PUBLIC DISCLOSURE

November 4, 2024

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

Bank of Millbrook
RSSD No. 175609

3263 Franklin Avenue
Millbrook, NY 12545

Federal Reserve Bank of New York

33 Liberty Street
New York, NY 10045

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INSTITUTION'S CRA RATING

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THIS INSTITUTION IS RATED: Satisfactory

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

SUMMARY OF FACTORS SUPPORTING RATINGS

The following factors support the Bank of Millbrook's (BoM or the bank) rating.

LENDING TEST

- The loan-to-deposit (LTD) ratio was less than reasonable (considering seasonal variations and taking into account lending-related activities) given the bank's size, financial condition, and assessment area credit needs.

- A substantial majority of loans and other lending related activities were in the bank's assessment area.

- The geographic distribution of loans reflected excellent dispersion through the assessment area.

- The distribution of borrowers reflected, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes.

- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

INSTITUTION

DESCRIPTION OF INSTITUTION

BoM is a state member bank headquartered in Millbrook, New York (NY), with total assets of $285.9 million as of December 31, 2023. The bank is wholly owned by Millbrook Bank System, Inc. The bank operates four full-service branches and six automatic teller machines within Dutchess County. Since the prior evaluation, the bank relocated the Armenia branch within the same census tract in Dutchess County.

BoM offers a full range of loan and deposit products. The bank offers 1-4 residential real estate secured loans, home equity lines of credit, consumer purpose, commercial and construction development loans. The bank also offers a variety of deposit products, including demand deposit, money market deposit, savings and individual retirement accounts. Alternative bank services include online telephone banking, mobile banking and drive-thru banking.

Based on the December 31, 2023 Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report), BoM's portfolio by dollar volume primarily consisted of 1-4 residential real estate and commercial loans as summarized in the following table.

Loan Portfolio		
Loan Type	**$(000's)**	**%**
1-4 Family Residential Real Estate	66,364	59.0
Construction, Land Development, and Other Land Loans	977	0.9
Multifamily (5 or more units) Residential Real Estate	0	0
Home Equity Line of Credit	2,803	2.5
Consumer	3,103	2.8
Agricultural Production and Other Loans to Farmers	3,136	2.8
Commercial & Industrial	4,973	4.4
Nonfarm Nonresidential Secured	30,860	27.4
Other	245	0.2
Total Loans	**112,461**	**100.0**
Source: Call Report as of December 31, 2023		

Based on the December 31, 2023, Uniform Bank Performance Report (UBPR), BoM's deposit portfolio by dollar volume was comprised primarily of demand deposits and other savings deposits as summarized in the following table.

Deposit Portfolio		
Deposit Type	**$(000's)**	**%**
Demand Deposits	122,578	47.4
All NOW and ATS	25,950	10.0
Money Market Deposits	25,131	9.7
Other Savings Deposits	74,343	28.7
Time Deposits at or below Insurance Limit	9,150	3.5
Time Deposits Above Insurance Limit	1,601	0.7
Brokered Deposits	0	0
Total Deposits	**258,753**	**100.0**
Source: UBPR as of December 31, 2023		

There were no financial or legal factors that would prevent the bank from fulfilling its responsibilities under the CRA.

Previous Public Evaluation

The Federal Reserve Bank of New York assigned a rating of Satisfactory at the previous CRA Performance Evaluation dated March 16, 2020 using the FFIEC Small Institution CRA Examination Procedures.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. BoM delineated one assessment area, which was comprised of a portion of Dutchess County that contained 24 census tracts and a portion of Columbia County, which had 7 census tracts. Dutchess County is within MSA 39100 Poughkeepsie-Newburgh-Middletown, NY. Columbia County is located in a non-metropolitan area to the north of Dutchess County. The assessment area is contiguous and does not expand substantially beyond the MSA boundary, therefore, the areas were evaluated as one assessment area.

During the previous evaluation, Dutchess County was located within Metropolitan Division 20524 (Dutchess-Putnam, NY). Due to the Office of Management and Budget MSA delineation changes, effective September 14, 2018, Dutchess County was included in MSA 39100 Poughkeepsie-Newburgh-Middletown, NY.

The bank's assessment area was in compliance with the requirements of Section 228.41 of Regulation BB. A map illustrating the bank's assessment area is in Appendix A.

SCOPE OF EVALUATION

Procedures

To assess the BoM's CRA performance, examiners applied the FFIEC's Small Institution CRA Examination Procedures as the bank did not have assets of at least $391.0 million as of December 31 of both of the prior two calendar years. The evaluation considered the performance context, including the bank's asset size, financial condition, market competition, assessment area demographics, and credit and community development needs.

Products

During this evaluation, home mortgage and small business loans were analyzed as these loan types represented the major product lines based on a review of bank records, business strategy and loan portfolio composition. Construction, consumer and small farm loans were excluded from the evaluation as they did not represent a major product line or provide material support for conclusions or ratings.

During the review period, BoM was a Home Mortgage Disclosure Act (HMDA) reporter for two years, 2019 and 2023, and examiners analyzed home mortgage data accordingly. Since the BoM was not required to collect and report home mortgage loan data pursuant to the HMDA for 2020, 2021 and 2022, examiners utilized data that the bank voluntarily collected and provided. Home mortgage loans included home purchase, home refinance, home improvement and multifamily housing loans. For the Lending Test, examiners combined and collectively analyzed home purchase, home improvement, home refinance and multifamily loans, as individually, the loan volumes were insufficient to provide a meaningful analysis.

Examiners verified the integrity of the bank's HMDA data from January 1, 2019 through December 31, 2019, January 1, 2023 through December 31, 2023 and home mortgage loans from January 1, 2020 through December 31, 2022.

Examiners analyzed small business loan data from January 1, 2023 through December 31, 2023. BoM was not required to collect and report small business loan data pursuant to the CRA due to its asset size. However, in accordance with CA Letter 02-03, examiners collected and analyzed the entire universe of 2023 small business loans to represent the bank's loan activity during the evaluation period.

In addition, in accordance with CA Letter 21-5 CRA Consideration for Activities in Response to the Coronavirus, Small Business Administration Paycheck Protection Program (PPP) loans were also given consideration. Since the prior evaluation, BoM originated 223 PPP loans totaling approximately $13.5 million. PPP loans provided a direct benefit to small businesses adversely affected by the COVID-19 pandemic and were considered particularly responsive to the acute credit needs during that time.

Evaluation Period

This evaluation covered the period from the prior evaluation dated March 16, 2020 to the current evaluation dated November 4, 2024. Examiners reviewed the bank's home mortgage loans originated between January 1, 2019 through December 31, 2023 and small business loans originated between January 1, 2023 through December 31, 2023.

Lending Analysis

The analyses of borrower and geographic distribution were based on loans made in the BoM's assessment area. To evaluate the geographic distribution, the proportion of home mortgage loan originations in LMI geographies were compared with the proportion of owner-occupied housing units in LMI geographies. For small business loans, the analysis compared the proportion of loan originations in LMI geographies with the proportion of small businesses located in LMI geographies as reported, based on Dun and Bradstreet (D&B) data. The geographic distribution performance in LMI geographies were analyzed separately.

To analyze the borrower characteristics of home mortgage loans, the proportion of originations to LMI borrowers was compared with the proportion of LMI families in the assessment area. Median family income (MFI) estimates from the FFIEC were used to categorize borrower income. For small business lending, the analysis compared the proportion of loans to businesses with gross annual revenues (GAR) of $1.0 million or less based on D&B data, to the proportion of all such businesses located in the assessment area. The size of the small business loans was also used as a proxy to identify lending to businesses with GAR of $1.0 million or less.

BoM's 2019 and 2023 HMDA lending performance was also compared to the respective years' performance of the aggregate of all lenders in the assessment area subject to HMDA reporting. The bank was not a HMDA reporter for 2020, 2021 and 2022; therefore, the bank's performance was not compared to aggregate data for those years. The bank's small business data was also not compared to aggregate as the BoM was not required to report small business loans. Peer data was used for the LTD analysis. Local peer banks were selected based on the geographic location, lending focus, and asset size in order to choose banks similarly situated to BoM within the assessment area.

Deriving Overall Conclusions

Examiners conducted a full scope review of the assessment area. When evaluating the bank's performance under the Lending Test, examiners placed more weight on home mortgage loan products over small business loan products, based on the volume of loans originated. Demographic and economic information, which also impacted the bank's performance context, is discussed in detail.

PERFORMANCE CONTEXT

The following demographic and economic information were used to describe the assessment area and to evaluate the context in which BoM operated. The information was obtained from publicly available sources, including the 2015 and 2020 U.S. Census Bureau American Community Survey (ACS), Bureau of Labor Statistics (BLS), D&B, FFIEC and the U.S. Department of Housing and Urban Development (HUD).

Demographic Characteristics

BoM's assessment area included portions of Columbia County and Dutchess County. According to the 2020 U.S. Census data, the population of this assessment area was 91,187. The assessment area consisted of 31 census tracts, of which 2 or 6.5% were moderate-income, 17 or 54.8% were middle-income, and 12 or 38.7% were upper-income. There were no low-income census tracts in the bank's assessment area.

Income Characteristics

Based on the 2020 U.S. Census data, the assessment area had 24,292 families, of which 17.3% were low-income (4.8% of which were below the poverty level), 15.6% were moderate-income, 20.9% were middle-income and 46.1% were upper-income.

The table below depicts the MFI for the assessment area.

Median Family Income Change			
Area	**2015 MFI**	**2020 MFI**	**% Change**
Assessment Area	$92,296	$99,933	8.3
Columbia County, NY	$78,852	$84,096	6.7
Dutchess County, NY	$97,770	$103,200	5.6
Non-MSA NY	$65,085	$69,021	6.1
MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)	$93,721	$100,123	6.8
State of NY	$78,570	$87,270	11.1
Source: 2015 and 2020 U.S. Census Bureau ACS; MFIs have been inflation-adjusted and are expressed in 2020 dollars.			

Housing Characteristics

Based on the 2020 U.S. Census data, the assessment area had 43,749 housing units, of which 62.6% were owner-occupied, 20.9% were rental, and 16.5% were vacant. Of the total housing units, 7.1% were located in moderate-income census tracts, 57.3% in middle-income census tracts, and 35.6% in upper-income census tracts. In moderate-income census tracts, 52.8% of housing units were owner-occupied, 27.8% were rental units, and 19.4% were vacant.

The median age of housing stock in this assessment area was 57 years old, with 27.0% of the stock built before

1950. The median age of housing stock was 61 years in moderate-income census tracts. According to the 2020 U.S. Census data, the median housing value in this assessment area was $303,615 with an affordability ratio of 27.6. The median gross rent in the assessment area was $1,194 per month.

The table below depicts the housing characteristics in the assessment area.

Housing Characteristics			
Geographic Area	2020 Median Housing Value	2020 Affordability Ratio	2020 Median Gross Rent
Assessment Area	$303,615	27.6	$1,194
Columbia County	$236,500	29.1	$944
Dutchess County	$290,700	28.2	$1,237
Non MSA NY	$122,281	44.0	$755
MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)	$284,250	28.6	$1,267
NY State	$325,000	21.9	$1,315
Source: 2015 and 2020 U.S. Census Bureau ACS			

Housing Cost Burden

Housing costs were relatively expensive in the assessment area, which indicated that affordable housing for LMI individuals and families continued to be a challenge. According to HUD's data, within the assessment area, 45.9% of all rental households had rental costs that exceeded 30.0% of their incomes, 77.0% of low-income rental households had rental costs that exceeded 30.0% of their income, and 48.2% of moderate-income rental households had rental costs that exceeded 30.0% of their income.

According to HUD's data, within the assessment area, 24.9% of homeowners had housing costs that exceeded 30.0% of their incomes, 73.9% of low-income homeowners had housing costs that exceeded 30.0% of their income, and 45.0% of moderate-income homeowners had housing costs that exceeded 30.0% of their income.

See the table below for more details.

Housing Cost Burden*						
	Cost Burden - Renters			Cost Burden - Owners		
Area	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	77.0%	48.2%	45.9%	73.9%	45.0%	24.9%
Columbia County, NY	72.8%	33.6%	39.6%	73.5%	42.7%	23.2%
Dutchess County, NY	77.8%	50.8%	47.2%	73.9%	45.6%	25.4%
Non MSA NY	71.6%	27.3%	40.4%	61.0%	26.6%	17.6%
MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)	79.5%	49.3%	49.3%	76.9%	49.7%	28.2%
NY State	76.4%	42.8%	46.8%	70.8%	40.8%	25.5%
*Cost Burden is housing cost that equals 30 percent or more of household income.						
Source: HUD, 2017-2021 Comprehensive Housing Affordability Strategy						

Labor, Employment and Economic Characteristics

According to D&B data, there were 4,782 businesses operating in the assessment area in 2023, of which 5.7% were located in moderate-income census tracts. Of the total businesses operating in the assessment area, 93.3% were small businesses with GAR of $1.0 million or less, of which 5.6% were located in moderate-income census tracts.

The assessment area is highly competitive for financial services. According to the June 30, 2023 FDIC Summary of Deposit Report, 18 institutions operated 90 offices within the assessment area. BoM ranked 13th with approximately $257.8 million in deposits, which represented 2.6% of the deposit market share. Competitors included large financial institutions such as Citizens Bank, N.A., JPMorgan Chase, N.A., KeyBank, N.A., Manufacturers and Traders Trust Company, and Rhinebeck Bank that collectively captured 61.4% of deposit market share.

According to the BLS, unemployment in the assessment area was 3.4% in 2019, increased to 7.1% in 2020, decreased to 4.4% in 2021, decreased to 3.0% in 2022 and increased to 3.2% in 2023. The state of NY had an unemployment rate of 3.9% in 2019, increased to 9.8% in 2020, decreased to 7.0% in 2021, decreased to 4.3% in 2022 and decreased to 4.2% in 2023. The COVID-19 pandemic contributed to the high unemployment rates in 2020 and 2021 within the assessment area and in the state of NY. Additional unemployment rates are provided in the subsequent table.

Unemployment Rates					
Area	**2019**	**2020**	**2021**	**2022**	**2023**
Assessment Area	3.4%	7.1%	4.4%	3.1%	3.2%
Columbia County, NY	3.1%	6.0%	3.9%	2.8%	3.0%
Dutchess County, NY	3.4%	7.3%	4.5%	3.1%	3.3%
Non MSA NY	4.4%	7.8%	4.9%	3.7%	3.9%
MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)	3.5%	7.7%	4.6%	3.2%	3.4%
NY State	3.9%	9.8%	7.1%	4.3%	4.2%
Source: BLS, Local Area Unemployment Statistics					

Additional performance context data for the assessment area is provided in the following table.

Assessment Area Demographics Table								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low	0	0	0	0	0	0	4,210	17.3
Moderate	2	6.5	1,714	7.1	175	10.2	3,790	15.6
Middle	17	54.8	14,156	58.3	688	4.9	5,084	20.9
Upper	12	38.7	8,422	34.7	308	3.7	11,208	46.1
Unknown	0	0	0	0.0	0	0	0	0
Total	**31**	**100.0**	**24,292**	**100.0**	**1,171**	**4.8**	**24,292**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low	0	0	0	0	0	0	0	0
Moderate	3,104	1,639	6.0	52.8	864	27.8	601	19.4
Middle	25,084	15,553	56.8	62.0	6,031	24.0	3,500	14.0
Upper	15,561	10,210	37.3	65.6	2,235	14.4	3,116	20.0
Unknown	0	0	0	0	0	0	0	0
Total	**43,749**	**27,402**	**100.0**	**62.6**	**9,130**	**20.9**	**7,217**	**16.5**
	Total Businesses by Tract	**Businesses by Tract & Revenue Size**						
		Less Than or = $1.0 Million		**Over $1.0 Million**		**Revenue Not Reported**		
	#	%	#	%	#	%	#	%
Low	0	0	0	0	0	0	0	0
Moderate	274	5.7	248	5.6	20	8.4	6	7.3
Middle	2,780	58.1	2,592	58.1	141	59.5	47	57.3
Upper	1,728	36.1	1,623	36.4	76	32.1	29	35.4
Unknown	0	0	0	0	0	0	0	0
Total	**4,782**	**100.0**	**4,463**	**100.0**	**237**	**100.0**	**82**	**100.0**
	Percentage of Total Businesses:		**93.3**		**5.0**		**1.7**	
	Total Farms by Tract	**Farms by Tract & Revenue Size**						
		Less Than or = $1.0 Million		**Over $1.0 Million**		**Revenue Not Reported**		
	#	%	#	%	#	%	#	%
Low	0	0	0	0	0	0	0	0
Moderate	28	9.6	28	9.9	0	0	0	0
Middle	180	61.6	174	61.5	6	66.7	0	0
Upper	84	28.8	81	28.6	3	33.3	0	0
Unknown	0	0	0	0	0	0	0	0
Total	**292**	**100.0**	**283**	**100.0**	**9**	**100.0**	**0**	**0**
	Percentage of Total Farms:		**96.9**		**3.1**		**0**	

Source: 2023 FFIEC Census Data and 2023 D&B

Community Contacts

To understand community development and credit needs, examiners reviewed a recent community contact interview with a representative from a community service organization located in Dutchess County. The contact was familiar with the economic, social, and demographic characteristics and community development opportunities in the assessment area. Examiners also referenced a Community Needs Assessment Report (Report) by The Community Action Partnership for Dutchess County (CAPDC). The CAPDC is a designated anti-poverty agency serving all of Dutchess County. Information obtained from the interview and Report

helped to establish a context for the communities in which BoM operated.

The representative from the community service organization indicated that there were pockets of poverty in rural areas, including Eastern Dutchess County, where employment opportunities are limited. The contact also indicated that LMI families often lack familiarity with common banking products and are underbanked. The contact emphasized the need for financial education for both children and adults, noting that there are opportunities for banks to provide financial education training through local schools.

Examiners also reviewed the Report published in December 2023 by the CAPDC. According to the Report, the southwestern region of Dutchess County, which includes the cities of Beacon and Poughkeepsie, is the most densely populated part of the county. This area is primarily residential with many of its residents commuting to jobs in New York City. In addition, the Report also noted that these two cities have a higher poverty rate than the rest of the county. In contrast, the northern and eastern regions of the county are rural with large farmlands. The Report also identified additional pockets of poverty in the rural areas of Dutchess County, with poverty over 20.0% in the Towns of Amenia and Dover. These towns have limited employment opportunities as well as limited transportation options. The Report cited the primary concern in the assessment area as a lack affordable housing in Dutchess County.

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable housing represented the primary community development need in this assessment area, and affordable and flexible home mortgage products represented the primary credit need. Small business financing was also an acute credit need during and post-pandemic. Financial education for residents represented additional community development needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Lending Test is rated Satisfactory. The bank's satisfactory performance is supported by a substantial majority of loans originated within the assessment area, excellent geographic distribution dispersion and reasonable borrower profile penetration. While LTD performance declined, this did not have a material affect on the overall lending test rating.

Loan-to-Deposit

The LTD ratio was less than reasonable (considering seasonal variations and taking into account lending-related activities) given the bank' size, financial condition, and assessment area credit needs.

The bank's net LTD ratio, calculated from Call Report data, averaged 38.7% over 19 calendar quarters from January 1, 2020 to September 30, 2024. During the evaluation period, the net LTD ratio ranged from a high of 46.4% percent as of June 30, 2020 to a low of 32.3% as of December 31, 2021. Overall, the net LTD ratio exhibited a downward trend during the evaluation period. However, the ratio began to increase during 2023 and continued to increase in 2024 settling in at 44.2% percent as of September 30, 2024. The bank's average net LTD ratio at the prior evaluation was 49.8%, which was 11.1 percentage points greater than the net LTD ratio at the current evaluation.

Examiners considered data from the UBPR peer group as of September 30, 2024. The peer group average LTD ratio was 73.6 percent. BoM ranked in the 8th percentile, which was significantly below the peer group average. Examiners also compared the bank's average net LTD ratio to that of three similarly situated institutions selected based on geographic location, lending focus and asset size. Management attributed the lower net LTD

ratio during the evaluation period to the notable growth in deposits that occurred during the COVID-19 pandemic. Notably, total deposits increased 34.3% from March 31, 2020 to March 31, 2023 while total loans increased 16.2% for the same period.

Examiners also considered the bank's large volume of municipal deposits, which required pledge securities, and impacted the banks' ability to lend against these funds. However, the exclusion of municipal deposits did not materially improve the bank's LTD ratio. While the exclusions of municipal deposits slightly increased the net LTD ratio from 38.7% to 45.1%, the bank's performance was still significantly below peers.

As shown in the table below, the bank's average net LTD ratio is significantly lower than similarly situated institutions.

Loan-to-Deposit Ratio Comparison		
	Total Assets as of September 30, 2024 (000's)	**Average Net LTD Ratio**
Bank of Millbrook	**$297,939**	**38.7%**
Jeff Bank	$652,124	53.3%
WallKill Valley Federal Savings & Loan Association	$469,668	81.9%
Rondout Savings Bank	$545,835	88.4%
Source: UBPR September 30, 2024		

Examiners also considered lending opportunities in the assessment area. As noted previously, the assessment area was predominantly rural with low population density. This factor presented a significant challenge for the bank to originate home mortgage and small business loans. According to the 2020 U.S. Census data, the assessment area population was 91,187, which represented approximately 25.0% of the combined population of Columbia and Dutchess Counties. In addition, as the assessment area was predominantly rural and comprised of vast portions of farmlands, the bank's opportunities to originate its primary residential and commercial lending products was also limited.

Assessment Area Concentration

A substantial majority of loans and other lending related activities were in the bank's assessment area. During the evaluation period, the bank originated 88.9% of its loans by number and 88.4% by dollar volume inside the assessment area.

The bank's lending inside and outside this assessment area is summarized in the table below.

Lending Inside and Outside the Assessment Area								
	Inside				Outside			
Loan Type	#	%	$(000's)	%	#	%	$(000's)	%
Home Purchase	122	89.1	42,959	87.7	15	10.9	6,041	12.3
Home Refinance	13	92.9	3,657	94.4	1	7.1	218	5.6
Multifamily	2	100.0	500	100.0	0	0.0	0	0.0
Home Improvement	4	100.0	416	100.0	0	0.0	0	0.0
Total Home Mortgage	**141**	**89.8**	**47,532**	**88.4**	**16**	**10.2**	**6,259**	**11.6**
Total Small Business	**44**	**86.3**	**4,935**	**88.7**	**7**	**13.7**	**630**	**11.3**
TOTAL LOANS	**185**	**88.9**	**52,467**	**88.4**	**23**	**11.1**	**6,889**	**11.6**
Source: Bank and HMDA-reported data January 1, 2019 to December 31, 2023								

Geographic Distribution of Loans

The geographic distribution of loans reflected excellent dispersion through the assessment area. Lending distribution in LMI tracts was excellent for both home mortgage lending and small business lending.

Gap Analysis

BoM demonstrated a high level of dispersion in moderate-income census tracts in the assessment area. Overall, performance demonstrated an increasing trend during the evaluation period. BoM's strong performance is particularly noteworthy given the high degree of competition for financial services and loans in this assessment area. For example, in 2023 the top five large national institutions captured 66.2% of the small business market share and 34.5% of the home mortgage market share.

The bank's lending gap analysis in the assessment area is summarized in the table below.

Lending Gap Analysis			
Tract Income Levels	**Number of Tracts**	**Tracts with no Loans**	**Penetration %**
2023			
Low	0	0	0%
Moderate	2	0	100%
Middle	17	9	47%
Upper	12	9	25%
Unknown	0	0	0%
2022			
Low	0	0	0%
Moderate	2	0	100%
Middle	17	9	47%
Upper	12	9	25%
Unknown	0	0	0%
2021			
Low	0	0	0%
Moderate	4	2	50%
Middle	12	6	50%
Upper	15	11	27%
Unknown	0	0	0%
2020			
Low	0	0	0%
Moderate	4	2	50%
Middle	12	10	17%
Upper	15	13	13%
Unknown	0	0	0%
2019			
Low	0	0	0%
Moderate	4	3	25%
Middle	12	5	58%
Upper	15	13	13%
Unknown	0	0	0%
Source: Bank and HMDA-reported data January 1, 2019 to December 31, 2023			

Home Mortgage Loans

The geographic distribution of home mortgage loans reflected excellent dispersion throughout the assessment area.

In 2023, the bank made 9.5% by number and 2.1% by dollar of home mortgage loans in moderate-income census tracts whereas in 2022, the bank made 20.0% by number and 27.1% by dollar of home mortgage loans in moderate-income tracts. This drop in performance by number reflected a decrease in demand for home mortgage loans due to the higher interest rate environment for all lenders operating in the bank's assessment area. In 2023, the bank performed above aggregate lending at 6.6% and also exceeded the 6.0% of owner-occupied housing units located in moderate-income census tracts.

As aggregate lender data was not utilized for other years of the review period, examiners compared the bank's

performance solely to the demographic. In 2022, the bank performed above the 6.0% of owner-occupied housing units located in moderate-income census tracts. Furthermore, the bank's performance consistently exceeded demographic data in 2021, 2020 and exceeded aggregate lending and demographic data in 2019.

<u>Small Business Loans</u>

The geographic distribution of small business loans reflected excellent dispersion throughout the assessment area.

In 2023, the bank made 20.5% by number and 35.6% by dollar of small business loans in moderate-income census tracts. BoM's small business lending performance in moderate-income census tracts significantly exceeded the 5.7% of businesses located in moderate-income census tracts.

Borrower Profile

The distribution of borrowers reflected, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes. This rating is supported by reasonable penetration of home mortgage lending among LMI individuals and excellent penetration of lending to businesses with GAR of $1.0 million or less.

<u>Home Mortgage Loans</u>

The distribution of borrowers reflected, given the demographics of the assessment area, reasonable penetration among LMI borrowers for home mortgage loans. This rating is primarily supported by reasonable penetration among low-income borrowers with consideration to the performance context; penetration among moderate-income borrowers was poor.

BoM's performance to low-income borrowers fluctuated during the evaluation period, with reasonable performance supported by lending in 2023, 2020 and 2019. As noted in the performance context section, housing costs were relatively expensive in the assessment area, which helps to explain the significant gap between aggregate lending performance and the percentage of low-income families in the assessment area. Specifically, 77.8% of low-income rental households had rental costs that exceeded 30.0% of their income. This data suggested it would be difficult for these families to qualify for a home mortgage loan or support a monthly mortgage payment.

In 2023, the bank made 5.0% by number and 1.6% by dollar to low-income borrowers and was significantly below the 17.3% of low-income families in the assessment area. However, performance was comparable to aggregate lending, which made 4.6% by number and 1.8% by dollar to low-income families. The bank did not originate any home mortgage loans to low-income borrowers in 2022 or 2021.

In 2020, the bank made 18.2% by number and 15.7% by dollar to low-income borrowers. This performance by number exceeded the 16.5% of low-income families in the assessment area. In 2019, the bank made 9.7% by number and 4.1% by dollar of home mortgage loans to low-income borrowers. The bank's performance was above aggregate, which made 4.8% by number and 4.1% by dollar to low-income families but was below the 16.5% of low-income families in the assessment area.

Similarly, BoM's performance to moderate-income borrowers varied during the evaluation period, with poor performance in 2023, 2021 and 2019. In 2023, the bank's lending to moderate-income borrowers was 5.0% by number and 3.5% by dollar. The bank's performance was significantly below the aggregate performance of 15.4% by number, below the aggregate of 8.6% by dollar, and significantly below the 15.6% moderate-income

families in the assessment area. The bank's performance in 2021 was significantly below the percentage of moderate-income families in the assessment area and was also significantly below in 2019.

The bank's performance in 2022 to moderate-income borrowers was 17.5% by number and 7.3% by dollar, which was above the 15.6% moderate-income families in the assessment area. BoM's performance in 2020 was also above demographic data.

Small Business Loans

The borrower distribution of small business loans reflected excellent penetration throughout the assessment area.

In 2023, the bank originated 70.5% of loans by number and 68.2% by dollar to businesses with GAR of $1.0 million or less. The bank's lending to small businesses was significantly below the 93.3% of businesses in the assessment area with GAR of $1.0 million or less. While the bank's performance is lower than the demographic measure, the aggregate small business loan data for 2023 provides some additional context. Aggregate lending data shows that the demand for small business loans from businesses with GAR of $1.0 million or less was much lower than what the demographic data suggested. Specifically, the 2023 aggregate lending data showed that 53.3% of reported small business loans were to businesses with GAR of $1.0 million or less, which was significantly lower than the percentage of businesses in that revenue category. In addition, the bank also originated 68.2% of loans by number to assessment area businesses in amounts of $100,000 or less, which are typically considered more responsive to the credit needs of very small businesses.

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank was in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet the community credit needs of the assessment area was identified.

APPENDICES

APPENDIX A – ASSESSMENT AREA MAPS

Bank of Millbrook
MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)
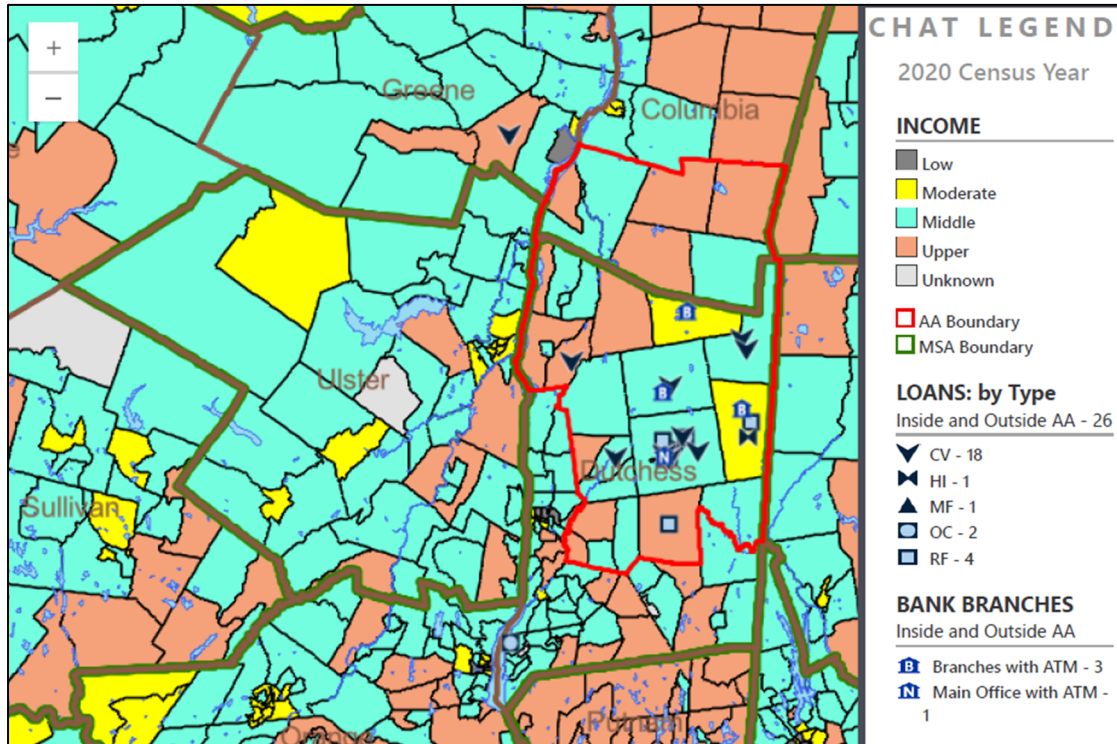
APPENDIX B – LOAN DISTRIBUTION REPORTS

GEOGRAPHIC DISTRIBUTION

<u>Home Mortgage Lending</u>

Distribution of 2019 Home Mortgage Lending By Income Level of Geography **MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)**							
Geographic Income Level	**Bank And Aggregate Loans**						**Owner Occupied Units %**
	Bank		**Agg**	**Bank**		**Agg**	
	#	**#%**	**#%**	**$(000)**	**$%**	**$%**	
Home Purchase Loans							
Low	0	0	0	0	0	0	0
Moderate	1	5.3	10.8	92	2.3	13.2	13.0
Middle	16	84.2	38.1	3,531	87.6	38.4	39.6
Upper	2	10.5	51.1	406	10.1	48.4	47.3
Unknown	0	0	0	0	0	0	0
Tract-Unk	0	0	0	0	0	0	
Total	19	100.0	100.0	4,029	100.0	100.0	100.0
Refinance Loans							
Low	0	0	0	0	0	0	0
Moderate	2	22.2	10.6	205	11.1	11.2	13.0
Middle	2	22.2	36.0	332	18.0	41.9	39.6
Upper	5	55.6	53.4	1,303	70.8	46.9	47.3
Unknown	0	0	0	0	0	0	0
Tract-Unk	0	0	0	0	0	0	
Total	9	100.0	100.0	1,840	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0	0	0	0	0	0
Moderate	1	33.3	11.1	100	28.1	10.6	13.0
Middle	2	66.7	37.0	256	71.9	36.8	39.6
Upper	0	0	51.9	0	0	52.6	47.3
Unknown	0	0	0	0	0	0	0
Tract-Unk	0	0	0	0	0	0	
Total	3	100.0	100.0	356	100.0	100.0	100.0
Multifamily Loans							**Multifamily Units %**
Low	0	0	0	0	0	0	0
Moderate	1	100.0	30.0	150	100.0	10.9	33.9
Middle	0	0	30.0	0	0	19.5	40.7
Upper	0	0	40.0	0	0	69.6	25.4
Unknown	0	0	0	0	0	0	0
Tract-Unk	0	0	0	0	0	0	
Total	1	100.0	100.0	150	100.0	100.0	100.0

	Total Home Mortgage Loans						Owner Occupied Units %
Low	0	0	0	0	0	0	0
Moderate	5	15.6	11.0	547	8.6	12.6	13.0
Middle	20	62.5	37.4	4,119	64.6	38.9	39.6
Upper	7	21.9	51.6	1,709	26.8	48.5	47.3
Unknown	0	0	0	0	0	0	0
Tract-Unk	0	0	0	0	0	0	
Total	32	100.0	100.0	6,375	100.0	100.0	100.0
Source: 2019 FFIEC Census data; 2015 U.S. Census Bureau ACS; Percentages may not total 100.0 percent due to rounding.							
2019 Home Mortgage Lending reflects HMDA-reportable data							

Distribution of 2020 and 2021 Home Mortgage Lending By Income Level of Geography MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)												
	Bank And Aggregate Loans By Year											Owner Occupied Units %
Geographic Income Level	2020						2021					
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans												
Low	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Moderate	2	18.2	NA	200	10.8	NA	7	18.9	NA	2,096	16.9	NA	13.0
Middle	3	27.3	NA	479	25.8	NA	18	48.6	NA	5,631	45.4	NA	39.6
Upper	6	54.5	NA	1,179	63.5	NA	12	32.4	NA	4,679	37.7	NA	47.3
Unknown	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Tract-Unk	0	0	NA	0	0	NA	0	0	NA	0	0	NA	
Total	11	100.0	NA	1,857	100.0	NA	37	100.0	NA	12,405	100.0	NA	100.0
Refinance Loans												
Low	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Moderate	0	0	NA	0	0	NA	0	0	NA	0	0	NA	13.0
Middle	0	0	NA	0	0	NA	0	0	NA	0	0	NA	39.6
Upper	0	0	NA	0	0	NA	0	0	NA	0	0	NA	47.3
Unknown	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Tract-Unk	0	0	NA	0	0	NA	0	0	NA	0	0	NA	
Total	0	0	NA	0	0	NA	0	0	NA	0	0	NA	100.0
Home Improvement Loans												
Low	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Moderate	0	0	NA	0	0	NA	0	0	NA	0	0	NA	13.0
Middle	0	0	NA	0	0	NA	0	0	NA	0	0	NA	39.6
Upper	0	0	NA	0	0	NA	0	0	NA	0	0	NA	47.3
Unknown	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Tract-Unk	0	0	NA	0	0	NA	0	0	NA	0	0	NA	
Total	0	0	NA	0	0	NA	0	0	NA	0	0	NA	100.0
Multifamily Loans												Multifamily Units %
Low	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Moderate	0	0	NA	0	0	NA	0	0	NA	0	0	NA	33.9
Middle	0	0	NA	0	0	NA	0	0	NA	0	0	NA	40.7
Upper	0	0	NA	0	0	NA	0	0	NA	0	0	NA	25.4
Unknown	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Tract-Unk	0	0	NA	0	0	NA	0	0	NA	0	0	NA	
Total	0	0	NA	0	0	NA	0	0	NA	0	0	NA	100.0

	Total Home Mortgage Loans												Owner Occupied Units %
Low	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Moderate	2	18.2	NA	200	10.8	NA	7	18.9	NA	2,096	16.9	NA	13.0
Middle	3	27.3	NA	479	25.8	NA	18	48.6	NA	5,631	45.4	NA	39.6
Upper	6	54.5	NA	1,179	63.5	NA	12	32.4	NA	4,679	37.7	NA	47.3
Unknown	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Tract-Unk	0	0	NA	0	0	NA	0	0	NA	0	0	NA	
Total	11	100.0	NA	1,857	100.0	NA	37	100.0	NA	12,405	100.0	NA	100.0

Source: 2021 FFIEC Census Data; 2015 U.S. Census Bureau: ACS; Percentages may not total 100.0 percent due to rounding.

	Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)											
	Bank And Aggregate Loans By Year											**Owner Occupied Units %**
Geographic Income Level	**2022**						**2023**					
	Bank		**Agg**	**Bank**		**Agg**	**Bank**		**Agg**	**Bank**		**Agg**	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans													
Low	0	0	NA	0	0	NA	0	0	0	0	0	0	0
Moderate	8	20.0	NA	4,582	27.1	NA	0	0	7.0	0	0	10.3	6.0
Middle	26	65.0	NA	10,522	62.3	NA	14	93.3	49.4	7,412	95.5	47.7	56.8
Upper	6	15.0	NA	1,800	10.6	NA	1	6.7	43.6	350	4.5	42.0	37.3
Unknown	0	0	NA	0	0	NA	0	0	0	0	0	0	0
Tract-Unk	0	0	NA	0	0	NA	0	0	0	0	0	0	
Total	40	100.0	NA	16,903	100.0	NA	15	100.0	100.0	7,762	100.0	100.0	100.0
Refinance Loans													
Low	0	0	NA	0	0	NA	0	0	0	0	0	0	0
Moderate	0	0	NA	0	0	NA	1	25.0	8.6	150	8.3	15.0	6.0
Middle	0	0	NA	0	0	NA	2	50.0	53.8	1,603	88.2	45.8	56.8
Upper	0	0	NA	0	0	NA	1	25.0	37.6	64	3.5	39.2	37.3
Unknown	0	0	NA	0	0	NA	0	0	0	0	0	0	0
Tract-Unk	0	0	NA	0	0	NA	0	0	0	0	0	0	
Total	0	0	NA	0	0	NA	4	100.0	100.0	1,817	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0	NA	0	0	NA	0	0	0	0	0	0	0
Moderate	0	0	NA	0	0	NA	1	100.0	2.9	60	100.0	2.6	6.0
Middle	0	0	NA	0	0	NA	0	0	50.0	0	0	50.3	56.8
Upper	0	0	NA	0	0	NA	0	0	47.1	0	0	47.2	37.3
Unknown	0	0	NA	0	0	NA	0	0	0	0	0	0	0
Tract-Unk	0	0	NA	0	0	NA	0	0	0	0	0	0	
Total	0	0	NA	0	0	NA	1	100.0	100.0	60	100.0	100.0	100.0
Multifamily Loans													**Multifamily Units %**
Low	0	0	NA	0	0	NA	0	0	0	0	0	0	0
Moderate	0	0	NA	0	0	NA	0	0	11.1	0	0	23.6	6.4
Middle	0	0	NA	0	0	NA	1	100.0	77.8	350	100.0	74.4	64.6
Upper	0	0	NA	0	0	NA	0	0	11.1	0	0	2.0	29.1
Unknown	0	0	NA	0	0	NA	0	0	0	0	0	0	0
Tract-Unk	0	0	NA	0	0	NA	0	0	0	0	0	0	
Total	0	0	NA	0	0	NA	1	100.0	100.0	350	100.0	100.0	100.0

	Total Home Mortgage Loans												Owner Occupied Units %
Low	0	0	NA	0	0	NA	0	0	0	0	0	0	0
Moderate	8	20.0	NA	4,582	27.1	NA	2	9.5	6.6	210	2.1	11.4	6.0
Middle	26	65.0	NA	10,522	62.3	NA	17	81.0	50.5	9,365	93.8	49.8	56.8
Upper	6	15.0	NA	1,800	10.6	NA	2	9.5	42.8	414	4.1	38.8	37.3
Unknown	0	0	NA	0	0	NA	0	0	0	0	0	0	0
Tract-Unk	0	0	NA	0	0	NA	0	0	0	0	0	0	
Total	40	100.0	NA	16,903	100.0	NA	21	100.0	100.0	9,989	100.0	100.0	100.0

Source: 2015 and 2020 U.S. Census Bureau ACS; Percentages may not total 100.0 percent due to rounding.
2023 Home Mortgage Lending reflects HMDA-reportable data

Small Business Lending

Distribution of 2023 Small Business Lending By Income Level of Geography MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)							
Geographic Income Level	**Bank And Aggregate Loans**						**Total Businesses %**
	Bank		**Agg**	**Bank**		**Agg**	
	#	**#%**	**#%**	**$(000)**	**$%**	**$%**	
Low	0	0	NA	0	0	NA	0
Moderate	9	20.5	NA	1,755	35.6	NA	5.7
Middle	33	75.0	NA	3,018	61.2	NA	58.1
Upper	2	4.5	NA	161	3.3	NA	36.1
Unknown	0	0	NA	0	0	NA	0
Tract-Unk	0	0	NA	0	0	NA	
Total	44	100.0	NA	4,935	100.0	NA	100.0

Source: 2023 FFIEC Census data and D&B data; 2020 U.S. Census Bureau ACS; Percentages may not total 100.0 percent due to rounding.
2023 CRA-reportable data.

BORROWER PROFILE

Home Mortgage Lending

Distribution of 2019 Home Mortgage Lending By Borrower Income Level MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)						
Borrower Income Level	**Bank And Aggregate Loans**					**Families by Family Income %**
	Bank		**Agg**	**Bank**		**Agg**	
	#	**#%**	**#%**	**$(000)**	**$%**	**$%**	
Home Purchase Loans							
Low	2	10.5	4.4	206	5.1	2.1	16.5
Moderate	1	5.3	18.2	75	1.9	12.1	16.7
Middle	1	5.3	24.3	270	6.7	20.4	21.3
Upper	10	52.6	44.6	2,175	54.0	57.2	45.5
Unknown	5	26.3	8.5	1,303	32.3	8.3	0
Total	19	100.0	100.0	4,029	100.0	100.0	100.0
Refinance Loans							
Low	1	11.1	5.4	47	2.6	2.6	16.5
Moderate	1	11.1	14.1	132	7.2	8.3	16.7
Middle	3	33.3	25.4	624	33.9	18.4	21.3
Upper	4	44.4	47.4	1,037	56.4	64.4	45.5
Unknown	0	0	7.6	0	0	6.3	0
Total	9	100.0	100.0	1,840	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0	4.8	0	0	3.8	16.5
Moderate	0	0	13.9	0	0	10.1	16.7
Middle	0	0	23.1	0	0	20.8	21.3
Upper	2	66.7	55.8	190	53.4	61.3	45.5
Unknown	1	33.3	2.4	166	46.6	4.0	0
Total	3	100.0	100.0	356	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	3	9.7	4.8	253	4.1	2.3	16.5
Moderate	2	6.5	16.1	207	3.3	10.7	16.7
Middle	4	12.9	23.8	894	14.4	19.2	21.3
Upper	16	51.6	46.3	3,402	54.7	59.2	45.5
Unknown	6	19.4	9.0	1,469	23.6	8.6	0
Total	31	100.0	100.0	6,225	100.0	100.0	100.0

Source: 2019 FFIEC Census Data; 2015 U.S. Census Bureau ACS; Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.
2019 Home Mortgage Lending reflects HMDA-reportable data.

Distribution of 2020 and 2021 Home Mortgage Lending By Borrower Income Level MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)												
	Bank And Aggregate Loans By Year											Families by Family Income %
Borrower Income Level	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans													
Low	2	18.2	NA	292	15.7	NA	0	0	NA	0	0	NA	16.5
Moderate	3	27.3	NA	482	26.0	NA	3	8.1	NA	590	4.8	NA	16.7
Middle	2	18.2	NA	401	21.6	NA	6	16.2	NA	1,320	10.6	NA	21.3
Upper	3	27.3	NA	498	26.8	NA	13	35.1	NA	6,168	49.7	NA	45.5
Unknown	1	9.1	NA	185	10.0	NA	15	40.5	NA	4,328	34.9	NA	0
Total	11	100.0	NA	1,857	100.0	NA	37	100.0	NA	12,405	100.0	NA	100.0
Refinance Loans													
Low	0	0	NA	0	0	NA	0	0	NA	0	0	NA	16.5
Moderate	0	0	NA	0	0	NA	0	0	NA	0	0	NA	16.7
Middle	0	0	NA	0	0	NA	0	0	NA	0	0	NA	21.3
Upper	0	0	NA	0	0	NA	0	0	NA	0	0	NA	45.5
Unknown	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Total	0	0	NA	0	0	NA	0	0	NA	0	0	NA	100.0
Home Improvement Loans													
Low	0	0	NA	0	0	NA	0	0	NA	0	0	NA	16.5
Moderate	0	0	NA	0	0	NA	0	0	NA	0	0	NA	16.7
Middle	0	0	NA	0	0	NA	0	0	NA	0	0	NA	21.3
Upper	0	0	NA	0	0	NA	0	0	NA	0	0	NA	45.5
Unknown	0	0	NA	0	0	NA	0	0	NA	0	0	NA	0
Total	0	0	NA	0	0	NA	0	0	NA	0	0	NA	100.0
Total Home Mortgage Loans													
Low	2	18.2	NA	292	15.7	NA	0	0	NA	0	0	NA	16.5
Moderate	3	27.3	NA	482	26.0	NA	3	8.1	NA	590	4.8	NA	16.7
Middle	2	18.2	NA	401	21.6	NA	6	16.2	NA	1,320	10.6	NA	21.3
Upper	3	27.3	NA	498	26.8	NA	13	35.1	NA	6,168	49.7	NA	45.5
Unknown	1	9.1	NA	185	10.0	NA	15	40.5	NA	4,328	34.9	NA	0
Total	11	100.0	NA	1,857	100.0	NA	37	100.0	NA	12,405	100.0	NA	100.0

Source: 2021 FFIEC Census Data; 2015 U.S. Census Bureau ACS. Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level **MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)**												
Borrower Income Level	**Bank And Aggregate Loans By Year**											**Families by Family Income %**
	2022						**2023**					
	Bank		**Agg**	**Bank**		**Agg**	**Bank**		**Agg**	**Bank**		**Agg**	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans												
Low	0	0	NA	0	0	NA	0	0	2.4	0	0	1.3	17.3
Moderate	7	17.5	NA	1,236	7.3	NA	1	6.7	14.1	340	4.4	8.2	15.6
Middle	7	17.5	NA	1,361	8.1	NA	4	26.7	20.7	730	9.4	14.5	20.9
Upper	15	37.5	NA	8,553	50.6	NA	4	26.7	49.6	1,492	19.2	57.9	46.1
Unknown	11	27.5	NA	5,753	34.0	NA	6	40.0	13.2	5,200	67.0	18.1	0
Total	40	100.0	NA	16,903	100.0	NA	15	100.0	100.0	7,762	100.0	100.0	100.0
Refinance Loans												
Low	0	0	NA	0	0	NA	1	25.0	7.3	150	8.3	3.2	17.3
Moderate	0	0	NA	0	0	NA	0	0	20.1	0	0	12.3	15.6
Middle	0	0	NA	0	0	NA	0	0	23.9	0	0	14.4	20.9
Upper	0	0	NA	0	0	NA	1	25.0	37.3	1,070	58.9	47.3	46.1
Unknown	0	0	NA	0	0	NA	2	50.0	11.5	597	32.9	22.8	0
Total	0	0	NA	0	0	NA	4	100.0	100.0	1,817	100.0	100.0	100.0
Home Improvement Loans												
Low	0	0	NA	0	0	NA	0	0	4.3	0	0	1.6	17.3
Moderate	0	0	NA	0	0	NA	0	0	16.9	0	0	10.3	15.6
Middle	0	0	NA	0	0	NA	1	100.0	26.3	60	100.0	20.6	20.9
Upper	0	0	NA	0	0	NA	0	0	50.0	0	0	56.2	46.1
Unknown	0	0	NA	0	0	NA	0	0	2.5	0	0	11.2	0
Total	0	0	NA	0	0	NA	1	100.0	100.0	60	100.0	100.0	100.0
Total Home Mortgage Loans												
Low	0	0	NA	0	0	NA	1	5.0	4.6	150	1.6	1.8	17.3
Moderate	7	17.5	NA	1,236	7.3	NA	1	5.0	15.4	340	3.5	8.6	15.6
Middle	7	17.5	NA	1,361	8.1	NA	5	25.0	22.8	790	8.2	14.2	20.9
Upper	15	37.5	NA	8,553	50.6	NA	5	25.0	46.2	2,562	26.6	55.6	46.1
Unknown	11	27.5	NA	5,753	34.0	NA	8	40.0	11.1	5,797	60.1	19.8	0
Total	40	100.0	NA	16,903	100.0	NA	20	100.0	100.0	9,639	100.0	100.0	100.0

Source: 2023 FFIEC Census Data; 2020 U.S. Census Bureau ACS; Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis
2023 Home Mortgage Lending reflects HMDA-reportable data.

Small Business Lending

Distribution of 2023 Small Business Lending By Revenue Size of Businesses MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)							Total Businesses %
	Bank And Aggregate Loans						
	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	
By Revenue							
$1.0 Million or Less	31	70.5	NA	3,368	68.2	NA	93.3
Over $1.0 Million	13	29.5		1,567	31.8		5.0
Revenue Unknown	0	0		0	0		1.7
Total	44	100.0		4,935	100.0		100.0
By Loan Size							
$100,000 or Less	30	68.2	NA	1,167	23.6	NA	
$100,001 - $250,000	9	20.5	NA	1,425	28.9	NA	
$250,001 - $1.0 Million	5	11.4	NA	2,343	47.5	NA	
Total	44	100.0	NA	4,935	100.0	NA	
By Loan Size and Revenues $1.0 Million or Less							
$100,000 or Less	24	77.4		778	23.1		
$100,001 - $250,000	2	6.5		247	7.3		
$250,001 - $1.0 Million	5	16.1		2,343	69.6		
Total	31	100.0		3,368	100.0		

Source: 2023 FFIEC Census data and D&B data. 2020 U.S. Census Bureau ACS. Percentages may not total 100.0 percent due to rounding. 2023 CRA-reportable data.

APPENDIX C – 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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have GAR of $1.0 million or less; or activities that revitalize or stabilize LMI geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:
    (i)   low- or moderate-income geographies;
    (ii)   Designated disaster areas; or
    (iii)   Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
        a. Rates of poverty, unemployment, and population loss; or
        b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- or moderate-income individuals.

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

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

Full scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100.0% 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 (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50.0% of the area median income, or a median family income that is less than 50.0%, in the case of a geography.

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

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80.0% and less than 120.0% of the area median income, or a median family income that is at least 80.0% and less than 120.0%, in the case of a geography.

Moderate-income: Individual income that is at least 50.0% and less than 80.0% of the area median income, or a median family income that is at least 50.0% and less than 80.0%, in the case of a geography.

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

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

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

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

Rated area: A rated area is a state or 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.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1.0 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for the Call Report. These loans have original amounts of $500,000.0 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120.0% of the area median income, or a median family income that is more than 120.0%, in the case of a geography.