



## **PUBLIC SUMMARY**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF RIDGEWOOD SAVINGS BANK**

**AS OF DECEMBER 31, 2022**

New York State Department of Financial Services  
Consumer Protection and Financial Enforcement Division  
One State Street, New York NY 10004

**Note:** This Evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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**I. - GENERAL INFORMATION**

This document is an evaluation (the “Evaluation”) of the Community Reinvestment Act (“CRA”) performance of Ridgewood Savings Bank (“RSB” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This Evaluation represents the Department’s current assessment and rating of the Bank’s CRA performance based on an evaluation conducted as of December 31, 2022.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent (“GRS”) implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions’ performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve in meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the Evaluation be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this Evaluation.

**II. - OVERVIEW OF INSTITUTION’S PERFORMANCE**

The Department evaluated RSB according to the large banking institutions performance criteria pursuant to Sections 76.7, 76.8, 76.9 and 76.10 of the GRS. The evaluation period included calendar years 2019, 2020, 2021 and 2022 for lending activities and the period from July 1, 2019, to December 31, 2022, for community development activities. The Department assigned RSB a rating of “2,” indicating a “Satisfactory” record of meeting community credit needs.

This rating is based on the following factors:

**A. Lending Test: High Satisfactory**

RSB’s HMDA-reportable lending activities were good considering RSB’s size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area.

**1. Lending Activity: High Satisfactory**

RSB’s lending levels were good considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

RSB’s average LTD ratio of 78.7% trailed its national peer group ratio of 85.9%, due in part to the highly competitive market for home mortgage loans in the Bank’s assessment area.

**2. Assessment Area Concentration: Outstanding**

During the evaluation period, RSB originated 97.5% by number and 98% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending. RSB has not historically been a small business lender; all of its small business loans during the evaluation period were Paycheck Protection Program (“PPP”) loans.<sup>1</sup>

**3. Geographic Distribution of Loans: Outstanding**

RSB’s origination of loans in census tracts of varying income levels demonstrated an excellent distribution of lending; DFS gave greater weight to HMDA-reportable lending.

RSB’s average HMDA-reportable lending rates in LMI census tracts for the evaluation period exceeded the aggregate’s rates, as well as the percentage of owner-occupied housing units in LMI geographies within the Bank’s assessment area. The Bank’s average small business lending rates in LMI census tracts were comparable to the aggregate’s rate by number but trailed the aggregate’s rate by dollar value of loans.

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<sup>1</sup> Refer to Section V- Glossary for the definition of PPP loans.

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

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### 4. Distribution by Borrower Characteristics: Needs to Improve

RSB's HMDA-reportable lending demonstrated a poor distribution of loans among individuals of different income levels. However, the Department noted significant improvement from the prior evaluation period.

The evaluation of this criterion was based solely on the Bank's HMDA-reportable lending, as RSB's small business lending consisted entirely of PPP loans, which did not require reporting of revenue.

### 5. Community Development Lending: Outstanding

During the evaluation period, RSB originated \$397.9 million in new community development loans and had \$40.6 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period. A substantial majority of RSB's community development loans were for the purpose of helping to meet affordable housing needs within the Bank's assessment area.

DFS disqualified five multifamily loans totaling \$23.4 million submitted by RSB for affordable housing CRA credit. These loans were disqualified in accordance with DFS's industry letter "Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act", issued December 4, 2014, as they had unacceptably high numbers of housing code violations, as reported to DFS by New York City's Department of Housing Preservation and Development and as reflected in high scores in the University Neighborhood Housing Program's Building Indicator Project ("BIP") database. These sources indicated that the properties financed by these loans were in significant physical or financial distress and thus did not promote or provide affordable housing.

## **B. Investment Test: High Satisfactory**

### 1. Qualified Investments

During the evaluation period, RSB made \$63.2 million in new qualified investments and had \$38.3 million outstanding from prior evaluation periods. In addition, RSB made \$516,866 in qualified grants. This demonstrated a significant level of qualified investments and grants over the course of the evaluation period.

### 2. Innovativeness of Qualified Investments:

RSB made no use of innovative investments to support community development.

### 3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

RSB's qualified investments exhibited good responsiveness to the assessment area's credit and community development needs.

**C. Service Test: Outstanding**

**1. Retail Banking Services: Outstanding**

RSB has an excellent branch network, delivery systems, branch hours and services, and alternative delivery systems, as it relates to LMI individuals.

RSB's delivery systems are readily accessible to significant portions of the Bank's assessment area, including LMI geographies and individuals.

**2. Community Development Services: High Satisfactory**

RSB provided a relatively high level of community development services. Bank officers and employees provided 147 instances of qualified community development services during the evaluation period, by serving on the boards and committees of several community development organizations, providing financial literacy, and participating in small business seminars.

*This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and GRS Part 76.*

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

### III. - PERFORMANCE CONTEXT

#### A. Institution Profile

Chartered in 1921, RSB is a mutual savings bank headquartered in Ridgewood, Queens County, New York.

The Bank operates 35 full service branch offices with at least two branch offices in each of Kings, New York, Queens, Bronx, Nassau, Suffolk, and Westchester Counties, which together comprise the Bank's assessment area. The Bank's branch network is supported by 49 automated teller machines (ATMs) located at various branch offices throughout the Bank's assessment area. In addition, RSB offers its customers surcharge free access to the Allpoint ATM network of more than 55,000 ATMs worldwide.

RSB offers various loan and deposit products. Loan products include one-to-four family residential mortgage loans, multifamily mortgages, commercial real estate loans, home equity and consumer loans. Deposit products include savings, club, personal and business checking accounts, money market, certificate of deposit, individual retirement accounts, and checking and savings accounts for nonprofit organizations. Services offered by the Bank include direct deposits, safe deposit boxes, online banking, merchant and payroll services, remote deposit capture, and mobile banking for both retail and commercial customers.

In its Consolidated Report of Condition (the "Call Report") as of December 31, 2022, filed with the Federal Deposit Insurance Corporation ("FDIC"), RSB reported total assets of \$6.8 billion, of which \$4.3 billion were net loans and lease financing receivables. It also reported total deposits of \$5.4 billion, resulting in an LTD ratio of 78.9%. According to the latest available comparative deposit data as of June 30, 2022, RSB obtained a market share of 0.23%, or \$5.5 billion in a market of \$2.4 trillion, ranking it 31<sup>st</sup> among 119 deposit-taking institutions in the assessment area.

The following is a summary of the Bank's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2019, 2020, 2021 and December 2022's Call Reports:

<b>TOTAL GROSS LOANS OUTSTANDING</b>								
Loan Type	12/31/2019		12/31/2020		12/31/2021		12/31/2022	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	2,055,574	51.0	1,978,121	49.3	1,814,900	45.2	2,111,604	48.8
Commercial & Industrial Loans	85	0.0	29,488	0.7	17,446	0.4	660	0.0
Commercial Mortgage Loans	205,197	5.1	189,765	4.7	159,414	4.0	222,500	5.1
Multifamily Mortgages	1,759,755	43.6	1,797,949	44.8	1,820,548	45.4	1,968,497	45.5
Consumer Loans	3,885	0.1	3,526	0.1	5,700	0.1	11,032	0.3
Construction Loans	0	0.0	0	0.0	980	0.0	958	0.0
Other Loans	7,159	0.2	12,629	0.3	12,299	0.3	10,219	0.2
Total Gross Loans	4,031,655		4,011,478		3,831,287		4,325,470	

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As illustrated in the above table, RSB is primarily a residential real estate lender, with 48.8% of its loan portfolio in one-to-four family residential mortgage loans, and 45.5% in multifamily mortgage loans as of December 31, 2022.

*Examiners did not find evidence of financial or legal impediments that had an adverse impact on RSB's ability to meet the credit needs of its community.*

### **B. Assessment Area**

The Bank's assessment area consists of Bronx, Kings (Brooklyn), Nassau, New York (Manhattan), Queens, Suffolk, and Westchester counties.

There are 3113 census tracts in the Bank's assessment area, of which 307 are low-income, 705 are moderate-income, 1100 are middle-income, 836 are upper-income, and 165 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	21	129	121	65	25	361	69.3
Kings	46	91	235	263	170	805	40.5
Nassau	9	10	31	146	90	286	14.3
New York	23	36	44	32	175	310	25.8
Queens	52	26	157	325	165	725	25.2
Suffolk	8	5	90	220	62	385	24.7
Westchester	6	10	27	49	149	241	15.4
Total	165	307	705	1,100	836	3,113	32.5

### **C. Demographic & Economic Data**

The assessment area had a population of 12,234,594 during the evaluation period. Approximately 15% of the population were over the age of 65 and 22.1% were under the age of 16.

Of the 2,730,019 families in the assessment area 26.6% were low-income, 16.1% were moderate-income, 17.5% were middle-income and 39.8% were upper income. There were 4,323,650 households in the assessment area, of which 14.4% had income below the poverty level and 3.8% were on public assistance.

The weighted average median family income in the assessment area was \$104,192.

There were 4,765,069 housing units within the assessment area, of which 50% were one- to four-family units and 49.7% were multifamily units. A majority (50.5%) of the housing units were rental occupied units while 40.3% were owner-occupied and 9.3% of units were vacant.

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

Of the total 2,404,665 rental-occupied units, 47.6% were in LMI census tracts while 50.9% were in middle- and upper-income census tracts. Weighted average monthly gross rent was \$1,613.

Of the 1,918,985 owner-occupied housing units, 18% were in LMI census tracts while 81.7% were in middle- and upper-income census tracts. The median age of the housing stock was 72 years, and the median home value in the assessment area was \$639,612.

There were 1,647,153 non-farm businesses in the assessment area. Of these, 91.6% were businesses with reported revenues of less than or equal to \$1 million, 3.2% reported revenues of more than \$1 million and 5.1% did not report their revenues. Of all the businesses in the assessment area, 97.4% were businesses with less than fifty employees while 95.2% operated from a single location. The largest industries in the area were Services (34.5%), Retail Trade (11.2%) and Finance, Insurance & Real Estate (9.7%); 29.4% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rates for New York State and the counties in the Bank’s assessment area increased significantly from 2019 to 2020, due to the onset of the COVID-19 pandemic in early 2020, but improved in 2021 and 2022. While Nassau, Suffolk, and Westchester counties consistently had annual unemployment rates lower than the statewide average, Bronx and Kings Counties’ unemployment rates were consistently higher than the corresponding statewide rates. Bronx County had the highest average unemployment rates for each year of the evaluation period.

Assessment Area Unemployment Rate								
	Statewide	Bronx	Kings	Nassau	New York	Queens	Suffolk	Westchester
2019	3.9	5.4	4.1	3.3	3.5	3.5	3.5	3.6
2020	9.8	16.0	12.4	8.0	9.5	12.4	8.1	8.0
2021	7.0	13.8	10.3	4.5	7.7	9.8	4.6	4.8
2022	4.3	7.8	5.9	2.9	4.6	5.2	3.1	3.1
<b>Average</b>	<b>6.3</b>	<b>10.8</b>	<b>8.2</b>	<b>4.7</b>	<b>6.3</b>	<b>7.7</b>	<b>4.8</b>	<b>4.9</b>

### **D. Community Information**

DFS examiners conducted community contact interviews with representatives from two community development organizations to help identify community credit needs within the Bank’s assessment area. The first interview was with the representative of a nonprofit organization whose primary focus is the preservation and development of affordable housing within the Bronx. The organization serves the housing needs of LMI residents and provides services that include rental assistance, after school programs, English as a second language instruction and case management. The other interview was with the representative of an economic development corporation that provides homeownership education through its economic literacy program primarily to residents of upper Manhattan.

The representative of the first organization stated that there is a need for bank branches in the Bronx, as many banks have closed their branch locations. This has resulted in a lack of available

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banking services within many Bronx communities forcing many residents to have to travel long distances to access banking and credit services. The representative further stated that consequently, some residents in the area are willing to incur the high fees charged by check cashing business, both for the relative convenience and to avoid incurring bank fees they perceived as non-transparent.

The representative of the second organization (the economic development corporation) stated that there is a lack of support for small business owners and for entrepreneurs who want to start a business. The representative further stated that there is also a strong need for financial education in areas such as such as housing, and that, in particular, banks could do a better job informing prospective homeowners about taxes and other costs of homeownership. Finally the representative stated that banks were generally proactive in reaching out to community organizations to identify financial services needs.

**IV. - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS**

The Department evaluated RSB under the large banking institutions performance criteria in accordance with Sections 76.7, 76.8, 76.9 and 76.10 of the GRS, which consist of the lending, investment, and service tests. DFS also considered the following factors in assessing the Bank's record of performance:

1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;
2. Any practices intended to discourage credit applications;
3. Evidence of prohibited discriminatory or other illegal credit practices;
4. Record of opening and closing offices and providing services at offices; and
5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.

Finally, the Evaluation considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which RSB helps to meet the credit needs of its entire community.

DFS derived statistics employed in this Evaluation from various sources. RSB submitted bank-specific information both as part of the Evaluation process and in its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS obtained LTD ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from Call Report data.

DFS derived the demographic data referred to in this report from the 2020 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2019, 2020, 2021 and 2022 for lending activities and the period from July 1, 2019, to December 31, 2022, for community development activities.

Examiners considered RSB's HMDA-reportable loans in evaluating factors (2), (3) and (4) of the lending test and small business lending in evaluating factors (2) and (3) noted below.

Examiners gave greater weight to HMDA-reportable loans as they made up 82.1% by number and 99.1% by dollar value of RSB's total HMDA-reportable and small business loans originated within the Bank's assessment area during the evaluation period.

RSB only originated small business loans in 2020 and 2021, and all of the Bank's small business loans were PPP loans to assist small businesses affected by the COVID-19 pandemic. PPP loans did not require reporting of business revenue.

In its prior Community Reinvestment Act Performance Evaluation as of June 30, 2019, DFS assigned RSB a rating of "2" or a "Satisfactory" compliance with regulatory standards.

# RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

## Current CRA Rating: Satisfactory

### **A. Lending Test:** High Satisfactory

The Bank's lending performance was evaluated pursuant to the following criteria:

- (1) Lending Activity;
- (2) Assessment Area Concentration;
- (3) Geographic Distribution of Loans;
- (4) Borrower Characteristics;
- (5) Community Development Lending; and
- (6) Flexible and/or Innovative Lending Practices.

RSB's HMDA-reportable lending activities were good considering RSB's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area. RSB's excellent level of community development lending shows its commitment to meet community credit needs.

#### 1. Lending Activity: High Satisfactory

RSB's lending levels were good considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

RSB's average LTD ratio during the evaluation period was 78.7%, which is below its peer group ratio of 85.9% and a decline from the 81.5% reported for the prior evaluation period. The Bank's lower LTD is in part due to the highly competitive market for home mortgage loans in the Bank's assessment area.

The table below shows RSB's LTD ratios in comparison with the peer group's ratios for the 16 quarters of this evaluation period.

Loan-to-Deposit Ratios																	
	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	Avg
Bank	87.6	88.6	88.3	88.5	86.5	73.5	81.9	79.4	75.7	73.5	71.6	70.2	69.3	72.0	74.4	78.9	78.7
Peer	94.6	94.6	92.9	93.3	93.7	80.3	88.7	86.0	82.1	80.3	79.2	77.5	78.2	81.5	84.1	87.7	85.9

#### 2. Assessment Area Concentration: Outstanding

During the evaluation period, RSB originated 97.5% by number and 98% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending.

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

### a. HMDA-Reportable Loans:

During the evaluation period, RSB originated 97% by number and 98% by dollar value of its HMDA-reportable loans within the assessment area.

This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

### b. Small Business Loans:

During the evaluation period, RSB originated 99.2% by number and 98.8% by dollar value of its small business loans within the assessment area. RSB has not historically been a small business lender; all of its small business loans during the evaluation period were PPP loans.

This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

The following table shows the percentages of RSB’s HMDA-reportable and small business loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
<b>HMDA-Reportable</b>										
2019	510	97.9%	11	2.1%	521	533,387	98.4%	8,640	1.6%	542,027
2020	476	97.3%	13	2.7%	489	498,903	98.4%	8,059	1.6%	506,962
2021	528	98.5%	8	1.5%	536	556,892	98.2%	10,222	1.8%	567,114
2022	790	95.3%	39	4.7%	829	902,976	97.3%	24,933	2.7%	927,909
Subtotal	2,304	97.0%	71	3.0%	2,375	2,492,158	98.0%	51,854	2.0%	2,544,012
<b>Small Business</b>										
2020	371	99.2%	3	0.8%	374	15,122	99.4%	95	0.6%	15,217
2021	236	99.2%	2	0.8%	238	10,620	98.0%	221	2.0%	10,841
Subtotal	607	99.2%	5	0.8%	612	25,742	98.8%	316	1.2%	26,058
Grand Total	2,911	97.5%	76	2.5%	2,987	2,517,900	98.0%	52,170	2.0%	2,570,070

### 3. Geographic Distribution of Loans: Outstanding

RSB’s origination of loans in census tracts of varying income levels demonstrated an excellent distribution of lending; DFS gave greater weight to HMDA-reportable lending.

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a. HMDA-Reportable Loans:

The distribution of RSB’s HMDA-reportable loans by the income level of the geography was excellent.

RSB’s HMDA-reportable average lending rates in LMI census tracts for the evaluation period were 22.7% by number and 33.8% by dollar value of loans, well above the aggregate’s 16.3% and 19.5%, respectively. Additionally, the Bank’s lending rates in LMI census tracts in 2019, 2020, 2021, and 2022 by number and dollar value of loans exceeded the aggregate’s rates and the assessment area’s level of owner-occupied housing units in LMI geographies in each year

The following table provides a summary of the distribution of RSB’s HMDA-reportable loans by the income level of the geography where the property was located.

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

<b>Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract</b>									
<b>2019</b>									
<b>Geographic Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	34	6.7%	64,467	12.1%	4,476	3.0%	6,175,770	6.0%	2.4%
Moderate	91	17.8%	163,723	30.7%	21,625	14.5%	15,266,915	14.8%	14.7%
LMI	125	24.5%	228,190	42.8%	26,101	17.6%	21,442,685	20.8%	17.2%
Middle	125	24.5%	130,947	24.6%	62,293	41.9%	29,551,005	28.7%	42.6%
Upper	259	50.8%	173,475	32.5%	60,091	40.4%	51,636,055	50.1%	40.1%
Unknown	1	0.2%	775	0.1%	209	0.1%	460,735	0.4%	0.1%
<b>Total</b>	<b>510</b>		<b>533,387</b>		<b>148,694</b>		<b>103,090,480</b>		
<b>2020</b>									
<b>Geographic Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	20	4.2%	27,097	5.4%	4,810	2.5%	5,142,290	4.2%	2.4%
Moderate	85	17.9%	113,609	22.8%	24,847	12.8%	16,556,525	13.6%	14.7%
LMI	105	22.1%	140,706	28.2%	29,657	15.3%	21,698,815	17.8%	17.2%
Middle	141	29.6%	125,333	25.1%	82,851	42.7%	38,339,995	31.4%	42.6%
Upper	230	48.3%	232,864	46.7%	81,219	41.9%	61,836,155	50.6%	40.1%
Unknown	0	0.0%	0	0.0%	237	0.1%	236,535	0.2%	0.1%
<b>Total</b>	<b>476</b>		<b>498,903</b>		<b>193,964</b>		<b>122,111,500</b>		
<b>2021</b>									
<b>Geographic Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	32	6.1%	73,173	13.1%	6,515	2.7%	7,071,125	4.7%	2.4%
Moderate	98	18.6%	133,921	24.0%	33,278	14.0%	23,036,170	15.2%	14.7%
LMI	130	24.6%	207,094	37.2%	39,793	16.8%	30,107,295	19.9%	17.2%
Middle	154	29.2%	117,999	21.2%	97,624	41.1%	47,508,310	31.3%	42.6%
Upper	244	46.2%	231,799	41.6%	99,531	42.0%	73,776,915	48.7%	40.1%
Unknown	0	0.0%	0	0.0%	303	0.1%	172,125	0.1%	0.1%
<b>Total</b>	<b>528</b>		<b>556,892</b>		<b>237,251</b>		<b>151,564,645</b>		
<b>2022</b>									
<b>Geographic Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	29	3.7%	70,497	7.8%	4,074	2.9%	5,027,670	4.5%	2.5%
Moderate	135	17.1%	196,974	21.8%	20,925	15.0%	16,744,515	15.1%	15.5%
LMI	164	20.8%	267,471	29.6%	24,999	17.9%	21,772,185	19.6%	18.0%
Middle	268	33.9%	224,382	24.8%	56,902	40.7%	32,139,320	28.9%	43.4%
Upper	349	44.2%	385,530	42.7%	56,975	40.7%	56,003,095	50.4%	38.0%
Unknown	9	1.1%	25,593	2.8%	1,020	0.7%	1,120,340	1.0%	0.6%
<b>Total</b>	<b>790</b>		<b>902,976</b>		<b>139,896</b>		<b>111,034,940</b>		
<b>GRAND TOTAL</b>									
<b>Geographic Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Low	115	5.0%	235,234	9.4%	15,801	2.2%	23,416,855	4.8%	
Moderate	409	17.8%	608,227	24.4%	100,675	14.1%	71,604,125	14.7%	
LMI	524	22.7%	843,461	33.8%	116,476	16.3%	95,020,980	19.5%	
Middle	688	29.9%	598,661	24.0%	299,670	41.9%	147,538,630	30.2%	
Upper	1,082	47.0%	1,023,668	41.1%	297,816	41.6%	243,252,220	49.9%	
Unknown	10	0.4%	26,368	1.1%	1,769	0.2%	1,989,735	0.4%	
<b>Total</b>	<b>2,304</b>		<b>2,492,158</b>		<b>715,731</b>		<b>487,801,565</b>		

## RIDGWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

### b. Small Business Loans:

The distribution of RSB’s small business loans by the income level of the geography was adequate.

RSB’s average lending rates for small business loans in LMI census tracts was 23.6% by number and 17.7% by dollar value of loans, which was comparable to the aggregate’s rate of 24.5% by number of loans but below the aggregate’s rate of 20.2% by dollar value. All of RSB’s small business loans were granted pursuant to the PPP program; refer to Section V- Glossary for more information about these loans.

The following table provides a summary of the distribution of RSB’s small business loans by the income level of the geography where the business was located.

<b>Distribution of Small Business Lending by Geographic Income of the Census Tract</b>									
<b>2020</b>									
<b>Geographic Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	
Low	14	3.8%	502	3.3%	25,469	6.1%	1,006,072	4.8%	6.3%
Moderate	71	19.1%	2,684	17.7%	71,962	17.2%	3,073,980	14.6%	18.1%
LMI	85	22.9%	3,186	21.1%	97,431	23.3%	4,080,052	19.4%	24.4%
Middle	145	39.1%	6,290	41.6%	126,689	30.3%	5,838,446	27.8%	29.9%
Upper	139	37.5%	5,541	36.6%	185,879	44.5%	10,357,043	49.3%	43.8%
Unknown	2	0.5%	105	0.7%	7,779	1.9%	728,797	3.5%	1.9%
<b>Total</b>	<b>371</b>		<b>15,122</b>		<b>417,778</b>		<b>21,004,338</b>		
<b>2021</b>									
<b>Geographic Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	
Low	9	3.8%	117	1.1%	31,439	6.6%	906,791	5.2%	6.9%
Moderate	49	20.8%	1,251	11.8%	90,870	19.0%	2,771,594	15.9%	19.1%
LMI	58	24.6%	1,368	12.9%	122,309	25.6%	3,678,385	21.1%	26.0%
Middle	97	41.1%	3,486	32.8%	150,168	31.4%	4,937,614	28.4%	30.4%
Upper	80	33.9%	5,731	54.0%	197,406	41.3%	8,217,280	47.2%	41.9%
Unknown	1	0.4%	35	0.3%	8,306	1.7%	575,490	3.3%	1.7%
<b>Total</b>	<b>236</b>		<b>10,620</b>		<b>478,189</b>		<b>17,408,769</b>		
<b>GRAND TOTAL</b>									
<b>Geographic Income</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	
Low	23	3.8%	619	2.4%	56,908	6.4%	1,912,863	5.0%	
Moderate	120	19.8%	3,935	15.3%	162,832	18.2%	5,845,574	15.2%	
LMI	143	23.6%	4,554	17.7%	219,740	24.5%	7,758,437	20.2%	
Middle	242	39.9%	9,776	38.0%	276,857	30.9%	10,776,060	28.1%	
Upper	219	36.1%	11,272	43.8%	383,285	42.8%	18,574,323	48.4%	
Unknown	3	0.5%	140	0.5%	16,085	1.8%	1,304,287	3.4%	
<b>Total</b>	<b>607</b>		<b>25,742</b>		<b>895,967</b>		<b>38,413,107</b>		

### 4. Distribution by Borrower Characteristics: Needs to Improve

RSB’s one-to-four family HMDA-reportable lending demonstrated a poor distribution of loans among individuals of different income levels. The evaluation of this criterion was based solely on

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

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the Bank's HMDA-reportable lending, as RSB's small business lending consisted entirely of PPP loans, which did not require reporting of revenue.

a. One-to-four Family HMDA-Reportable Loans:

RSB's one-to-four family HMDA-reportable lending demonstrated a poor distribution of loans among individuals of different income levels.

During the evaluation period, RSB's average rates of lending to LMI borrowers were 10.9% by number and 3.4% by dollar value of loans, which were well below the aggregate's respective rates of 15.8% and 8.1%. While RSB's rates of lending to LMI borrowers for the current evaluation period remained below the aggregate's rates, the Department noted significant improvement from the prior evaluation period, at which time RSB's lending rates were 3.3% by number of loans and 1.1% by dollar value.

The Bank and the aggregate's rates of lending to LMI borrowers were also well below the percentage of LMI families (family demographics) living in the Bank's assessment area.

The following table provides a summary of the distribution of RSB's one-to-four family loans by borrower income.

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Distribution of One-to-Four Family Loans by Borrower Income									
2019									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	1.2%	369	0.1%	5,321	3.7%	1,241,455	1.7%	28.5%
Moderate	31	7.5%	6,005	2.3%	18,873	13.1%	4,922,405	6.6%	16.4%
LMI	36	8.7%	6,374	2.4%	24,194	16.7%	6,163,860	8.3%	44.9%
Middle	43	10.4%	12,391	4.7%	30,942	21.4%	9,730,060	13.1%	17.1%
Upper	297	71.9%	197,216	74.7%	80,589	55.7%	50,624,795	68.3%	38.0%
Unknown	37	9.0%	47,958	18.2%	8,891	6.1%	7,624,075	10.3%	
<b>Total</b>	<b>413</b>		<b>263,939</b>		<b>144,616</b>		<b>74,142,790</b>		
2020									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	0.5%	493	0.1%	5,141	2.7%	1,295,605	1.3%	28.5%
Moderate	17	4.3%	4,206	0.8%	23,675	12.4%	6,994,505	7.1%	16.4%
LMI	19	4.8%	4,699	0.9%	28,816	15.1%	8,290,110	8.4%	44.9%
Middle	43	10.8%	15,188	3.0%	42,409	22.3%	14,905,095	15.1%	17.1%
Upper	315	79.3%	264,386	53.0%	107,852	56.6%	66,189,640	67.0%	38.0%
Unknown	20	5.0%	214,629	43.0%	11,394	6.0%	9,416,870	9.5%	
<b>Total</b>	<b>397</b>		<b>498,902</b>		<b>190,471</b>		<b>98,801,715</b>		
2021									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	13	3.0%	2,463	0.7%	7,164	3.1%	1,942,300	1.5%	26.6%
Moderate	45	10.3%	12,263	3.6%	30,644	13.1%	9,401,250	7.3%	16.1%
LMI	58	13.2%	14,726	4.3%	37,808	16.2%	11,343,550	8.9%	42.7%
Middle	61	13.9%	22,615	6.7%	53,044	22.8%	19,649,660	15.3%	17.5%
Upper	305	69.5%	273,810	80.9%	129,122	55.4%	85,642,090	66.9%	39.8%
Unknown	15	3.4%	27,450	8.1%	13,185	5.7%	11,396,055	8.9%	
<b>Total</b>	<b>439</b>		<b>338,601</b>		<b>233,159</b>		<b>128,031,355</b>		
2022									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	18	2.6%	3,226	0.6%	6,018	4.3%	1,523,260	1.4%	26.6%
Moderate	79	11.5%	26,495	5.0%	20,405	14.6%	6,230,545	5.6%	16.1%
LMI	97	14.1%	29,721	5.6%	26,423	18.9%	7,753,805	7.0%	42.7%
Middle	101	14.7%	47,859	9.0%	30,211	21.6%	11,415,825	10.3%	17.5%
Upper	451	65.7%	381,876	71.9%	70,172	50.2%	54,611,130	49.2%	39.8%
Unknown	37	5.4%	71,665	13.5%	13,090	9.4%	37,254,180	33.6%	
<b>Total</b>	<b>686</b>		<b>531,121</b>		<b>139,896</b>		<b>111,034,940</b>		
GRAND TOTAL									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	38	2.0%	6,551	0.4%	17,626	2.5%	6,002,620	1.5%	
Moderate	172	8.9%	48,969	3.0%	93,597	13.3%	27,548,705	6.7%	
LMI	210	10.9%	55,520	3.4%	111,223	15.8%	33,551,325	8.1%	
Middle	248	12.8%	98,053	6.0%	156,606	22.3%	55,700,640	13.5%	
Upper	1,368	70.7%	1,117,288	68.4%	387,735	55.2%	257,067,655	62.4%	
Unknown	109	5.6%	361,702	22.2%	46,560	6.6%	65,691,180	15.9%	
<b>Total</b>	<b>1,935</b>		<b>1,632,563</b>		<b>702,124</b>		<b>412,010,800</b>		

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

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### 5. Community Development Lending: Outstanding

During the evaluation period, RSB originated \$397.9 million in new community development loans and had \$40.6 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period. A substantial majority of RSB’s community development loans were for the purpose of helping to meet affordable housing needs within the Bank’s assessment area.

DFS considers whether a bank has met its responsibility to ensure that a multifamily loan submitted for affordable housing or neighborhood revitalization credit under CRA contributes to, and does not undermine, the availability of affordable housing or neighborhood conditions in accordance with DFS’s industry letter “Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act”, issued December 4, 2014. As a result, DFS disqualified five multifamily loans totaling \$23.4 million submitted by RSB for CRA credit for affordable housing. These properties had unacceptably high numbers of housing code violations, as reported to DFS by New York City’s Department of Housing Preservation and Development and as reflected in high scores in the University Neighborhood Housing Program’s Building Indicator Project (“BIP”) database. These sources indicated that the properties financed by these loans were in significant physical or financial distress and thus did not promote or provide affordable housing.

<b>Community Development Loans</b>				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	194	\$382,560	22	\$39,749
Economic Development				
Community Services				
Revitalization/Stablization	8	\$15,302	1	\$832
<b>Total</b>	<b>202</b>	<b>\$397,862</b>	<b>23</b>	<b>\$40,581</b>

Below are highlights of RSB’s community development lending.

- RSB refinanced a \$17.3 million multifamily mortgage loan for a multifamily property located in a moderate-income census tract in Queens County. The subject building has 106 rental units, of which the majority had rents below the U.S. Department of Housing and Urban Development (“HUD”) fair market rates (“FMR”) for the New York City Metropolitan area.
- The Bank refinanced a \$9.5 million multifamily mortgage loan for a six-story property in the Bronx. The property located in a low-income census tract contains 85 rent-stabilized units, all with rents below HUD’s FMR level for the New York City Metropolitan area, providing affordable housing to LMI individuals and families.

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

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- RSB originated a \$9 million mortgage loan to finance the purchase of a seven-story, 92-unit multifamily property located in the Bronx. The vast majority of the units had rents below HUD’s FMR level for the New York City Metropolitan area.
- The Bank refinanced an \$8 million multifamily mortgage loan for a property containing 63 rental units and located in a moderate-income census tract in Queens County. The majority of the rental units had rents below the HUD’s FMR for the New York City Metropolitan area providing affordable housing to LMI individuals and families.

a. Flexible and/or Innovative Lending Practices:

RSB made significant use of flexible or innovative lending practices.

The Bank’s “Good Move Mortgage” program offers up to 95% financing for two-family homes, lower interest rates, includes no application fees, and allows borrowers to use gifts and grants for closing costs and down payment assistance.

RSB also participates in the State of New York Mortgage Agency’s (“SONYMA”) low interest rate mortgage program. This program provides qualified low- and moderate-income first-time homebuyers with low down payment home mortgage financing. During the evaluation period, RSB originated 53 SONYMA loans totaling \$18.1 million within the Bank’s assessment area.

Finally, the Bank is not typically a small business lender, but it nevertheless participated in the PPP loan program in 2020 and 2021, originating 612 PPP loans totaling \$26.1 million to assist small businesses affected by the COVID-19 pandemic.

### **B. Investment Test: High Satisfactory**

*The Department evaluated RSB’s investment performance pursuant to the following criteria:*

- (1) The dollar amount of qualified investments;*
- (2) The innovativeness or complexity of qualified investments; and*
- (3) The responsiveness of qualified investments to the credit and community development needs of the assessment area.*

1. Qualified Investments

During the evaluation period, RSB made \$63.2 million in new qualified investments and had \$38.3 million outstanding from prior evaluation periods. In addition, RSB made \$516,866 in qualified grants. This demonstrated a significant level of qualified investments and grants over the course of the evaluation period.

RSB’s investments primarily consisted of mortgage-backed securities collateralized by properties providing affordable housing to LMI individuals and families.

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	20	\$ 63,047	33	\$38,281
Economic Development				
Community Services				
Energy Efficiency	1	\$ 200		
<b>Total</b>	<b>21</b>	<b>\$ 63,247</b>	<b>33</b>	<b>\$38,281</b>
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	102	\$ 153		
Economic Development	25	\$ 32		
Community Services	265	\$ 246		
Revitalize & Stabilize	58	\$ 86		
<b>Total</b>	<b>450</b>	<b>\$ 517</b>		

Below are highlights of RSB’s qualified investments.

- RSB invested in 19 CRA qualified mortgage-backed securities totaling \$55.5 million during the evaluation period. These securities, issued by government sponsored entities, supported affordable housing for LMI individuals and families within the Bank’s assessment area.
- The Bank invested \$7.5 million in a low-income housing tax credit fund, supporting the creation and preservation of large multifamily affordable housing projects. The investment helps create and preserve affordable housing for LMI individuals and families within the Bank’s assessment area.

Below are highlights of RSB’s qualified grants.

### Affordable Housing

- RSB donated a total of \$8,500 to a nonprofit organization whose mission is to create, preserve, and improve affordable housing for minorities and immigrant LMI individuals and families. The organization primarily serves LMI individuals and families residing in the Bronx.
- The Bank made donations totaling \$7,500 to a nonprofit organization that focuses on job creation, education, safe and affordable housing for residents of Kings County. The organization also supports small businesses and helps create job opportunities for LMI communities.

### Community Services

- RSB made grants totaling \$8,500 to a nonprofit organization that support food pantries, soup kitchens, and other community development organizations whose services benefit the

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

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unemployed and working poor, homeless, children, and LMI seniors.

- The Bank donated a total of \$5,000 to a nonprofit organization that provides various services and programs for disadvantaged and at-risk youths and their families in Nassau County. Such services and programs include counseling, after school and summer programs, homework assistance, and employment services.

### Economic Development

- RSB made donations totaling \$5,500 to an organization that supports local small businesses in Queens County. The organization assists new and established business owners through a series of programs and events designed to help them succeed.

### Revitalization/Stabilization

- RSB donated a total of \$4,000 to a nonprofit community development organization that supports community development through partnerships with other organizations to provide and offer housing rehabilitation, foreclosure prevention, job opportunities, financial and technical assistance for entrepreneurs and business owners, including women-owned businesses, and other initiatives and programs that help to attract new or retain existing businesses and residents.

### 2. Innovativeness of Qualified Investments:

RSB made no use of innovative investments to support community development.

### 3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

RSB's qualified investments exhibited good responsiveness to the assessment area's credit and community development needs.

### **C. Service Test: Outstanding**

The Department evaluated RSB's retail service performance pursuant to the following criteria:

- (1) The current distribution of the banking institution's branches;
- (2) The institution's record of opening and closing branches;
- (3) The availability and effectiveness of alternative systems for delivering retail services; and
- (4) The range of services provided.

The Department evaluated RSB's community development service performance pursuant to the following criteria:

- (1) The extent to which the banking institution provides community development services; and
- (2) The innovativeness and responsiveness of community development services.

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

### 1. Retail Banking Services: Outstanding

RSB has an excellent branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

#### *a. Current distribution of the banking institution's branches:*

RSB has an excellent distribution of branches within its assessment area. As of the evaluation period, the Bank operated 35 branch offices, and a limited-service drive-thru only facility. Nine of RSB's branches are located in moderate-income census tracts. Although the Bank has no branches in low-income census tracts, some of RSB's branches in middle-income census tracts are adjacent to low- and moderate-income census tracts, and accessible to residents of these LMI census tracts by public transportation. The Bank's standalone drive-thru facility is in a moderate-income census tract. The Bank's also operates 49 automated teller machines (ATMs) located at various branch offices throughout the Bank's assessment area.

The Bank also participates in the New York Department of Financial Services' Banking Development District ("BDD") program. This program is designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services and where a bank can provide an important role in promoting individual wealth, community development, and revitalization. RSB has three BDD branches located at 3824 White Plains Road, Bronx, NY; 3899 Sedgwick Avenue, Bronx, NY; and 1035 Fulton Street, Brooklyn, NY.

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Bronx			5	1	1	7	71%
Kings			2	3	1	6	33%
Nassau County				6		6	0%
New York				0	2	2	0%
Queens			2	3	5	10	20%
Suffolk				2		2	0%
Westchester				2		2	0%
<b>Total</b>	-	-	9	17	9	35	26%

#### *b. Record of opening and closing branches:*

RSB's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, including LMI geographies and/or LMI individuals.

- In August 2021, RSB opened a branch at 320 East 204<sup>th</sup> Street, Bronx, NY (moderate-income census tract); and
- In September 2021, RSB closed its branch at 3445 Jerome Avenue Bronx, NY (moderate-income census tract); and
- In December of 2022, RSB relocated its branch at 3824 White Plains Rd., Bronx, NY

## RIDGEWOOD SAVINGS BANK – CRA PERFORMANCE EVALUATION

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(moderate-income census tract) to 3951 White Plains Rd., Bronx, NY (moderate-income census tract).

*c. Availability and effectiveness of alternative systems for delivering retail services:*

RSB's delivery systems are readily accessible to significant portions of the bank's assessment area, including LMI geographies and individuals. Alternative delivery systems offered by the Bank include the following:

- Online/Mobile Banking – These services allow customers to access their accounts from any location with an internet connection and perform transactions such as viewing account balances and transaction history, transferring funds, depositing checks and paying bills.
- Remote Deposit Capture – Allows business customers to securely deposit checks without having to leave their places of business
- Allpoint ATM Network – This service allows RSB customers to withdraw cash and view account balances using Allpoint's network of more than 55,000 ATMs worldwide without paying a fee.

*d. Range of services provided:*

RSB's services meet the convenience and accessibility needs of its assessment area, including LMI geographies and individuals.

Branch hours are generally Monday through Friday from 8:30 AM to 5:00 PM and to 7:00 PM on Thursdays or Fridays. In addition, RSB offers Saturday hours from 8:30 AM to 2:00 PM, as well as drive-up window services at some of its locations. The Bank offers the following products that benefit LMI individuals and small businesses:

- RSB's Student Advantage Checking account is free for students, has a minimum opening deposit of \$25 and no monthly fees or minimum balance requirements.
- The Credit Builder Loan program is specifically tailored to help customers improve their credit score and offers loans in amounts ranging from \$500 to \$2,000. These loans are secured by the borrower's deposited funds.
- The Good Move Loan Programs offer competitive rates, low down payment, closing cost assistance, and waiver of application fees for eligible borrowers.
- RSB's Checking Account for commercial customers requires a minimum deposit of \$250, and customers receive \$20 toward their first order of checks along with a free safe deposit box for the first year.

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### 2. Community Development Services: High Satisfactory

RSB provided a relatively high level of community development services. Bank officers and employees provided 147 qualified community development services during the evaluation period, which included serving on the boards and committees of various community development organizations, participating in small business seminars and providing financial literacy seminars.

<b>Community Development Services</b>	
<b>Activity Type</b>	<b>Number of Activities</b>
On-Going Board & Committee Memberships	29
Technical Assistance	66
Seminars	3
Credit Counseling	11
Other Services	38
<b>Total Community Development Services</b>	<b>147</b>

Below are highlights of RSB’s community development services.

- The executive vice president and chief lending officer of RSB serves on the board of an organization that provides services and opportunities for children and adults with intellectual and developmental disabilities to fully integrate with the community.
- A senior vice president of the Bank serves on the board of an organization that provides various services to those in need. Services include housing for low-income seniors, veterans, people with physical disabilities, and single mothers and their children. The organization also provides nutrition assistance, social services, and disaster relief.
- A first vice president and chief investment officer of RSB serves on the board of an organization that addresses the needs of children, teens, and young adults coping with poverty, homelessness, domestic violence, substance abuse, and mental illness. Services provided include foster care, health services, group and transitional homes, and other residential supports.
- A first vice president of the Bank serves on the board of an organization that provides financial assistance for students and families in need. This assistance includes school supplies and household items, monetary grants, and financial aid for families going through difficult times and illness.
- The CRA officer of the Bank is a board member of an organization that provides housing for persons living with mental illness. The organization also provides financial education and counseling to help its clients cope with mental illness and physical disabilities. Finally, the organization also advocates for those who face termination of utilities, eviction and foreclosure.

**D. Additional Factors**

The following factors were also considered in assessing RSB’s record of performance.

1. The extent of participation by the banking institution’s board of directors or board of trustees in formulating the banking institution’s policies and reviewing its performance with respect to the purposes of the CRA.

RSB’s CRA program is overseen by a CRA/Fair Lending Committee comprised of the Bank’s CEO and members of senior management of various business units of the Bank. The committee meets quarterly to review and discuss the Bank’s CRA activities and performance, and meeting minutes are recorded. RSB’s Board of Trustees audit committee also periodically reviews and approves the Bank’s performance under the CRA program.

The Bank conducts periodic CRA self-assessments. The most recent self-assessment was performed as of May 2022. The self-assessment included an analysis of the Bank’s lending activities, including LTD ratio, assessment area concentration, distribution of loans in LMI geographies and to LMI borrowers, and community development activities.

2. Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution’s CRA Public File.*

DFS examiners did not note practices by RSB intended to discourage applications for the types of credit offered by RSB.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS examiners did not note evidence of prohibited discriminatory or other illegal practices.

3. Process Factors

- *Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution’s efforts to communicate with members of its community regarding the credit services being provided by the banking institution.*

RSB ascertains community credit needs through its involvement with various community organizations within its assessment area. Bank trustees and senior officers serve on boards and committees of various community development organizations providing technical assistance; in addition, RSB participates in homebuyer, financial literacy and credit counseling seminars. These activities allow bank trustees, management and employees to ascertain the credit need of the community and make the community aware of the products and services offered by RSB.

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- *The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution*

RSB advertises its loans and deposit products through the branch network, marketing campaigns, branch employees, in-branch display newsletters and its website. The Bank also uses its financial education programs and free seminars to promote its products and services to the LMI population and small business communities.

- *Action Taken in Response to Written Complaints with Respect to CRA*

Neither RSB's nor DFS received any written complaints regarding RSB's CRA performance during the evaluation period.

4. Other factors that in the judgment of the Superintendent bear upon the extent to which RSB is helping to meet the credit needs of its entire community

DFS examiners noted no other factors.

**V - GLOSSARY**

**Aggregate Lending**

“Aggregate lending” means the number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

**Banking Development District (“BDD”) Program**

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at <https://www.dfs.ny.gov> and search for the BDD Program.

**Community Development**

“Community development” means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the federal Reserve System, FDIC, and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

**Community Development Loan**

“Community development loan” means a loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving LMI persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are in LMI areas or that primarily serve LMI individuals;

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- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state, and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

### **Community Development Service**

“Community development service” means a service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning, or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
  - ❖ Serving on a loan review committee;
  - ❖ Developing loan application and underwriting standards;
  - ❖ Developing loan processing systems;
  - ❖ Developing secondary market vehicles or programs;
  - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
  - ❖ Furnishing financial services training for staff and management;
  - ❖ Contributing accounting/bookkeeping services; and
  - ❖ Assisting in fund raising, including soliciting or arranging investments.

**Community Development Financial Institution (“CDFI”)**

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department’s CDFI Fund.

**Fair Market Rents (“FMRs”)**

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development (“HUD”) and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas (“MSAs”) nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to [www.huduser.gov/portal/datasets/fmr.html](http://www.huduser.gov/portal/datasets/fmr.html)

**Geography**

“Geography” means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (“HMDA”)**

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

**Income Level**

The income level for borrowers is based on household or family income. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area (“MSA”) or statewide nonmetropolitan median income.

<b>Income level of individual or geography</b>	<b>% of the area median income</b>
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

### **LMI Geographies**

“LMI geographies” means those census tracts or block numbering areas where, according to the most current U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of Block Numbering Areas (“BNAs”) and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

### **LMI Borrowers**

“LMI borrowers” means borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council (“FFIEC”).

### **LMI Individuals/Persons**

“LMI individuals” or “LMI persons” means individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the FFIEC.

### **LMI Penetration Rate**

“LMI penetration rate” means the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

### **Low-Income Housing Tax Credit (“LIHTC”)**

LIHTC were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer’s federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

### **Minority Depository Institutions (“MDIs”)**

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

### **New Markets Tax Credit (“NMTC”)**

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (“CDEs”). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer’s investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

### **Paycheck Protection Program (“PPP”) Loans**

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) temporarily permits the U.S. Small Business Administration (“SBA”) to guarantee 100% of 7(a) loans under a new program titled the “Paycheck Protection Program”. The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

### **Qualified Investment**

“Qualified investment” means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;

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- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

### **Small Business Loan**

A small business loan is a loan less than or equal to \$1 million.