

Community Reinvestment Act

The Community Reinvestment Act (CRA) was implemented by the Federal Reserve as Regulation BB in 1978 following the congressional adoption of Title VII of the Housing and Community Development Act of 1977. The intention is to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, and to be consistent with safe and sound lending practices.

The institution's Board of Directors and Management encourage all officers and employees to be active in community activities and to apprise Management of any credit or banking needs they know of in their community and in particular the needs of various low- and moderate-income groups. Employees are expected to cooperate with and carry out the provisions of the institution's CRA policy. A CRA Officer is designated and responsible for overall compliance with the Act.

CRA Mission Statement

We're committed to the communities we serve and are committed to extending credit to and participate in community development programs designed to meet the credit and banking needs of community members, including those in low-and moderate-income areas.

- We will actively seek to understand the credit needs of our community.
- We will actively strive to ensure that our products and services are responsive to the needs of the customers.
- We will actively strive to ensure that potential customers in our communities are fully aware of the services we offer and our desire to serve their financial needs.
- We will actively work to ensure that our employees understand and share our commitment to providing service to all our customers and are provided with the knowledge, products delivery systems, and motivation to do so effectively.

Delineation of Assessment Areas

The institution has two separate assessment areas consistent with their retail branch office network. The assessment areas generally correspond with the Hudson Valley District (Sullivan, Orange, and Ulster Counties) and the Capital District. Specifically, the assessment areas comprise the county of Sullivan, and contiguous census tracts within the Orange, Ulster, Albany, Saratoga, Rensselaer and Schenectady counties. The assessment areas delineated represent the communities we serve.

Review, Testing and Evaluation

CRA requirements are reviewed and examined by federal and state regulators to evaluate institutions CRA efforts and ratings. The evaluations primarily consist of a Lending Test, Investment Test and a Service Test.

The Lending Test evaluates the institution's record of helping to meet the credit needs of its assessment area through its lending activities by considering a home mortgage, small business, small farm, and community development lending. Performance criteria is evaluated according to geographic distribution, the portion of the lending in the institution's assessment area, the dispersion of lending in their assessment area, and the number and amount of loans in low, moderate, middle, and upper-income geographies in their assessment area.

The Investment Test evaluates the record of helping to meet the credit needs of its assessment area through qualified investments that benefit the assessment area or broader statewide or regional area that includes the institution's assessment area. The examination evaluates the investment performance pursuant to the dollar amount of qualified investments, the innovativeness or complexity of qualified investments, the responsiveness of qualified investments to credit and community development needs, and the degree to which qualified investments are not routinely provided by private investors.

The Service Test evaluates the record of helping to meet the credit needs of the institution's assessment area by analyzing both the availability and effectiveness of their system for delivering retail banking services and the extent and innovativeness of its community development services. Community development services must benefit their assessment area or a broader statewide or regional area that includes their assessment area. The examination evaluates the availability and effectiveness of the institution's system for delivering retail banking services based on the current distribution of the branches among low, moderate, and upper-income geographies, the record of opening and closing branches, the availability and effectiveness of alternative systems for delivering retail banking services (e.g. ATM's, banking by phone or online, and remote deposit capture) in low and moderate-income areas and individuals, and the range of services provided in low, moderate, middle, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

Section I and II of this public CRA file will contain the findings and conclusions of the regulatory agency regarding compliance with the Community Reinvestment Act. The CRA rating will be listed as one of the following:

1. Outstanding
2. Satisfactory
3. Needs to improve
4. Substantial noncompliance

CRA Public File

This document contains Section A, B, and C, which make up the entire contents of the institutions Public CRA file. A physical Public CRA file is also located at both the Main Corporate Office in Kingston and in Loan Operations in Middletown that are readily available for public review. The CRA Public file includes:

Section A

[1a] The public section of the most recent CRA Performance Evaluation(s) from the Federal Deposit Insurance Corporation (FDIC).

Section B

[1b] A copy of the public section of the most recent CRA Performance Evaluation(s) from New York State's Department of Financial Services (DFS).

Section C

[2] Any signed, written comment letters received from the public during the current year and the 2 prior years that specifically relate to CRA performance and any responses.

[3] A list of branches, street address, and the census tracts in which they are located.

[4] A list of branches opened or closed within the current year and each of the 2 prior years, their street addresses, and the census tracts in which they are or were located.

[5] A list of the services generally offered at the branches (including hours of operation, available loan and deposit products, and transaction fees) and descriptions of any material deviations in the availability or cost of services at particular branches, if any. A description of alternative systems for delivering retail banking services, such as ATMs, phone or Internet Banking, remote deposit capture etc.

[6] A map of the assessment area that identifies the boundaries of the assessment areas, accompanied by a list of their census tracts.

[7] The Public HMDA Disclosure Statement within the required timeframe upon receipt.

[8] The loan-to-deposit ratio for each quarter of the prior calendar year.