GREATER ROCHESTER
COMMUNITY REINVESTMENT COALITION
80 ST. PAUL STREET, SUITE 701
ROCHESTER, NEW YORK 14604

Federal Reserve Board
Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington DC 20551
Via E-mail: regs.comments@federalreserve.gov
RE: Docket No. R-1225

Federal Deposit Insurance Corporation
Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th St. NW
Washington DC 20429
Via E-mail: Comments@FDIC.gov
RE: RIN 3064-AC89

Office of the Comptroller of the Currency
Office of the Comptroller of the Currency
250 E St. SW, Mail Stop 1-5
Washington 20219
Via E-mail: regs.comments@occ.treas.gov
RE: Docket Number 05-04

To Whom It May Concern:

The Greater Rochester Reinvestment Coalition (GRCRC), a member of the National Community Reinvestment Coalition (NCRC), is glad to see the FDIC, OCC and FRB responding to the overwhelming number of public comments against the fall FDIC proposal. Although this new proposal is an improvement from the one proposed last year, it falls short in some key areas. As seen below, we urge you to strengthen the proposed CRA regulations with respect to services, investments and small business lending data.

GRCRC was convened in 1993 to generate discussion about the lending patterns in Rochester, NY. Since then, the Coalition has released seven analyses of home mortgage, small business and subprime lending data. We have used the analyses to identify strengths and weaknesses in lending patterns and to generate ongoing discussion with the banks in question. The Coalition also submits comments, based on the data, to the appropriate State and Federal regulators who have oversight of the banks.

GRCRC has a membership of over 30 locally based not-for profits and individuals. GRCRC monitors the community reinvestment lending of Bank of America, JPMorgan Chase, Citigroup, Canandaigua National Bank, M&T Bank, HSBC and Charter One.

In the fall the FDIC proposed a "wink and nod" exam for mid-size banks that would have consisted of a lending test and a community development criterion. The community development criterion would have allowed a bank to engage in community development lending, community development investments, or community development services.

We are pleased that you have dropped the "community development criterion" that would have allowed mid-size or intermediate small banks (with assets between $250 million to $1 billion) to engage in only one of three community development activities: lending, investments or services; and that you are proposing that all three activities be required as part of a community development test. Banks must continue to be expected to engage in all three of these essential community development activities in order to pass their CRA exams.

The community development test will count for half of the grade and the lending test will count for the other half of the grade. A mid-size bank must score at least a satisfactory on both the lending test and the community development test in order to receive an overall passing rating of satisfactory. In contrast to the fall proposal, community development activities under the current proposal would be much more important as they would be considered by a test that receives a separate rating.

The fall FDIC proposal would have allowed all FDIC-supervised banks to engage in community development activities in all parts of rural counties, not just low- and moderate-income census tracts. Under the new proposal, community development activities for rural counties can be directed towards "underserved" areas, and then you ask how "underserved" should be defined. The new proposal offers a number of possibilities including using state-wide median income instead of non-metropolitan median income when determining which census tracts are low- and moderate-income. This method is an improvement over the fall proposal's suggestion that community development could be targeted to any census tract(s) in rural counties. GRCRC urges that the definition of "underserved" area in rural areas be strong enough to assure that community development activities are targeted to those areas that traditionally have been underserved, not to golf courses or vacation areas for the rich.

The new proposal also states that a bank's rating would be adversely affected by discriminatory and illegal credit practices that include violations of the Equal Credit Opportunity Act, the Fair Housing Act, the Home Ownership and Equity Protection Act, section 5 of the FTC Act, Section 8 of the Real Estate Settlement Procedures Act, and violations of Truth in Lending Act provisions regarding right of rescission. The extent of the adverse effect on ratings depends on the extent of the violation of these statutes. As these standards are currently in guidance, the proposal to move this to regulation is a modest, but important step. Still, as seen below, this list of violations needs to be expanded.

GRCRC's Concerns with Proposed Changes

Despite these improvements over the previous proposal, GRCRC is concerned with a number of issues regarding the new CRA exam for mid-size (intermediate small) banks:

1. *Branches no Longer Explicit Part of Exam*. Under the proposed regulations the retail portion of the service test is eliminated. The CRA exam for mid-size banks would no longer scrutinize the number and percent of branches in low- and moderate-income communities as a separate criterion. With the explosion in payday lending and other high-cost credit, banks must be held explicitly accountable for building and maintaining branches in low- and moderate-income communities.

2. *Bank services will be looked at under new exam*. Bank services "intended to primarily benefit low- and moderate-income people" such as low-cost bank accounts and low-cost remittances will be evaluated under the new community development test for mid-size banks. GRCRC is concerned that federal regulators will not measure how many of these services actually reach low- and moderate-income customers, except occasionally as happens now. We urge you to require mandatory collection of data on deposit accounts and other bank products by income level of borrower and census tract. This data collection would improve the rigor and consistency of the service exam.

3. *Reductions in publicly available data*. Under the proposed regulations, mid-size banks would no longer report CRA small business or farm lending data or community development lending data. Without this publicly available data, we will not know if these lenders are meeting the credit needs of small businesses, farmers, or the need for affordable housing and community development lending.

4. *Lower Levels of Investment*. The elimination of the separate investment test will probably result in lower dollar levels of investment. Banks are likely to make more investments under the current investment test because their investment performance is more visible under a separate test than under a community development test which looks at community development lending and services as well as investments. If the regulatory agencies committed to comparing past levels of community development lending and investing with future levels under the new exams, then it is unlikely that banks could get away with significantly decreasing their levels of community development financing.

5. *Inflation factor*. The proposed regulations allow federal regulatory agencies to adjust the asset threshold for mid-size banks to take inflation into account on an annual basis. For example, the asset range is currently $250 million to $1 billion,

but next year the range will be adjusted upward to reflect inflation. As a result, more banks would be subject to the small bank or mid-size banks exams, while fewer banks would be subject to the large bank exam. Moreover, the inflation factor will reduce the range of bank financing and services flowing to communities that need them the most.

6. *Elimination of holding companies in asset calculation.* Another problem is that the consideration of holding companies in calculating assets will be eliminated by the proposal. Currently, if a small bank is owned by a holding company of more than $1 billion in assets, it is subject to the more comprehensive large bank exam. This should remain in effect in the final rule for several reasons. Banks that are part of holding companies are able to take advantage of the resources and expertise of their holding companies, so they face less regulatory burden than their unaffiliated counterparts. It is critical to closely examine the activities (i.e. prime and subprime lending) of all affiliate banks when examining a bank's CRA performance.

7. *The rating scheme change.* The mid-size banks currently can get low- and high-satisfactory as well as outstanding, needs to improve or substantial non-compliance on their lending, investment, and service tests. These five ratings provide for a more accurate depiction of performance than the four ratings found on the current small bank exam of outstanding, satisfactory, needs to improve, and substantial non-compliance. The new exam for mid-size banks will now have four ratings.

Negative Impact of Proposed Changes on New York State and the Rochester MSA

Sixty institutions in New York State with almost $30 billion in assets and representing over 35 percent of the total number of institutions would be able to avoid the large bank CRA exam under the current proposal. These 60 institutions have 469 branches (or 11 percent of the total number of branches) throughout the state with over $22.5 billion in deposits. Thus, the proposed weakening of CRA could have a substantial negative impact on investments and retail banking services in New York State.[1]

As seen by Table A at the end of this letter, six institutions in the Rochester MSA would be affected by the current proposal. These six account for $1.7 billion in deposits at 14 percent of the market share. The CRA exam must remain a strenuous assessment of their lending activity to underserved populations and communities, lest a sizeable portion of the banks in the Rochester MSA decrease their services and investments to traditionally underserved groups.

The largest institution that would be affected by the proposed changes is Canandaigua National Bank (CNB), a mid-size bank operating in the Rochester MSA. CNB is very important to the Rochester metropolitan area. As of June 30, 2004, Canandaigua National Bank had $837 million in deposits in the Rochester MSA, and ranked 5th in

[1] This state-level data provided by National Community Reinvestment Coalition.

terms of deposits among the top 8 banks (see Table A). CNB has responded favorably to CRA examinations in the past, increasing lending to underserved populations at a faster rate than in the MSA as a whole.

Despite its improvements, CNB still ranks below all financial institutions (AFI) in the Rochester MSA in percentage of its loans to underserved populations. If the current proposal goes into effect, CNB will have little incentive to continue to improve its lending activity. Below is a more a detailed analysis of CNB's lending.

<u>CNB's HMDA Lending Is Behind Peers</u>

When looking at marketshares, we would expect that a lender's marketshare in underserved communities would be, at minimum, the same as its overall marketshare for the MSA. In 2003 CNB was the fourth largest loan originator in the Rochester MSA with 2,163 loans originated capturing 4 percent of the market. Its marketshares in the underserved communities, however, were substantially less. As seen by Table B at the end of this letter, while CNB's marketshare in the Rochester MSA was 4 percent, its marketshare was:

- 2 percent in the **city**
- 1 percent among **Black and Hispanic households**
- 3 percent among **low-moderate income households**
- 2 percent in **low-moderate income census tracts**
- 1 percent in **minority census tracts**

All of CNB's marketshares were below its overall MSA marketshare and therefore, its marketshare in every underserved category should be dramatically increased. The other top 8 depositories were able to achieve marketshares in the underserved categories that were at least as good as their overall MSA marketshares (see Table B).

<u>CNB's Home Purchase Lending Is Behind Peers</u>

Although CNB increased the proportion of its home purchase lending going to some of the underserved categories between 2001 and 2003, the proportions were still substantially less in 2003 than those of all financial institutions.

Of the 438 home purchase loans CNB made in the MSA in 2003,

- **5 percent** went to **city**, a decrease from **7 percent** in both 2001 and 2002.
- **2 percent** went to **Black/Hispanic households**, an increase from **1 percent** in 2001 and no change from 2002.
- **28 percent** went to **low-moderate income households**, an increase from **24 percent** in 2001, and a decrease from **29 percent** in 2002.
- **5 percent** went to **low-moderate income census tracts**, an increase from **4 percent** in both 2001 and 2002.

- **1 percent** went to **minority census tracts**, an increase from **0 percent** in 2001 and no change from 2002.

However, when compared to all financial institutions in 2003, CNB's home purchase lending penetration in underserved communities does not perform as well as the industry on average in any of the categories.

Of the loans made by **all financial institutions** in 2003:

- 14 percent went to the **city**, **9 points higher** than CNB,
- 6 percent went to **Black and Hispanic households, 4 points higher** than CNB,
- 38 percent went to **low-moderate income households, 10 points higher** than CNB,
- 13 percent went to **low moderate income census tracts, 8 points higher** than CNB,
- 5 percent went to **minority census tracts, 4 points higher** than CNB**.**

Canandaigua National Bank has increased its home purchase lending to underserved populations, such as low-moderate income and minority households, but it still ranks below all financial institutions. There must be pressure on CNB to improve its lending to underserved populations. Many of the proposed changes to the CRA exam will have the opposite effect.

<u>CNB and Small Business Lending Data Disclosure</u>

One of the changes to the CRA exam under the current proposal is that mid-size banks will no longer be required to disclose small business, farm, and community development lending data. Without this publicly available data, we will not know if these lenders are meeting the credit needs of small businesses, farmers, or the need for affordable housing and community development lending. Below is an analysis of CNB's small business loans, demonstrating the use organizations like GRCRC make of data disclosure requirements of the current CRA regulations.

Of the small business loans CNB originated in Monroe County in 2003:

- **23 percent** of the number and **26 percent** of the dollar volume were to businesses in low-moderate income census tracts, increases of 57 percent and 20 percent respectively since 2002,
- **50 percent** of the number and **49 percent** of the dollar volume were to businesses with gross annual revenues less than $1 million, an increase of 5 percent and a decrease of 3 percent respectively since 2002,
- **20 percent** of the number and **9 percent** of the dollar volume were to businesses with gross annual revenue less than $1 million in low-moderate income census tracts, an increase of 37 percent and a decrease of 21 percent respectively since 2002.

In comparison, small business lending by all financial institutions (AFI) in 2003 was distributed as follows:

- **22 percent** of the number and **26 percent** of the total dollar volume of AFI loans were originated to businesses in low-moderate income census tracts.
- **37 percent** of the number and **35 percent** of the total dollar volume of AFI loans were originated to businesses with gross annual revenues less than $1 million.
- **8 percent** of the number and **8 percent** of the total dollar volume of AFI loans were originated to businesses with gross annual revenues below $1 million in low-moderate income census tracts.

Therefore, compared to all financial institutions, CNB did better than its financial institution peers in almost all categories, especially to businesses with gross annual revenues less than $1 million.

In comparison to the other top eight depositories in Monroe County, CNB has the fifth largest marketshare of loans originated to small businesses. In the low-moderate census tracts category and gross annual revenues less than $1 million in low-moderate income census tracts category CNB also has the fifth largest marketshare of originated small business loans. CNB was also ranked fifth in the county in loans to business with gross annual revenues less than $1 million. Overall, CNB's marketshare in these categories was the same as or somewhat greater than its overall county marketshare.

Small Business Lending Number of Loans Originated Marketshare

Monroe County 2003

	CNB	Charter 1	Chase	Citibank	Fleet	Key	HSBC	M&T	Top 8	OFI
MC Total	3.0%	0.9%	10.1%	13.6%	5.0%	0.6%	4.9%	0.6%	36%	61%
MC Low Mod CT	3.0%	1.0%	11.0%	14.3%	6.6%	1.0%	5.7%	0.8%	43%	57%
GAR<$1M	4.1%	2.4%	19.0%	19.2%	7.6%	0.6%	6.9%	0.9%	61%	39%
GAR<$1M in LM CT	3.8%	2.8%	20.1%	18.7%	10.5%	0.9%	7.9%	1.1%	62%	34%

Without the CRA small business data disclosure requirement, GRCRC would be unable to draw these comparisons between CNB and its peer institutions, nor dissect small business lending along the lines of low-moderate census tracts. This analysis is essential for assessing a bank's small business lending performance and its penetration in underserved communities.

<u>CNB Has Only Branch in the City of Rochester</u>

As stated above, one of our concerns with the proposed changes to the CRA exam is that the retail portion of the service test would be eliminated. This means that mid-size banks would no longer be evaluated based on the percentage of branches in low and moderate-income or urban communities.

The shortcomings of this change are especially applicable in the case of Canandaigua National Bank as it has only one branch in the city of Rochester. Once an institution like CNB grows to the point that it is among the top 8 banks in the MSA, it should be made accountable for servicing those in the city as well as the surrounding towns. The OCC apparently agrees. CNB received its lowest score on the service portion of its last CRA exam, a "low satisfactory."[2]

If the retail portion of the CRA exam is eliminated, there will be no pressure on CNB to open new branches in the city and service this part of the Rochester metropolitan area. Especially with the explosion in payday lending and other high-cost credit, which often target lower income populations in cities, banks like CNB must be held accountable for building and maintaining branches in the city.

CNB Needs A Strong CRA to Encourage It to Serve the Whole Community

A common response in support of the proposed changes is that mid-sized banks must serve the needs of the community, as this is the only viable business model for banks of that size. Thus, large bank CRA exams are unnecessary because "the success and survival of community banks, particularly those in small towns and rural areas, depends on the success and vitality of their communities."[3] When one examines the situation of CNB this argument loses steam. CNB has only one branch in the city of Rochester, and lends to underserved populations at a substantially lower percentage of its marketshare than all financial institutions. The city of Rochester is part of the community. Strict CRA regulations are needed to encourage CNB to lend and provide retail services to its entire assessment area, including Rochester, and to address the needs of the community's underserved populations.

In sum, Canandaigua National Bank is a prominent depository and lending institution in the Rochester metropolitan area, and it is vital that it continue to increase its lending to underserved populations. Since 2001, CNB has started to respond to the needs of the community because of pressure from the large bank CRA exam, but still ranks poorly in comparison to many of its peers and all financial institutions. If the CRA exam is weakened, CNB will no longer be pressured to improve, and will likely maintain or decrease its current level of lending, investments and services to the area's underserved populations and communities.

CRA and Predatory Lending

The current CRA regulations, as well as the proposed changes, fall short in the way of anti-predatory lending regulations. There are a number of changes that could be made to CRA exams that would greatly benefit the effort to curb harmful predatory lending practices. In order to correct these shortcomings, we urge the agencies to expand the list of practices triggering adverse treatment under CRA to include the following practices that are harmful.

1. *Negative Amortization*--Consumers gain no discernable benefit from negative amortization except in the limited cases of reverse mortgages for senior citizens

[2] See performance evaluation at: http://www.occ.treas.gov/ftp/craeval/may02/3817.pdf
[3] See comment letter of the Independent Community Bankers of America on original FDIC fall proposal at http://www.icba.org/advocacy/commentlettersdetail.cfm?ItemNumber=3853&sn.ItemNumber=1711

and the terminally ill. The Home Ownership and Equity Protection Act (HOEPA) prohibits negative amortization clauses in high-cost home loans. The concern underlying the negative amortization provision of HOEPA is equally valid for all home mortgage and consumer loans.

2. *Single Premium Credit Insurance Policies*--Under single-premium policies, borrowers pay the same lump sum premium for insurance or debt cancellation coverage, whether they make their loan payments through to maturity or prepay their mortgages. Moreover, single-premium policies are often financed as part of the loan. In some cases, borrowers have been sold single-premium credit insurance products even though they were too old to qualify for such insurance. The result, borrowers often pay for needless insurance and assume more onerous debt obligations. If borrowers want credit life insurance or lenders require it, lenders could simply charge monthly insurance premiums. Hence, there is no economic justification for credit insurance policies or debt suspension or cancellation policies that are marketed on a single-premium basis.

3. *Steering*--Steering occurs when subprime lenders persuade unsuspecting borrowers, who are actually eligible for prime loans, to agree to loans at higher subprime rates. Steering is exacerbated by the use of yield-spread premiums, which reward mortgage brokers for convincing borrowers to pay higher interest rates than the lenders are willing to take.

4. *Payments by lenders to home-improvement contractors from mortgage proceeds other than by instruments payable to the borrower or jointly to the borrower and the contractor, or according to a written escrow agreement* -- Checks made solely payable to home-improvement contractors can be major inducements to home-improvement scams. Such checks are already prohibited by HOEPA.

5. *Mandatory Arbitration* -- Mandatory Arbitration clauses insulate unfair and deceptive practices from effective review and relegate consumers to a forum where they cannot obtain injunctive relief against wrongful practices, proceed on behalf of a class, or obtain punitive damages. Arbitration can also involve costly fees, be required to take place at a distant site, or designate a pro-lender arbitrator.

Any standard that does not address the above problematic practices will allow CRA exams to be used to cover up predatory lending.

In the past, insured depository institutions have been responsible for some of the subprime lending abuses, however, the bulk of the problem consists of predatory lending by nonbank mortgage lenders or consumer finance companies. Increasingly, such lending is being done by nonbank subsidiaries and affiliates under the bank holding company or financial holding company umbrella. Insured banks and thrifts have a choice whether to locate their subprime lending activities within the depository institution or outside in a nonbank subsidiary or thrift. Given that choice, insured banks and thrifts and/or their parent companies can profit from subprime activities, while avoiding reputational risks and safety and soundness concerns, by pushing subprime operations out to nonbank subsidiaries and affiliates. Hence, making all of the above suggested anti-predatory protections moot. A bank or thrift should not be permitted to evade CRA scrutiny by pushing out its subprime activities to a nonbank subsidiary or affiliate.

Finally, when considering evidence of discriminatory and other illegal and abusive credit practices by nonbank subsidiaries and affiliates regulatory agencies should consider lending in all geographic areas not just in the CRA assessment areas. The concept of CRA assessment area is foreign to the business plans of nonbank subsidiaries and affiliates. In fact, their scope is far more geographically diverse and not driven by branch locations. Nonbank subsidiaries and affiliates' CRA lending should be scrutinized in a manner that reflects the scope of their lending activity and not be limited to loans made in CRA assessment areas. Otherwise, many predatory loans will slip past any regulatory anti-predatory screen regardless of the robustness of the anti-predatory standard.

CRA exams will allow abusive lending if they contain the proposed anti-predatory standard that does not address the problems we have discussed above and other problematic areas such as packing of fees into mortgage loans, high prepayment penalties, loan flipping, and other numerous abuses. Rigorous fair lending audits and severe penalties on CRA exams for abusive lending are necessary in order to ensure that the new minority homeowners served by the Administration are protected, but the proposed predatory lending standard will not provide the necessary protections. In addition, an anti-predatory standard must apply to all loans made by the bank and all of its affiliates, not just real-estate secured loans issued by the bank in its "assessment area" as proposed by the agencies. By shielding banks from the consequences of abusive lending, the proposed standard will frustrate CRA's statutory requirement that banks serve low- and moderate-income communities consistent with safety and soundness.

CRA Is Effective at a Low Cost to Banks

A recent research brief by the Brookings Institution noted that banks and thrifts, encouraged by CRA, have developed innovative products, formed partnerships with community development financial institutions, worked with other banks to develop community development corporations, and, in general, gone into underserved markets they normally would not have entered (due to decreased risks of entering these markets). [4]

With respect to small business lending, which is also at risk from the current proposal, Brookings cites a study that concludes that CRA "boosts the number of small businesses that can access credit by four to six percent, increasing payrolls and reducing bankruptcies—without crowding out other financing available to small businesses or adversely affecting bank profitability or loan performance."[5]

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[4] See Barr, Michael S. May 2005. "Credit Where It Counts: Maintaining a Strong Community Reinvestment Act." Washington, DC: The Brookings Institution at http://www.brookings.edu/metro/pubs/20050503_cra.pdf

[5] Ibid.

The argument that CRA compliance is too costly for mid sized banks and thrifts is not reflected in the data. As cited in The Brookings Institution brief, an Independent Community Bankers of America survey found that "average CRA employee costs as a percentage of assets were… negligible--0.017 percent for larger 'community' banks, and 0.039 percent for small banks."[6] The Federal Reserve Board also conducted a survey on CRA, and found that for most CRA-covered institutions "CRA lending was profitable or marginally profitable, and not overly risky."[7]

Thus, there is no need to reduce the "undue regulatory burden" of mid-size banks, particularly when CRA is so effective in its current form. Therefore, GRCRC urges you to maintain the current framework of CRA, keep the current definition of small banks (including counting the asset size of a bank's holding company in determining the size of banks), and expand the list of predatory lending practices that would trigger adverse treatment under CRA.

Yours truly,

Ruhi Maker, Esq.

Barbara van Kerkhove, Ph.D.
CRA Project Associate

[6] Ibid.
[7] Ibid.

Table A: Marketshare and Assets of Rochester, MSA Banks (June 30, 2004)

Banks affected by the proposed regulations ($250 M to $1 Billion in Assets) are highlighted in gray.

Institution Name	CERT	State (Hqtrd)	Bank Class	State/ Federal Charter	Outside of Market: No. of Offices	Outside of Market: Deposits $0	Inside of Market: No. of Offices	Inside of Market: Deposits $0	Market Share	Total Assets In $000	As of date:
HSBC BANK USA	589	NY	N	Federal	390	50,273,369	46	2,509,665	19.92%	110,305,393	30-Jun-04
JPMORGAN CHASE BANK	628	NY	N	Federal	565	216,081,478	29	1,988,522	15.78%	967,365,000	31-Dec-04
MANUFACTURERS&TRADERS TR CO	588	NY	SM	State	650	29,114,094	35	1,856,330	14.73%	52,414,140	31-Dec-04
CHARTER ONE BANK NA	28932	OH	N	Federal	647	25,830,616	37	1,778,552	14.12%	50,893,179	31-Dec-04
FLEET NATIONAL BANK	2558	RI	N	Federal	1,513	125,429,110	25	1,062,440	8.43%	218,740,377	31-Dec-04
CANANDAIGUA NB&T CO	6985	NY	N	Federal	0	0	20	837,027	6.64%	965,612	31-Dec-04
CITIBANK NATIONAL ASSN	7213	NY	N	Federal	272	121,949,563	13	537,437	4.27%	694,529,000	31-Dec-04
KEYBANK NATIONAL ASSN	17534	OH	N	Federal	904	44,473,927	14	342,708	2.72%	86,061,798	31-Dec-04
NATIONAL BANK OF GENEVA	7070	NY	N	Federal	5	292,349	8	322,788	2.56%	689,198	31-Dec-04
FIRST NIAGARA BANK	16004	NY	SA	Federal	62	3,050,584	10	301,890	2.40%	5,072,780	31-Dec-04
WYOMING COUNTY BANK	13298	NY	NM	State	13	496,532	5	184,698	1.47%	748,551	31-Dec-04
LYONS NATIONAL BANK	7151	NY	N	Federal	2	31,644	8	183,901	1.46%	274,398	31-Dec-04
BANK OF CASTILE	13292	NY	NM	State	7	248,269	6	178,387	1.42%	491,606	31-Dec-04
COMMUNITY BANK NATIONAL ASSN	6989	NY	N	Federal	120	2,778,973	8	173,941	1.38%	4,380,340	31-Dec-04
FAIRPORT SAVINGS BANK	30056	NY	SA	Federal	0	0	2	102,028	0.81%	124,919	31-Dec-04
ONTARIO NATIONAL BANK	7005	NY	N	Federal	0	0	4	80,358	0.64%	97,216	31-Dec-04
GENESEE REGIONAL BANK	26333	NY	NM	State	0	0	4	37,863	0.30%	52,570	31-Dec-04
SAVANNAH BANK NATIONAL ASSN	14619	NY	N	Federal	3	46,926	2	34,699	0.28%	78,020	31-Dec-04
MEDINA SAVINGS&LOAN ASSN	30547	NY	SA	State	0	0	1	28,367	0.23%	33,947	31-Dec-04
BATH NATIONAL BANK	6962	NY	N	Federal	11	316,560	1	27,051	0.21%	472,447	31-Dec-04
UPSTATE NATIONAL BANK	13748	NY	N	Federal	3	66,449	1	20,583	0.16%	93,799	31-Dec-04
SENECA FALLS SAVINGS BANK	16040	NY	SB	State	3	91,802	1	9,653	0.08%	150,899	31-Dec-04
Number of Institutions in the Market: 22				**TOTALS**	5,170	620,572,245	280	12,598,888	100.00%	2,194,035,189	
Number of Inst. Affected by proposed regs: 6			**Totals of affected:**		38	1,385,354	48	1,733,852	13.76%	3,641,812	

Bank Charter Class

A classification code assigned by the FDIC based on the institution's charter type (commercial bank or savings institution), charter agent (state or federal), Federal Reserve membership status (Fed member, Fed nonmember)and its primary federal regulator (state chartered institutions are subject to both federal and state supervision).

N = commercial bank, national (federal) charter and Fed member, supervised by the Office of the Comptroller of the Currency (OCC)

SM = commercial bank, state charter and Fed member, supervised by the Federal Reserve (FRB)

NM = commercial bank, state charter and Fed nonmember, supervised by the FDIC

SB = savings banks, state charter, supervised by the FDIC

SA = savings associations, state or federal charter, supervised by the Office of Thrift Supervision (OTS)

OI = insured U.S. branch of a foreign chartered institution (IBA)

HSBC Bank USA, as of July 1, 2004 merged into HSBC Bank USA, NA, a national bank regulated by the OCC.

As of my search on the FDIC on 12/21, JP Morgan Chase Bank is now JPMorgan Chase Bank, NA, a national bank regulated by the OCC.

Table B: Top 8 Banks Total Mortgage Originations 2003											
Rochester, NY MSA											
(1- 4 family units)											
2003 HMDA data	**AFI**	**CNB**	**Charter One**	**Chase**	**Citibank ***	**Fleet**	**HSBC***	**Key***	**M&T**	**Top 8**	**OFI**
MSA	51,519	2,163	4,635	1,494	696	1,745	6,198	254	2,385	19,570	31,949
City	5,524	113	503	232	194	203	805	48	364	2,462	3,062
Black/Hispanic HH MSA	2,177	28	268	82	61	118	235	38	171	1,001	1,176
Low-Mod HH MSA	14,860	483	1,339	442	262	433	2,396	88	985	6,428	8,432
Low-Mod Income CT	5,641	105	413	181	162	240	734	57	390	2,282	3,359
Minority CT	2,140	27	211	84	95	87	263	32	154	953	1,187
MARKETSHARE											
		CNB	**Charter One**	**Chase**	**Citibank**	**Fleet**	**HSBC**	**Key**	**M&T**	**Top 8**	**OFI**
MSA		4%	9%	3%	1%	3%	12%	0%	5%	38%	62%
City		2%	9%	4%	4%	4%	15%	1%	7%	45%	55%
Black/Hispanic HH MSA		1%	12%	4%	3%	5%	11%	2%	8%	46%	54%
Low-Mod HH MSA		3%	9%	3%	2%	3%	16%	1%	7%	43%	57%
Low-Mod Income CT		2%	7%	3%	3%	4%	13%	1%	7%	40%	60%
Minority CT		1%	10%	4%	4%	4%	12%	1%	7%	45%	55%
Loans as %											
of MSA TOTAL IN:	**AFI**	**CNB**	**Charter One**	**Chase**	**Citibank**	**Fleet**	**HSBC**	**Key**	**M&T**	**Top 8**	**OFI**
City	11%	5%	11%	16%	28%	12%	13%	19%	15%	13%	10%
Black/Hispanic HH MSA	4%	1%	6%	5%	9%	7%	4%	15%	7%	5%	4%
Low-Mod HH MSA	29%	22%	29%	30%	38%	25%	39%	35%	41%	33%	26%
Low-Mod Income CT	11%	5%	9%	12%	23%	14%	12%	22%	16%	12%	11%
Minority CT	4%	1%	5%	6%	14%	5%	4%	13%	6%	5%	4%
* HMDA data in this chart does not include bank's subprime lending subsidiaries.											
Prepared by: Public Interest Law Office of Rochester, 02/10/05, 585-454-4060											