FRB Order No. 2026-06
February 19, 2026

FEDERAL RESERVE SYSTEM

Fulton Financial Corporation
Lancaster, Pennsylvania

Order Approving the Merger of Bank Holding Companies

Fulton Financial Corporation ("Fulton"), Lancaster, Pennsylvania, a financial holding company within the meaning of the Bank Holding Company Act ("BHC Act"),[1] has requested the Board's approval under section 3 of the BHC Act[2] to acquire Blue Foundry Bancorp ("Blue Foundry"), a bank holding company, and thereby indirectly acquire Blue Foundry's subsidiary state nonmember bank, Blue Foundry Bank, both of Rutherford, New Jersey. Following the proposed transaction, Fulton would initially operate Blue Foundry Bank as a separate bank and then merge Blue Foundry Bank with and into Fulton's subsidiary national bank, Fulton Bank, N.A. ("Fulton Bank"), Lancaster, Pennsylvania.[3]

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (90 Federal Register 59828 (December 22, 2025)), in accordance with the Board's Rules of Procedure.[4] The time for submitting comments has expired, and the Board received two adverse comments on the proposal. The Board

---

[1] 12 U.S.C. § 1841 *et seq.*

[2] 12 U.S.C. § 1842.

[3] The merger of Blue Foundry Bank with and into Fulton Bank, which is expected to occur some months after Fulton's acquisition of Blue Foundry, is subject to the approval of the Office of the Comptroller of the Currency ("OCC") under section 18(c) of the Federal Deposit Insurance Act. 12 U.S.C. § 1828(c). The OCC approved the bank merger application on January 29, 2026.

[4] 12 CFR 262.3(i).

has considered the proposal and the comments received in light of the factors set forth in section 3 of the BHC Act.

Fulton, with consolidated assets of approximately $31.9 billion, is the 74th largest insured depository organization in the United States.[5] Fulton controls approximately $26.3 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States.[6] Fulton controls Fulton Bank, which operates in Delaware, Maryland, New Jersey, Pennsylvania, and Virginia. Fulton Bank is the 12th largest insured depository institution in New Jersey, controlling deposits of approximately $7.5 billion, which represent approximately 1.7 percent of the total deposits of insured depository institutions in that state.[7]

Blue Foundry, with consolidated assets of approximately $2.1 billion, is the 528th largest insured depository organization in the United States. Blue Foundry controls approximately $1.5 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. Blue Foundry controls Blue Foundry Bank, which operates in New Jersey. Blue Foundry Bank is the 34th largest insured depository institution in New Jersey, controlling deposits of approximately $1.5 billion, which represent less than 1 percent of the total deposits of insured depository institutions in that state.

On consummation of this proposal, Fulton would become the 69th largest insured depository organization in the United States, with consolidated assets of approximately $34.0 billion, which would represent less than 1 percent of the total assets of insured depository organizations in the United States. Fulton would control total

---

[5] Consolidated asset and national ranking data are as of September 30, 2025, unless otherwise noted.

[6] Consolidated national deposit and market share data are as of September 30, 2025. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

[7] State deposit and market share data are as of June 30, 2025.

consolidated deposits of approximately $27.9 billion, which would represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. Fulton would become the 10th largest insured depository institution in New Jersey, controlling deposits of approximately $9.0 billion, which would represent approximately 2.1 percent of the total deposits of insured depository institutions in that state.

Interstate Analysis

Section 3(d) of the BHC Act generally provides that, if certain conditions are met, the Board may approve an application by a bank holding company that is well capitalized and well managed to acquire control of a bank located in a state other than the home state of the bank holding company without regard to whether the transaction is prohibited under state law.[8] The Board may not approve under this provision an application that would permit an out-of-state bank holding company to acquire a bank in a host state if the target bank has not been in existence for the lesser of the state statutory minimum period of time or five years.[9] When determining whether to approve an application under this provision, the Board must take into account the record of the applicant's depository institution under the Community Reinvestment Act of 1977 ("CRA")[10] and the applicant's record of compliance with applicable state community reinvestment laws.[11] In addition, the Board may not approve an interstate application under this provision if the bank holding company controls or, upon consummation of the proposed transaction, would control more than 10 percent of the total deposits of insured depository institutions in the United States or, in certain circumstances, if the bank holding company, upon consummation, would control 30 percent or more of the total

---

[8] 12 U.S.C. § 1842(d)(1)(A).

[9] 12 U.S.C. § 1842(d)(1)(B).

[10] 12 U.S.C. § 2901 *et seq.*

[11] 12 U.S.C. § 1842(d)(3).

deposits of insured depository institutions in any state in which the acquirer and target have overlapping banking operations.[12]

For purposes of this provision, the home state of Fulton is Pennsylvania.[13] Blue Foundry Bank is located in New Jersey. Fulton is well capitalized and well managed under applicable law. Fulton Bank has an "Outstanding" rating under the CRA, and the jurisdictions in which Fulton Bank operates do not have state community reinvestment laws that apply to this proposal. Blue Foundry Bank has been in existence for more than five years.

On consummation of the proposed transaction, Fulton would control less than 1 percent of the total amount of consolidated deposits in insured depository institutions in the United States. The one state in which Fulton and Blue Foundry have overlapping banking operations—New Jersey—imposes a 30 percent limit on the total amount of in-state deposits that a single banking organization may control.[14] The combined organization would control approximately 2.1 percent of the total amount of deposits of insured depository institutions in New Jersey. Accordingly, in light of all the facts of record, the Board is not precluded from approving the proposal under section 3(d) of the BHC Act.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of an attempt to monopolize

---

[12] 12 U.S.C. § 1842(d)(2)(A) and (B). For purposes of section 3(d) of the BHC Act, the acquiring and target organizations have overlapping banking operations in any state in which any bank to be acquired is located and the acquiring bank holding company controls any insured depository institution or a branch. The Board considers a bank to be located in the states in which the bank is chartered, is headquartered, or operates a branch. *See* 12 U.S.C. § 1841(o)(4)–(7).

[13] 12 U.S.C. § 1841(o)(4). A bank holding company's home state is the state in which the total deposits of all banking subsidiaries of such company were the largest on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

[14] *See* N.J. Rev. Stat. § 17:9A-413(b).

the business of banking in any relevant market.[15] The BHC Act also prohibits the Board from approving a proposal that would substantially lessen competition or tend to create a monopoly in any banking market, unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the communities to be served.[16]

Fulton and Blue Foundry have subsidiary banks that compete directly in the Metro New York City, NY–NJ–CT–PA ("Metro New York City") banking market.[17] The Board has considered the competitive effects of the proposal in this banking market. In particular, the Board has considered the relative share of total deposits in insured depository institutions in the market ("market deposits") that Fulton would control;[18] the concentration level of market deposits and the increase in this level, as measured by the Herfindahl-Hirschman Index ("HHI") under the 1995 Bank Merger Competitive Review

---

[15] 12 U.S.C. § 1842(c)(1)(A).

[16] 12 U.S.C. § 1842(c)(1)(B).

[17] The Metro New York City market is defined as Fairfield County, Connecticut; portions of Litchfield County, Connecticut; portions of New Haven County, Connecticut; Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster, and Westchester counties, New York; portions of Columbia County, New York; portions of Greene County, New York; Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, and Union counties, New Jersey; portions of Burlington County, New Jersey; portions of Mercer County, New Jersey; portions of Warren County, New Jersey; Pike County, Pennsylvania; portions of Monroe County, Pennsylvania; and portions of Wayne County, Pennsylvania.

[18] Local deposit and market share data are as of June 30, 2025, and are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors to commercial banks. *See, e.g., Midwest Financial Group*, 75 Federal Reserve Bulletin 386 (1989); *National City Corporation*, 70 Federal Reserve Bulletin 743 (1984). Thus, the Board regularly has included thrift deposits in the market share calculation on a 50-percent-weighted basis. *See, e.g., Huntington Bancshares Incorporated*, FRB Order No. 2021-07, at 5–6 (May 25, 2021); *Hancock Whitney Corporation*, FRB Order No. 2019-12 at 6 (September 5, 2019).

guidelines ("1995 Bank Merger Guidelines");[19] the number of competitors that would remain in the market; and other characteristics of the market.

Consummation of the proposal would be consistent with Board precedent and within the thresholds of the 1995 Bank Merger Guidelines in the Metro New York City market. On consummation, the Metro New York City market would remain moderately concentrated, and the change in market concentration would be well within the thresholds in the 1995 Bank Merger Guidelines and consistent with Board precedent. Numerous competitors would remain in the market.[20]

---

[19] Department of Justice, Bank Merger Competitive Review – Introduction and Overview, https://www.justice.gov/sites/default/files/atr/legacy/2007/08/14/6472.pdf (1995). On September 17, 2024, the United States Department of Justice ("DOJ") announced its withdrawal from the 1995 Bank Merger Guidelines and emphasized that the 2023 Merger Guidelines, issued on December 18, 2023, remain its sole and authoritative statement across all industries. Press Release, Department of Justice, "Justice Department Withdraws from 1995 Bank Merger Guidelines," https://www.justice.gov/opa/pr/justice-department-withdraws-1995-bank-mergerguidelines. The 1995 Bank Merger Guidelines had been adopted together with the federal banking agencies, and none of the federal banking agencies have withdrawn from the 1995 Bank Merger Guidelines. The Board continues to apply the 1995 Bank Merger Guidelines in evaluating bank merger proposals. The Board traditionally has considered a market unconcentrated if the post-merger HHI is under 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI exceeds 1800. *See, e.g., Chemical Banking Corporation*, 78 Federal Reserve Bulletin 74 (1992). In addition, the Board has traditionally considered a merger not to have an anticompetitive effect where the proposed merger would not increase the HHI by more than 200 points in any banking market, in the absence of other factors indicating anticompetitive effects.

[20] Fulton is the 54th largest depository organization in the Metro New York City market, controlling approximately $2.3 million in deposits, which represent less than 1 percent of market deposits. Blue Foundry is the 70th largest depository organization in the market, controlling approximately $1.5 million in deposits, which represent less than 1 percent of market deposits. On consummation of the proposed transaction, Fulton would become the 45th largest depository organization in the market, controlling approximately $3.8 million in deposits, which would represent less than 1 percent of market deposits. The HHI for the Metro New York City Market would not change, and 149 competitors would remain in the market, including Fulton.

The DOJ conducted a review of the potential competitive effects of the proposal and has advised the Board that it did not conclude that the proposal would have a significantly adverse effect on competition. In addition, the appropriate banking agencies have been afforded an opportunity to comment and have not objected to the proposal.

Based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of resources in any relevant banking market. Accordingly, the Board determines that competitive considerations are consistent with approval.

Financial, Managerial, and Other Supervisory Considerations

In reviewing a proposal under section 3 of the BHC Act, the Board considers the financial and managerial resources and the future prospects of the institutions involved, the effectiveness of the institutions in combatting money laundering, and any public comments on the proposal.[21] In its evaluation of financial factors, the Board reviews information regarding the financial condition of the organizations involved on both parent-only and consolidated bases, as well as information regarding the financial condition of the subsidiary depository institutions and the organizations' significant nonbanking operations. In this evaluation, the Board considers a variety of public and supervisory information regarding capital adequacy, asset quality, liquidity, and earnings performance, as well as any public comments on the proposal. The Board evaluates the financial condition of the combined organization, including its capital position, asset quality, liquidity, earnings prospects, and the impact of the proposed funding of the transaction. The Board also considers the ability of the organization to absorb the costs of the proposal and to complete the proposed integration of the operations of the institutions effectively. In assessing financial factors, the Board considers capital adequacy to be especially important. The Board considers the future

[21] 12 U.S.C. § 1842(c)(2), (5), and (6).

prospects of the organizations involved in the proposal in light of their financial and managerial resources and the proposed business plan.

Fulton, Blue Foundry, and their subsidiary depository institutions are well capitalized, and the combined organization would remain so upon consummation of the proposal. The proposed transaction is a bank holding company merger that is structured as a share or cash exchange.[22] The capital, asset quality, earnings, and liquidity of Fulton and Fulton Bank are consistent with approval, and Fulton and Fulton Bank appear to have adequate resources to absorb the related costs of the proposal and to complete the integration of the institutions' operations. In addition, the future prospects of the institutions are considered consistent with approval.

The Board also has considered the managerial resources of the organizations involved and of the proposed combined organization. The Board has reviewed the examination records and other supervisory information concerning the institutions, including assessments of the institutions' management, risk-management systems, and operations. In addition, the Board has considered information provided by Fulton; the Board's supervisory experiences and those of other relevant bank supervisory agencies with the organizations; the organizations' records of compliance with applicable banking, consumer protection, and anti-money-laundering laws; and the public comments on the proposal.

Fulton, Blue Foundry, and their subsidiary depository institutions are each considered to be well managed. The combined organization's proposed directors and senior executive officers have knowledge of and experience in the banking and financial services sectors, and Fulton's risk-management program appears consistent with approval.

---

[22] To effect the transaction, each share of Blue Foundry common stock would be converted into a right to receive shares of Fulton common stock based on an exchange ratio, plus cash in lieu of any fractional shares and for certain Blue Foundry stock options. Fulton has the financial resources to effect the proposed transaction.

The Board also has considered Fulton's plans for implementing the proposal. Fulton has conducted comprehensive due diligence and is devoting sufficient financial and other resources to address all aspects of the post-acquisition integration process for this proposal. In addition, Fulton's management has the experience and resources to operate the resulting organization in a safe and sound manner. Fulton plans to apply its risk-management policies, procedures, and controls at the combined holding company following the transaction.

Based on all the facts of record, including Fulton's supervisory records, managerial and operational resources, and plans for operating the combined organization after consummation, the Board determines that considerations relating to the financial and managerial resources and the future prospects of the organizations involved in the proposal, as well as the records of effectiveness of the institutions in combatting money-laundering activities, are consistent with approval.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board considers the effects of the proposal on the convenience and needs of the communities to be served.[23] In evaluating whether the proposal satisfies the convenience and needs statutory factor, the Board considers the impact that the proposal will or is likely to have on the communities served by the combined organization. The Board reviews a variety of information to determine whether the relevant institutions' records demonstrate a history of helping to meet the needs of their customers and communities. The Board also reviews the combined institution's post-consummation plans and the expected impact of those plans on the communities served by the combined institution, including on low- and moderate-income ("LMI") individuals and communities. The Board considers whether the relevant institutions are helping to meet the credit needs of the communities they serve and are providing access to banking products and services that meet the needs of

[23] 12 U.S.C. § 1842(c)(2). Where applicable, the Board also considers any timely substantive comments on the proposal and, in its discretion, may consider any untimely substantive comments on the proposal.

customers and communities, including the potential impact of branch closures, consolidations, and relocations on that access. In addition, the Board reviews the records of the relevant depository institutions under the CRA.[24] The Board strongly encourages insured depository institutions to help meet the credit needs of the local communities in which they operate, consistent with the institutions' safe and sound operation and their obligations under the CRA.[25]

In addition, the Board considers the banks' overall compliance records and recent fair lending examinations. Fair lending laws require all lending institutions to provide applicants with equal access to credit, regardless of their race, ethnicity, gender, or certain other characteristics. The Board also considers assessments of other relevant supervisors, the supervisory views of examiners, other supervisory information, information provided by the applicant, and public comments on the proposal. The Board also may consider the acquiring institution's business model and intended marketing and outreach, the combined organization's plans after consummation, and any other information the Board deems relevant.

In assessing the convenience and needs factor in this case, the Board has considered all the facts of record, including reports of examination of the CRA performance of Fulton Bank and Blue Foundry Bank; the fair lending and compliance records of both banks; the supervisory views of the OCC, the Federal Deposit Insurance Corporation ("FDIC"), and the Consumer Financial Protection Bureau ("CFPB"); confidential supervisory information; information provided by Fulton; and the public comments received on the proposal.

Public Comments on the Proposal

The Board received two timely adverse comments on the proposal. One commenter objected to the proposal, alleging that, in 2024, Fulton Bank made fewer home loans to African American individuals as compared to white individuals in

---

[24] 12 U.S.C. § 2901 *et seq*.

[25] *See* 12 U.S.C. § 2901(b).

Delaware, Maryland, New Jersey, Pennsylvania, and Virginia.[26] The commenter also alleged that Fulton Bank denied home loan applications of African American individuals at a higher rate than those of white individuals in Maryland, New Jersey, Pennsylvania, and Virginia.[27] Additionally, the commenter stated that Fulton Bank has closed many branches between August 1, 2024, and December 8, 2025, and alleged that Fulton Bank would close branches in New Jersey following the acquisition of Blue Foundry Bank.[28]

The other commenter stated that the proposal should not be approved unless conditioned upon Fulton completing independently verified corrective action of identified redlining practices in New Jersey of Republic First Bank, of which Fulton Bank acquired assets and assumed deposits pursuant to an agreement with the FDIC as receiver of Republic First Bank.[29] That commenter requested that the Board only

---

[26] The data cited by the commenter corresponds to publicly available 2024 data reported by Fulton Bank under the Home Mortgage Disclosure Act of 1975 ("HMDA"). 12 U.S.C. § 2801 *et seq.*

[27] With respect to Delaware, the commenter indicated that Fulton Bank made 199 home loans to and denied 68 home loan applications of white individuals and made 24 home loans to and denied five home loan applications of African Americans.

[28] Additionally, the commenter asked the Board to consider three unrelated customer reviews posted on Yelp regarding individualized customer experiences. Complaints based on individual customer transactions and wholly unsubstantiated claims generally are not considered to be substantive comments and, thus generally are not considered by the Board in its evaluation of the statutory factors governing the transaction. *See* 12 CFR 225.16(c)(3); SR Letter 97-10 (Apr. 24, 1997), https://www.federalreserve.gov/boarddocs/srletters/1997/sr9710.htm.

[29] On April 26, 2024, Republic First Bank was closed by the Pennsylvania Department of Banking and Securities, which appointed the FDIC as receiver. The FDIC entered into an agreement with Fulton Bank to assume substantially all of the deposits and purchase substantially all of the assets of Republic First Bank. *See* FDIC, Fulton Bank, N.A. of Lancaster, Pennsylvania Assumes Substantially All Deposits of Republic First Bank Philadelphia (Apr. 26, 2024), https://www.fdic.gov/news/press-releases/2024/fulton-bank-na-lancaster-pennsylvania-assumes-substantially-all-deposits. The commenter referenced an October 2024 report by the New Jersey Office of the Attorney General and Division on Civil Rights that concluded Republic First Bank had engaged in unlawful redlining. *See* New Jersey Office of the Attorney General and Division on Civil Rights,

approve the proposal under the specific condition that Fulton first complete remediation of the findings identified by the State of New Jersey, publicly document its remediation and plan for ongoing actions recommended by the State of New Jersey and align with industry best practices for redlining remediation,[30] commit to develop a public community benefits agreement, and provide for ongoing public reporting and examination focus on the former Republic First Bank's footprint for at least five years.[31]

Businesses of the Involved Institutions and Response to the Public Comments

Through Fulton Bank, Fulton engages in consumer banking, commercial banking, and wealth management services. Deposit products offered include checking

---

Investigation of Republic First Bank: Public Report and Summary of Findings (Oct. 29, 2024), https://www.njoag.gov/wp-content/uploads/2024/10/2024-1029_Republic-First-Report-Final.pdf ("NJ First Republic Bank Report"). The commenter also noted that the State of New Jersey had filed a claim in August 2024 with the FDIC for remediation and transmitted the NJ First Republic Bank Report to Fulton, urging proactive remediation of inherited fair lending risks.

Redlining is the practice of providing unequal access to credit, or unequal terms of credit, because of the race, color, national origin, or other prohibited characteristics of the residents of the area in which a credit seeker resides or will reside or in which a property to be mortgaged is located. *See* Interagency Fair Lending Examination Procedures at https://www.ffiec.gov/pdf/fairlend.pdf (August 2009).

[30] The commenter described such recommendations as including, among other actions, opening at least two full-service branches and dedicating mortgage offices in majority-Black, Hispanic, or Asian census tracts; publishing numerical targets for applications, approvals, and originations to residents of majority–minority neighborhoods; and funding meaningful advertising in certain neighborhoods.

[31] The Board consistently has found that neither the CRA nor the federal banking agencies' CRA regulations require depository institutions to make pledges or enter into commitments or agreements with any private party. *See, e.g., Bank of Montreal*, FRB Order No. 2023-01 at 20 n.50 (January 17, 2023); *U.S. Bancorp*, FRB Order No. 2022-22 at 19 n.47 (October 14, 2022); *Huntington Bancshares Inc.*, FRB Order No. 2016-13 at 32 n.50 (July 29, 2016); *Citigroup Inc.*, 88 Federal Reserve Bulletin 485 (2002); *Fifth Third Bancorp*, 80 Federal Reserve Bulletin 838, 841 (1994). In its evaluation, the Board reviews the existing CRA performance record of an applicant and the programs that the applicant has in place to serve the credit needs of its CRA assessment areas.

and savings accounts and certificates of deposit. Lending products offered include home equity loans and lines of credit, mortgage products, commercial real estate loans, automobile loans, indirect student loans, personal loans and lines of credit, commercial and industrial loans, and construction loans. Through Blue Foundry Bank, Blue Foundry offers consumer banking and commercial banking services. Blue Foundry engages in originating residential, multifamily, and commercial real estate mortgages; construction loans; commercial and industrial loans; and home equity loans and lines of credit.

In response to the comments received regarding disparities in home loans to African Americans in 2024, and discriminatory lending practices by Republic First Bank, Fulton asserts that Fulton Bank has a history of strong CRA performance, that Fulton Bank's compliance program is designed to ensure its lending activities are consistent with applicable fair lending laws, and that examiners did not cite any substantive concerns about discriminatory lending practices. Fulton also asserts that the fair lending concerns cited with respect to Republic First Bank's practices do not involve Fulton Bank, which continues to focus on remaining compliant with fair lending laws in its loan origination activities.

With respect to the comment regarding Fulton Bank's branch closings, Fulton represents that Fulton Bank regularly monitors consumer behavior and feedback to determine how it can provide banking products and services to meet its customers' needs and to maintain efficient operations. Fulton asserts that its previous branch closings and relocations align with its customers' move towards greater online banking and less branch reliance, and that Fulton Bank has been investing in and providing customers with enhanced online capabilities. Fulton further represents that it monitors and reviews consumer comments and feedback to better understand areas where it can improve and to respond appropriately.

Records of Performance under the CRA

In evaluating the CRA performance of the involved institutions, the Board generally considers each institution's most recent CRA evaluation and the supervisory views of relevant federal supervisors, which in this case is the OCC with respect to

Fulton Bank and the FDIC with respect to Blue Foundry Bank.[32] In addition, the Board considers information provided by the applicant and any public commenters.

The CRA requires that the appropriate federal financial supervisor for a depository institution prepare a written evaluation of the institution's record of helping to meet the credit needs of its entire community, including LMI neighborhoods.[33] An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation by the institution's primary federal supervisor of the institution's overall record of lending in its communities.

In general, federal financial supervisors apply a lending test ("Lending Test"), an investment test ("Investment Test"), and a service test ("Service Test") to evaluate the performance of large banks, such as Fulton Bank and Blue Foundry Bank, in helping to meet the credit needs of the communities they serve. The Lending Test specifically evaluates an institution's lending-related activities to determine whether the institution is helping to meet the credit needs of individuals and geographies of all income levels. As part of the Lending Test, examiners review and analyze an institution's data reported under HMDA, in addition to small business, small farm, and community development loan data collected and reported under the CRA regulations, to assess an institution's lending activities with respect to borrowers and geographies of different income levels. The institution's lending performance is evaluated based on a variety of factors, including (1) the number and amounts of home mortgage, small business, small farm, and consumer loans (as applicable) in the institution's CRA assessment areas ("AAs"); (2) the geographic distribution of the institution's lending, including the proportion and dispersion of the institution's lending in its AAs and the number and amounts of loans in low-, moderate-, middle-, and upper-income

---

[32] *See* Interagency Questions and Answers Regarding Community Reinvestment, 81 *Federal Register* 48506, 48548 (July 25, 2016).

[33] 12 U.S.C. § 2906.

geographies; (3) the distribution of loans based on borrower characteristics, including, for home mortgage loans, the number and amounts of loans to low-, moderate-, middle-, and upper-income individuals;[34] (4) the institution's community development lending, including the number and amounts of community development loans and their complexity and innovativeness; and (5) the institution's use of innovative or flexible lending practices to address the credit needs of LMI individuals and geographies.[35] The Investment Test evaluates the number and amounts of qualified investments that benefit the institution's AAs. The Service Test evaluates the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of the institution's community development services.[36]

The Board is concerned when HMDA data reflect disparities in the rates of loan applications, originations, and denials among members of different racial, ethnic, or gender groups in local areas. These types of disparities may indicate weaknesses in the adequacy of policies and programs at an institution for meeting its obligations to extend credit fairly. However, other information critical to an institution's credit decisions may not be available from public HMDA data.[37] Consequently, the Board considers additional information not available to the public that may be needed from the institution and evaluates disparities in the context of the additional information obtained regarding the lending and compliance record of an institution.

---

[34] Examiners also consider the number and amounts of small business and small farm loans made to businesses and farms with gross annual revenues of $1 million or less; small business and small farm loans by loan amount at origination; and consumer loans, if applicable, to low-, moderate-, middle-, and upper-income individuals. *See, e.g.*, 12 CFR 228.22(b)(3) (2023).

[35] *See* 12 CFR 228.22(b) (2023).

[36] *See* 12 CFR 228.23 and 228.24 (2023).

[37] Importantly, credit scores are not available in the public HMDA data. Accordingly, when conducting fair lending examinations, examiners analyze additional information not available to the public before reaching a determination regarding an institution's compliance with fair lending laws.

CRA Performance of Fulton Bank

Fulton Bank was assigned an overall rating of "Outstanding" at its most recent CRA performance evaluation by the OCC, as of July 15, 2024 ("Fulton Bank Evaluation").[38] The bank received "Outstanding" ratings for the Lending Test and the Investment Test, and a "High Satisfactory" rating for the Service Test.[39]

With respect to the Lending Test, examiners found that a substantial majority of loans were originated in the bank's AAs. Examiners also found that the bank made use of innovative and/or flexible lending practices to serve AA credit needs. Examiners noted that Fulton Bank was a leader in making community development loans in most of its rating areas.

Examiners rated the bank's performance under the Lending Test as "Outstanding" in the states of Maryland, New Jersey, Pennsylvania, and Virginia, as well as in the Allentown–Bethlehem–East MMSA, Philadelphia CSA, and Washington

---

[38] The Fulton Bank Evaluation was conducted using Interagency Large Institution CRA Examination Procedures. Examiners reviewed the bank's HMDA-reportable loan data, small loans to businesses and farms, and community development loans from January 1, 2021, through December 31, 2023.

[39] The Fulton Bank Evaluation covered AAs located in five states and three multistate metropolitan statistical areas ("MMSAs"). The states that received a statewide rating are Delaware, Maryland, New Jersey, Pennsylvania, and Virginia. The statewide rating for a particular state did not reflect the bank's rating and performance in the part of the state that was separately captured within an MMSA in that same state. The MMSAs that received their own ratings are as follows: Allentown–Bethlehem–Easton, Pennsylvania–New Jersey ("Allentown–Bethlehem–Easton MMSA"); Philadelphia Combined Statistical Area ("Philadelphia CSA"); and Washington MMSA. Thus, portions of Delaware, the District of Columbia, Maryland, New Jersey, Pennsylvania, and Virginia were reviewed as part of the evaluation of two or more states in an MMSA. The Fulton Bank Evaluation included a full-scope review of one or more AAs in every state and of every MMSA where Fulton Bank had an office. Fulton Bank's performance under the Lending, Investment, and Service Tests was based on a blend of the bank's six state and three MMSA ratings, with performance in Pennsylvania and the Philadelphia CSA—which combined account for approximately 71 percent of the bank's total deposits and approximately 49 percent of the total number of loans—carrying the greatest weight.

MMSA. Examiners rated the bank's performance under the Lending Test as "High Satisfactory" in the state of Delaware.

The Investment Test rating was based on "Outstanding" ratings in all but one of the bank's rating areas. Examiners found that the bank made an excellent level of qualified investments, grants, and donations in most of its rating areas, and that qualified investments exhibited at least good responsiveness in addressing community credit needs in most rating areas. Examiners rated the bank's performance under the Investment Test as "Outstanding" in the states of Maryland, New Jersey, Pennsylvania, and Virginia, as well as in the Allentown–Bethlehem–East MMSA, Philadelphia CSA, and Washington MMSA. Examiners rated the bank's performance under the Investment Test as "Needs to Improve" in the state of Delaware. On an overall basis, the bank received an "Outstanding" rating.

With respect to the Service Test, examiners found that Fulton Bank's delivery systems were accessible to geographies and/or individuals of different income levels in all of the bank's rating areas. Examiners also considered the bank's record of providing community development services.

Examiners rated the bank's performance under the Service Test as "Outstanding" in the state of Pennsylvania, as well as in the Philadelphia CSA. Examiners rated the bank's performance under the Service Test as "High Satisfactory" in the states of Delaware, Maryland, and Virginia, as well as in the Allentown–Bethlehem–East MMSA and Washington MMSA. Examiners rated the bank's performance under the Service Test as "Low Satisfactory" in the state of New Jersey. On an overall basis, the bank received a "High Satisfactory" rating.

CRA Performance of Blue Foundry Bank

Blue Foundry Bank was assigned an overall "Satisfactory" rating at its most recent CRA performance evaluation by the FDIC, as of June 4, 2024 ("Blue

Foundry Bank Evaluation").[40] Blue Foundry Bank received "High Satisfactory" ratings for the Lending and Service Tests and a "Needs to Improve" rating for the Investment Test.[41]

With respect to the Lending Test, examiners found that Blue Foundry Bank's lending levels reflected adequate responsiveness to credit needs in the bank's AA. Examiners also found that the geographic distribution of loans reflected good penetration throughout the bank's AA and that the distribution of loans to borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels. Examiners observed that the bank made an adequate percentage of loans in its AA. Examiners also found that the bank was a leader in making community development loans and made use of innovative and/or flexible lending practices in serving AA credit needs.

With respect to the Investment Test, examiners found that Blue Foundry Bank had a poor level of qualified community development investments and grants. Examiners found that the bank exhibited adequate responsiveness to the credit and community development needs of its AA. Examiners noted that Blue Foundry Bank does not use innovative and/or complex investments to support community development initiatives

With respect to the Service Test, examiners determined that Blue Foundry Bank's delivery systems were reasonably accessible to essentially all portions of its AA. Examiners found that, to the extent changes had been made, the bank's record of opening and closing branches had not adversely affected the accessibility of the bank's delivery

---

[40] The Blue Foundry Bank Evaluation was conducted using the Interagency Large Institution Examination Procedures. Examiners reviewed HMDA-reportable loan data and small business loan data from January 1, 2020, through December 31, 2023. Examiners also reviewed community development loans, qualified investments, and community development services since the prior evaluation dated March 17, 2021.

[41] The Blue Foundry Bank Evaluation involved a full-scope review of the bank's activities in the bank's sole AA, consisting of Bergen, Essex, Hudson, Middlesex, Morris, Passaic, and Union counties in New Jersey.

systems, particularly to LMI geographies or to LMI individuals. Examiners noted that services and business hours did not vary in a way that inconvenienced certain portions of the bank's AA, particularly LMI geographies or LMI individuals. Finally, examiners found that Blue Foundry Bank provided a relatively high level of community development services.

Additional Supervisory Views

In its review of the proposal, the Board consulted with and considered the views of the OCC as the primary federal supervisor of Fulton Bank and of the FDIC as the primary federal supervisor of Blue Foundry Bank. The Board also considered the results of the most recent consumer compliance examinations of Fulton Bank and Blue Foundry Bank, which included reviews of the banks' compliance-management programs and their compliance with consumer protection laws and regulations, including fair lending. Lastly, the Board also considered the results of the most recent consumer compliance examination of Fulton Bank by the CFPB.

The Board has taken this information, as well as the CRA performance records of Fulton Bank and Blue Foundry Bank, into account in evaluating the proposal, including in considering whether Fulton has the experience and resources to ensure that the combined organization would help meet the credit needs of the communities to be served following consummation of the proposed transaction.

Additional Convenience and Needs Considerations

The Board also considers other potential effects of the proposal on the convenience and needs of the communities to be served. This includes, for example, the combined organization's business model and intended marketing and outreach and existing and anticipated product and service offerings in the communities to be served by the organization, any additional plans the combined organization has for meeting the needs of its communities following consummation, and any other information the Board deems relevant.

Fulton represents that both Fulton and Blue Foundry prioritize customer service, community reinvestment, and active community involvement. Fulton asserts that

the proposal will combine two complementary franchises and enable Fulton Bank to expand its existing presence in the New Jersey market. As a result of the transaction, Fulton Bank represents that customers of Blue Foundry Bank will gain access to a broader array of products and services, including, for example, Fulton Bank's wealth management products and mobile technology banking products. Further, Fulton states that customers of both Fulton Bank and Blue Foundry Bank will benefit from the convenience of an expanded branch and ATM network. Additionally, Fulton represents it will continue to use its CRA program, which it believes will enhance Blue Foundry Bank's existing CRA efforts, particularly in the level of qualified community development investments and grants.

Branch Closures

Physical branches remain important to many banking organizations' ability to meet the credit needs of the local communities in which they operate. When banking organizations combine, whether through acquisitions, mergers, or consolidations, the combination has the potential to increase or to reduce consumers' and small businesses' access to available credit and other banking services. Although the Board does not have the authority to prohibit a bank from closing a branch, the Board focuses on the impact of expected branch closures, consolidations, and relocations that occur in connection with a proposal on the convenience and needs of the communities to be served by the resulting institution. In particular, the Board considers the effect of any closures, consolidations, or relocations on LMI communities.

Federal banking law provides a specific mechanism for addressing branch closings, including requiring that a bank provide notice to the public and the appropriate federal supervisory agency before a branch is closed.[42] In addition, the federal banking supervisory agencies evaluate a bank's record of opening and closing branches,

---

[42] *See* 12 U.S.C. § 1831r-1. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings.

particularly branches located in LMI geographies or primarily serving LMI individuals, as part of the CRA examination process.[43]

Fulton represents that Fulton Bank may consolidate one or more bank branches but has not made any final decisions to close or consolidate branches in connection with the proposal. Fulton also represents that Fulton Bank's branch closing and relocation decisions reflect the bank's monitoring of trends on its customers' reliance on branch locations and the bank's commitment to aligning its services and product offerings with those trends.[44]

Conclusion on Convenience and Needs Considerations

The Board has considered all the facts of record, including the records of the relevant depository institutions under the CRA, the institutions' records of compliance with fair lending and other consumer protection laws, supervisory information, information provided by Fulton, the public comments on the proposal, and other potential effects of the proposal on the convenience and needs of the communities to be served. Based on that review, the Board determines that the convenience and needs factor is consistent with approval.

Financial Stability Considerations

Section 3 of the BHC Act requires the Board to consider "the extent to which a proposed acquisition, merger, or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system."[45] To assess the likely effect of a proposed transaction on the stability of the United States banking or financial system, the Board considers a variety of metrics that capture the systemic "footprint" of the resulting firm and the incremental effect of the transaction on the systemic footprint of the acquiring firm. These metrics include measures of the size

---

[43] *See, e.g.*, 12 CFR 228.24(d)(2) (2023).

[44] See the "*Businesses of the Involved Institutions and Response to the Public Comments"* subsection *supra* for more detailed discussion of Fulton's response to comment concerns regarding branch closures.

[45] 12 U.S.C. § 1842(c)(7).

of the resulting firm, the availability of substitute providers for any critical products and services offered by the resulting firm, the interconnectedness of the resulting firm with the banking or financial system, the extent to which the resulting firm contributes to the complexity of the financial system, and the extent of the cross-border activities of the resulting firm.[46] These categories are not exhaustive, and additional categories could inform the Board's decision.

In addition to these quantitative measures, the Board considers qualitative factors, such as the opacity and complexity of an institution's internal organization, that are indicative of the relative degree of difficulty of resolving the resulting firm. A financial institution that can be resolved in an orderly manner is less likely to inflict material damage on the broader economy.[47]

The Board's experience has shown that proposals involving an acquisition of less than $10 billion in total assets, or that result in a firm with less than $100 billion in total assets, generally are not likely to pose systemic risks. Accordingly, the Board presumes that a proposal does not raise material financial stability concerns if the assets involved fall below either of these size thresholds, absent evidence that the transaction would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors.[48]

In this case, the Board has considered information relevant to risks to the stability of the United States banking or financial system. The proposal involves a target with less than $10 billion in total assets and a pro forma organization with less than

---

[46] Many of the metrics considered by the Board measure an institution's activities relative to the United States financial system.

[47] For further discussion of the financial stability standard, see *Capital One Financial Corporation*, FRB Order No. 2012-2 (February 14, 2012).

[48] *See People's United Financial, Inc.*, FRB Order No. 2017-08 at 25–26 (March 16, 2017). Notwithstanding this presumption, the Board has the authority to review the financial stability implications of any proposal. For example, an acquisition involving a global systemically important bank could warrant a financial stability review by the Board, regardless of the size of the acquisition.

$100 billion in total assets. Both the acquirer and the target are predominantly engaged in retail and commercial banking activities.[49] The pro forma organization would not exhibit an organizational structure, complex interrelationships, or unique characteristics that would complicate resolution of the firm in the event of financial distress. In addition, the organization would not be a critical services provider or so interconnected with other firms or the markets that it would pose a significant risk to the financial system in the event of financial distress.

In light of all the facts and circumstances, this transaction would not appear to result in meaningfully greater or more concentrated risks to the stability of the United States banking or financial system. Based on these and all other facts of record, the Board determines that considerations relating to financial stability are consistent with approval.

Conclusion

Based on all the foregoing and all the facts of record, the Board determines that the proposal should be, and hereby is, approved.[50] In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by Fulton with all the conditions imposed in this order and on any commitments made to the Board in connection with the proposal. The Board's approval also is conditioned on receipt by Fulton of all required regulatory approvals. For purposes of this action, the conditions and commitments are deemed to be

---

[49] Fulton and Blue Foundry offer a range of retail and commercial banking products and services. Fulton has, and as a result of the proposal would continue to have, a small market share in these products and services on a nationwide basis.

[50] One commenter requested an extension of the comment period for the application. The commenter's request for additional time to comment did not identify circumstances sufficient to warrant an extension of the public comment period for this proposal. Accordingly, the Board has determined not to extend the comment period.

conditions imposed in writing by the Board in connection with its findings and decision herein and, as such, may be enforced in proceedings under applicable law.[51]

The proposal may not be consummated before the fifteenth calendar day after the effective date of this order or later than three months thereafter, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Philadelphia, acting under delegated authority.

By order of the Board of Governors,[52] effective February 19, 2026.

(signed) Michele Taylor Fennell

Michele Taylor Fennell
Associate Secretary of the Board

---

[51] *See* 12 U.S.C. § 1818(b)(1).

[52] Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Bowman, Governors Waller, Cook, Barr, and Miran.