ACS data and Bank Records</i>								

As shown in the table, NYCB has 7 branches and 8 ATMs in the low-income census tracts and 28 branch offices and 40 ATMs in the moderate-income census tracts. Overall, the branch structure has a higher concentration of branches in middle- and upper-income areas. Notably, the bank has a limited branch presence in the Brooklyn and Bronx areas of New York, where a significant number of low- and moderate-income geographies are located.

While the distribution of NYCB's office and ATM network is lower than demographic comparisons, the bank maintains a reasonable proportion of its operations in the low- and moderate-income tracts on a combined basis. In addition, many of its branches in the middle- and upper-income census tracts are located near low- and moderate-income tracts, providing reasonable access to residents in those areas. Furthermore, many of the offices are located on major roadways or near mass transit stations, which further increases access for the residents and businesses in the surrounding areas.

NYCB also continues to maintain three branches within Banking Development Districts (BDDs) in this assessment area, which required an application and approval by the New York State Department of Financial Services. Each of the branches is located in a moderate-income census tract. The BDD program encourages the establishment of bank branches in underserved areas where there is a demonstrated need for banking services. Many of the individuals living and working in these BDD areas may have a very limited knowledge of banking products and services, as well as proper financial planning in general. To date, NYCB has opened over 1,500 BDD savings accounts with balances totaling in excess of \$5.1 million, which demonstrates the need for such services.

In addition to the physical access to NYCB's branches and ATMs, the bank offers other alternative delivery systems that improve accessibility for its products and services for all geographies, including low- and moderate-income areas. These systems include online, mobile, and telephone banking, as well as bank by mail.

Changes in Branch Locations

To the extent changes have been made, the bank's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

NYCB did not open any branches in this assessment area during the review period. However, NYCB merged with its former affiliate, New York Commercial Bank, effective November 30, 2018, and acquired its 30 branches in New York State, several of which were located in moderate-income tracts. Prior to the merger, New York Commercial Bank branches offered a variety of consumer and business products and services. After the merger, former New York Commercial Bank branches began offering all of NYCB's products and services.

The bank closed 17 branches in the NY-NJ Multistate MSA assessment area during the review period. These closed branches included 6 branches in moderate-income tracts, 7 branches in middle-income tracts, and 4 branches in upper-income tracts. As for the branch closures in the moderate-income tracts, other NYCB branches remained open within the same general

neighborhoods to provide access to banking services, being either several blocks or a short car/transit ride away from the closed branches. In addition, NYCB waived monthly maintenance fees, account activity fees, and foreign ATM service charges for debit cards linked to customer accounts for all the closed branches for 12 months to mitigate any potential adverse impact during the transition to the new branch locations. Lastly, examiners determined that the impact of the closures on delivery systems in the low- and moderate-income areas was further limited considering the bank's various alternative delivery systems, including online, mobile, and telephone banking, as well as bank by mail.

Management indicated that NYCB acquired numerous branches in close proximity to one another over the years through several bank acquisitions. Given the decreased branch foot traffic, the increased use of electronic banking by customers, and the significant drop in interest rates and increased net margin risk concerns, NYCB evaluated all branch operations and expenses, and closed those branches that were the lowest performing. NYCB identified branches based on various factors, including deposit activity and transaction volume, targeting those that had declining average deposits below the level needed to ensure profitability.

Reasonableness of Business Hours and Services

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Business hours vary slightly by branch according to assessment area needs; however, most branches are open from 9:00 a.m. to 4:00 p.m. Monday through Thursday, with extended hours until 6:00 p.m. on Friday. The bank offers drive-up services at 66 branches, walk-up services at 17 branches, Saturday hours at 138 branches, and Sunday hours at 34 branches.

The bank's products and services in the NY-NJ Multistate MSA assessment area, including the low-cost savings and checking accounts, are generally consistent with those discussed at the institution level. Specific to this assessment area, NYCB offers a low-cost savings and checking account for customers of the three BDD branches. The BDD branches offer customers deposit accounts with no minimum balance required to avoid monthly service charges, free tax preparation assistance, free currency exchanges, free payroll check cashing, and discounted rates on money orders.

NYCB participates with the Bank on Newark program within this assessment area. NYCB, along with 11 banks and credit unions, partners with the city of Newark to offer checking accounts to residents who would otherwise be barred from opening an account. Participating banks accept a \$25 minimum balance to open an account and impose no monthly minimum balance requirement. The participating banks also offer one free money order per month and a one-time overdraft fee waiver.

Community Development Services

NYCB provided a relatively high level of services in the NY-NJ Multistate MSA assessment area. The bank provided 2,859 services in the assessment area, which represents an increase from the prior evaluation period, during which time the bank provided 1,825 services.

The table below summarizes the bank’s community development services by year and purpose.

Community Development Services NY-NJ Multistate MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2017	9	206	1	8	224
2018	47	1,253	9	6	1,315
2019	15	1,133	4	2	1,154
YTD 2020	3	162	1	0	166
Total	74	2,754	15	16	2,859
<i>Source: Bank Data</i>					

The following is a sample of community development services that benefit the assessment area.

- In 2017, bank staff provided financial literacy training to low- and moderate-income children at a head-start program in Hudson County, New Jersey. This service qualified as a community service.
- In 2018, bank staff provided a presentation on financial literacy to high school students in a low-income census tract in Nassau County, New York. The presentation provided information about financial investing, which qualified as a community service.
- In 2019, bank staff provided a program to provide senior financial safety tips to residents at a housing authority in Ocean County, New Jersey. The housing authority is located in a moderate-income tract. The program provided community services to these individuals by delivering financial education.
- In 2020, bank staff provided financial literacy training to members of the public at a community center in Suffolk County, New York. The community center is located in a moderate-income census tract.

OHIO

CRA RATING FOR OHIO: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN OHIO

NYCB operates 28 of its 237 branches (11.8 percent) and 47 of its 341 ATMs (13.8 percent) in the Cleveland, OH CSA assessment area.

This assessment area consists of Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit Counties, in Ohio. Cuyahoga, Geauga, Lake, Lorain and Medina Counties are in the Cleveland-Elyria, OH MSA (#17460), while Portage and Summit Counties are in the Akron, OH MSA (#10420). Both MSAs are part of the larger Cleveland-Akron-Canton, OH CSA.

The assessment area contains 808 census tracts, with income designations as follows:

- 148 low-income census tracts
- 181 middle-income census tracts
- 273 middle-income census tract
- 194 upper-income census tracts
- 12 census tracts with no income designation

Economic and Demographic Data

The table below provides select demographic characteristics of the Cleveland, OH CSA assessment area.

Demographic Information Cleveland, OH CSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	808	18.3	22.4	33.8	24.0	1.5
Population by Geography	2,768,227	11.9	19.9	36.2	31.7	0.3
Housing Units by Geography	1,269,259	13.5	22.1	35.6	28.4	0.4
Owner-Occupied Units by Geography	741,333	6.3	16.6	39.6	37.3	0.2
Occupied Rental Units by Geography	388,232	22.1	29.8	31.3	15.9	0.9
Vacant Units by Geography	139,694	28.1	29.4	26.0	15.5	1.0
Businesses by Geography	198,373	8.7	15.9	34.0	40.8	0.6
Farms by Geography	5,171	3.9	11.3	43.4	41.4	0.0
Family Distribution by Income Level	699,389	22.4	16.7	19.7	41.1	0.1
Household Distribution by Income Level	1,129,565	25.6	15.4	16.9	42.1	0.0
Median Family Income - 10420 Akron, OH MSA		\$65,716	Median Housing Value			\$138,355
Median Family Income - 17460 Cleveland-Elyria, OH MSA		\$65,821	Median Gross Rent			\$765
			Families Below Poverty Level			11.3%

*Source: 2015 ACS and 2019 D&B Data. Due to rounding, totals may not equal 100.0%.
(*) The NA category consists of geographies that have not been assigned an income classification.*

The area's demographics suggest that there are opportunities to make home mortgage loans in the assessment area, including to low- and moderate-income individuals. The median housing value is slightly more than twice the area median income. However, these opportunities could be limited by the relatively high level of families below the poverty level, at 11.3 percent.

The table below shows the median family income ranges for the two MSAs represented in the assessment area.

Median Family Income Ranges Cleveland, OH CSA Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Akron, OH MSA Median Family Income (10420)				
2017 (\$65,700)	<\$32,850	\$32,850 to <\$52,560	\$52,560 to <\$78,840	≥\$78,840
2018 (\$73,200)	<\$36,600	\$36,600 to <\$58,560	\$58,560 to <\$87,840	≥\$87,840
2019 (\$72,300)	<\$36,150	\$36,150 to <\$57,840	\$57,840 to <\$86,760	≥\$86,760
Cleveland-Elyria, OH MSA Median Family Income (17460)				
2017 (\$67,900)	<\$33,950	\$33,950 to <\$54,320	\$54,320 to <\$81,480	≥\$81,480
2018 (\$70,700)	<\$35,350	\$35,350 to <\$56,560	\$56,560 to <\$84,840	≥\$84,840
2019 (\$73,700)	<\$36,850	\$36,850 to <\$58,960	\$58,960 to <\$88,440	≥\$88,440

Source: FFIEC

The table below shows unemployment data for the assessment area and statewide area. According to data obtained from the Bureau of Labor Statistics, the areas experienced significant increases in unemployment rates in 2020, primarily due to the effects of the COVID-19 pandemic.

Unemployment Rates Cleveland, OH CSA Assessment Area				
Area	July 2017	July 2018	July 2019	July 2020
	%	%	%	%
Cuyahoga County	6.0	5.2	4.8	13.1
Geauga County	4.8	4.1	3.9	7.7
Lake County	5.1	4.5	4.2	10.0
Lorain County	6.5	5.5	5.0	11.7
Medina County	4.8	4.1	3.9	8.8
Portage County	5.2	4.6	4.6	8.0
Summit County	5.1	4.6	4.6	9.4
Ohio	5.0	4.5	4.2	9.0

Source: Bureau of Labor Statistics

According to Moody’s Analytics data, the top employers in the assessment area include Summa Health System, Akron Children’s Hospital, Cleveland Clinic Foundation, and University Hospitals.

Competition

The assessment area is a moderately competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 41 financial institutions operated 782 offices within the bank’s assessment area. Of these institutions, NYCB ranked ninth with a deposit market share of 2.2 percent.

There is a small competitive market for multi-family lending in the assessment area. According to 2019 aggregate data, 65 lenders originated or purchased 296 multi-family loans totaling \$1.1 billion in the assessment area. Out of this group of lenders, NYCB ranked second by count with a 5.7 percent market share, and first by total dollar amount with a 22.6 percent market share. By count, the top lender was US Bank, N.A., with an 8.1 percent market share. By total dollar volume, the second ranked lender was Bellwether Enterprise Real Estate, with a 12.5 percent market share.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 532 lenders reported 97,382 1-4 family loans originated or purchased in the assessment area. NYCB ranked 105th out of this group of lenders with a 0.1 percent market share. Large regional banks and nationwide lenders such as Huntington National Bank, Third Federal Savings and Loan, and Quicken Loans, dominate the assessment area. Collectively, these lenders represented 24.8 percent of all 1-4 family loan originations and purchases in 2019.

Community Contact

Examiners conducted a community contact with a representative from a housing organization serving the Cleveland, OH CSA assessment area. The organization focuses on creating affordable and stable housing to improve communities. According to the contact, the service economy, as well as small businesses, continue to struggle due to the effects of the COVID-19 pandemic. Housing stock in the area is limited and there is a significant shortfall in affordable housing due to the pandemic. The contact sees the need for non-tax credit investments in affordable housing, specifically in the multi-family market. Furthermore, the contact feels that financial institutions need to be more creative in originating home loans to low- and moderate-income individuals, as well as providing lending for home repair and access to capital for small businesses.

Credit and Community Development Needs and Opportunities

Based on demographic information and information from the community contact, examiners identified affordable housing loans, small business loans, and loans for COVID-19 relief as credit and community development needs in the assessment area. Based on the demographic information, there are opportunities to make such loans in the assessment area, though there may be less opportunities to make affordable housing loans in the low-income census tracts based on the limited number of owner-occupied units present in those areas.

SCOPE OF EVALUATION – OHIO

Examiners used full-scope examination procedures to evaluate the bank's performance in the Cleveland, OH CSA assessment area. Examiners placed slightly more weight on the bank's 1-4 family lending performance, as this loan type had the greatest number of loans in the assessment area. Multi-family lending received slightly less weight, although examiners considered that the dollar volume of multi-family loans was greater than 1-4 family loans in the assessment area. Small business lending did not represent a primary product in the Cleveland, OH CSA, and provided no material support for conclusions and ratings in this assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN OHIO

LENDING TEST

NYCB is rated "Low Satisfactory" in the Lending Test in Ohio. The bank's adequate performance in the Lending Activity, Geographic Distribution, Borrower Profile, and Community Development Loans criteria supports this conclusion.

Lending Activity

NYCB's lending levels reflect adequate responsiveness to the credit needs of the Cleveland, OH CSA assessment area. Examiners based this conclusion on the bank's adequate responsiveness for 1-4 family loans in the area and excellent responsiveness for multi-family loans.

NYCB's 1-4 family lending levels reflected adequate responsiveness in the assessment area. The bank's 1-4 family lending declined over the evaluation period, primarily due to its decision to stop offering 1-4 family loans in 2017. In 2017, the bank reported 297 1-4 family loans for a total of \$34.8 million. The bank did not originate or purchase any 1-4 family loans in 2018 in the assessment area. In 2019, the bank reported 89 1-4 family loans for \$12.5 million, which represented a 0.1 percent market share. In 2019, NYCB ranked 105th out of 532 lenders that reported a 1-4 family loan origination or purchase in the assessment area.

NYCB's multi-family lending levels reflected excellent responsiveness in the assessment area. Multi-family lending increased during the review period. In 2018, NYCB reported 13 loans totaling \$80.4 million. In 2019, the bank reported 17 loans totaling \$244.8 million, which represented a 5.7 percent market share. In 2019, NYCB ranked second out of 65 lenders that reported a multi-family loan origination or purchase in the assessment area.

Geographic Distribution

The geographic distribution of NYCB's lending activity reflects adequate penetration throughout this assessment area. This conclusion is supported by an adequate penetration of 1-4 family mortgage loans and a poor penetration of multi-family loans throughout the assessment area.

1-4 Family Loans

The geographic distribution of 1-4 family loans reflects adequate penetration throughout the assessment area. The following table details the geographic distribution of 1-4 family loans by tract income level.

Geographic Distribution of 1-4 Family Loans Cleveland, OH CSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	6.3	3.5	52	17.5	994	2.9
2018	6.3	3.0	0	0.0	0	0.0
2019	6.3	3.0	8	9.0	1,286	10.3
Moderate						
2017	16.6	13.8	51	17.2	3,009	8.6
2018	16.6	12.9	0	0.0	0	0.0
2019	16.6	12.6	18	20.2	2,419	19.3
Middle						
2017	39.6	40.9	100	33.7	11,219	32.2
2018	39.6	40.8	0	0.0	0	0.0
2019	39.6	39.5	38	42.7	4,956	39.6
Upper						
2017	37.3	41.7	94	31.6	19,594	56.3
2018	37.3	43.3	0	0.0	0	0.0
2019	37.3	44.9	25	28.1	3,840	30.8
Not Available						
2017	0.2	0.1	0	0.0	0	0.0
2018	0.2	0.0	0	0.0	0	0.0
2019	0.2	0.0	0	0.0	0	0.0
Totals						
2017	100.0	100.0	297	100.0	34,816	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	89	100.0	12,501	100.0

Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

As shown in the table, the percentage of 1-4 family home loans within the low-income census tracts in 2017 exceeded the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans in the low-income tracts, as it stopped offering 1-4 family loans in 2017. NYCB's lending level increased in 2019 through loan purchases, with its percentage of 1-4 family loans within the low-income census tracts exceeding both the demographic comparison and the aggregate performance that year.

The bank's percentage of 1-4 family loans within the moderate-income census tracts in 2017 exceeded the aggregate performance and the demographic comparison. In 2018, the bank made no 1-4 family loans in the moderate-income tracts, as it stopped offering 1-4 family loans in 2017. In 2019, the bank's lending level in the moderate-income tracts increased through loan purchases, and exceeded the demographic comparison and the aggregate performance.

NYCB’s distribution of loans in the low- and moderate-income census tracts was good in 2017 and 2019 based on comparisons to the demographic and aggregate data; however, the distribution for the review period is adequate overall, given the lack of lending in 2018 and the modest number of loans in the low- and moderate-income areas in 2019.

Multi-family Loans

The geographic distribution of multi-family loans reflects poor penetration throughout this assessment area. The following table details the distribution of multi-family loans by tract income level.

Geographic Distribution of Multi-family Loans Cleveland, OH CSA Assessment Area						
Tract Income Level	% of Multi-family Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	16.9	18.5	0	0.0	0	0.0
2019	16.9	19.7	0	0.0	0	0.0
Moderate						
2018	28.7	31.5	2	15.4	14,400	17.9
2019	28.7	31.8	4	23.5	24,151	9.9
Middle						
2018	34.3	33.2	8	61.5	32,432	40.3
2019	34.3	35.7	11	64.7	190,960	78.0
Upper						
2018	18.7	16.1	3	23.1	33,647	41.8
2019	18.7	12.5	2	11.8	29,725	12.1
Not Available						
2018	1.4	0.7	0	0.0	0	0.0
2019	1.4	0.3	0	0.0	0	0.0
Totals						
2018	100.0	100.0	13	100.0	80,479	100.0
2019	100.0	100.0	17	100.0	244,836	100.0

Source: 2015 ACS; Bank Data; 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

As shown in the table above, the bank did not have any multi-family loans in the low-income census tracts in 2018 or 2019, despite the potential demand indicated by the demographic data and the aggregate performance.

The bank’s percentage of multi-family loans within the moderate-income census tracts in 2018 was significantly below the demographic comparison and aggregate performance. In 2019, the bank’s loan activity in the moderate-income census tracts increased; however, the level of lending was still below the demographic comparison and the aggregate performance.

Borrower Profile

NYCB's distribution of borrowers reflects adequate penetration among retail customers of different income levels within this assessment area. Examiners based this conclusion solely on the bank's 1-4 family lending performance. Although multi-family lending is a significant loan product within this assessment area, examiners did not analyze multi-family loans for this performance criterion since lenders do not collect or report borrower income for such loans.

1-4 Family Loans

The distribution of borrowers reflects adequate penetration of 1-4 family loans among retail customers of different income levels. Examiners focused on the percentage of 1-4 family loans made to low- and moderate-income borrowers, as detailed in the following table.

Distribution of 1-4 Family Loans by Borrower Income Level Cleveland, OH CSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	22.4	7.7	71	23.9	2,822	8.1
2018	22.4	9.5	0	0.0	0	0.0
2019	22.4	8.5	13	14.6	1,509	12.1
Moderate						
2017	16.7	19.2	75	25.3	5,748	16.5
2018	16.7	19.7	0	0.0	0	0.0
2019	16.7	19.0	59	66.3	7,985	63.9
Middle						
2017	19.7	21.1	54	18.2	6,247	17.9
2018	19.7	21.5	0	0.0	0	0.0
2019	19.7	22.0	9	10.1	1,469	11.8
Upper						
2017	41.1	37.1	84	28.3	18,295	52.5
2018	41.1	36.5	0	0.0	0	0.0
2019	41.1	36.6	8	9.0	1,538	12.2
Not Available						
2017	0.1	14.9	13	4.3	1,704	5.0
2018	0.1	12.8	0	0.0	0	0.0
2019	0.1	13.9	0	0.0	0	0.0
Totals						
2017	100.0	100.0	297	100.0	34,816	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	89	100.0	12,501	100.0

Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

As shown in the table, the percentage of 1-4 family home loans among low-income borrowers in 2017 slightly exceeded the demographic comparison and far exceeded the aggregate performance. In 2018, the bank made no 1-4 family loans to low-income borrowers, as it stopped offering 1-4 family loans in 2017. However, NYCB purchased loans in 2019 to continue addressing the credit needs of the assessment area. The percentage of 1-4 family loans among low-income borrowers in 2019 was less than the demographics, but far exceeded the aggregate performance, which is generally a better indicator of loan demand.

The percentage of 1-4 family home loans among moderate-income borrowers in 2017 exceeded both the demographic comparison and aggregate performance. In 2018, the bank made no 1-4 family loans to moderate-income borrowers, as it stopped offering 1-4 family loans in 2017. In 2019, loan activity

among moderate-income borrowers far exceeded the demographic comparison and aggregate performance.

NYCB’s distribution of loans to low- and moderate-income borrowers was good in 2017 and 2019 based on comparisons to the demographic and aggregate data; however, the borrower distribution for the review period is adequate overall, given the lack of lending in 2018 and the modest number of loans to low- and moderate-income borrowers in 2019.

Community Development Loans

The bank made an adequate level of community development loans in the assessment area. During the evaluation period, the bank originated 12 loans for \$47.8 million in the assessment area. This level of activity is lower than the prior evaluation’s total by dollar volume, which reported 11 loans for \$64.8 million. A majority of the community development loans helped address the area’s affordable housing needs. The following table illustrates the community development lending activity by year and purpose.

Community Development Lending Cleveland, OH CSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2017	0	0	0	0	0	0	0	0	0	0
2018	2	5,400	0	0	0	0	1	2,650	3	8,050
2019	4	24,151	0	0	0	0	2	7,825	6	31,976
YTD 2020	3	7,768	0	0	0	0	0	0	3	7,768
Total	9	37,319	0	0	0	0	3	10,475	12	47,794
<i>Source: Bank Data</i>										

The following is a sample of community development loans that benefit the assessment area.

- In 2019, the bank originated a \$7.2 million loan to a LLC to acquire two apartment buildings comprising 223 units in a moderate-income census tract in Cleveland, Ohio. Nearly all units have rents below the HHRL amount for the area as established by HUD. This loan supports affordable housing for low- and moderate-income families in the assessment area.
- In 2019, the bank originated a \$7.9 million loan to acquire a three-building apartment complex with 174 residential units in a moderate-income area in Cuyahoga County, Ohio. All of the units have rents below the HHRL amount for the area as established by HUD. This loan supports affordable housing for low- and moderate-income families.

INVESTMENT TEST

NYCB is rated “Low Satisfactory” in the Investment Test in Ohio. NYCB’s adequate level of qualified community development investments and grants primarily supports this conclusion.

Investment and Grant Activity

NYCB has an adequate level of qualified community development investments and grants in its Cleveland, OH CSA assessment area. During the evaluation period, NYCB reported 116 qualified investments and grants totaling \$21.7 million in this assessment area, which includes one new investment totaling \$3.7 million, eight outstanding prior period investments with a current balance of \$17 million, and 107 grants totaling \$948,000. This activity accounts for 7.8 percent of the bank’s total qualified investments. NYCB’s dollar volume of community development qualified investments and grants declined compared to the prior evaluation, which reported qualified investments and grants of \$34.7 million; however, the volume is still adequate.

The table below details the qualified investments by year and community development purpose.

Qualified Investments Cleveland, OH CSA Assessment Area										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Prior Period	8	16,977	0	0	0	0	0	0	8	16,977
2017	0	0	0	0	0	0	0	0	0	0
2018	1	3,749	0	0	0	0	0	0	1	3,749
2019	0	0	0	0	0	0	0	0	0	0
YTD 2020	0	0	0	0	0	0	0	0	0	0
Subtotal	9	20,726	0	0	0	0	0	0	9	20,726
Grants and donations	15	606	82	264	3	9	7	68	107	948
Total	24	21,332	82	264	3	9	7	68	116	21,674
<i>Source: Bank Records</i>										

The following is a sample of community development investments and grants that benefit the assessment area.

- In 2018, NYCB made a \$3.7 million investment to support 100 Section 8 housing units and 351 affordable housing units designated for low-income individuals. This investment was part of a larger \$28 million MBS that is secured by several affordable housing projects across multiple assessment areas.
- During the review period, NYCB provided three grants totaling \$90,000 to a nonprofit affordable housing developer and housing service provider. The organization develops affordable housing projects and provides educational housing services to low-income families.

- During the review period, the bank provided three grants totaling \$6,500 to a community service organization that provides food to the assessment area’s homeless population and low-income families.

Responsiveness to Credit and Community Development Needs

NYCB exhibits adequate responsiveness to credit and community development needs. The majority of investments target affordable housing initiatives in the bank’s assessment area, which the community contact identified as a primary community development need. NYCB’s grant and donation activity primarily support community services that benefit low- and moderate-income individuals and families.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives in the assessment area. NYCB’s LIHTC investments are complex, with approximately \$4.2 million of these investments benefitting this assessment area.

SERVICE TEST

NYCB is rated “High Satisfactory” in the Service Test for Ohio. NYCB’s relatively high level of community development services primarily supports this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the branch distribution and alternative delivery systems are generally consistent with the institution overall. NYCB has 28 full-service branches and 47 ATMs in the assessment area. The table below details the census tract distribution of the bank’s branch offices and ATM network in this assessment area.

Branch and ATM Distribution by Geography Income Level Cleveland, OH CSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	148	18.3	329,751	11.9	0	0.0	0	0.0
Moderate	181	22.4	551,241	19.9	6	21.4	10	21.3
Middle	273	33.8	1,000,932	36.2	14	50.0	23	48.9
Upper	194	24.0	877,474	31.7	8	28.6	14	29.8
NA	12	1.5	8,829	0.3	0	0.0	0	0.0
Total	808	100.0	2,768,227	100.0	28	100.0	47	100.0

Source: 2015 ACS data and Bank Records

As shown in the table, NYCB has no offices or ATMs in the low-income census tracts; however, the bank has six branch offices and ten ATMs located in the moderate-income census tracts. While the distribution of NYCB’s office and ATM network in the low-income census tracts is lower than

demographic comparisons, the bank maintains a reasonable proportion of its operations in the moderate-income tracts. In addition, several of its branches in the middle- and upper-income areas are located near low- and moderate-income tracts, providing reasonable access to the bank’s office locations for residents in those areas.

In addition to the physical access to NYCB’s branches and ATMs, the bank offers other alternative delivery systems that improve accessibility to its products and services for all geographies, including low- and moderate-income areas. These systems include online, mobile, and telephone banking, as well as bank by mail.

Changes in Branch Locations

NYCB did not open or close any branches in the assessment area over the review period.

Reasonableness of Business Hours and Services

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Business hours vary slightly by branch according to the assessment area needs; however, most branches are open from 9:00 a.m. to 4:00 p.m. Monday through Thursday, with extended hours until 6:00 p.m. on Friday. The bank does not offer drive-up services, though it offers Saturday hours at all but one branch. Overall, the bank’s products and services in the Ohio assessment area, including the low-cost savings and checking accounts, are consistent with those discussed at the institution level.

Community Development Services

NYCB provided a relatively high level of community development services in the Cleveland, OH CSA assessment area. During the evaluation period, NYCB employees provided 687 instances of community development services. This represented an increase from the prior evaluation period, when employees provided 515 community development services.

The table below summarizes the bank’s community development services in the assessment area by year and purpose.

Community Development Services Cleveland, OH CSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2017	2	56	4	0	62
2018	2	283	0	1	286
2019	2	241	0	0	243
YTD 2020	0	96	0	0	96
Total	6	676	4	1	687
<i>Source: Bank Data</i>					

The following is a sample of community development services that benefit the assessment area.

- Continuing from 2017, a second vice president of the bank served on the board of directors of a community services center located in a low-income census tract in Cuyahoga County, Ohio. The officer's service and technical expertise helps the organization provide community services to the residents of the low-income area.
- In 2018, several bank employees provided tax preparation assistance at an affordable housing organization in a moderate-income census tract in Cuyahoga County, Ohio. This work provided community services to low- and moderate-income individuals in the assessment area.
- In 2019, a bank employee provided financial literacy training to students at a school in Cuyahoga County, Ohio. More than half of the students receive free or reduced cost lunches at the school, indicating that this community service primarily benefited low- or moderate-income people.
- In 2020, several bank employees provided tax preparation assistance at a nonprofit organization in Cuyahoga County, Ohio. This community service benefitted low- and moderate-income individuals.

FLORIDA

CRA RATING FOR FLORIDA: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA

NYCB operates 26 of its 237 branches (11.0 percent) and 28 of its 341 ATMs (8.2 percent) in Florida.

NYCB designated two assessment areas in Florida, including the Southeast Florida assessment area within the Miami-Port St. Lucie-Fort Lauderdale, FL CSA #370, and the Southwest Florida AA within the Cape Coral-Fort Myers-Naples, FL CSA #163. Refer to the separate Southeast Florida and Southwest Florida sections of this evaluation for a detailed description of each of the assessment areas.

SCOPE OF EVALUATION – FLORIDA

Examiners used full-scope examination procedures to evaluate the bank's performance in the state of Florida. Examiners reviewed 1-4 family lending only, which represented the bank's primary product in the state of Florida. Multifamily and small business loans did not represent primary products in the state of Florida, and provided no material support for conclusions and ratings in this area. Examiners placed greater weight on the bank's performance in the Southeast Florida assessment area, based on the greater volume of lending in that assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN FLORIDA

LENDING TEST

NYCB is rated "Low Satisfactory" in the Lending Test in the state of Florida. The bank's adequate performance in the Geographic Distribution and Borrower Profile criteria, and its good performance under the Community Development Loans criterion primarily supports this conclusion. NYCB's Lending Test performance in Florida was consistent for the assessment areas within this rated area.

Refer to the Southeast Florida and Southwest Florida assessment area sections for details regarding the bank's performance in those areas under each of the Lending Test criteria.

Lending Activity

NYCB's lending levels reflect adequate responsiveness to the credit needs of the assessment areas in the state of Florida.

NYCB's 1-4 family lending levels reflect adequate responsiveness in Florida. The bank's 1-4 family lending declined over the evaluation period, primarily due to its decision to stop offering 1-4 family loans in 2017. In 2017, the bank reported 233 1-4 family loans in Florida for \$48.6 million. The bank did not originate or purchase any 1-4 family loans in 2018 in Florida. In 2019, the bank reported 170 1-4 family loans for \$33.1 million, which consisted primarily of purchased loans.

Examiners considered the bank's change of business strategy when assigning a rating for this criterion, and particularly noted the institution's effort to continue meeting the credit needs of the assessment areas through loan purchases in 2019.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration within the state of Florida. Examiners based this conclusion on the distribution of 1-4 family loans in the low- and moderate-income census tracts. The performance under the Geographic Distribution criterion was generally consistent for the assessment areas within the rated area.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels throughout the state of Florida. Examiners based this conclusion on the percentage of 1-4 family loans to low- and moderate-income borrowers. The performance under the Borrower Profile criterion was generally consistent for the assessment areas within the rated area.

Community Development Loans

The bank made a relatively high level of community development loans in Florida. The performance under the Community Development Loans criterion differed for the assessment areas within the rated area, as the bank's community development loans were concentrated in the Southeast Florida assessment area, with no activity in the Southwest Florida assessment area.

During the evaluation period, the bank originated 18 loans for \$128 million in the rated area. This level of activity is generally comparable to the prior evaluation, which reported 18 loans totaling \$131.2 million. A majority of the community development loans support revitalization and stabilization efforts within the rated area. The following table illustrates the community development lending activity by area and purpose.

Community Development Lending Florida State Rated Area										
Florida Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Southeast Florida	2	26,300	3	8,713	1	2,830	10	68,650	16	106,493
Southwest Florida	0	0	0	0	0	0	0	0	0	0
Statewide	1	18,000	1	3,510	0	0	0	0	2	21,510
Total	3	44,300	4	12,223	1	2,830	10	68,650	18	128,003

Source: Bank Data

As shown in the table above, NYCB’s community development lending performance is not consistent throughout both Florida assessment areas, as the bank’s community development lending activity occurred almost exclusively within the Southeast Florida assessment area, with no direct loans in the Southwest Florida area. However, examiners placed more weight on the bank’s performance in the Southeast Florida assessment area when developing conclusions, as that area accounts for the majority of its branches, loans, and deposits in the state of Florida.

NYCB originated two loans outside the Florida assessment areas, but within the statewide area that includes the bank’s assessment areas. Although made outside of NYCB’s assessment areas, these loans received community development credit, as the bank has been responsive to the community development needs of its assessment areas, particularly the Southeast Florida assessment area. These two loans include the following.

- In 2018, the bank originated an \$18 million loan to a LLC to refinance two housing developments, both in a moderate-income census tract in Duval County, Florida. Of the 352 units, 216 units (61.9 percent) have rents below the HHRL amount for the area as established by HUD. This loan supports affordable housing for low- and moderate-income families in the statewide area.
- In 2018, the bank provided a \$3.5 million loan on a commercial property occupied by a major drugstore chain. The store is located in a moderate-income census tract in Kissimmee, Osceola County, Florida. This drugstore provides much needed health services to low- and moderate-income individuals residing in the lower-income neighborhood.

INVESTMENT TEST

NYCB is rated “High Satisfactory” in the Investment Test in the state of Florida. NYCB’s significant level of qualified community development investments and grants primarily supports this rating. NYCB’s Investment Test performance in Florida differed for the assessment areas within the rated area, as the performance in the Southeast Florida assessment area generally exceeded that of the Southwest Florida assessment area.

Refer to the Southeast Florida and Southwest Florida assessment area sections for details regarding the bank’s performance in those areas under each of the Investment Test criteria.

Investment and Grant Activity

NYCB has a significant level of qualified community development investments and grants in Florida. During the evaluation period, NYCB reported 51 qualified investments and grants totaling \$35.1 million in this area, which includes four new investment totaling \$2.2 million, 15 outstanding prior period investments with a current balance of \$32.8 million, and 32 grants totaling \$71,000. This investment activity accounts for 12.7 percent of the bank’s total qualified investments.

The table below details the institution’s qualified investments and grants by assessment area and community development purpose.

Qualified Investments Florida State Rated Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Florida Southeast	17	33,941	24	58	2	100	1	2	44	34,101
Florida Southwest	5	1,041	2	1	0	0	0	0	7	1,042
Total	22	34,982	26	59	2	100	1	2	51	35,142

Source: Bank Records

Responsiveness to Credit and Community Development Needs

NYCB exhibits good responsiveness to credit and community development needs. The majority of the investments target affordable housing initiatives in the bank’s assessment areas, which is a primary community development need in the areas.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives.

SERVICE TEST

NYCB is rated “High Satisfactory” in the Service Test in the state of Florida. NYCB’s relatively high level of community development services primarily supports this conclusion. NYCB’s Service Test performance in Florida differed for the assessment areas within the rated area, as the performance in the Southeast Florida assessment area generally exceeded that of the Southwest Florida assessment area.

Refer to the Southeast Florida and Southwest Florida assessment area sections for details regarding the bank’s performance in those areas under each of the Service Test criteria.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank’s assessment areas in Florida. Examiners based this conclusion primarily on the bank’s performance within its Southeast Florida assessment area, as that is where a majority of the bank’s branches and ATMs in Florida are located. The conclusion regarding the branch distribution and alternative delivery systems for Florida is consistent with the institution overall.

Changes in Branch Locations

To the extent changes have been made, the bank’s opening and closing of branches has generally not adversely affected its accessibility of delivery systems, particularly in low- and moderate-income areas. NYCB closed one branch in the Southeast Florida assessment area, but closed no branches in the Southwest Florida assessment area.

Reasonableness of Business Hours and Services

NYCB’s business hours and services do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income tracts and/or individuals. Overall, the bank’s products and services in the Florida assessment areas, including the low-cost savings and checking accounts, are consistent with those discussed at the institution level.

Community Development Services

NYCB provided a relatively high level of services in the state of Florida. During the evaluation period, the bank provided 482 instances of community development services in the state. This represented a slight increase from the prior evaluation, when the bank provided 425 instances of community development services. The table below summarizes the bank’s community development services by area and purpose.

Community Development Services Florida State Rated Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Southeast Florida	9	434	1	4	448
Southwest Florida	0	34	0	0	34
Total	9	468	1	4	482

Source: Bank Data

SOUTHEAST FLORIDA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN SOUTHEAST FLORIDA

NYCB operates 24 of its 237 branches (10.1 percent) and 26 of its 341 ATMs (7.6 percent) in the Southeast Florida assessment area. The assessment area includes Broward, Martin, Miami-Dade, Palm Beach, and St. Lucie Counties in southeast Florida. The assessment area is entirely within the Miami-Port St. Lucie-Fort Lauderdale, FL CSA (#370).

The assessment area consists of 1,300 census tracts with income designations as follows:

- 80 low-income census tracts,
- 361 moderate-income census tracts,
- 392 middle-income census tracts,
- 432 upper-income census tracts, and
- 35 census tracts with no income designation.

Economic and Demographic Data

The table below provides select demographic characteristics of the Southeast Florida assessment area.

Demographic Information Southeast Florida Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,300	6.2	27.8	30.2	33.2	2.6
Population by Geography	6,300,592	5.6	28.3	32.9	32.8	0.4
Housing Units by Geography	2,700,513	5.4	27.0	32.4	34.9	0.3
Owner-Occupied Units by Geography	1,373,413	2.5	22.2	34.8	40.3	0.2
Occupied Rental Units by Geography	843,479	10.0	36.2	30.7	22.6	0.5
Vacant Units by Geography	483,621	5.4	24.6	28.4	41.0	0.6
Businesses by Geography	1,016,155	4.1	21.8	29.3	43.6	1.2
Farms by Geography	15,935	4.4	24.1	31.6	39.5	0.4
Family Distribution by Income Level	1,441,322	22.9	17.1	17.9	42.1	0.0
Household Distribution by Income Level	2,216,892	25.0	15.7	16.7	42.5	0.1
Median Family Income - 22744 Fort Lauderdale-Pompano Beach-Sunrise, FL MD		\$61,809	Median Housing Value			\$222,424
Median Family Income - 33124 Miami-Miami Beach-Kendall, FL MD		\$49,264	Median Gross Rent			\$1,184
Median Family Income - 38940 Port St. Lucie, FL MSA		\$56,570	Families Below Poverty Level			13.3%
Median Family Income MSA - 48424 West Palm Beach-Boca Raton-Boynton Beach, FL		\$65,914				

Source: 2015 ACS and 2019 D&B Data. Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

The assessment area demographics suggest that there are limited opportunities to make home mortgage loans in the low-income census tracts, but some availability in the moderate-income tracts. Specifically, only 2.5 percent of the area’s owner-occupied housing units were in the low-income census tracts, compared to 22.2 percent in the moderate-income tracts. In addition, 13.3 percent of families in the assessment area live below the poverty level. These families would find it difficult to qualify for traditional financing due to their limited financial capacity to repay a loan.

The table below shows the median family income ranges for the MDs and the MSA represented in the assessment area.

Median Family Income Ranges Southeast Florida Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Fort Lauderdale-Pompano Beach-Sunrise, FL MD Median Family Income (22744)				
2017 (\$64,100)	<\$32,050	\$32,050 to <\$51,280	\$51,280 to <\$76,920	≥\$76,920
2018 (\$65,700)	<\$32,850	\$32,850 to <\$52,560	\$52,560 to <\$78,840	≥\$78,840
2019 (\$68,600)	<\$34,300	\$34,300 to <\$54,880	\$54,880 to <\$82,320	≥\$82,320
Miami-Miami Beach-Kendall, FL MD Median Family Income (33124)				
2017 (\$51,800)	<\$25,900	\$25,900 to <\$41,440	\$41,440 to <\$62,160	≥\$62,160
2018 (\$52,300)	<\$26,150	\$26,150 to <\$41,840	\$41,840 to <\$62,760	≥\$62,760
2019 (\$54,900)	<\$27,450	\$27,450 to <\$43,920	\$43,920 to <\$65,880	≥\$65,880
Port St. Lucie, FL MSA Median Family Income (38940)				
2017 (\$58,000)	<\$29,000	\$29,000 to <\$46,400	\$46,400 to <\$69,600	≥\$69,600
2018 (\$60,500)	<\$30,250	\$30,250 to <\$48,400	\$48,400 to <\$72,600	≥\$72,600
2019 (\$59,500)	<\$29,750	\$29,750 to <\$47,600	\$47,600 to <\$71,400	≥\$71,400
West Palm Beach-Boca Raton-Boynton Beach, FL MD Median Family Income (48424)				
2017 (\$67,900)	<\$33,950	\$33,950 to <\$54,320	\$54,320 to <\$81,480	≥\$81,480
2018 (\$74,300)	<\$37,150	\$37,150 to <\$59,440	\$59,440 to <\$89,160	≥\$89,160
2019 (\$75,400)	<\$37,700	\$37,700 to <\$60,320	\$60,320 to <\$90,480	≥\$90,480

Source: FFIEC

The table below shows unemployment data for the assessment area and statewide area. According to data obtained from the Bureau of Labor Statistics, the areas experienced significant increases in the unemployment rates in 2020, primarily due to the effects of the COVID-19 pandemic.

Unemployment Rates Southeast Florida Assessment Area				
Area	July 2017	July 2018	July 2019	July 2020
	%	%	%	%
Fort Lauderdale-Pompano Beach-Sunrise, FL MD	4.2	3.6	3.3	13.3
Miami-Miami Beach-Kendall, FL MD	4.6	3.6	2.6	14.5
Port St. Lucie, FL MSA	5.2	4.5	4.1	10.2
West Palm Beach-Boca Raton-Boynton Beach, FL MD	4.5	3.9	3.6	11.7
Florida	4.2	3.5	3.1	11.4

Source: Bureau of Labor Statistics

According to July 2020 data from Moody's Analytics, top employers in the assessment area include Publix Super Markets, Baptist Health South Florida, Martin Health System, and Indian River State College.

Competition

The assessment area is a highly competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 83 financial institutions operated 1,589 offices within the bank's assessment area. Of these institutions, NYCB ranked eighteenth with a deposit market share of 1.1 percent.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 1,041 lenders reported 189,925 1-4 family loans originated or purchased in the assessment area. NYCB ranked 175th out of this group of lenders with a 0.1 percent market share. Large regional banks and nationwide lenders such as Wells Fargo Bank N.A., United Shore Financial Service, and Quicken Loans dominate the assessment area. Collectively, these lenders represented 17.8 percent of all 1-4 family loan originations and purchases in 2019.

Community Contact

Examiners reviewed a community contact from a housing organization serving the Southeast Florida assessment area. The organization is involved in lending, community development, and affordable housing. The contact stated that the housing market is a seller's market and that gentrification in the low- and moderate-income neighborhoods is pricing long-term residents out of the area. The contact sees a need for additional small dollar loans due to the number of payday lenders, whose loans tend to be more expensive than those offered by traditional banks. The contact also explained that there is a need to help people with impaired credit to rebuild their credit profile, as well as a need to help small businesses with affordable financing.

Credit and Community Development Needs and Opportunities

Based on information from the community contact and demographic data, examiners determined that affordable housing loans, small dollar loans, credit repair programs, and loans to address the impact of the COVID-19 pandemic represent primary credit and community development needs in the Southeast Florida assessment area. In particular, there appears to be a need for affordable rental housing, with 46.2 percent of occupied rental housing located in the low- and moderate-income areas. The increase in unemployment in the assessment area from 2019 to 2020 indicates that the COVID-19 pandemic had a significant impact on the area's economy, which supports the conclusion that the area needs support from financial institutions to recover from the pandemic.

CONCLUSIONS ON PERFORMANCE CRITERIA IN SOUTHEAST FLORIDA

LENDING TEST

NYCB demonstrated adequate performance under the Lending Test in this area. The bank's adequate performance in the Geographic Distribution and Borrower Profile criteria, and its good performance under the Community Development Loans criterion primarily supports this conclusion.

Lending Activity

NYCB's lending levels reflect adequate responsiveness to the credit needs of the Southeast Florida assessment area.

NYCB's 1-4 family lending levels reflect adequate responsiveness in the assessment area. The bank's 1-4 family lending declined over the evaluation period, primarily due to the bank's decision to stop offering 1-4 family loans in 2017. In 2017, the bank reported 179 1-4 family loans within the assessment area for \$40 million. In 2018, the bank did not report any 1-4 family loans in the assessment area. In 2019, the bank reported 135 1-4 family loans for \$26.2 million, which represented a 0.1 percent market share. In 2019, NYCB ranked 175th out of 1,041 lenders that reported a 1-4 family loan origination or purchase in the assessment area.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout this assessment area. Examiners based this conclusion solely on the bank's 1-4 family lending performance.

1-4 Family Loans

The geographic distribution of 1-4 family loans reflects adequate penetration throughout the assessment area. The following table details the geographic distribution of 1-4 family loans by tract income level.

Geographic Distribution of 1-4 Family Loans Southeast Florida Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	2.5	2.0	9	5.0	1,705	4.5
2018	2.5	2.0	0	0.0	0	0.0
2019	2.5	2.0	13	9.6	3,030	11.6
Moderate						
2017	22.2	19.3	64	35.8	10,654	28.1
2018	22.2	19.8	0	0.0	0	0.0
2019	22.2	19.3	72	53.3	14,743	56.2
Middle						
2017	34.8	36.9	57	31.8	9,999	26.3
2018	34.8	36.3	0	0.0	0	0.0
2019	34.8	36.5	29	21.5	4,576	17.5
Upper						
2017	40.3	41.4	48	26.8	15,455	40.7
2018	40.3	41.6	0	0.0	0	0.0
2019	40.3	42.0	21	15.6	3,866	14.7
Not Available						
2017	0.2	0.4	1	0.6	167	0.4
2018	0.2	0.3	0	0.0	0	0.0
2019	0.2	0.2	0	0.0	0	0.0
Totals						
2017	100.0	100.0	179	100.0	37,980	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	135	100.0	26,215	100.0

Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

As shown in the table, the percentage of 1-4 family loans within the low-income census tracts in 2017 exceeded the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans in the low-income tracts, as it stopped offering 1-4 family loans in 2017. However, NYCB's lending increased in 2019 through loan purchases. The percentage of 1-4 family loans within the low-income tracts in 2019 exceeded both the demographic comparison and the aggregate performance.

The percentage of 1-4 family loans within the moderate-income census tracts in 2017 exceeded the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans in the moderate-income tracts, as it stopped offering 1-4 family loans in 2017. In 2019, loan activity in the moderate-income tracts increased significantly through loan purchases, exceeding the demographic comparison and the aggregate level.

NYCB's distribution of loans in the low- and moderate-income census tracts was good in 2017 and 2019 based on comparisons to the demographic and aggregate data; however, the distribution for the review period is adequate overall, primarily due to the lack of lending in 2018.

Borrower Profile

NYCB's distribution of borrowers reflects adequate penetration among retail customers of different income levels within this assessment area. Examiners based this conclusion solely on the bank's 1-4 family lending performance.

1-4 Family Loans

The distribution of borrowers reflects adequate penetration of 1-4 family loans among retail customers of different income levels. Examiners focused on the percentage of 1-4 family loans made to low- and moderate-income borrowers, as detailed in the following table.

Distribution of 1-4 Family Loans by Borrower Income Level Southeast Florida Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	22.9	2.7	23	12.8	2,105	5.5
2018	22.9	3.2	0	0.0	0	0.0
2019	22.9	3.0	16	11.9	2,115	8.1
Moderate						
2017	17.1	11.0	59	33.0	9,424	24.8
2018	17.1	10.8	0	0.0	0	0.0
2019	17.1	10.5	65	48.1	10,896	41.6
Middle						
2017	17.9	19.3	32	17.9	6,271	16.5
2018	17.9	18.9	0	0.0	0	0.0
2019	17.9	19.1	30	22.2	6,309	24.1
Upper						
2017	42.1	50.2	61	34.1	19,620	51.7
2018	42.1	49.6	0	0.0	0	0.0
2019	42.1	50.3	24	17.8	6,894	26.2
Not Available						
2017	0.0	16.8	4	2.2	560	1.5
2018	0.0	17.5	0	0.0	0	0.0
2019	0.0	17.1	0	0.0	0	0.0
Totals						
2017	100.0	100.0	179	100.0	37,980	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	135	100.0	26,215	100.0
<i>Source: 2015 ACS; Bank Data, 2017, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

As shown in the table, the percentage of 1-4 family loans among low-income borrowers in 2017 was less than the demographic comparison, but exceeded the aggregate performance. In 2018, the bank made no 1-4 family loans to low-income borrowers, as it stopped offering 1-4 family loans in 2017. However, NYCB's lending level increased in 2019 through loan purchases. The percentage of 1-4 family loans among low-income borrowers in 2019 was less than the demographic comparison, but far exceeded the aggregate performance, which is generally a better indicator of loan demand.

The percentage of 1-4 family loans among moderate-income borrowers in 2017 exceeded both the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans to moderate-income borrowers, as it stopped offering 1-4 family loans in 2017. In 2019, the

bank’s loan activity among moderate-income borrowers increased significantly through loan purchases.

NYCB’s distribution of loans to low- and moderate-income borrowers was good in 2017 and 2019 based on comparisons to the demographic and aggregate data; however, the distribution for the review period is adequate overall, primarily due to the lack of lending in 2018.

Community Development Loans

The bank made a relatively high level of community development loans in the assessment area. During the evaluation period, the bank originated 16 loans for \$106.5 million in the assessment area. This level of activity is lower than that shown in the bank’s prior evaluation, which reported 18 loans totaling \$131.2 million, but nonetheless represents a high level of lending. A majority of the community development loans support revitalization and stabilization efforts within the assessment area. The following table illustrates the community development lending activity by year and purpose.

Community Development Lending Southeast Florida Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2017	0	0	0	0	0	0	1	14,795	1	14,795
2018	0	0	0	0	1	2,830	2	15,300	3	18,130
2019	1	7,900	1	713	0	0	3	21,154	5	29,767
YTD 2020	1	18,400	2	8,000	0	0	4	17,401	7	43,801
Total	2	26,300	3	8,713	1	2,830	10	68,650	16	106,493

Source: Bank Data

The following is a sample of community development loans that benefit the assessment area.

- In 2018, the bank refinanced a \$2.8 million loan on an office building located in a low-income census tract in West Palm Beach, Florida. The loan supports the revitalization and stabilization of the low-income tract, as the office building allows for job creation, retention, and improvement in the area.
- In 2020, the bank originated an \$18.4 million loan to a LLC to refinance five apartment buildings consisting of 308 units in a moderate-income census tract in Lauderdale Lakes, Broward County, Florida. Of the 308 units, 288 units (93.5 percent) have rents below the HHRL amount for the area as established by HUD. This loan supports affordable housing for low- and moderate-income families in the assessment area.

INVESTMENT TEST

NYCB demonstrated good performance under the Investment Test within this assessment area. The bank’s significant level of qualified community development investments and grants primarily supports this conclusion.

Investment and Grant Activity

NYCB has a significant level of qualified community development investments and grants in its Southeast Florida assessment area. During the evaluation period, NYCB reported 44 qualified investments and grants totaling \$34.1 million in this assessment area, which includes three new investments totaling \$2 million, 11 outstanding prior period investments with a current balance of \$32 million, and 30 grants totaling \$71,000. This activity accounts for 12.3 percent of the bank’s total qualified investments. NYCB’s dollar volume of qualified community development investments and grants decreased compared to the prior evaluation, which reported qualified investments of \$38.1 million; however, the volume is still significant.

The table below details the qualified investments by year and community development purpose.

Qualified Investments Southeast Florida Assessment Area										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Prior Period	11	31,985	0	0	0	0	0	0	11	31,985
2017	0	0	0	0	0	0	0	0	0	0
2018	1	945	0	0	1	100	0	0	2	1,045
2019	0	0	0	0	0	0	0	0	0	0
YTD 2020	1	1,000	0	0	0	0	0	0	1	1,000
Subtotal	13	33,930	0	0	1	100	0	0	14	34,030
Grants and donations	4	11	24	58	1	>1	1	2	30	71
Total	17	33,941	24	58	2	100	1	2	44	34,101
<i>Source: Bank Records</i>										

The following is a sample of the community development investments and grants that benefit the assessment area.

- In 2018, NYCB purchased a \$100,000 CD in a minority-owned financial institution. The institution is also a CDFI and primarily serves low- and moderate-income communities inside the assessment area.
- During the review period, NYCB provided two grants totaling \$28,000 to a nonprofit community development organization that works with low-income families inside the assessment area. The organization provides housing and health education services, as well as after school programs for children.

Responsiveness to Credit and Community Development Needs

NYCB exhibits good responsiveness to credit and community development needs. The majority of investments target affordable housing initiatives in the bank’s assessment area, which is a primary community development need.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives in the assessment area. NYCB’s LIHTC investments are complex, with approximately \$8.4 million in prior period LIHTC investments benefiting this assessment area.

SERVICE TEST

NYCB demonstrated good performance under the Service Test within this assessment area. The bank’s relatively high level of qualified community development services primarily supports this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the Southeast Florida assessment area. NYCB has 24 full-service branches and 26 ATMs in the assessment area. The table below summarizes the distribution of the bank’s branch office and ATM network in the Southeast Florida assessment area by census tract income level.

Branch and ATM Distribution by Geography Income Level Southeast Florida Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	80	6.2	355,045	5.6	0	0.0	0	0.0
Moderate	361	27.7	1,780,897	28.3	6	25.0	7	26.9
Middle	392	30.2	2,071,903	32.9	5	20.8	6	23.1
Upper	432	33.2	2,067,301	32.8	13	54.2	13	50.0
NA	35	2.7	25,446	0.4	0	0.0	0	0.0
Total	1,300	100.0	6,300,592	100.0	24	100.0	26	100.0

Source: 2015 ACS data and Bank Records

As shown in the table, NYCB has no offices or ATMs in the low-income census tracts; however, the bank has six branch offices and seven ATMs located in moderate-income census tracts. While the distribution of NYCB’s office and ATM network is lower than demographic comparisons, the bank maintains a reasonable proportion of its operations in low- and moderate-income tracts on a combined basis. In addition, several of its branches are within middle- and upper-income areas that are located near low- and moderate-income tracts, providing reasonable access to the bank’s office locations to residents in those areas.

In addition to the physical access to NYCB’s branches and ATMs, the bank offers other alternative delivery systems that improve accessibility for its products and services for all geographies, including low- and moderate-income areas. These systems include online, mobile, and telephone banking, as well as bank by mail.

Changes in Branch Locations

To the extent changes have been made, the bank’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly within low- and moderate-income geographies.

NYCB did not open any branches in the Southeast Florida assessment area, but closed one branch in a moderate-income census tract. Management stated that the closure was due to a redundancy of bank services offered in the same area, as there was another bank branch located nearby that could reasonably service the same customers. As a result, this closure did not adversely affect the accessibility of bank delivery systems in moderate-income tracts within this assessment area.

Reasonableness of Business Hours and Services

NYCB’s business hours and services do not vary in a way that inconveniences certain portions of the Southeast Florida assessment area, particularly low- and moderate-income geographies and/or individuals. Services and hours do not vary by branch, with business hours generally from 9:00 a.m. to 4:00 p.m. Monday through Thursday, extended hours through 6:00 p.m. on Friday, and Saturday hours from 9:00 a.m. to 1:00 p.m. for most branches. NYCB also offers drive-up services at about a third of its branches. Overall, the bank’s products and services in the Southeast Florida assessment area, including the low-cost savings and checking accounts, are consistent with those discussed at the institution level.

Community Development Services

NYCB provided a relatively high level of community development services in the Southeast Florida assessment area. Bank employees provided 448 instances of community development services. The table below summarizes the bank’s community development services in the assessment area.

Community Development Services Southeast Florida Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2017	0	43	0	0	43
2018	3	161	1	4	169
2019	1	189	0	0	190
YTD 2020	5	41	0	0	46
Total	9	434	1	4	448
<i>Source: Bank Data</i>					

The following is a sample of community development services that benefit the assessment area.

- In 2017, a bank employee provided financial literacy training to students at a high school located in Broward County, Florida. This training provided community services to low- and moderate-income individuals, since a majority of the students at the high school were from low-income families.
- In 2018, a bank employee provided financial literacy training at a rescue mission in Broward County, Florida. This training qualified as a community service because the mission provides services to homeless individuals in the county.
- In 2019, a bank employee provided financial literacy training to students at a middle school in Broward County, Florida. A majority of the school's students receive free or reduced-priced lunches, which indicates they are primarily from low- and moderate-income families.
- In 2020, a bank employee provided financial literacy training in the Creole language at a soup kitchen in an upper-income tract in Palm Beach County, Florida. This provided community services to the low- and moderate-income consumers of the soup kitchen's services.

SOUTHWEST FLORIDA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN SOUTHWEST FLORIDA

NYCB operates 2 of its 237 branches (0.8 percent) and 2 of its 341 ATMs (0.6 percent) in the Southwest Florida assessment area. The assessment area includes Collier and Lee Counties in southwest Florida. The assessment area is entirely within the Cape Coral-Fort Myers-Naples, FL CSA (#163).

The assessment area consists of 241 census tracts with income designations as follows:

- 13 low-income census tracts
- 57 moderate-income census tracts
- 86 middle-income census tracts
- 82 upper-income census tracts
- 3 census tracts with no income designation

Economic and Demographic Data

The table below provides select demographic characteristics of the assessment area.

Demographic Information Southwest Florida Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	241	5.4	23.7	35.7	34.0	1.2
Population by Geography	1,004,766	5.5	25.9	40.8	27.8	0.0
Housing Units by Geography	575,915	3.5	20.2	39.9	36.3	0.0
Owner-Occupied Units by Geography	267,895	2.1	17.8	43.2	36.9	0.0
Occupied Rental Units by Geography	114,280	8.8	31.4	37.9	21.8	0.0
Vacant Units by Geography	193,740	2.3	17.0	36.4	44.2	0.0
Businesses by Geography	143,444	2.7	19.1	39.7	38.5	0.1
Farms by Geography	4,243	3.8	23.8	45.5	26.9	0.0
Family Distribution by Income Level	253,300	20.8	18.2	19.5	41.5	0.0
Household Distribution by Income Level	382,175	22.5	17.2	18.7	41.7	0.0
Median Family Income - 15980 Cape Coral-Fort Myers, FL MSA		\$57,627	Median Housing Value			\$246,568
Median Family Income - 34940 Naples-Marco Island, FL MSA		\$66,264	Median Gross Rent			\$1,007
			Families Below Poverty Level			10.4%

Source: 2015 ACS and 2019 D&B Data. Due to rounding, totals may not equal 100.0%.
(*) The NA category consists of geographies that have not been assigned an income classification.

The Southwest Florida assessment area has limited opportunities for lending in low-income areas and to low- and moderate-income borrowers. Only 2.1 percent of the owner-occupied units are in low-income census tracts, although 17.8 percent of the owner-occupied units are in moderate-income census tracts. The poverty level, at 10.4 percent, also limits opportunities to make loans to low-income borrowers, as families below the poverty level would have difficulty qualifying for traditional financing.

The table below shows median family income ranges for the two MSAs represented in the assessment area.

Median Family Income Ranges Southwest Florida Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cape Coral-Fort Myers, FL MSA Median Family Income (15980)				
2017 (\$57,900)	<\$28,950	\$28,950 to <\$46,320	\$46,320 to <\$69,480	≥\$69,480
2018 (\$63,700)	<\$31,850	\$31,850 to <\$50,960	\$50,960 to <\$76,440	≥\$76,440
2019 (\$67,100)	<\$33,550	\$33,550 to <\$53,680	\$53,680 to <\$80,520	≥\$80,520
Naples-Marco Island, FL MSA Median Family Income (34940)				
2017 (\$68,300)	<\$34,150	\$34,150 to <\$54,640	\$54,640 to <\$81,960	≥\$81,960
2018 (\$75,000)	<\$37,500	\$37,500 to <\$60,000	\$60,000 to <\$90,000	≥\$90,000
2019 (\$78,300)	<\$39,150	\$39,150 to <\$62,640	\$62,640 to <\$93,960	≥\$93,960
<i>Source: FFIEC</i>				

The table below shows unemployment data for the two counties in the assessment area and for the state. According to Bureau of Labor Statistics data, the areas experienced significant increases in the unemployment rates in 2020, primarily due to the effects of the COVID-19 pandemic.

Unemployment Rates Southwest Florida Assessment Area				
Area	July 2017	July 2018	July 2019	July 2020
	%	%	%	%
Lee County	4.4	3.7	3.4	10.7
Collier County	4.6	3.9	3.6	10.5
Florida	4.2	3.5	3.1	11.4
<i>Source: Bureau of Labor Statistics</i>				

According to Moody’s Analytics data, the top employers in the assessment area include Publix Super Markets, Inc., Naples Community Hospital, Inc., Lee Memorial Health System, and Wal-Mart Stores, Inc.

Competition

The assessment area is a moderately competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 39 financial institutions operated 324 offices within the area. Of these institutions, NYCB ranked 29th with a deposit market share of 0.4 percent.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 994 lenders reported 49,760 1-4 family loans originated or purchased in the assessment area. NYCB ranked 145th out of this group of lenders with a 0.1 percent market share. Large regional banks and nationwide lenders such as Wells Fargo Bank N.A., Quicken Loans, and Suncoast Credit Union dominate the assessment area. Collectively, these lenders represented 17.2 percent of all 1-4 family loan originations and purchases in 2019.

Credit and Community Development Needs and Opportunities

Based on demographic data, examiners determined that affordable housing loans and loans to address the COVID-19 pandemic represent primary credit and community development needs in the Southwest Florida assessment area. In particular, there is a need for affordable rental housing, with 40.2 percent of the area's occupied rental units located in low- and moderate-income tracts. The increase in unemployment from 2019 to 2020 shows the significant impact that the COVID-19 pandemic had on the assessment area, which substantiates the conclusion that the area needs support from financial institutions to recover from the pandemic.

CONCLUSIONS ON PERFORMANCE CRITERIA IN SOUTHWEST FLORIDA

LENDING TEST

NYCB demonstrated adequate performance under the Lending Test within this assessment area. The bank's adequate performance in the Lending Activity, Geographic Distribution, and Borrower Profile criteria primarily support this conclusion.

Lending Activity

NYCB's lending levels reflect adequate responsiveness to the credit needs of the Southwest Florida assessment area.

NYCB's 1-4 family lending levels declined over the evaluation period, primarily due to the bank's decision to stop offering 1-4 family loans in 2017. In 2017, the bank reported 54 1-4 family loans in the assessment area for \$10.6 million. In 2018, the bank did not originate or purchase any 1-4 family loans. In 2019, the bank reported 35 1-4 family loans for \$6.9 million, which represented a 0.1 percent market share. In 2019, NYCB ranked 145th out of 994 lenders that reported a 1-4 family loan origination or purchase in the assessment area.

Geographic Distribution

The geographic distribution of NYCB's lending activity reflects adequate penetration throughout this assessment area. Examiners based this conclusion solely on the bank's 1-4 family lending performance, with more emphasis placed upon the bank's lending activity within the moderate-income census tracts.

1-4 Family Loans

The geographic distribution of 1-4 family loans reflects adequate penetration throughout the assessment area. The following table details the geographic distribution of 1-4 family loans by tract income level.

Geographic Distribution of 1-4 Family Loans Southwest Florida Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	2.1	1.4	2	3.7	279	2.6
2018	2.1	1.4	0	0.0	0	0.0
2019	2.1	1.6	0	0.0	0	0.0
Moderate						
2017	17.8	19.3	25	46.3	4,321	40.8
2018	17.8	18.8	0	0.0	0	0.0
2019	17.8	17.9	19	54.3	3,666	53.2
Middle						
2017	43.2	44.9	20	37.0	3,450	32.6
2018	43.2	44.0	0	0.0	0	0.0
2019	43.2	44.3	11	31.4	1,831	26.6
Upper						
2017	36.9	34.4	7	13.0	2,533	24.0
2018	36.9	35.8	0	0.0	0	0.0
2019	36.9	36.2	5	14.3	1,395	20.2
Totals						
2017	100.0	100.0	54	100.0	10,583	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	35	100.0	6,891	100.0

Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

As shown in the table, the percentage of 1-4 family loans within the low-income census tracts in 2017 exceeded the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans in the low-income tracts, as it stopped offering 1-4 family loans in 2017. Although NYCB began purchasing some 1-4 family loans in 2019, the bank still had no 1-4 family

loan activity in the low-income tracts within this assessment area. However, the low percentage of owner-occupied housing units in the low-income tracts indicates that there were limited opportunities to make loans in those areas.

The percentage of 1-4 family home loans within the moderate-income census tracts in 2017 exceeded the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans in the moderate-income tracts, as it stopped offering 1-4 family loans in 2017. In 2019, the bank's loan activity in the moderate-income tracts increased significantly over the prior year through loan purchases, far exceeding the demographic comparison and the aggregate level.

As shown in the table, NYCB had limited activity in the low-income tracts during the review period, but performed comparatively better in the moderate-income tracts. While the bank's distribution of loans in the moderate-income tracts was good for 2017 and 2019, the distribution in the low- and moderate-income tracts was adequate overall for the review period, due primarily to the limited performance in the low-income tracts and the lack of lending in 2018.

Borrower Profile

NYCB's distribution of borrowers reflects adequate penetration among retail customers of different income levels within this assessment area. Examiners based this conclusion solely on the bank's 1-4 family lending performance.

1-4 Family Loans

The distribution of borrowers reflects adequate penetration of 1-4 family loans among retail customers of different income levels. Examiners focused on the percentage of 1-4 family loans made to low- and moderate-income borrowers, as detailed in the following table.

Distribution of 1-4 Family Loans by Borrower Income Level Southwest Florida Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	20.8	2.8	1	1.9	132	1.2
2018	20.8	3.9	0	0.0	0	0.0
2019	20.8	4.2	1	2.9	228	3.3
Moderate						
2017	18.2	13.4	28	51.9	4,548	43.0
2018	18.2	14.6	0	0.0	0	0.0
2019	18.2	15.6	20	57.1	3,414	49.5
Middle						
2017	19.5	18.9	6	11.1	1,132	10.7
2018	19.5	20.5	0	0.0	0	0.0
2019	19.5	20.1	5	14.3	1,226	17.8
Upper						
2017	41.5	49.3	18	33.3	4,484	42.4
2018	41.5	44.9	0	0.0	0	0.0
2019	41.5	45.5	9	25.7	2,024	29.4
Not Available						
2017	0.0	15.6	1	1.8	287	2.7
2018	0.0	16.1	0	0.0	0	0.0
2019	0.0	14.6	0	0.0	0	0.0
Totals						
2017	100.0	100.0	54	100.0	10,583	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	35	100.0	6,891	100.0
<i>Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.</i>						

As shown in the table, the percentage of 1-4 family loans among low-income borrowers in 2017 was less than the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans to low-income borrowers, as it stopped offering 1-4 family loans in 2017. However, NYCB's lending level increased among low-income borrowers in 2019 through loan purchases, though it remained below the demographic comparison and the aggregate level.

The percentage of 1-4 family loans among moderate-income borrowers in 2017 far exceeded both the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans to moderate-income borrowers, as it stopped offering 1-4 family loans in 2017. In 2019, loan activity among moderate-income borrowers increased significantly through loan purchases, and far exceeded both the demographic comparison and aggregate performance.

As shown in the table, NYCB had limited activity among low-income borrowers during the review period, but performed comparatively better with moderate-income borrowers. While the bank's distribution of loans among moderate-income borrowers for 2017 and 2019 was good, the distribution among low- and moderate-income borrowers for the review period was adequate overall, due primarily to the limited lending to low-income borrowers and the lack of lending in 2018.

Community Development Loans

The bank did not make any community development loans that directly benefit the Southwest Florida assessment area. At the prior evaluation, NYCB made two community development loans totaling \$33.1 million in the assessment area.

INVESTMENT TEST

NYCB demonstrated adequate performance under the Investment Test within this assessment area. The bank's adequate level of qualified community development investments and grants primarily supports this conclusion.

Investment and Grant Activity

NYCB has an adequate level of qualified community development investments and grants in its Southwest Florida assessment area. During the evaluation period, NYCB reported seven qualified investments and grants totaling \$1 million in this assessment area, which includes one new investment for \$184,000, four prior period investments with an outstanding balance of \$857,000, and two qualified grants totaling \$750. This activity accounts for less than 1.0 percent of the bank's total qualified investments. NYCB's dollar volume of community development qualified investments and grants declined compared to the prior evaluation, which reported qualified investments and grants of \$1.3 million; however, the volume is still adequate.

In 2020, NYCB invested \$4.2 million in a CRA qualified investment fund to support community development activities, with a primary focus on affordable housing. The bank allocated \$184,000 of the investment to this assessment area. Furthermore, NYCB maintains a prior period balance in this fund, with an additional \$520,000 allocated to this assessment area.

Responsiveness to Credit and Community Development Needs

NYCB exhibits adequate responsiveness to credit and community development needs. The majority of investments target affordable housing initiatives, which is a primary community development need in the area.

Community Development Initiatives

The bank rarely uses innovative and/or complex investments to support community development initiatives in the assessment area.

SERVICE TEST

NYCB demonstrated adequate performance under the Service Test within this assessment area. The bank's adequate level of qualified community development services primarily supports this conclusion.

Accessibility of Delivery Systems

Given the small branch network in this assessment area, the bank's delivery systems are accessible to limited portions of the Southwest Florida assessment area. NYCB has two full-service branch offices and two ATMs in the Southwest Florida assessment area. The table below summarizes the distribution of the bank's branch offices and ATMs in the assessment area by census tract income level.

Branch and ATM Distribution by Geography Income Level Southwest Florida Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	13	5.4	55,488	5.5	0	0.0	0	0.0
Moderate	57	23.7	260,242	25.9	0	0.0	0	0.0
Middle	86	35.7	410,160	40.8	0	0.0	0	0.0
Upper	82	34.0	278,876	27.8	2	100.0	2	100.0
NA	3	1.2	0	0.0	0	0.0	0	0.0
Total	241	100.0	1,004,766	100.0	2	100.0	2	100.0

Source: 2015 ACS data and Bank Records

As shown in the table, the bank does not operate any branches in the low- and moderate-income tracts. Both of NYCB's branches in this assessment area are in upper-income tracts, which is not as convenient for businesses and residents in the low- and moderate-income areas. Notably, the bank has no presence in the relatively large cities of Coral City and Fort Meyers, where a significant number of the assessment area's low- and moderate-income tracts are located.

Although the bank has no offices in the low- and moderate-income areas, one of its offices is located in a tract immediately adjacent to a moderate-income area. Additionally, the bank's alternative delivery systems enhance the accessibility of its products and services, which helps to mitigate the lack of physical branch offices in the low- and moderate-income areas to some extent.

Changes in Branch Locations

NYCB did not open or close any branches in the assessment area during the review period.

Reasonableness of Business Hours and Services

NYCB's business hours and services do not vary in a way that inconveniences portions of the Southwest Florida assessment area, particularly low- and moderate-income geographies and/or individuals. Services and hours do not vary by branch, with business hours from 9:00 a.m. to 4:00 p.m. Monday through Thursday, and extended hours through 6:00 p.m. on Friday. NYCB does not

offer any drive-up services or Saturday hours at either location. Overall, the bank’s products and services in the Southwest Florida assessment area, including the low-cost savings and checking accounts, are consistent with those discussed at the institution level.

Community Development Services

NYCB provided an adequate level of community development services in the Southwest Florida assessment area. The table below provides detail of the bank’s services in the assessment area.

Community Development Services Southwest Florida Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2017	0	0	0	0	0
2018	0	18	0	0	18
2019	0	14	0	0	14
YTD 2020	0	2	0	0	2
Total	0	34	0	0	34
<i>Source: Bank Data</i>					

The following is an example of a community development service that benefitted the assessment area.

- In 2018, 2019, and 2020, bank employees provided financial literacy training to low- and moderate-income girls at a community center in Lee County, Florida.

ARIZONA

CRA RATING FOR ARIZONA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ARIZONA

NYCB operates 14 of its 237 branches (5.9 percent) and 15 of its 341 ATMs (4.4 percent) in Arizona.

NYCB designated two assessment areas in Arizona, including the Phoenix, AZ MSA assessment area within the Phoenix-Mesa-Chandler, AZ MSA (#38060), and the Prescott, AZ MSA assessment area within the Prescott Valley-Prescott, AZ MSA (#39150). Refer to the separate Phoenix, AZ MSA and Prescott, AZ MSA sections of this evaluation for a detailed description of each of the assessment areas.

SCOPE OF EVALUATION – ARIZONA

Examiners used full-scope examination procedures to evaluate the bank's performance in the state of Arizona. For the Phoenix, AZ MSA assessment area, examiners reviewed the bank's 1-4 family and multi-family lending. The examiners placed slightly more weight on the bank's 1-4 family lending performance, as this loan type had the greatest number of loans in the area. Although the multi-family lending received less weight, examiners considered that the dollar volume of multi-family loans was greater than the 1-4 family loans in the area. For the Prescott, AZ MSA assessment area, examiners reviewed the bank's 1-4 family loans only, as NYCB did not originate or purchase any multi-family loans in this assessment area. The evaluation does not present small business lending, as small business loans did not represent a primary product in the state of Arizona, and provided no material support for conclusions and ratings in this area. Examiners placed greater weight on the bank's performance in its Phoenix, AZ MSA assessment area, based on the greater volume of lending and the presence of a greater number of branches in that assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ARIZONA

LENDING TEST

NYCB is rated "High Satisfactory" in the Lending Test in the state of Arizona. The bank's good performance in the Geographic Distribution and Community Development Lending criteria primarily supports this conclusion. NYCB's Lending Test performance in Arizona was generally consistent for the assessment areas within the rated area.

Refer to the Phoenix, AZ MSA and Prescott, AZ MSA assessment area sections for details regarding the bank's performance in those areas under each of the Lending Test criteria.

Lending Activity

NYCB's lending levels reflect adequate responsiveness to the credit needs of the bank's assessment areas in the state of Arizona.

The bank's 1-4 family lending levels reflect adequate responsiveness in the state of Arizona. NYCB's 1-4 family lending declined in the state over the course of the evaluation period, as the bank stopped offering 1-4 family loans in 2017. In 2017, the bank reported 319 loans for \$62 million in its assessment areas in the state of Arizona. The bank did not originate or purchase any 1-4 family loans in the state in 2018. In 2019, the bank reported 248 loans for \$47 million in the assessment areas, as it purchased 1-4 family loans that year to address community credit needs

NYCB's multi-family lending levels reflect good responsiveness in the state of Arizona. Multi-family lending increased during the review period. In 2018, NYCB reported 11 loans totaling \$71.2 million. In 2019, the bank reported 15 loans totaling \$141.2 million.

Examiners considered the bank's change of business strategy when assigning a rating for this criterion, and particularly noted the institution's effort to continue meeting the credit needs of the assessment areas through loan purchases in 2019.

Geographic Distribution

The geographic distribution of loans reflects good penetration within the state of Arizona. NYCB's good penetration of multifamily loans primarily supports this conclusion. The performance under the Geographic Distribution criterion differed for the assessment areas within the rated area, as the performance in the Phoenix, AZ assessment area was comparatively better given the good distribution of multi-family loans.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels within the state of Arizona. Examiners based this conclusion on the percentage of 1-4 family loans to low- and moderate-income borrowers. The performance under the Borrower Profile criterion was generally consistent for the assessment areas within the rated area.

Community Development Loans

The bank made a relatively high level of community development loans within its assessment areas in Arizona, particularly in the Phoenix, AZ assessment area. During the evaluation period, the bank originated 26 community development loans totaling \$174.9 million in the rated area. Although a relatively high volume of loans, this lending activity is significantly lower than the prior evaluation, which reported 59 loans totaling \$396.5 million. Nearly all of the bank's current community development loans support affordable housing and revitalization or stabilization efforts within the rated area. The following table illustrates the community development lending activity by assessment area and purpose.

Community Development Lending Arizona State Rated Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Phoenix, AZ MSA	13	129,161	0	0	1	1,300	11	42,868	25	173,329
Prescott, AZ MSA	0	0	1	1,545	0	0	0	0	1	1,545
Total	13	129,161	1	1,545	1	1,300	11	42,868	26	174,874

Source: Bank Data

As shown in the table above, NYCB’s community development lending performance is not consistent throughout the Arizona assessment areas, as the bank’s community development lending activity occurred almost exclusively within the Phoenix, AZ MSA assessment area, with just one community development loan made in the Prescott, AZ MSA assessment area. However, examiners placed more weight on the bank’s performance in the Phoenix, AZ MSA assessment area when developing conclusions, as that area accounts for the majority of its branches, loans, and deposits in the state of Arizona.

INVESTMENT TEST

NYCB is rated “Low Satisfactory” in the Investment Test in the state of Arizona. NYCB’s adequate level of qualified community development investments and grants primarily supports this conclusion. NYCB’s Investment Test performance in Arizona was consistent for the assessment areas within the rated area.

Refer to the Phoenix, AZ MSA and Prescott, AZ MSA assessment area sections for details regarding the bank’s performance in those areas under each of the Investment Test criteria.

Investment and Grant Activity

NYCB has an adequate level of qualified community development investments and grants in the state of Arizona. During the evaluation period, NYCB reported 56 qualified investments and grants totaling \$46 million in the rated area, which includes 2 new investments totaling \$3 million, 13 prior period investments with a current balance of \$43 million, and 41 grants totaling \$53,000. Two of the bank’s prior period investments benefited the broader regional area near the assessment areas. Although outside the Arizona assessment areas, examiners gave NYCB credit for these investments, as it has been responsive to the community development needs of its assessment areas. The bank’s investment activity in Arizona accounts for 16.6 percent of the bank’s total qualified investments.

The table below details the institution’s qualified investments and grants by area and community development purpose.

Qualified Investments Arizona State Rated Area										
Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Phoenix, AZ MSA	9	6,359	31	43	0	0	1	<1	41	6,402
Prescott, AZ MSA	10	1,433	3	1	0	0	0	0	13	1,434
Regional	2	38,225	0	0	0	0	0	0	2	38,225
Total Arizona	21	46,017	34	44	0	0	1	<1	56	46,061
<i>Source: Bank Records</i>										

Responsiveness to Credit and Community Development Needs

NYCB exhibits adequate responsiveness to credit and community development needs. The majority of investments target affordable housing initiatives in the assessment areas, which is a primary community development need.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives.

SERVICE TEST

NYCB is rated “High Satisfactory” for the Service Test in the state of Arizona. The bank’s relatively high level of community development services primarily supports this conclusion. NYCB’s Service Test performance in Arizona was consistent for the assessment areas within the rated area.

Refer to the Phoenix, AZ MSA and Prescott, AZ MSA assessment area sections for details regarding the bank’s performance in those areas under each of the Service Test criteria.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank’s assessment areas within the state of Arizona. The conclusions regarding the branch distribution and alternative delivery systems for Arizona is consistent with the institution overall.

Changes in Branch Locations

NYCB did not open or close any branches in Arizona during the review period.

Reasonableness of Business Hours and Services

Services do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. Business hours vary slightly by branch according to the assessment area needs Monday through Friday. The bank does not offer drive-up services at any Arizona branch, though it offers Saturday hours at five branches. Overall, the bank's products and services in the Arizona assessment areas, including the low-cost savings and checking accounts, are consistent with those discussed at the institution level.

Community Development Services

NYCB provided a relatively high level of community development services in the state of Arizona. Bank employees provided 288 instances of community development services since the prior evaluation, a significant increase from the 190 services provided during the prior evaluation period. The table below provides further detail about the bank's services.

Community Development Services Arizona State Rated Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Phoenix, AZ	10	246	0	0	256
Prescott, AZ	17	9	6	0	32
Total	27	255	6	0	288

Source: Bank Data

PHOENIX-MESA-CHANDLER, AZ METROPOLITAN STATISTICAL AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE PHOENIX- MESA-CHANDLER, AZ METROPOLITAN STATISTICAL AREA

NYCB operates 14 of its 237 branches (5.9 percent) and 7 of its 341 ATMs (2.1 percent) in the Phoenix, AZ MSA assessment area. This assessment area consists of Maricopa County, Arizona, which is located within the Phoenix-Mesa-Chandler, AZ MSA (#38060).

The assessment area consists of 916 census tracts with income designations as follows:

- 105 low-income census tracts
- 206 moderate-income census tracts
- 286 middle-income census tracts
- 306 upper-income census tracts
- 13 census tracts with no income designation

Economic and Demographic Data

The table below provides select demographic characteristics of the assessment area.

Demographic Information Phoenix, AZ MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	916	11.5	22.5	31.2	33.4	1.4
Population by Geography	4,018,143	11.1	22.9	31.3	34.4	0.3
Housing Units by Geography	1,668,555	9.8	23.4	33.3	33.4	0.1
Owner-Occupied Units by Geography	875,327	4.6	18.8	34.7	41.9	0.0
Occupied Rental Units by Geography	567,191	17.1	29.4	31.2	21.9	0.4
Vacant Units by Geography	226,037	11.8	25.6	33.2	29.3	0.1
Businesses by Geography	419,998	6.2	15.9	28.4	48.9	0.6
Farms by Geography	7,681	6.1	18.0	29.4	46.2	0.3
Family Distribution by Income Level	945,115	21.8	16.9	19.2	42.1	0.0
Household Distribution by Income Level	1,442,518	23.3	16.3	17.7	42.7	0.0
Median Family Income - 38060 Phoenix-Mesa-Chandler, AZ MSA		\$63,686	Median Housing Value			\$203,811
			Median Gross Rent			\$993
			Families Below Poverty Level			12.6%
<small>Source: 2015 ACS and 2019 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</small>						

The area demographics suggest that there are opportunities to lend to low- and moderate-income borrowers and in low- and moderate-income areas. The area median income is approximately one-third of the median housing value, suggesting there may be affordable housing opportunities. In addition, 4.6 percent of the area’s owner-occupied units are in low-income areas, and 18.8 percent are in moderate-income areas.

The table below shows the median family income ranges for the MSA.

Median Family Income Ranges Phoenix, AZ MSA Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Phoenix-Mesa-Chandler, AZ MSA Median Family Income (38060)				
2017 (\$66,200)	<\$33,100	\$33,100 to <\$52,960	\$52,960 to <\$79,440	≥\$79,440
2018 (\$69,100)	<\$34,550	\$34,550 to <\$55,280	\$55,280 to <\$82,920	≥\$82,920
2019 (\$72,900)	<\$36,450	\$36,450 to <\$58,320	\$58,320 to <\$87,480	≥\$87,480
<i>Source: FFIEC</i>				

The table below shows unemployment data for the assessment area and statewide area. According to data obtained from the Bureau of Labor Statistics, the areas experienced significant increases in unemployment rates in 2020, primarily due to the effects of the COVID-19 pandemic.

Unemployment Rates Phoenix, AZ MSA Assessment Area				
Area	July 2017	July 2018	July 2019	July 2020
	%	%	%	%
Maricopa County	4.3	4.2	4.3	10.3
Arizona	4.8	4.7	4.7	10.7
<i>Source: Bureau of Labor Statistics</i>				

According to Moody’s Analytics data from July 2020, the top employers in the assessment area are Banner Health System, Walmart, Inc., and Fry’s Food Stores.

Competition

The assessment area is a moderately competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 59 financial institutions operated 735 offices within the assessment area. Of these institutions, NYCB ranked twelfth with a deposit market share of 0.9 percent.

There is a moderately competitive market for multi-family lending in the assessment area. According to 2019 aggregate data, 92 lenders originated or purchased 465 multi-family loans totaling \$5 billion in the assessment area. Out of this group of lenders, NYCB ranked eighth by

count with a 3.2 percent market share. The top three lenders by number of loans made were Opus Bank, Washington Federal, and KS StateBank, which collectively reported a 23.2 percent market share.

Strong competition exists in the assessment area for home mortgage loans among the banks, credit unions, and non-depository mortgage lenders. In 2019, 848 lenders reported 252,413 1-4 family home mortgage loans originated or purchased in the assessment area. NYCB ranked 148th with a 0.1 percent market share. Large regional banks and nationwide lenders such as Quicken Loans, Wells Fargo Bank, N.A., and United Shore Financial Service, dominate the assessment area. Collectively, these lenders represented 16.9 percent of all 1-4 family loan originations and purchases in 2019.

Community Contact

Examiners reviewed a community contact with a representative from a housing organization active within the assessment area. The organization supports the construction of affordable housing in the Phoenix, Arizona area. The contact stated that the local economy was doing well prior to the COVID-19 pandemic, but has slowed since. The housing inventory in the area is very limited, and there is a shortage of affordable housing to both own and rent. The contact said community banks have been more helpful than large banks in the area. The contact stated that financial institutions are not originating loans for the acquisition and rehabilitation of properties, which is a need in the area. Home mortgage loans, small business loans, and small consumer loans are all loan products needed in the area.

Credit and Community Development Needs and Opportunities

Based upon information from the demographics and the community contact, examiners identified affordable housing loans as a credit and community development need in the assessment area. In particular, there is a need and demand for loans to develop new affordable housing due to the limited volume of affordable housing available in the area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PHOENIX-MESA-CHANDLER, AZ METROPOLITAN STATISTICAL AREA

LENDING TEST

NYCB demonstrated good performance under the Lending Test within this assessment area. The bank's good performance in the Geographic Distribution and Community Development Lending criteria primarily supports this conclusion.

Lending Activity

NYCB's lending levels reflect adequate responsiveness to the credit needs of the Phoenix, AZ MSA assessment area. Examiners considered the bank's adequate responsiveness for 1-4 family loans and good responsiveness for multi-family loans in the area.

NYCB's 1-4 family lending levels reflected adequate responsiveness in the assessment area. The bank's 1-4 family lending declined over the evaluation period, primarily due to NYCB's decision to stop offering 1-4 family loans in 2017. In 2017, the bank reported 296 1-4 family loans for a total of \$57.8 million in the assessment area. The bank did not originate or purchase any 1-4 family loans in 2018 in the assessment area. In 2019, the bank reported 231 1-4 family loans for \$43.1 million, which represented a 0.1 percent market share. In 2019, NYCB ranked 148th out of 848 lenders that reported a 1-4 family loan origination or purchase in the assessment area.

NYCB's multi-family lending levels reflected good responsiveness in the assessment area. Multi-family lending increased slightly during the review period. In 2018, NYCB originated or purchased 11 loans totaling \$71.2 million. In 2019, the bank reported 15 loans totaling \$141.2 million, which represented a 3.2 percent market share. In 2019, NYCB ranked eighth out of 92 lenders that reported a multi-family loan origination or purchase in the assessment area.

Geographic Distribution

The geographic distribution of NYCB's lending activity reflects good penetration throughout this assessment area. Examiners based this conclusion primarily on the bank's good multi-family lending performance.

1-4 Family Loans

The geographic distribution of 1-4 family loans reflects adequate penetration throughout the assessment area. The following table details the geographic distribution of 1-4 family loans by tract income level.

Geographic Distribution of 1-4 Family Loans Phoenix, AZ MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	4.6	3.8	29	9.8	3,981	6.9
2018	4.6	4.0	0	0.0	0	0.0
2019	4.6	3.6	27	11.7	4,951	11.5
Moderate						
2017	18.8	15.5	86	29.1	12,146	21.0
2018	18.8	15.5	0	0.0	0	0.0
2019	18.8	14.4	100	43.3	18,444	42.8
Middle						
2017	34.7	35.8	73	24.7	12,983	22.4
2018	34.7	35.4	0	0.0	0	0.0
2019	34.7	34.7	63	27.3	11,044	25.7
Upper						
2017	41.9	44.5	108	36.4	28,725	49.7
2018	41.9	44.5	0	0.0	0	0.0
2019	41.9	46.6	41	17.7	8,615	20.0
Not Available						
2017	0.0	0.4	0	0.0	0	0.0
2018	0.0	0.6	0	0.0	0	0.0
2019	0.0	0.7	0	0.0	0	0.0
Totals						
2017	100.0	100.0	296	100.0	57,835	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	231	100.0	43,053	100.0

Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

As shown in the table, the percentage of 1-4 family loans in the low-income census tracts in 2017 exceeded the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans in the low-income tracts, as it stopped offering 1-4 family loans in 2017. However, NYCB’s lending level increased in 2019 through loan purchases. The percentage of 1-4 family loans within the low-income tracts in 2019 exceeded both the demographic comparison and the aggregate performance.

The percentage of 1-4 family loans within the moderate-income census tracts in 2017 exceeded the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans in the moderate-income tracts, as it stopped offering 1-4 family loans in 2017. In 2019, the bank’s loan activity in the moderate-income tracts increased significantly through loan purchases, far exceeding the demographic comparison and the aggregate level.

NYCB’s distribution of loans in the low- and moderate-income census tracts was good in 2017 and 2019 based on comparisons to the demographic and aggregate data; however, the distribution for the review period is adequate overall, primarily due to the lack of lending in 2018.

Multi-family Loans

The geographic distribution of multi-family loans reflects good penetration throughout this assessment area, based on the bank’s excellent performance in the low-income tracts and poor performance in the moderate-income tracts. The following table details the distribution of multi-family loans by tract income level.

Geographic Distribution of Multi-family Loans Phoenix, AZ MSA Assessment Area						
Tract Income Level	% of Multi-family Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	18.9	28.4	6	54.5	24,551	34.5
2019	18.9	24.3	8	53.3	36,395	25.8
Moderate						
2018	30.7	34.3	2	18.2	9,948	14.0
2019	30.7	38.2	3	20.0	31,975	22.7
Middle						
2018	30.9	20.8	2	18.2	30,575	43.0
2019	30.9	21.4	2	13.3	24,200	17.1
Upper						
2018	19.0	15.8	1	9.1	6,100	8.5
2019	19.0	15.1	2	13.4	48,600	34.4
Not Available						
2018	0.5	0.7	0	0.0	0	0.0
2019	0.5	1.0	0	0.0	0	0.0
Totals						
2018	100.0	100.0	11	100.0	71,174	100.0
2019	100.0	100.0	15	100.0	141,170	100.0

Source: 2015 ACS; Bank Data; 2018 & 2019 HMDA Aggregate Data.

As shown in the table, the percentage of multi-family loans within the low-income census tracts in 2018 far exceeded the demographic comparison and the aggregate performance. In 2019, the bank’s lending in the low-income census tracts decreased slightly as a percentage of total loans, but still far exceeded the demographic comparison and the aggregate performance. As a result, NYCB’s distribution of multi-family loans in the low-income tracts is excellent.

The percentage of multi-family loans within the moderate-income census tracts in 2018 was below the demographic comparison and the aggregate performance. In 2019, the bank's loan activity in the moderate-income census tracts increased slightly. However, the level of lending was still below the demographic comparison and the aggregate performance. Overall, NYCB's distribution of multi-family loans in the moderate-income census tracts is poor.

Borrower Profile

NYCB's distribution of borrowers reflects adequate penetration among retail customers of different income levels within this assessment area. Examiners based this conclusion solely on the bank's 1-4 family lending performance. Although multi-family lending is a significant loan product within this assessment area, examiners did not analyze multi-family loans for this performance criterion, as lenders do not collect or report borrower income for such loans.

1-4 Family Loans

The distribution of borrowers reflects adequate distribution of 1-4 family loans among retail customers of different income levels. Examiners focused on the percentage of 1-4 family loans made to low- and moderate-income borrowers, as detailed in the following table.

Distribution of 1-4 Family Loans by Borrower Income Level Phoenix, AZ MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	21.8	4.9	70	23.6	8,439	14.6
2018	21.8	5.0	0	0.0	0	0.0
2019	21.8	4.6	43	18.6	6,450	15.0
Moderate						
2017	16.9	14.5	74	25.0	11,238	19.4
2018	16.9	15.8	0	0.0	0	0.0
2019	16.9	15.1	137	59.3	26,551	61.7
Middle						
2017	19.2	21.2	34	11.5	7,186	12.4
2018	19.2	20.4	0	0.0	0	0.0
2019	19.2	20.4	36	15.6	6,488	15.1
Upper						
2017	42.1	40.3	115	38.9	30,636	53.0
2018	42.1	41.2	0	0.0	0	0.0
2019	42.1	40.3	15	6.5	3,565	8.2
Not Available						
2017	0.0	19.1	3	1.0	336	0.6
2018	0.0	17.6	0	0.0	0	0.0
2019	0.0	19.6	0	0.0	0	0.0
Totals						
2017	100.0	100.0	296	100.0	57,835	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	231	100.0	43,053	100.0
<i>Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%</i>						

As shown in the table, the percentage of 1-4 family loans among low-income borrowers in 2017 exceeded both the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans to low-income borrowers, as it stopped offering 1-4 family loans in 2017. However, NYCB's lending level increased in 2019 through loan purchases. The percentage of 1-4 family loans among low-income borrowers in 2019 was less than the demographic comparison, but far exceeded the aggregate performance, which is generally a better indicator of loan demand.

The percentage of 1-4 family loans among the moderate-income borrowers in 2017 exceeded both the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans to moderate-income borrowers, as it stopped offering 1-4 family loans in 2017. In 2019, the bank's loan activity among moderate-income borrowers increased significantly through loan purchases. The

percentage of 1-4 family loans among moderate-income borrowers in 2019 significantly exceeded the demographic comparison and the aggregate performance.

NYCB’s distribution of loans to low- and moderate-income borrowers was good in 2017 and 2019 based on comparisons to the demographic and aggregate data; however, the distribution for the review period is adequate overall, given the lack of lending in 2018.

Community Development Loans

The bank made a relatively high level of community development loans in the assessment area. During the evaluation period, the bank originated 25 loans for \$173.3 million in the assessment area. This level of activity is less than the prior evaluation, which reported 57 loans totaling \$389.9 million, but is still at a relatively high level. Nearly all of the community development loans support affordable housing and revitalization or stabilization efforts within the assessment area. The following table illustrates the community development lending activity by year and purpose.

Community Development Lending Phoenix, AZ MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2017	0	0	0	0	0	0	0	0	0	0
2018	4	22,431	0	0	1	1,300	4	12,068	9	35,799
2019	4	37,600	0	0	0	0	7	30,800	11	68,400
YTD 2020	5	69,130	0	0	0	0	0	0	5	69,130
Total	13	129,161	0	0	1	1,300	11	42,868	25	173,329

Source: Bank Data

The following are examples of the community development loans that benefit the assessment area.

- In 2018, the bank originated a \$6.6 million loan to finance the acquisition of 6 apartment buildings consisting of 130 residential units in a moderate-income census tract in Phoenix, Maricopa County, Arizona. All units have rents below the HHRL amount for the area, as established by HUD. This loan supports affordable housing for low- and moderate-income families in the assessment area.
- In 2018, the bank originated a \$2.8 million loan to a LLC to refinance a 62-unit apartment building in a low-income census tract in Tempe, Maricopa County, Arizona. This loan supports the revitalization or stabilization of the low-income census tract, as it attracts or retains existing residents in the lower-income neighborhoods.
- In 2020, the bank originated a \$21.5 million loan to finance the acquisition of 38 two-story apartment buildings containing 391 residential units in a low-income census tract in Phoenix, Maricopa County, Arizona. All units have rents below the HHRL amount for the area, as established by HUD. This loan supports affordable housing for low- and moderate-income families in the assessment area.

INVESTMENT TEST

NYCB demonstrated adequate performance under the Investment Test within this assessment area. The bank's adequate level of qualified community development investments and grants primarily supports this conclusion.

Investment and Grant Activity

NYCB has an adequate level of qualified community development investments and grants in its Phoenix, AZ MSA assessment area. During the evaluation period, NYCB reported 41 qualified investments and grants totaling \$6.4 million in this assessment area, which includes 1 new investment for \$1.8 million, 7 outstanding prior period investments with a current balance of \$4.6 million, and 33 grants totaling \$46,000. This activity accounts for 2.3 percent of the bank's total qualified investments. NYCB's dollar volume of community development qualified investments and grants declined compared to the prior evaluation, which reported qualified investments and grants of \$12.1 million.

In 2020, NYCB invested \$4.2 million in a CRA qualified investment fund to support community development activities, with a primary focus on affordable housing. The bank allocated \$1.8 million of the investment to this assessment area. In addition, the bank maintains a prior period balance in a LIHTC investment of \$4.7 million, of which \$2.2 million is allocated to this assessment area.

Responsiveness to Credit and Community Development Needs

NYCB exhibits adequate responsiveness to credit and community development needs. The majority of investments target affordable housing initiatives in the bank's assessment area, which is an identified community development need.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives in the assessment area. NYCB's LIHTC investments are complex, approximately \$2.2 million of which benefits this assessment area.

SERVICE TEST

NYCB demonstrated good performance under the Service Test within this assessment area. The bank's relatively high level of qualified community development services primarily supports this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. NYCB has 11 full-service branches and 12 ATMs in the Phoenix assessment area. The table below

summarizes the distribution of the bank’s branch offices and ATM network in the assessment area by census tract income level.

Branch and ATM Distribution by Geography Income Level Phoenix, AZ MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	105	11.5	445,341	11.1	0	0.0	0	0.0
Moderate	206	22.5	920,593	22.9	1	9.1	2	16.7
Middle	286	31.2	1,257,267	31.3	3	27.3	3	25.0
Upper	306	33.4	1,382,555	34.4	7	63.6	7	58.3
NA	13	1.4	12,387	0.3	0	0.0	0	0.0
Total	916	100.0	4,018,143	100.0	11	100.0	12	100.0

Source: 2015 ACS data and Bank Records

As shown in the table, NYCB has no offices or ATMs in the low-income census tracts; however, the bank has one branch office and two ATMs located in moderate-income census tracts. In addition, several of its other branches in the middle- and upper-income areas are located near low- and moderate-income tracts, providing reasonable access to the bank’s office locations to the residents of those areas.

In addition to physical access to NYCB’s branches and ATMs, the bank offers other alternative delivery systems that improve accessibility for its products and services for all geographies, including low- and moderate-income areas. These systems include online, mobile, and telephone banking, as well as bank by mail.

Changes in Branch Locations

NYCB did not open or close any branches in the Phoenix assessment area over the review period.

Reasonableness of Business Hours and Services

NYCB’s business hours and services in the Phoenix assessment area do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Services do not vary by full-service branch office. Business hours are 9:00 a.m. to 4:00 p.m. Monday through Thursday, with extended hours until 6:00 p.m. on Friday. The bank offers Saturday hours at some branches of 9:00 a.m. to 1:00 p.m. Overall, the bank’s products and services in the Phoenix, AZ MSA assessment area, including the low-cost savings and checking accounts, are consistent with those discussed at the institution level.

Community Development Services

NYCB provided a relatively high level of community development services in the Phoenix, AZ MSA assessment area. The table below provides further detail about the bank’s services in this assessment area.

Community Development Services Phoenix, AZ MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2017	1	13	0	0	14
2018	7	94	0	0	101
2019	2	115	0	0	117
YTD 2020	0	24	0	0	24
Total	10	246	0	0	256
<i>Source: Bank Data</i>					

The following are examples of the community development services that benefit the assessment area.

- In 2017, bank staff provided financial literacy training at a community organization located in a moderate-income census tract in Maricopa County, Arizona. The organization focuses on serving at-risk children. This activity provided community services to the low- and moderate-income residents of the area.
- In 2018, bank staff provided financial literacy training at a hospital in a low-income census tract located in Maricopa County, Arizona. This activity provided community services to the low- and moderate-income individuals in the area.
- In 2019, bank staff provided financial literacy training at an affordable housing development in Maricopa County, Arizona. This activity provided community services to the low- and moderate-income residents of the development.
- In 2020, bank staff provided a financial literacy presentation on financial recovery at an organization focused on serving pregnant women in need in Maricopa County, Arizona. This activity provided community services to the low- and moderate-income women using the services of the facility.

PRESCOTT VALLEY-PRESCOTT, AZ METROPOLITAN STATISTICAL AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN PRESCOTT VALLEY-PRESCOTT, AZ METROPOLITAN STATISTICAL AREA

NYCB has 3 of its 237 branches (1.3 percent) and 3 of its 341 ATMs (0.9 percent) in the Prescott, AZ MSA assessment area.

The assessment area includes Yavapai County, Arizona, which composes the Prescott Valley-Prescott, AZ MSA (formerly known as the Prescott, AZ MSA). The assessment area consists of 42 census tracts with income designations as follows:

- 0 low-income census tracts
- 11 moderate-income census tracts
- 22 middle-income census tracts
- 9 upper-income census tracts

Economic and Demographic Data

The following table illustrates select demographic information of the assessment area.

Demographic Information Prescott, AZ MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	0.0	26.2	52.4	21.4	0.0
Population by Geography	215,996	0.0	24.4	57.2	18.4	0.0
Housing Units by Geography	111,731	0.0	21.9	57.6	20.5	0.0
Owner-Occupied Units by Geography	64,499	0.0	18.7	61.2	20.1	0.0
Occupied Rental Units by Geography	27,811	0.0	31.3	49.2	19.5	0.0
Vacant Units by Geography	19,421	0.0	18.7	57.6	23.7	0.0
Businesses by Geography	22,007	0.0	22.3	51.3	26.4	0.0
Farms by Geography	657	0.0	19.3	54.5	26.2	0.0
Family Distribution by Income Level	58,562	18.8	19.3	22.4	39.5	0.0
Household Distribution by Income Level	92,310	22.8	17.1	18.9	41.2	0.0
Median Family Income - 39150 Prescott Valley-Prescott, AZ MSA		\$54,475	Median Housing Value			\$204,530
			Median Gross Rent			\$878
			Families Below Poverty Level			11.1%

*Source: 2015 ACS and 2019 D&B Data. Due to rounding, totals may not equal 100.0%.
(*) The NA category consists of geographies that have not been assigned an income classification.*

The demographics indicate that there are opportunities to make home loans in the moderate-income census tracts, as 18.7 percent of the area’s owner-occupied units are located within those tracts. The median family income is approximately one quarter of the median housing value, suggesting there may be opportunities to make loans to low- and moderate-income households. However, the relatively high poverty level of 11.1 percent would limit these opportunities, particularly to low-income borrowers, as families living below the poverty line are unlikely to be able to afford a traditional home mortgage loan.

The table below shows median family income ranges for the MSAs represented in the assessment area.

Median Family Income Ranges Prescott, AZ MSA Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Prescott, AZ MSA Median Family Income (39140)				
2017 (\$54,800)	<\$27,400	\$27,400 to <\$43,840	\$43,840 to <\$65,760	≥\$65,760
2018 (\$61,000)	<\$30,500	\$30,500 to <\$48,800	\$48,800 to <\$73,200	≥\$73,200
Prescott Valley-Prescott, AZ MSA Median Family Income (39150)				
2019 (\$66,100)	<\$33,050	\$33,050 to <\$52,880	\$52,880 to <\$79,320	≥\$79,320
<i>Source: FFIEC</i>				

Data obtained from the Bureau of Labor Statistics show changes in the unemployment rate during the evaluation period. The data shows that the unemployment rate deteriorated significantly in 2020 due to the COVID-19 pandemic. However, Yavapai County itself had slightly better employment levels than the overall state level.

Unemployment Rates Prescott, AZ MSA Assessment Area				
Area	July 2017	July 2018	July 2019	July 2020
	%	%	%	%
Yavapai County	4.4	4.3	4.7	9.6
Arizona	4.8	4.7	4.7	10.7
<i>Source: Bureau of Labor Statistics</i>				

According to Moody’s Analytics data, the top employers in the assessment area include Yavapai Regional Medical Center, Veterans Affairs Medical Center, and Freeport-McMoran Mine.

Competition

The assessment area has a low level of competition for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 13 financial institutions operated 47 offices within the bank’s assessment area. Of these institutions, NYCB ranked seventh with a deposit market share of 5.3 percent.

Strong competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 383 lenders reported 11,862 1-4 family loans originated or purchased in the assessment area. NYCB ranked 105th with a 0.1 percent market share. Nationwide lenders and banks such as Quicken Loans, Wells Fargo Bank, N.A., and JPMorgan Chase Bank, N.A., dominate the assessment area. Collectively, these lenders represented 16.9 percent of all 1-4 family loan originations and purchases in 2019.

Credit and Community Development Needs and Opportunities

Based on demographic information, examiners determined that 1-4 family loans represent a significant credit and community development need in the assessment area. While there are no low-income census tracts in the assessment area, there are opportunities to make loans in moderate-income census tracts. In addition, the median family income in the area is approximately one-quarter of the median housing value, suggesting that there may be opportunities to make home mortgage loans to low- and moderate-income borrowers.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PRESCOTT VALLEY- PRESCOTT, AZ METROPOLITAN STATISTICAL AREA

LENDING TEST

NYCB demonstrated adequate performance under the Lending Test within this assessment area. The bank's adequate performance under the Lending Activity, Geographic Distribution, and Borrower Profile criteria supports this conclusion. Examiners considered performance of 1-4 family loans only, as NYCB did not originate or purchase any multi-family loans in this assessment area.

Lending Activity

NYCB's lending levels reflect adequate responsiveness to the credit needs of the Prescott, AZ MSA assessment area.

NYCB's 1-4 family lending levels reflect adequate responsiveness in the assessment area. The bank's 1-4 family lending declined over the evaluation period, primarily due to the bank's decision to stop offering 1-4 family loans in 2017. In 2017, the bank reported 23 1-4 family loans for a total of \$4.1 million in the assessment area. The bank did not originate or purchase any 1-4 family loans in 2018 in the assessment area. In 2019, the bank reported 17 1-4 family loans for \$4 million, which represented a 0.1 percent market share. In 2019, NYCB ranked 105th out of 383 lenders that reported a 1-4 family loan origination or purchase in the assessment area.

Geographic Distribution

The geographic distribution of NYCB's lending activity reflects adequate penetration throughout this assessment area. Examiners focused on the bank's performance within the moderate-income census tracts.

1-4 Family Loans

The geographic distribution of 1-4 family loans reflects adequate penetration throughout the assessment area. The following table details the geographic distribution of 1-4 family loans by tract income level.

Geographic Distribution of 1-4 Family Loans Prescott, AZ MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	0.0	0.0	0	0.0	0	0.0
2018	0.0	0.0	0	0.0	0	0.0
2019	0.0	0.0	0	0.0	0	0.0
Moderate						
2017	18.7	16.0	6	26.1	765	18.5
2018	18.7	15.1	0	0.0	0	0.0
2019	18.7	14.1	8	47.1	2,096	52.8
Middle						
2017	61.2	64.4	15	65.2	2,802	67.6
2018	61.2	65.2	0	0.0	0	0.0
2019	61.2	65.2	8	47.1	1,622	40.9
Upper						
2017	20.1	19.6	2	8.7	575	13.9
2018	20.1	19.7	0	0.0	0	0.0
2019	20.1	20.7	1	6.0	249	6.3
Totals						
2017	100.0	100.0	23	100.0	4,142	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	17	100.0	3,967	100.0

Source: 2015 ACS; Bank Data, 2017, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

As shown in the table, the percentage of 1-4 family loans within the moderate-income census tracts in 2017 exceeded the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans in the moderate-income tracts, as it stopped offering 1-4 family loans in 2017. However, NYCB's lending level increased in 2019 through loan purchases. The percentage of 1-4 family loans within the moderate-income tracts in 2019 exceeded both the demographic comparison and the aggregate performance.

NYCB's distribution of loans in the moderate-income census tracts was good in 2017 and 2019 based on comparisons to the demographic and aggregate data; however, the distribution for the review period is adequate overall, due primarily to the lack of lending in 2018.

Borrower Profile

NYCB's distribution of borrowers reflects adequate penetration among retail customers of different income levels within this assessment area. Examiners based this conclusion on the bank's 1-4 family lending performance among low- and moderate-income borrowers, with more emphasis on lending to moderate-income borrowers given the greater level of opportunity.

1-4 Family Loans

The distribution of borrowers reflects adequate penetration of 1-4 family loans among retail customers of different income levels. Examiners focused on the percentage of 1-4 family loans made to low- and moderate-income borrowers, as detailed in the following table.

Distribution of 1-4 Family Loans by Borrower Income Level Prescott, AZ MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	18.8	2.9	3	13.0	264	6.4
2018	18.8	4.6	0	0.0	0	0.0
2019	18.8	5.6	1	5.9	255	6.4
Moderate						
2017	19.3	11.4	11	47.8	1,701	41.1
2018	19.3	13.3	0	0.0	0	0.0
2019	19.3	13.7	9	52.9	1,788	45.1
Middle						
2017	22.4	20.6	4	17.4	714	17.2
2018	22.4	22.8	0	0.0	0	0.0
2019	22.4	22.0	1	5.9	215	5.4
Upper						
2017	39.5	48.6	5	21.8	1,463	35.3
2018	39.5	45.0	0	0.0	0	0.0
2019	39.5	41.8	6	35.3	1,709	43.1
Not Available						
2017	0.0	16.5	0	0.0	0	0.0
2018	0.0	14.3	0	0.0	0	0.0
2019	0.0	16.9	0	0.0	0	0.0
Totals						
2017	100.0	100.0	23	100.0	4,142	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	17	100.0	3,967	100.0

Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

As shown in the table, the percentage of 1-4 family loans among low-income borrowers in 2017 was less than the demographic comparison, but far exceeded the aggregate performance. In 2018, the bank made no 1-4 family loans to low-income borrowers, as it stopped offering 1-4 family loans in 2017. However, NYCB purchased loans made to low-income borrowers in 2019. The percentage of 1-4 family loans to low-income borrowers in 2019 was less than the demographic comparison, but similar to the aggregate performance, which is generally a better indicator of loan demand.

The percentage of 1-4 family loans among moderate-income borrowers in 2017 far exceeded both the demographic comparison and the aggregate performance. In 2018, the bank made no 1-4 family loans to moderate-income borrowers, as it stopped offering 1-4 family loans in 2017. In 2019, the bank's loan activity among moderate-income borrowers increased over the prior year through loan purchases.

The percentage of 1-4 family loans among moderate-income borrowers in 2019 significantly exceeded the demographic comparison and the aggregate performance.

NYCB's distribution of loans to low- and moderate-income borrowers was good in 2017 and 2019 based on comparisons to the demographic and aggregate data; however, the distribution for the review period is adequate overall, due primarily to the lack of lending in 2018.

Community Development Loans

The bank made a low level of community development loans in this assessment area. During the evaluation period, the bank originated one loan for \$1.5 million in 2019 to an organization that supports community services. The bank's community development activity in the assessment area has decreased compared to the prior evaluation, which reported two loans totaling \$6.7 million.

INVESTMENT TEST

NYCB demonstrated adequate performance under the Investment Test within this assessment area. The bank's adequate level of qualified community development investments and grants primarily supports this conclusion.

Investment and Grant Activity

NYCB has an adequate level of qualified community development investments and grants in its Prescott, AZ MSA assessment area. During the evaluation period, NYCB reported 13 qualified investments and grants totaling \$1.4 million in this assessment area, which includes one new investment for \$1.2 million, four outstanding prior period investments with a current balance of \$221,000, and eight grants totaling \$7,400. This activity accounts for less than 1.0 percent of the bank's total qualified investments. NYCB's dollar volume of community development qualified investments and grants increased slightly compared to the prior evaluation, which reported qualified investments and grants of \$1.2 million.

In 2020, NYCB invested \$4.2 million in a CRA qualified investment fund to support community development activities, with a primary focus on affordable housing. The bank allocated \$1.2 million of the investment to this assessment area.

Responsiveness to Credit and Community Development Needs

NYCB exhibits adequate responsiveness to credit and community development needs. The majority of investments target affordable housing initiatives in the bank's assessment area, which is an identified community development need.

Community Development Initiatives

The bank rarely uses innovative and/or complex investments to support community development initiatives in the assessment area.

SERVICE TEST

NYCB demonstrated good performance under the Service Test within this assessment area. The bank's relatively high level of qualified community development services primarily supports this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank's assessment area. The bank maintains three branches and ATMs in this assessment area, all in upper-income census tracts. As stated previously, there are no low-income census tracts in this assessment area. While NYCB has no offices in the moderate-income tracts, two of the bank's offices are located in close proximity to a moderate-income area. Additionally, the bank's alternative delivery systems enhance customer access to its products and services.

Changes in Branch Locations

NYCB has not opened or closed any branches in the assessment area over the review period.

Reasonableness of Business Hours and Services

The bank's business hours and services in the assessment area do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Services and hours do not vary by branch, with business hours from 9:00 a.m. to 3:00 p.m. Monday through Friday. Overall, the bank's products and services in the Prescott, AZ MSA assessment area, including the low-cost savings and checking accounts, are consistent with those discussed at the institution level.

Community Development Services

NYCB provided a relatively high level of community development services in the Prescott, AZ MSA assessment area. The table below provides further detail about the bank's services in the assessment area over the evaluation period.

Community Development Services Prescott, AZ MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2017	0	0	0	0	0
2018	6	5	6	0	17
2019	11	4	0	0	15
YTD 2020	0	0	0	0	0
Total	17	9	6	0	32

Source: Bank Data

The following are examples of the community development services that benefit the assessment area.

- In 2018, bank staff provided training on personal finances at a community college in a moderate-income census tract in Yavapai County, Arizona, which primarily benefited low- and moderate-income students.
- In 2019, bank staff provided financial literacy training at an affordable housing organization in Yavapai County, Arizona. The training focused on saving for a down payment on a home. This service promoted affordable housing by educating low- and moderate-income individuals about saving for a home purchase.

NEW JERSEY

CRA RATING FOR NEW JERSEY: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW JERSEY

NYCB operates 1 of its 237 branches (0.4 percent) and 1 of its 341 ATMs (0.3 percent) in the Trenton, NJ MSA assessment area.

This assessment area consists of Mercer County in New Jersey, located in the Trenton-Princeton, NJ MSA (formerly known as the Trenton, NJ MSA). The assessment area contains 77 census tracts, with income designations as follows:

- 18 low-income census tracts
- 15 middle-income census tracts
- 19 middle-income census tract
- 24 upper-income census tracts
- 1 census tracts with no income designation

Economic and Demographic Data

The table below provides select demographic characteristics of the Trenton, NJ MSA assessment area.

Demographic Information Trenton, NJ MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	77	23.4	19.5	24.7	31.2	1.3
Population by Geography	370,212	15.2	19.3	28.1	37.0	0.4
Housing Units by Geography	143,833	16.9	19.8	28.8	34.5	0.0
Owner-Occupied Units by Geography	84,045	7.3	16.9	32.3	43.5	0.0
Occupied Rental Units by Geography	46,501	28.5	23.4	24.9	23.2	0.0
Vacant Units by Geography	13,287	37.0	25.4	20.3	17.3	0.0
Businesses by Geography	28,313	8.8	16.4	31.3	43.4	0.0
Farms by Geography	644	6.5	16.8	31.2	45.5	0.0
Family Distribution by Income Level	88,299	23.9	16.6	18.5	41.1	0.0
Household Distribution by Income Level	130,546	26.1	14.5	16.5	42.9	0.0
Median Family Income MSA - 45940 Trenton-Princeton, NJ MSA		\$94,908	Median Housing Value			\$301,759
			Median Gross Rent			\$1,154
			Families Below Poverty Level			8.0%

*Source: 2015 ACS and 2019 D&B Data. Due to rounding, totals may not equal 100.0%.
(*) The NA category consists of geographies that have not been assigned an income classification.*

The median housing value is approximately three times the area median income. This suggests that there may be affordable housing opportunities. However, these opportunities could be limited by the relatively high level of families living below the poverty level, at 8.0 percent, particularly to low-income borrowers, as families living below the poverty line are unlikely to be able to afford a traditional home mortgage. In addition, only 7.3 percent of the area's owner-occupied units are in low-income areas, while 16.9 percent are in moderate-income areas.

The table below shows median family income ranges for the assessment area MSA.

Median Family Income Ranges Trenton, NJ MSA Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Trenton, NJ MSA Median Family Income (45940)				
2017 (\$95,400)	<\$47,700	\$47,700 to <\$76,320	\$76,320 to <\$114,480	≥\$114,480
2018 (\$98,900)	<\$49,450	\$49,450 to <\$79,120	\$79,120 to <\$118,680	≥\$118,680
Trenton-Princeton, NJ MSA Median Family Income (45940)				
2019 (\$105,800)	<\$52,900	\$52,900 to <\$84,640	\$84,640 to <\$126,960	≥\$126,960

Source: FFIEC

The table below shows unemployment data for the Trenton-Princeton, NJ MSA and statewide area. According to data obtained from the Bureau of Labor Statistics, the areas experienced significant increases in unemployment rates in 2020, primarily due to the effects of the COVID-19 pandemic.

Unemployment Rates Trenton, NJ MSA Assessment Area				
Area	July 2017	July 2018	July 2019	July 2020
	%	%	%	%
Trenton-Princeton, NJ MSA	4.7	4.2	3.6	11.4
New Jersey	4.7	4.0	3.3	14.2
<i>Source: Bureau of Labor Statistics</i>				

According to Moody’s Analytics data, the top employers in the assessment area include Bank of America, Princeton University, and Bristol-Myers Squibb.

Competition

The assessment area is a moderately competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 25 financial institutions operated 137 offices within the assessment area. Of these institutions, NYCB ranked twentieth with a deposit market share of 0.3 percent.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 383 lenders reported 9,340 1-4 family loans originated or purchased in the assessment area. Large regional banks and nationwide lenders such as Wells Fargo Bank, N.A., PNC Bank, N.A., and Quicken Loans dominate the assessment area. Collectively, these lenders represented 23.6 percent of all 1-4 family loan originations and purchases in 2019. As previously noted, NYCB exited the 1-4 family lending market in 2017. Since that time, the bank has not originated or purchased any 1-4 family loans in this assessment area.

There is a small market for multi-family lending in the assessment area. According to 2019 aggregate data, 21 lenders originated or purchased 41 multi-family loans totaling \$260.3 million in the assessment area. Out of this group of lenders, NYCB ranked second with a 7.3 percent market share. The top lender was CoreVest American Finance Lender, LLC, with a 14.6 percent market share.

Community Contact

Examiners reviewed a community contact with a representative from a housing organization active within the assessment area. The organization provides housing and related relief to low- and moderate-income residents in the Trenton-Princeton, NJ MSA area. The contact noted that many individuals are facing unemployment related to the COVID-19 pandemic. There is also a shortage of affordable housing in the area. The contact stated that there are opportunities for financial institutions to offer flexible loan products, including down payment assistance, closing cost assistance, and products without private mortgage insurance. There is also a need for financial literacy programs.

Credit and Community Development Needs and Opportunities

Based on demographic information and information from the community contact, examiners identified affordable housing loans, small business loans, and loans for COVID-19 relief as credit and community development needs in the assessment area. Based on the demographic information, there are opportunities to make such loans in the assessment area, though there may be limited opportunities to make affordable housing loans to low-income individuals considering the median family housing value.

SCOPE OF EVALUATION – NEW JERSEY

Examiners used full-scope examination procedures to evaluate the bank’s performance in the Trenton-Princeton, NJ MSA assessment area. Considering the dollar volume and number of loans, examiners placed equal weight on the bank’s 1-4 family and multi-family lending performance. Small business lending did not represent a primary product in the Trenton-Princeton, NJ MSA, and provided no material support for conclusions and ratings in this assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW JERSEY

LENDING TEST

NYCB is rated “Low Satisfactory” in the Lending Test in New Jersey. The bank’s adequate performance in the Lending Activity and Geographic Distribution criteria, and its outstanding performance in the Community Development Loans criterion primarily supports this conclusion.

Lending Activity

NYCB’s lending levels reflect adequate responsiveness to the credit needs of the Trenton-Princeton, NJ MSA assessment area. Examiners based this conclusion primarily on the bank’s good responsiveness for multi-family loans.

Although the bank’s lending demonstrates adequate responsiveness, NYCB’s lending activity in this assessment area was low, especially when compared to the bank’s performance in its NY-NJ Multistate MSA assessment area. Several factors contribute to the low volume. First, NYCB operates only one office location in this assessment area, which presents a challenge in light of the competitive market for loans. As noted previously, large regional banks and nationwide lenders dominate the 1-4 family loan market in the assessment area. Second, management made the strategic decision to exit the 1-4 family lending market in 2017. Since that time, the bank has not originated any consumer-purpose 1-4 family loans. Finally, while the bank is a significant multi-family lender in this assessment area, opportunities to originate multi-family loans are limited considering the number of multi-family properties in the assessment area. Although the bank only originated three multi-family loans in 2019, market share data indicates that NYCB is a leader in originating these types of loans in the assessment area.

NYCB’s 1-4 family lending levels reflected poor responsiveness in the assessment area. In 2017, the bank reported 28 1-4 family loans for a total of \$6 million. As noted previously, the bank did

not originate or purchase any 1-4 family loans in 2018 or 2019 in the assessment area due to management's strategic decision to exit from the consumer home mortgage lending market.

NYCB's multi-family lending levels reflected good responsiveness in the assessment area. Multi-family lending increased slightly during the review period. In 2018, NYCB reported one loan totaling \$2.8 million. In 2019, the bank reported three loans totaling \$29.2 million, which represented a 7.3 percent market share. While the volume of multi-family loans was low, market share information indicates that there are limited opportunities for multi-family lending. In 2019, NYCB ranked third out of 21 lenders that reported a multi-family loan origination or purchase in the assessment area.

Finally, the bank had four community development loans for \$52.7 million in this area, which is a significant increase since the prior evaluation. Notably, the dollar volume of community development loans in this assessment area exceeds the dollar volume of deposits assigned to the single branch in this assessment area.

Geographic Distribution

The geographic distribution of NYCB's lending activity reflects adequate penetration throughout this assessment area. Examiners based this conclusion primarily on the bank's good multi-family lending performance.

1-4 Family Loans

The geographic distribution of 1-4 family loans reflects poor penetration throughout the assessment area. The following table details the geographic distribution of 1-4 family loans by tract income level.

Geographic Distribution of 1-4 Family Loans Trenton-Princeton, NJ MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	7.3	3.1	0	0.0	0	0.0
2018	7.3	3.4	0	0.0	0	0.0
2019	7.3	3.4	0	0.0	0	0.0
Moderate						
2017	16.9	16.8	9	32.1	1,474	24.7
2018	16.9	15.0	0	0.0	0	0.0
2019	16.9	15.4	0	0.0	0	0.0
Middle						
2017	32.3	34.0	11	39.3	2,042	34.2
2018	32.3	35.2	0	0.0	0	0.0
2019	32.3	34.1	0	0.0	0	0.0
Upper						
2017	43.5	46.1	8	28.6	2,452	41.1
2018	43.5	46.4	0	0.0	0	0.0
2019	43.5	47.1	0	0.0	0	0.0
Totals						
2017	100.0	100.0	28	100.0	5,968	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	0	0.0	0	0.0
<i>Source: 2015 ACS; Bank Data; 2017, 2018 & 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

As shown in the table above, the bank did not make or purchase any 1-4 family loans in the low-income census tracts in 2017, 2018, or 2019. The bank's percentage of 1-4 family loans within the moderate-income census tracts in 2017 exceeded the aggregate performance and the demographic comparison; however, the bank did not make or purchase any 1-4 family loans in those tracts in 2018 and 2019. Although this represents a poor penetration throughout the assessment area's low- and moderate-income tracts, this performance had minimal impact on the Lending Test conclusions given the bank's strategic change in lending focus, the competition and opportunities in the assessment area, and the institution's limited operations and branch presence in the area.

Multi-family Loans

The geographic distribution of multi-family loans reflects good penetration throughout this assessment area. Although the bank had a limited number of multi-family loans, market share data indicates that there are limited multi-family lending opportunities in this area. Despite the low volume of multifamily loans, the bank’s performance is good. The following table details the distribution of multi-family loans by tract income level.

Geographic Distribution of Multi-family Loans Trenton-Princeton, NJ MSA Assessment Area						
Tract Income Level	% of Multi-family Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	17.7	32.4	1	100.0	2,873	100.0
2019	17.7	26.8	1	33.3	6,275	21.5
Moderate						
2018	19.4	35.1	0	0.0	0	0.0
2019	19.4	41.5	1	33.3	9,250	31.7
Middle						
2018	32.2	27.0	0	0.0	0	0.0
2019	32.2	19.5	1	33.3	13,680	46.8
Upper						
2018	30.7	5.5	0	0.0	0	0.0
2019	30.7	12.2	0	0.0	0	0.0
Totals						
2018	100.0	100.0	1	100.0	2,873	100.0
2019	100.0	100.0	3	100.0	29,205	100.0

Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

As shown in the table, the bank’s only multi-family loan originated in 2018 was in a low-income census tract, which exceeded the demographic comparison and the aggregate performance. In 2019, the bank’s lending in the low-income census tracts decreased as a percentage of total loans, but still exceeded the demographic comparison and the aggregate performance. While NYCB’s distribution of multi-family loans in the low-income tracts is excellent, the very low volume of multi-family loans made in this assessment area lessens the significance of this distribution.

NYCB made no multi-family loans in the moderate-income tracts in 2018. In 2019, the bank’s loan activity in the moderate-income census tracts increased slightly, exceeding the demographic comparison but remaining below the aggregate performance. While the bank’s distribution of multi-family loans in the moderate-income census tracts is adequate, the very low volume of multi-family loans made in this assessment area lessens the significance of this distribution.

Borrower Profile

NYCB's distribution of borrowers reflects poor among retail customers of different income levels within this assessment area. Examiners based this conclusion solely on the bank's 1-4 family lending performance. Although multi-family lending is a significant loan product within this assessment area, examiners did not analyze multi-family loans for this performance criterion since lenders do not collect or report borrower income data for such loans.

1-4 Family Loans

The distribution of borrowers reflects poor penetration of 1-4 family loans among retail customers of different income levels. Examiners focused on the percentage of 1-4 family loans made to low- and moderate-income borrowers, as detailed in the following table.

Distribution of Home 1-4 Family Loans by Borrower Income Level Trenton-Princeton, NJ MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	23.9	8.4	7	25.0	989	16.6
2018	23.9	8.8	0	0.0	0	0.0
2019	23.9	9.4	0	0.0	0	0.0
Moderate						
2017	16.6	17.7	13	46.4	2,288	38.3
2018	16.6	19.0	0	0.0	0	0.0
2019	16.6	18.1	0	0.0	0	0.0
Middle						
2017	18.5	18.5	2	7.1	370	6.2
2018	18.5	19.0	0	0.0	0	0.0
2019	18.5	19.1	0	0.0	0	0.0
Upper						
2017	41.0	38.3	6	21.5	2,321	38.9
2018	41.0	37.6	0	0.0	0	0.0
2019	41.0	37.3	0	0.0	0	0.0
Not Available						
2017	0.0	17.1	0	0.0	0	0.0
2018	0.0	15.6	0	0.0	0	0.0
2019	0.0	16.1	0	0.0	0	0.0
Totals						
2017	100.0	100.0	28	100.0	5,968	100.0
2018	100.0	100.0	0	0.0	0	0.0
2019	100.0	100.0	0	0.0	0	0.0

Source: 2015 ACS; Bank Data, 2017, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

As shown in the table, the percentage of 1-4 family home loans among low- and moderate-income borrowers in 2017 exceeded the demographic comparison and the aggregate performance. However, the bank did not make or purchase any loans to low- and moderate-income borrowers in 2018 and 2019, as it stopped offering 1-4 family loans in 2017. Although this represents a poor penetration among low- and moderate-income borrowers, this performance had minimal impact on the Lending Test conclusions given the bank's strategic change in lending focus, the competition and opportunities in the assessment area, and the institution's limited operations and branch presence in this area.

Community Development Loans

The bank is a leader in making community development loans in the assessment area. During the evaluation period, the bank originated four loans for \$52.7 million in the assessment area. This level of activity far exceeded the bank's performance during the prior evaluation period, when the bank originated one loan for \$191,000. All of the bank's community development loans in this assessment area helped to address the area's affordable housing needs.

The following are examples of community development loans that benefit the assessment area.

- In 2019, the bank refinanced a \$9.3 million loan on 218 rent-regulated units in a moderate-income census tract in East Windsor, Mercer County, New Jersey. Of the 218 units, 170 units (78.0 percent) have rents below the HHRL amount for the area as established by HUD. This loan supports affordable housing for low- and moderate-income families in the assessment area.
- In 2020, the bank originated a \$34.3 million loan on a 316-unit apartment complex in a moderate-income census tract in Hamilton, Mercer County, New Jersey. Of the 316 units, 218 units (69.0 percent) have rents below the HHRL amount for the area. This loan supports affordable housing for low- and moderate-income families in this assessment area.

INVESTMENT TEST

NYCB is rated "High Satisfactory" in the Investment Test in New Jersey. NYCB's relatively high level of qualified community development investments and grants primarily supports this conclusion.

Investment and Grant Activity

NYCB has a relatively high level of qualified community development investments and grants in its Trenton-Princeton, NJ MSA assessment area. During the evaluation period, NYCB reported eight qualified investments and grants totaling \$1.8 million in this assessment area, which includes six outstanding prior period investments with a current balance of \$1.8 million and two grants totaling \$1,490. All of the bank's qualified investments and grants support affordable housing initiatives in the assessment area. NYCB's dollar volume of community development qualified investments and grants at this evaluation exceeded the level at the prior evaluation for this assessment area.

NYCB maintains a prior period investment of \$7.7 million in a CRA qualified investment fund to support community development activities, with a primary focus on affordable housing. While the bank did not place additional funds into this prior period investment during the review period, it increased the amount allocated to this assessment area from \$300,000 to \$904,575.

Responsiveness to Credit and Community Development Needs

NYCB exhibits adequate responsiveness to credit and community development needs. The majority of the bank’s qualified investments target affordable housing initiatives in its assessment area, which is an identified community development need.

Community Development Initiatives

The bank rarely uses innovative and/or complex investments to support community development initiatives in the assessment area.

SERVICE TEST

NYCB is rated “Low Satisfactory” in the Service Test for New Jersey. NYCB’s adequate level of community development services primarily supports this conclusion.

Accessibility of Delivery Systems

Given the small branch network in this assessment area, the bank’s delivery systems are accessible to limited portions of the Trenton-Princeton, NJ MSA assessment area. NYCB operates one full-service branch office and one ATM in this assessment area. The table below summarizes the bank’s branch office and ATM distribution in the assessment area by census tract income level.

Branch and ATM Distribution by Geography Income Level Trenton-Princeton, NJ MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	18	23.4	56,270	15.2	0	0.0	0	0.0
Moderate	15	19.5	71,366	19.3	0	0.0	0	0.0
Middle	19	24.7	103,915	28.1	0	0.0	0	0.0
Upper	24	31.2	137,131	37.0	1	100.0	1	100.0
NA	1	1.3	1,530	0.4	0	0.0	0	0.0
Total	77	100.0	370,212	100.0	1	100.0	1	100.0

Source: 2015 ACS data and Bank Records

As shown in the table, the bank does not operate any branch offices in the low- or moderate-income tracts. The sole branch office is in an upper-income area, which is not as convenient for businesses and residents in the low- and moderate-income areas. Notably, the bank has no presence in the city of Trenton, where the majority of the assessment area’s low- and moderate-income tracts are located.

Although NYCB has no offices in the low- and moderate-income areas, the bank’s alternative delivery systems enhance the accessibility of its products and services, which helps to mitigate the lack of physical branch offices in the low- and moderate-income areas to some extent. However, even considering these mitigating factors, NYCB’s performance under this criterion is poor.

Changes in Branch Locations

NYCB did not open or close any branches in the assessment area over the review period.

Reasonableness of Business Hours and Services

Services do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. The branch is open from 9:00 a.m. to 3:00 p.m. Monday through Friday. The branch also offers drive-up services and additional Saturday hours. Overall, the bank's products and services in the Trenton-Princeton, NJ MSA assessment area, including the low-cost savings and checking accounts, are consistent with those discussed at the institution level.

Community Development Services

NYCB provided an adequate level of community development services in the Trenton-Princeton, NJ MSA assessment area. During the evaluation period, three NYCB employees served on committees for an affordable housing organization focused on providing housing for low- and moderate-income families in Mercer County. While this represents a relatively low level of activity, performance is still adequate considering the bank's limited branch presence and operations in this area. Notably, the bank's single branch in this assessment area only has three employees.

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

New York Community Bank	
Scope of Examination: Examiners performed full-scope reviews on the following assessment areas and rated areas: NY-NJ Multistate MSA Assessment Area Cleveland, OH CSA Assessment Area State of Florida: Southeast Florida Assessment Area Southwest Florida Assessment Area State of Arizona: Phoenix, AZ MSA Assessment Area Prescott, AZ MSA Assessment Area Trenton-Princeton, NJ MSA Assessment Area	
Time Period Reviewed:	10/17/2017 to 09/24/2020
Products Reviewed: 1-4 Family Loans: 01/01/2017 – 12/31/2019 Multi-family Loans: 01/01/2017 – 12/31/2019 Small Business Loans: 01/01/2017 – 12/31/2019 Community Development Activities: 10/17/2017 – 09/24/2020	

List of Affiliates and Products Reviewed		
Affiliate	Affiliate Relationship	Products Reviewed
New York Commercial Bank	Affiliate through common ownership	Multi-family loans Small business loans

List of Assessment Areas and Type of Evaluation			
Rated Area/ Assessment Area	Type of Evaluation	Branches Visited	Other Information
NY-NJ Multistate MSA	Full-scope	None	None
Cleveland, OH CSA	Full-scope	None	None
Florida: Southeast Florida AA Southwest Florida AA	Full-scope Full-scope	None None	None None
Arizona: Phoenix, AZ AA Prescott, AZ AA	Full-scope Full-scope	None None	None None
Trenton-Princeton, NJ MSA	Full-Scope	None	None

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
NY-NJ Multistate MSA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Ohio	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Florida	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Arizona	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
New Jersey	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

GLOSSARY

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 metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.