PUBLIC DISCLOSURE

March 14, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

New York Community Bank
16022
615 Merrick Avenue
Westbury, New York 11590

Federal Deposit Insurance Corporation
350 Fifth Avenue
New York, New York 10118

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of ***New York Community Bank (NYCB)*** *prepared by the* ***Federal Deposit Insurance Corporation (FDIC)****, the institution's supervisory agency, as of* ***March 14, 2011.*** *The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

New York Community Bank's CRA performance is rated "Satisfactory." An institution in this category has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Despite the overall "Satisfactory" rating, the bank was assigned "Needs to Improve" ratings in Ohio and Florida. An analysis of the bank's activities in both states revealed low levels of lending in low-and moderate-income areas and to low- and moderate-income borrowers; and the bank engaged in minimal community development activities in these assessment areas. Similarly, although the bank's performance in Arizona was rated "Satisfactory," its performance in each of the three component tests was considered marginally adequate. The following points summarize the major factors supporting the institution's rating.

Lending Test

The bank's overall lending activity is adequate. Although a significant majority of the bank's lending was located outside of its assessment areas due to its acquisition of a nation-wide wholesale lending operation, the volume of lending within the assessment areas was sufficient to draw meaningful conclusions regarding the bank's performance. Overall, the geographic distribution of loans reflects adequate penetration throughout the bank's assessment areas. The distribution of the bank's multi-family loans is excellent; however, multi-family lending activity is limited to just one of the bank's nine assessment areas. The distribution of 1-4 family and small business loans reflects adequate distribution among retail borrowers of different income levels and business customers of different revenues. However, the bank makes little use of innovative or flexible lending practices, especially in light of its size and the varied credit needs of its assessment areas' residents and businesses. Finally, the bank originated a relatively high level of community development loans. During the evaluation period, NYCB, through its divisional banks, extended 783 community development loans and commitments totaling $3.1 billion, which represented 11.1 percent of total loans ($27.9 billion) and 8.0 percent of total assets ($38.9 billion) as of December 31, 2010. Of these loans, $2.7 billion (87.1 percent) are related to the bank's multi-family lending activities and are considered supportive of affordable housing. The $3.1 billion in community development loans represents a significant reduction from the prior examination's total of $4.6 billion.

While the performance measures noted above reflect good performance, NYCB's performance in several of its assessment area reveals poor responsiveness to the credit needs of those areas. Specifically, the lending activities in its Ohio and Florida assessment areas are not commensurate with the size of the institution's operations, or with the relative volume of deposits, maintained in these areas. Similarly, the bank's lending performance in the Arizona assessment area is considered marginally adequate.

Investment Test

NYCB has demonstrated its awareness and responsiveness to community development needs by investing a significant amount of funds to local and regional organizations, occasionally in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, total outstanding qualified community development investments of $215.4 million represent 0.6 percent of total assets ($38.9 billion), 4.0 percent of total equity capital ($5.4 billion), and 5.1 percent of total securities ($4.2 billion) as of December 31, 2010.

Service Test

NYCB provides a limited level of support to its communities. Retail banking services are reasonably available to all segments of its assessment areas, including low- and moderate-income geographies. However, NYCB's record of closing branches has adversely affected the accessibility of its services, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. Of the twelve branches closed during the evaluation period, five (41.2 percent) were located in low- or moderate-income census tracts. In some instances instances, the closure of these branches left area residents without reasonable access to other full-service NYCB branches.

NYCB provides a limited amount of community development services. Given its size and available resources, NYCB's participation in educational seminars and its involvement with local organizations and programs that support community development initiatives within its assessment areas is low. Bank personnel provided financial expertise to a limited number of community development organizations, with the majority of participation being focused on a few counties in just one of the nine assessment areas. Moreover, the bank did not engage in any community development services in several of its assessment areas. Although the bank had a limited branch presence in some of these areas, an analysis of current demographic and economic conditions revealed numerous opportunities by which the bank could provide support to area residents and businesses, as well as the organizations serving them.

LENDING, INVESTMENT, AND SERVICE TEST TABLE:

The following table indicates the performance level of New York Community Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	NEW YORK COMMUNITY BANK		
	PERFORMANCE TESTS		
	Lending Test*	**Investment Test**	**Service Test**
Outstanding			
High Satisfactory		X	
Low Satisfactory	X		
Needs to Improve			X
Substantial Noncompliance			

*Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

DESCRIPTION OF INSTITUTION

New York Community Bank (NYCB) currently conducts business out of 242 branches throughout New York, New Jersey, Ohio, Florida, and Arizona. Headquartered in Westbury, New York, NYCB was established on April 14, 1859, under the name Queens County Savings Bank (QCSB) in Flushing, NY. In 1993, QCSB became a wholly-owned subsidiary of Queens County Bancorp, Inc., a one-bank holding company formed following the bank's conversion from mutual to stock ownership. In 1999, the holding company changed its name to New York Community Bancorp (the Bancorp), and the bank's name was changed to NYCB.

In November 2000, New York Community Bancorp acquired Haven Bancorp, Inc, the parent company of CFS Bank. This acquisition expanded NYCB's operations into New Jersey and Connecticut; however, NYCB exited the Connecticut marketplace in 2002. In July 2001, the Bancorp merged with Richmond County Financial Corporation, the parent company of Richmond County Savings Bank (RCSB). In November 2003, NYCB acquired Roslyn Bancorp, Inc., the parent company of Roslyn Savings Bank (Roslyn). In 2007, NYCB acquired Penn Federal Services, the holding company of Penn Federal Savings Bank, and Synergy Financial Group, the holding company for Synergy Bank, both of which are located in New Jersey. In New York, NYCB operates under the names Queens County Savings Bank, Richmond County Savings Bank, Roslyn Savings Bank, and Roosevelt Savings Bank. In New Jersey, NYCB operates under the name Garden State Community Bank.

In December 2009, with the acquisition of the deposits and certain assets of AmTrust Bank (AmTrust), NYCB added two divisions to its banking organization: AmTrust Bank and Ohio Savings Bank. Those branches located in Florida and Arizona continue to operate under the name AmTrust, while the branches in Ohio reverted back to their original name of Ohio Savings Bank. Although AmTrust maintained branches in just three states, it was one of the largest residential mortgage lenders in the country at the time of the acquisition. During 2010 NYCB continued to originate a high volume of loans through AmTrust's network of correspondent lenders and brokers.

In March 2010, NYCB acquired all of the retail deposits and certain assets of Phoenix-based Desert Hills Bank. As a result of this transaction, NYCB expanded its franchise in the Arizona marketplace. Consistent with its general practice of consolidating all the branches in a community under one division, the newly-acquired Desert Hills branches operate under the name AmTrust Bank, a Division of New York Community Bank.

In December 2005, the Bancorp established New York Commercial Bank (NYCX), with its acquisition of the former Long Island Commercial Bank. NYCX is a $2.5 billion institution that offers commercial banking services through 34 branches located in Manhattan, Queens, Brooklyn, Westchester, and Long Island. NYCX acquired Atlantic Bank of New York and its national insurance premium funding affiliate, Standard Funding Corporation (Standard Funding), in April 2006.

NYCB also oversees the activities of the Roslyn Savings Foundation (RSF) and the Richmond County Savings Foundation (RCSF), entities established to provide charitable support, primarily through grants and donations, to local community development organizations. In 2006, NYCB established the New York Community Bank Community Development Corporation (NYCBCDC) to oversee the bank's participation in the U.S. Treasury's New Market Tax Credit program.

NYCB offers a variety of credit and deposit products, as well as financial services. Available loan products include 1-4 family loans, multi-family mortgages, commercial mortgages, home equity loans, and consumer loans. NYCB previously contracted with PHH to receive and process the bank's 1-4 family residential mortgage applications. Subsequent to the AmTrust acquisition in December 2009, the bank discontinued the referral of 1-4 family loan applications to PHH, and all new 1-4 family loan applications were processed by the bank itself, through the acquired AmTrust platform. NYCB offers a variety of deposit accounts. Examples of deposit account offerings include regular savings, club accounts, checking accounts, money market accounts, certificates of deposit (CDs), and individual retirement accounts (IRAs). Other services include direct deposit and safety deposit box rental, as well as the sale of traveler's checks, money orders, United States Savings Bonds, and savings bank life insurance. NYCB's loan and deposit products and financial services are generally available at all of the bank's branches.

The bank's capacity to lend is not hampered by operating losses, regulatory actions, or significant liquidity constraints. A review of NYCB's financial condition did not reveal any impediments that would hamper its ability to meet the financial needs of its community. The AmTrust acquisition in December 2009 significantly increased the bank's size and capacity, as shown in Table 1.

Table 1 - Financial Data Before and After Acquisition

Key Data	***9/30/2009 ($Million)***	***12/31/2009 ($ Million)***	***Change in $ ($ Million)***	***Change in % (%)***
Total Assets	30,848	40,150	9,302	30.2
Net Loans & Leases	21,559	26,911	5,352	24.9
Total Deposits	12,885	20,817	7,932	61.6
Other Data	***9/30/2009***	***12/31/2009***	***Change (#)***	***Change %***
Number Employees	1,582	2,224	642	40.6
Number of Branches	177	248*	71	40.1

Source12/31/2009 and 12/31/2009 CALL Report and Bank data
** figure does not include openings and closings during evaluation period*

As of December 31, 2010, the bank reported total assets of $38.9 billion, total loans of $27.9 billion, and total deposits of $20.3 billion. Table 2 illustrates the composition of the bank's loan portfolio.

Table 2 – Loan Distribution as of 12/31/2010		
Loan Type	***Dollar Amount (000s)***	***Percent of Total Loans (%)***
Construction and Land Development	536,910	1.9
Secured by Farmland	0	0
1-4 Family Residential	5,567,195	20.0
Multi-Family (5 or more) Residential	16,395,162	59.1
Commercial	5,001,226	18.0
Total Real Estate Loans	**27,500,493**	**99.0**
Commercial and Industrial	239,343	0.9
Agricultural	0	0
Consumer	18,533	0.1
Other	173,253	0.6
Less: Unearned Income/Loan Loss Allowance	170,709	0.6
Net Loans	**27,760,913**	**100**

Source: 12/31/2010 Report of Condition

As shown in Table 2, the majority of the loan portfolio, 79.1 percent, is composed of residential real estate loans, both 1-4 family and multi-family. Therefore, this evaluation primarily focused on these products to assess the bank's CRA performance. The bank's commercial lending, which represented 18.9 percent of the loan portfolio, was also factored into the overall performance evaluation, due to the bank's decision to include the 2010 lending activities of affiliate Standard Funding Corporation as part of this assessment.

NYCB received a CRA rating of "Outstanding" during the January 28, 2008 FDIC evaluation. The previous rating was assigned based upon the bank's performance using the "Large Bank" evaluation procedures, which include the Lending, Investment, and Service Tests. At the time of the prior evaluation, NYCB maintained operations in just New York and New Jersey and reported total assets of $26.8 billion.

SCOPE OF EXAMINATION

To assess the bank's CRA performance, examiners applied "Large Bank" evaluation procedures, which include a Lending, Investment, and Service Test. The evaluation period for this examination is January 28, 2008, to March 14, 2011, unless otherwise noted. NYCB operates in nine assessment areas. The relative significance of the bank's operations in each assessment area is taken into consideration in the overall ratings and conclusions.

To evaluate lending performance, examiners reviewed all small business, residential real estate, and community development loans originated between January 28, 2008, and March 14, 2011, that were reported pursuant to the CRA and Home Mortgage Disclosure Act (HMDA) data collection requirements. It should be noted that the bank only reported multi-family loans on its HMDA LAR for 2009. In addition to its HMDA-reportable residential lending, the bank offers credit in the form of Modification, Extension, and Consolidation Agreements (MECAs). As explained in §345.22(a)(2)-3 of the Interagency Questions and Answers Regarding Community Reinvestment (Q&As), MECAs are essentially refinance transactions in which the original loans are not satisfied and replaced. Although these transactions are not considered refinancings, as defined by HMDA, and are not reported on the HMDA Loan Application Register (LAR), they achieve the same purpose and are, therefore, evaluated as such for CRA purposes. The bank's provision of these non-HMDA reportable residential real estate transactions during 2009 and 2010 was included in this evaluation. NYCB's MECA activity was limited to the NY portion of its assessment areas and to multi-family loans. These transactions are common in NY due to the high cost of mortgage transfer taxes associated with traditional refinancings, particularly those transactions with high loan amounts, such as multi-family loans. NYCB did not originate or purchase any small farm loans.

As previously explained, NYCB acquired AmTrust on December 4, 2009. During the initial weeks subsequent to the acquisition, as NYCB focused on integrating and merging AmTrust's lending operations with those of NYCB, AmTrust continued to process existing applications, but stopped accepting new applications. Therefore, for lending evaluation purposes, only the NYCB portions of HMDA, CRA, and MECA lending during 2009 and 2010 were reviewed and are presented in the report. AmTrust's 2009 HMDA and CRA lending activities were not evaluated, as the acquisition date was not until December 4, 2009.

During the evaluation period, NYCB's small business lending volume was nominal; however, it opted to have small business insurance premium financing loans originated in 2010 through its affiliate, Standard Funding, considered for CRA evaluation purposes.

The residential lending activities of all institutions that originated loans in the bank's assessment areas (the aggregate) were used for comparative purposes for 2009 and 2010, where appropriate. Aggregate small business data was only available for 2009. Since residential mortgage loans, both HMDA-reportable and MECAs, represented 94.0 percent of the bank's total lending in its combined assessment areas, more weight was placed on the performance respective to these loans when determining overall ratings. The analysis of lending activities by dollar volume was found to be generally similar to the bank's performance by number of loans; therefore, activity by dollar volume was not included in many tables presented in this performance evaluation.

This evaluation considered all community development loans originated, qualified investments extended, and community development services conducted from the date of the prior evaluation, January 28, 2008, through March 14, 2011.

NYCB operates in nine assessment areas. The relative significance of the bank's operations in each assessment area was considered when determining overall ratings. Consideration was also given to the fact that the bank operated in Ohio, Arizona, and Florida for 15 months of the 37.5 month evaluation period. In addition, the bank has a more limited branch presence within these states, compared to its presence in New York and New Jersey. As previously explained, following the acquisition of AmTrust, NYCB continued to operate the Ohio, Arizona, and Florida branches under their local regional names. Continuing to operate under the local names helped limit possible disruption to those communities' banking services by maintaining name recognition. Table 3 illustrates the distribution of the bank's branches by assessment area.

Table 3 – Distribution of Branches by Assessment Area	
Assessment Area	***Percent of Branches (#)***
New York/New Jersey Total (Multi-state AA)	71.9
New Jersey Total (Mercer County AA)	0.4
Ohio Total (Cuyahoga-Lake-Summit AA)	11.6
Miami-Ft. Lauderdale-West Palm Beach AA	9.1
Port St. Lucie AA	0.4
Cape Coral-Fort Myers AA	0.4
Naples-Marco Island AA	0.4
Florida Total	10.3
Phoenix-Mesa Glendale AA	4.6
Prescott AA	1.2
Arizona Total	5.8
Total	**100**

Source: Bank Records, Summary of Deposits (6/30/2010), HMDA and CRA Disclosure Statements (2010)

Full-scope reviews were conducted for all nine assessment areas, as this is the first CRA evaluation conducted since the acquisitions of AmTrust and Dessert Hills. As shown in Table 3, the New York/New Jersey multi-state assessment area (see page 21 for further description) accounted for the significant majority of branches operated by the bank within its combined assessment area. Therefore, examiners placed more weight on the bank's performance in this assessment when assigning overall ratings.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Lending Test evaluates the institution's record of helping to meet the credit needs of its assessment area by considering its small business, home mortgage, and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: (1) the volume of lending activity; (2) the proportion of lending within the assessment area; (3) the distribution of loans among businesses of different sizes and to borrowers of low-, moderate-, middle- and upper-income levels; (4) the distribution of small business loans by loan amount at origination; (5) the dispersion of loans throughout the assessment area; (6) the volume of community development lending; and (7) the use of innovative or flexible lending practices. Performance under the Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

Lending Activity

The bank's lending activity reflects adequate responsiveness to its assessment areas' credit needs. NYCB's average net-loan-to-deposit (LTD) ratio during the twelve quarters of the evaluation period was 149.3 percent. The bank's net LTD ratio was 136.6 percent as of December 31, 2010. NYCB's peer group net LTD ratio as of December 31, 2010, was 84.2 percent, which placed the bank in the 98th percentile. The bank's peer group is insured savings banks with assets over $1.0 billion; there were 54 banks in this group as of December 31, 2010.

The bank's net loan-to-deposit ratio was at its highest point as of September 30, 2009, at 167.3 percent. It was at its lowest point as of December 31, 2009, at 129.3 percent. Net loans increased from $19.1 billion as of March 31, 2008 to $27.8 billion as of December 31, 2010. Over the same time period, total deposits increased by $8.1 billion. This growth was primarily attributed to the AmTrust and Desert Hills acquisitions.

The bank's 2010 net loan-to-deposit ratios do not account for the 1-4 family mortgages that were originated through the acquired national wholesale operations and subsequently sold on the secondary market. During 2010, the bank's wholesale mortgage operation sold approximately $9.7 billion in 1-4 family mortgage loans. While the bank's total origination activity is captured in the analysis of overall assessment area lending in the following sections of this evaluation, the balances of loans subsequently sold would not necessarily be included in the net loan figure used to calculate the net LTD ratios. In addition, these net LTD ratios do not reflect the bank's off-balance sheet credit activities. As of December 31, 2010, the bank reported $1.5 billion outstanding in the form of unfunded commitments and $7.0 million in performance standby letters of credit.

Although the net LTD ratio indicates an overall high level of lending activity, NYCB's performance in several of its assessment area reflects poor responsiveness to the credit needs of those areas. Specifically, the volume of lending in its Florida and Ohio assessment areas is not commensurate with the size of the institution's operations, or with the relative volume of deposits, maintained in these areas.

Assessment Area Concentration

Given the nature of the institution's operations, its assessment area concentration is considered adequate. Tables 4 and 4a illustrate the distribution of multi-family loans, both HMDA-reportable and MECA, and small business loans inside and outside of the bank's assessment areas, by number and dollar volume. Table 4 shows the bank's lending within the multi-state and New Jersey assessment areas. Given the timing of the AmTrust and Desert Hills acquisitions, the 2009 assessment area did not include Florida, Ohio, or Arizona.

Table 4- Distribution of Loans Inside and Outside of the Assessment Areas - 2009

Loan Category or Type	*Number of Loans*					*Dollars in Loans (000s)*				
	Inside		*Outside*		*Total*	*Inside*		*Outside*		*Total*
	#	*%*	*#*	*%*		*$*	*%*	*$*	*%*	
HMDA Multi-Family 2009	63	73.3	23	26.7	86	170,903	49.2	176,648	50.8	347,551
MECA Multi-Family 2009	372	98.9	4	1.1	376	1,588,312	98.1	29,975	1.9	1,618,287
Small Business 2009	17	94.4	1	5.6	18	5,155	99.9	7	0.1	5,162
TOTAL	452	94.2	28	5.8	480	1,764,370	89.5	206,630	10.5	1,971,000

Source: HMDA LAR (2009), CRA Disclosure Statement (2009), Internal bank MECA report (2009)

The figures shown in Table 4a represent the bank's lending within all nine of the assessment areas in 2010.

Table 4a- Distribution of Loans Inside and Outside of the Assessment Areas – 2010										
Loan Category or Type	*Number of Loans*					*Dollars in Loans (000s)*				
	Inside		*Outside*		*Total*	*Inside*		*Outside*		*Total*
	#	*%*	*#*	*%*		*$*	*%*	*$*	*%*	
HMDA Multi-Family 2010	65	59.6	44	40.4	109	250,445	64.2	139,830	35.8	390,275
MECA Multi-Family 2010	280	99.6	1	0.4	281	1,411,775	99.9	1,023	0.1	1,412,798
Small Business 2010	218	95.2	11	4.8	229	54,055	93.1	4,023	6.9	58,078
Total Retail Loans	563	92.4	56	7.6	619	1,716,275	90.8	144,876	9.2	1,861,151
HMDA 1-4 Family 2010 (wholesale)	2,880	7.4	36,008	92.6	38,888	636,364	5.9	10,202,176	94.1	10,838,540
TOTAL	3,443	8.7	36,064	91.3	39,507	2,352,639	18.5	10,347,052	81.5	12,699,691

Although a significant majority of the bank's lending was located outside of its assessment areas, due to its acquisition of a nation-wide wholesale lending operation, the volume of lending within the areas was great enough from which to draw meaningful conclusions. One-to-four family loans are segregated in the table, since these loans are originated through the bank's nation-wide wholesale channel.

The bank is a leader in multi-family lending within the NY/NJ multi-state assessment area. A review of 2009 aggregate HMDA data revealed that the bank ranked in the top 5.0 percent and 5.7 percent of all area lenders, by number and dollar amount, respectively, in originating multi-family loans. These figures do not reflect the MECA lending activity. MECA transactions outnumbered multi-family HMDA lending over five times by number, and over seven times by dollar volume. As previously stated, all MECAs were located in New York. The MECAs provided a credit need to multi-family borrowers during a time in which foreclosures were increasing.

Part 345.22(c)(3) of the FDIC Rules and Regulations states that the FDIC does not consider affiliate lending regarding the proportion of the bank's lending in the bank's assessment areas.

Therefore, the lending activities of affiliate Standard Funding were not factored into the assessment area concentration analysis. As a result, the small business loan figures included in the table will not reconcile to the small business loan tables found elsewhere in this report, since those tables include the lending activity of Standard Funding.

Although the overall concentration of loans within the combined assessment areas was only 9.7 percent of total loans, it is considered adequate, due to several factors. During 2009, NYCB operated only in the NY/NJ multi-state and New Jersey assessment areas. The bank was not directly engaged in 1-4 family residential mortgage loan originations at that time. It was not until NYCB acquired AmTrust in December 2009 that it began operating in Ohio, Arizona, and Florida and re-entered the 1-4 family mortgage market. Following the acquisition, the bank realigned operations and retained AmTrust's 1-4 family residential loan operations. As a result, NYCB became a national lender that originates a high volume of loans through acquired correspondent lenders and broker relationships. This existing national lending operation was a new function of the bank. In 2010, loans were originated by the bank and subsequently sold to the secondary market. During 2010, the bank formed a limited liability corporation known as NYCB Mortgage. This entity is now a wholly-owned subsidiary of NYCB and continues to originate 1-4 family mortgages and sell them on the secondary market, while retaining the mortgage servicing.

As shown in Table 4a, it was not until 2010 that the bank's originations outside of the assessment areas significantly exceeded those inside the assessment areas. The sole reason for the significant drop in assessment area loan concentration was the wholesale lending nature of the 1-4 family residential loan operations. Brokers submit loan applications from all over the country, including within the bank's nine assessment areas. However, considering that the bank operates in only five states, it is reasonable to conclude that a majority of the loans would be originated outside of its assessment areas. Furthermore, the bank operates in only a portion of each of the five states included in its assessment areas. The bank's assessment areas were delineated based upon the location of its branches and the area surrounding them that the bank could reasonably serve. The assessment areas meet the technical requirements of CRA. According to the bank's 2010 HMDA LAR, the bank originated loans in all 50 states.

Although the large volume of residential mortgage loans originated by the bank's acquired wholesale operation distorts the overall percentage of lending within the assessment area, the bank's overall assessment area concentration is considered adequate, based upon the performance context issues discussed above

Geographic Distribution

Overall, the geographic distribution of loans reflects adequate penetration throughout the assessment areas. The bank's record of originating multi-family loans in low- and moderate-income census tracts is excellent, while penetration levels of its small business loans into such geographies is good. However, the distribution of 1-4 family loans compares unfavorably to the assessment areas' demographics and the combined performance of other lenders in the areas.

Borrower Profile

Overall, the distribution of loans reflects adequate distribution to retail borrowers of different incomes and small businesses of different revenues. While the overall distribution of 1-4 family loans is considered adequate, the bank's record of originating such loans to low- and moderate-income borrowers in several assessment areas is poor. More specifically, the volume of 1-4 family loans originated to low- and moderate-income borrowers in the NY/NJ multi-state area, where NYCB maintains its largest presence, as well as its New Jersey and Florida assessment areas, compared unfavorably to the areas' demographic and market activity. The bank's performance with regard to originating loans to small businesses is adequate.

Innovative or Flexible Lending Practices

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: (1) the degree to which the loans serve low- and moderate-income borrowers in new ways or serve groups of borrowers not previously served by the institution; and (2) the success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the period reviewed.

Overall, the bank made little use of innovative or flexible lending in order to serve the credit needs of its assessment areas. Given its size, NYCB developed and offered few products to assist borrowers, including low- and moderate-income borrowers and small businesses. The following summarizes the innovative and flexible products offered during the evaluation period.

- A foreclosure prevention program was offered to assist borrowers facing financial hardship and struggling to make mortgage payments. With the acquisition of AmTrust, NYCB continued to offer that bank's program to provide positive cash flow to delinquent borrowers by extending loan terms and reducing interest rates for three years. In March 2010, the bank began offering its own Proprietary Loan Modification Program. This program incorporated some of the features of the Obama Administration's Home Affordable Modification Program (HAMP). If the HAMP features are not achievable, the account is reviewed further for modification from a cash flow perspective. Affordable home-ownership is the foundation of the bank's proprietary program. The bank's Foreclosure Prevention programs are applicable bank-wide. The bank's Loan Mitigation Department is staffed with 16 Home Retention Specialists and seven Loss Mitigation Home Loan Counselors to assist borrowers in financial distress. The bank's workout alternatives to foreclosures are forbearance, repayment plan, loan modification, short sale, and deed-in-lieu. From December 2009 to February 2011, NYCB modified 185 loans totaling $47.4 million under its Foreclosure Prevention programs. During the same period, the bank modified 355 loans totaling $84.0 million that it serviced for other investors.

- When the bank began offering 1-4 family mortgage loans, Fannie Mae's Desktop Underwriter Refi Plus (DU Refi Plus) product was offered as a way for those with lower credit scores to refinance their properties, including condominiums, co-operatives, Planned Unit Developments (PUD), manufactured housing, and others. Loan-to-values (LTVs) could be up to 105 percent with better credit scores, but credit scores could be as low as 580 with at least an 80.0 percent LTV. From December 4, 2009, to March 14, 2011, the bank originated 421 loans totaling $101.1 million within the combined assessment areas.

- The bank also offers a 1-4 family mortgage product with a fixed- or adjustable-rate, for those who may not otherwise qualify for traditional mortgage products. The Conforming Fixed Core and the Conforming Adjustable Rate Mortgage Core products provide options for those purchasing a home or refinancing a loan with higher LTVs where the borrower may need to combine subordinate financing and home equity lines-of-credit. LTVs can reach 90.0 percent, and up to 105.0 percent if a second mortgage is needed. Credit scores may be as low as 620. From December 4, 2009, to March 14, 2011, the bank extended 179 such loans totaling $47.7 million within the combined assessment areas.

- The bank continues to waive fees for lines-of-credit extended to all non-profit community development organizations. These fees are typically one percent of the loan amount and $500 for application processing. Since the prior evaluation, the bank waived these fees in 34 transactions.

Please refer to each assessment area's Lending Test for a summary of the number and dollar volume of loans originated under each of these flexible programs.

Community Development Lending

The CRA regulation defines community development as affordable housing for low- and moderate-income individuals; community services targeted toward low- and moderate-income individuals; activities that promote economic development by financing small businesses or farms; or activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved non-metropolitan middle-income geographies. The institution's community development lending activities are evaluated pursuant to the following criteria: (1) the extent to which the community development lending opportunities have been made available to the institution; (2) the responsiveness of the institution's community development lending; and (3) the extent of leadership the institution has demonstrated in community development lending.

The institution originated a relatively high level of community development loans. During the evaluation period, NYCB extended 783 community development loans and commitments, totaling $3.1 billion, which represented 11.1 percent of total loans ($27.9 billion) and 8.0 percent of total assets ($38.9 billion), as of December 31, 2010. Of these loans, $2.7 billion (87.1 percent) are related to the bank's multi-family lending activities and are considered supportive of affordable housing. However, as noted in §345.22(b)(4) of CRA, the innovativeness and complexity of an institution's community development loans are to be considered, in addition to the number and dollar volume, when evaluating the impact of such lending on its communities. Therefore, these loans were given less weight, from a qualitative perspective, than other community development loans.

Moreover, the $3.1 billion in community development loans represents a significant reduction from the prior examination's total of $4.6 billion. Total community development loans decreased 48.4 percent since the prior evaluation, despite a 45.4 percent increase in total assets and a 59.4 percent increase in total loans during the period.

Please refer to the Community Development Lending comments within each assessment area for detailed discussions of the bank's performance.

INVESTMENT TEST

The investment test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the lending or service test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

NYCB has a significant volume of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank provided funds to support affordable housing and economic development programs, community social services agencies, and neighborhood revitalization and stabilization programs.

Community development investments and qualified grants extended or renewed since the previous evaluation total $115.7 million, or 53.7 percent of the bank's total outstanding qualified investments ($215.4 million). In addition, the bank maintains approximately $99.7 million in outstanding balances of qualified investments acquired during prior evaluation periods. These prior period balances represent 46.3 percent of total qualified investments. The bank's total outstanding qualified community development investments of $215.4 million represent 0.6

percent of total assets ($38.9 billion), 4.0 percent of total equity capital ($5.4 billion), and 5.1 percent of total securities ($4.2 billion) as of December 31, 2010.

It was noted that investments in mortgage-backed securities (MBSs) represent over 40.0 percent of total qualified investments. These securities are collateralized by mortgages to assessment area borrowers whose incomes are no more than 80.0 percent of the respective area's income. While investments in MBSs are recognized as supporting the provision of mortgages to low- and moderate-income borrowers, they are not considered particularly innovative or complex. Therefore, these investments were given less qualitative weight when assessing the bank's performance.

Please refer to the Investment Test comments within each assessment area for detailed discussions of the bank's performance.

SERVICE TEST

The service test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

NYCB provides adequate retail banking services, but limited community development services. Retail banking services are reasonably accessible to essentially all segments of its assessment areas. The online banking systems, telephone banking system, ATM network, and extended branch hours improve the accessibility of its products and services. However, NYCB's record of closing branches has adversely affected the accessibility of its services, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.

The bank has organized and participated in programs that provide education and community development services to the residents of its assessment area, particularly the low- and moderate-income population. In addition to participating in specific events or programs, members of the bank's staff offer their technical expertise through board and committee memberships. However, given its size and available resources, NYCB's participation in educational seminars and its involvement with local organizations and programs that support community development initiatives within its assessment areas is low. Moreover, the bank did not engage in any community development services in several of its assessment areas.

Retail Banking Services

Retail banking services are reasonably accessible to essentially all portions of the bank's assessment areas. To the extent changes have been made, the institution's closing of branches has adversely affected the accessibility of its delivery systems, particularly in low-and moderate-income geographies and to low- and moderate- income individuals. Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies or individuals.

Accessibility of Delivery Systems

NYCB made its delivery systems reasonably accessible to essentially all portions of its assessment areas. NYCB operates 242 full-service branches and 320 automated teller machines (ATMs) throughout its assessment areas.

Table 5 - Distribution of Branch and ATMs by Income Category of Census Tract - Combined Assessment Area

Income Category	*Combined Assessment Area*		*Branches by Tract Location*		*ATMs by Tract Location*	
	Census Tract %	*Population %*	*#*	*%*	*#*	*%*
Low	10.4	8.8	1	0.4	1	0.3
Moderate	24.4	25.5	28	11.6	37	11.6
Middle	37.0	38.5	119	49.2	152	47.5
Upper	26.6	27.1	93	38.4	127	39.7
NA*	1.6	0.1	1	0.4	3	0.9
Total	**100**	**100**	**242**	**100**	**320**	**100**

*Source: 2000 U.S. Census and Bank Public File, * income information not available*

As indicated in the Table 5, the bank's distribution of branches among the low- and moderate-income census tracts within its combined assessment area compares unfavorably to the demographic composition of the area. NYCB maintains 242 branches and 320 ATMs, yet only one branch and one ATM are located in low-income census tracts. While the number of branches and ATMs located in moderate-income geographies is greater, the distribution of these facilities, as a percentage of total branches and ATMs, falls below area demographic measures.

However, the distribution is considered reasonable due to several factors. The bank operates the greatest number of branches and ATMs in its NY/NJ assessment area. Branches and ATMs located in this area represent 71.9 percent and 72.5 percents of total bank branches and ATMs, respectively. The majority of these branches are located on major roadways or near mass transit stations; thereby, increasing their accessibility to all residents and businesses in the surrounding areas. In addition, NYCB customers can conduct transactions at any of affiliated institution NYCX's 34 branches and 59 ATMs. Of NYCX's 34 branches, 29.4 percent are located in moderate-income geographies, and 35.6 percent of its ATMs are located in moderate-income geographies.

Alternate Delivery Systems

The institution made good use of alternative delivery systems. The bank operates 320 ATMs throughout its assessment areas. ATM cardholders can use machines, free of charge, at both NYCB and NYCX, which largely provides convenience to customers in the New York and New Jersey areas. ATM cards also can be used for point-of-sale purchases at participating retail and service establishments that accept the cards.

Customers are provided 24-hour access to their accounts through the bank's two on-line banking services: www.mynycb.com and www.AmTrust.com. Through these services, accountholders can obtain balance information, retrieve transaction histories, transfer funds between accounts, make loan payments from checking accounts to loan accounts at the bank, and make payments from checking accounts to third parties. These web sites also provide information regarding the bank's products and services, branch locations, and current deposit rates. In addition, the bank's Internet Cash Management system offers business customers 24-hour computer access to deposit accounts, transfer funds, and other business management services. The bank also has on-line services called MyBankingDirect.com and MyAmtrustDirect.com. These services provide customers nation-wide access to NYCB's products and services exclusively through the internet.

For a fee, online banking customers can enroll in Money HQ, a service that permits them to manage and conduct certain transactions for their accounts at other financial institutions. Additionally, the bank offers its customers general account information via the toll-free 24-hour Easy Touch Banking Bank-by-Phone system. The bank also offers Bank-by-Mail services. As previously noted, NYCB customers can access their accounts and conduct banking transactions at all bank branches, including those of both NYCB and NYCX.

Changes in Branch Locations

To the extent changes have been made, NYCB's closing of branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income areas or to low- and moderate-income individuals. During the evaluation period, NYCB closed 12 full-service branches in the NY/NJ multi-state area, Arizona, and Ohio, combined. One branch was located in a low-income census tract, four in moderate-income census tracts, three in middle-income census tracts, three in upper-income census tracts, and one in a tract for which income information was not available.

The branch closures in low- and moderate-income geographies represented 41.7 percent of total branch closures. One of the branch closures in a moderate-income branch was originally acquired as part of the AmTrust acquisition. The closure of this branch, located in Ohio, left neighborhood residents without reasonable access to a full-service branch. Overall, NYCB's record of closing branches had an adverse impact on the accessibility of its services to low- and moderate-income areas and their residents.

As a result of the AmTrust and Desert Hills acquisitions NYCB acquired 72 branches located in Ohio, Florida, and Arizona. Of those, eight branches are located in moderate-income census tracts, 26 in middle-income, and 38 in upper-income census tracts. Five of the 72 acquired branches were subsequently closed. In addition, during the evaluation period, NYCB opened two new branches: one in a middle-income census tract in NJ, and one in a middle-income census tract in NY.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

The products and services offered at branches are similar bank-wide and do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. Branch hours are considered convenient and comparable to other local financial institutions. General banking hours begin between 8:30AM and 10:00AM and end between 4:00PM and 7:00PM. All branches provide services on Saturday, and nearly all offer one day of extended evening hours. Over 40 branches, primarily those located in supermarkets, provide evening hours Monday through Friday, as well as services on both Saturday and Sunday. The majority of branches offer drive-up or walk-up facilities, many of which offer extended hours five nights a week. ATMs are available at all but one branch. Over 80.0 percent of the ATMs accept deposits, and over 75.0 percent are available 24-hours a day. With the exception of safety deposit boxes, all branches offer the same products and services.

NYCB also offers low-cost products directly targeted to children and students. NYCB's Kids Account is available to children ages seven through eighteen. Only $1.00 is required to open this savings account. The bank's Student Savings and Checking Accounts are available to students ages 18 and older. These accounts also require only a $1.00 minimum deposit to open. None of these accounts requires minimum balances to maintain the accounts without the imposition of a service fee.

Community Development Services

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

NYCB provided a limited level of community development services. Participation by bank employees in local community development organizations provides technical assistance needed to assist the groups in achieving their goals. However, given the institution's size and resources, and the numerous opportunities available throughout its assessment areas, overall participation is considered weak. Moreover, the bank did not engage in any community development services in several of its assessment areas. The following summarizes some of the bank's community development services that benefited all assessment areas.

- In September 2010, NYCB implemented a Financial Literacy Training Initiative, geared to promoting financial literacy for adults, young adults (ages 12-20), and schoolchildren (grades K-6) in all five states in which it operates. The bank uses the FDIC Adult and Youth Money Smart programs and the ABA Teaching Children to Save program for developing its curriculum. NYCB targets underserved and underbanked communities when scheduling training sessions. The initiative is coordinated by the bank's Community Development Officer. The free seminars were held at various colleges and public schools in low- and moderate-income geographies in the bank's assessment areas. The curriculum varied based on the audience; therefore, a variety of modules exist including: Introduction to Banking Services that discusses how to select and maintain a checking and/or savings account, Borrowing Basics that provides an overview of the loan application process, understanding and improving your credit score, and the loan closing process. The seminars were bi-lingual (Spanish/English) when necessary.

  Since the program's launch in September 2010, NYCB has conducted 25 seminars and have commitments with local non-profit organizations and schools to facilitate over 35 additional sessions in the near future.

- NYCB partnered with America Saves (in Ohio, through Cleveland Saves; in Florida, through Deerfield Saves, and; in Arizona, through Arizona Saves) to assist low- and moderate-income families in building wealth through a broad coalition of nonprofit, corporate, and government groups throughout its assessment areas. The program is designed to assist those who wish to pay down debt or build an emergency fund, or save for a home, education, or retirement. In support of this initiative, NYCB allows participants to open the Bank's "My Community Savings" account with a minimum balance of $10, along with no fees or average balance requirements. The minimum balance to open this account is regularly $100, and a minimum balance of $200 is required to earn interest.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's policies, procedures, and training, designed to prevent discriminatory or other illegal credit practices, were reviewed. No substantive violations of the antidiscrimination laws and regulations were identified during this evaluation.

NEW YORK/NEW JERSEY MULTI-STATE ASSESSMENT AREA

***CRA RATING FOR NEW YORK/NEW JERSEY MULTI-STATE AREA:* <u>Satisfactory</u>.**
***The Lending Test is rated:* <u>High Satisfactory</u>.**
***The Investment Test is rated:* <u>High Satisfactory</u>.**
***The Service Test is rated:* <u>Needs to Improve</u>.**

SCOPE OF EXAMINATION

Examiners reviewed NYCB's performance in the New York/New Jersey multi-state assessment area (NY/NJ assessment area). To evaluate the bank's Lending Test performance, examiners reviewed the total reported CRA and HMDA data, as well as MECAs and affiliate-funded small business loans in the bank's NY/NJ assessment area. Additionally, examiners reviewed all of the bank's community development lending, investment and service activities from January 28, 2008, to March 14, 2011. In determining the institution's overall rating, significantly more weight was placed on the bank's performance in this assessment area, due to several factors. NYCB maintains its largest branch and ATM presence in this area, with 71.9 percent and 72.5 percent of its branches and ATMs, respectively, located in this area. Of the total residential and small business loans originated in the bank's combined assessment area, the majority is located in this area. More importantly, the bank also operated within this assessment area during the entire evaluation period.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK/NEW JERSEY MULTI-STATE ASSESSMENT AREA

The NY/NJ assessment area includes all of Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk, and Westchester Counties in New York and Essex, Hudson, Middlesex, Monmouth, Ocean, and Union Counties in New Jersey.

The bank maintains 174 branches in the NY/NJ assessment area, representing 71.9 percent of its 242 branches. The 122 branches located in New York are operated under the trade names of Queens County Savings Bank, Richmond County Savings Bank, Roslyn Savings Bank, and Roosevelt Savings Bank. The 52 branches located in New Jersey are operated under the trade name Garden State Community Bank.

According to the June 30, 2010 FDIC's Summary of Deposits, 62.6 percent of NYCB's total deposits were located in this assessment area. The June 2010 Peer Deposit Data indicated that NYCB ranked 10th in the NY/NJ assessment area in terms of market share (1.6 percent) among the 198 financial institutions operating within this area. In 2010, 65.7 percent (by number) of the loans that were analyzed for the current CRA evaluation were located in the NY/NJ area. Of the total 2010 loans evaluated in the nine assessment areas combined, almost 100.0 percent of the multi-family loans, 32.6 percent of the 1-4 family loans, and 77.8 percent of the small business loans were located in this assessment area. In addition, all of the MECAs were extended in this assessment area. A variety of credit and deposit products and other financial services are available throughout NYCB's combined assessment area, including in this area.

The assessment area is created using whole counties and does not arbitrarily exclude any low- or moderate-income census tracts. This assessment area is composed of eight counties in New York and six counties in New Jersey. In New York, the counties include Bronx, Kings, New York, Queens, Richmond, and Westchester, which are part of the New York-White Plains-Wayne, NY-NJ Metropolitan Division (MD) #35644. Also in New York, are Nassau and Suffolk counties which compose the entire Nassau-Suffolk MD #35004. In New Jersey, Middlesex, Monmouth, and Ocean counties are part of the Edison-New Brunswick MD #20764. Also in New Jersey are Essex and Union counties, which are just two of the counties located within the Newark-Union, NJ-PA MD #35084. Hudson County is also located in MD #35644All of the MDs listed are part of the New York-Northern New Jersey-Long Island, New York-New Jersey-Pennsylvania Metropolitan Statistical Area (MSA) #35620. This assessment area consists of 3,945 census tracts.

The categorization of census tracts is based upon median family income figures established by the United States (U.S.) Census. Census tracts are defined by income characteristics as follows: a low-income tract is one in which the median family income (MFI) is less than 50 percent of the MFI of the MSA or MD, if applicable, in which it is located; a moderate-income tract is one in which the MFI is at least 50 percent, but less than 80 percent of the MFI of the MSA or MD; a middle-income tract is one in which the MFI is at least 80 percent, but less than 120 percent of the MFI of the MSA or MD; and an upper-income tract is one in which the MFI meets or exceeds 120 percent of the MFI of the MSA or MD.

The U.S. Department of Housing and Urban Development (HUD) annually adjusts the MFI figures. The most current data are listed in Table 6.

Table 6 – Median Family Income Figures ($)			
Metropolitan Division	***2008***	***2009***	***2010***
35004 – Nassau, Suffolk, NY	97,100	101,800	103,600
35644 - New York, White Plains, Wayne, NY/NJ	63,000	64,800	65,600
20764 – Edison-New Brunswick, NJ	90,000	92,700	93,600
35084 – Newark-Union, NJ-PA	84,300	88,400	88,800

Source: 2000 U.S. Census, HUD annual adjusted MFI figures (2008, 2009, 2010)

Demographic Information

Table 7 displays general demographic information of the bank's NY/NJ assessment area according to the 2000 U.S. Census.

Table 7 – Assessment Area Demographics – NY/NJ Assessment Area						
Income Level	***Number of Census Tracts***	***% of Census Tracts***	***Population***	***% of Population***	***Number of Families***	***% of Families***
Low	435	11.0	1,700,937	11.0	392,738	10.4
Moderate	960	24.3	4,010,232	25.9	939,424	24.8
Middle	1,455	36.9	5,763,400	37.2	1,455,459	38.5
Upper	1,013	25.7	3,991,878	25.8	997,420	26.3
NA	82	2.1	20,731	0.1	0	0
Total	3,945	100	15,487,178	100	3,785,041	100

Source: 2000 U.S. Census

Approximately 49.6 percent of the 6,028,637 housing units in the assessment area are rental units. Owner-occupied housing units represent 44.4 percent of the total housing stock. As shown in Table 8, 17.5 percent of owner-occupied units are located in low- or moderate-income geographies. However, 48.8 percent of multi-family dwellings are located in such geographies, creating ample lending opportunities for the bank in that sector. Further affecting the bank's opportunity to originate 1-4 family mortgage loans to low- and moderate-income borrowers is the high cost of housing in the assessment area. The assessment area has a high median home value. The assessment area's median household income was $50,776, only 20.3 percent of the median home value, suggesting that it would difficult for a low- or moderate-income borrower to purchase a home in the assessment area.

Table 8 - Selected Housing Characteristics by Income Category of the Geography									
Geographic Income Category	***Percentage***						***Median***		
	House -holds	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Multi Family***	***Vacant Units***	***Age****	***Housing Value$****	***Gross Rent*****
Low	10.0	10.2	2.5	16.7	18.2	12.1	34	117,287	493
Moderate	24.7	25.0	15.0	33.3	30.6	30.7	39	150,818	681
Middle	36.8	36.7	45.8	28.9	23.3	34.9	41	192,953	805
Upper	28.5	28.1	36.7	21.1	27.9	22.2	41	319,863	1,065
NA	0	0	0	0	0	0.1	0	0	973
Total	100	100	100	100	100	100	41	232,307	766

*Source: 2000 U.S. Census, * - Owner-Occupied Units, ** - Renter-Occupied Units*

The individual counties comprising the assessment area have varied credit needs, due to differences in housing stock composition. For example, the significant majority of housing in Essex, Nassau, Richmond, Suffolk, and Union Counties is 1-4 family, whereas Bronx, Kings, and New York Counties are characterized by a large amount of multi-family dwellings. The remaining counties have a more balanced mix of housing units.

Economic Information

Securities and investment services, banking, real estate, retail, advertising, tourism, printing and publishing, mass communications, and entertainment are among New York's notable industries. The residents of Long Island and Northern New Jersey are relatively affluent and well-educated. Long Island and Northern New Jersey have a sizable industry base, which is heavily concentrated in high-tech manufacturing, particularly in Suffolk County. The Northern New Jersey area also has a sizable pharmaceutical base.

According to Moody's Analytics, New York City's economy outpaced the nation's during the first half of 2010. However, the city's recovery has weakened over the past six months, and the metropolitan division has lost all of the private sector jobs it had gained through the summer of 2010. Most of those losses were in retail and leisure/hospitality, however, and professional/business and financial services have begun to add jobs again. Job growth, which had been noticeably absent for most of the past year, has begun in the high-paying securities and commodities brokerage industry. The area's unemployment rate was approximately 8.7 percent in 2009 and 8.8 percent in 2010. The comparable U.S. figures are 9.3 percent and 9.6 percent, respectively.

Although it accounts for only 4.0 percent of the area's private payrolls, the securities and commodities brokerage industry provides compensation that is far more important to the city's tax revenues. The city's third quarter 2010 income tax collections rose by 13.0 percent over the prior year and, now that Wall Street firms are hiring again, tax collections may strengthen.

The area's housing market is firming and is expected to continue to do so, even in the wake of the expired federal homebuyer tax credit. According to the Case-Shiller home price indexes for the metropolitan division, single-family prices have been rising steadily since the start of 2010, and condominium prices are up 4.0 percent over the year as of the third quarter, a faster increase than in the single-family market. Based on the Bureau of Census data, the area's housing permit growth (residential and multi-family) has increased, from negative 68.3 percent in 2009 to 11.3 percent in 2010. For comparison, the U.S. figure was negative 35.9 percent and 4.5 percent, for 2009 and 2010, respectively.

There is a high level of competition to provide banking services within the bank's NY/NJ assessment area. The area is dominated by JP Morgan Chase, Bank of America, Citibank, and HSBC.

Community Contact

Community contacts were conducted during the evaluation to help ascertain the assessment area's credit needs. One contact stated that there is a general need to provide increased lending to support small businesses and to provide funds for the improvement and creation of affordable housing. Furthermore, additional funding is needed to provide for building improvements to provide decent, affordable housing. The contact indicated that the "credit crunch" had affected many of the local banks, causing difficulties for them to extend any lending services. Contacts also expressed concern regarding the overleveraging of multi-family properties within the New York City area, and the need for multi-family lenders to ensure that borrowers are capable of fulfilling their mortgage obligations and properly maintaining properties that secure the mortgages. One of the organizations contacted had developed a monitoring tool to track building code violations and other housing-related information. This information was reviewed and considered in this evaluation.

Based upon additional information obtained from local community groups, the issue of overleveraging of multi-family properties is a growing concern, with the deterioration of suitable affordable housing in the New York City area. Through additional meetings held during the examination, it was also learned that the New York City Department of Housing Preservation and Development (HPD), in conjunction with the New York City Acquisition Fund (Acquisition Fund), established the Multi-family Preservation Program in June 2010 to address this growing concern. This program is designed to allow HPD to use a list of prequalified developers to quickly identify a candidate with the necessary experience to purchase and manage a distressed property, with the goal of maintaining the long-term affordability and physical viability of the property. The program is funded through a combination of bond financing from the New York City Housing Development Corporation, lending capital from the Acquisition Fund, and a subsidy from the HPD. Although aware of the program, NYCB has not yet participated with the HPD in this initiative. This information was taken into consideration during this evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK/NEW JERSEY MULTI-STATE ASSESSMENT AREA

LENDING TEST

Lending Activity

All of the bank's multi-family originations and MECAs were originated within this assessment area. This area is where the majority of the bank's operations are located, and the bank operated in this assessment area for the entire evaluation period. NYCB is a well-established financial institution in the New York City area and has become a leader in providing multi-family loans. Of the bank's 1-4 family residential mortgage loans originated within its combined assessment areas, 32.6 percent were originated within this area.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout this assessment area. Although the bank's record of originating 1-4 family loans compares unfavorably to the demographics and housing stock composition of the assessment area, the bank's multi-family lending activities, both HMDA-reportable and MECA, bolster its overall performance. While multi-family loans represented only 20.0 percent of the total number of loan originations in NYCB's combined assessment area, they represent 83.1 percent of the total dollar volume. Therefore, the geographic distribution of these loans was weighed more heavily when evaluating the bank's overall performance under this rating criterion.

Multi-family Lending

An analysis of the bank's 1-4 family lending activity and multi-lending activity was conducted separately due to the varied needs of the counties in the bank's assessment area and the different underwriting criteria used for both types of loan products. Aggregate data for 2009 and 2010 was used to compare the bank's performance to that of all financial institutions that reported HMDA loans within the assessment area.

Table 9 shows the distribution of the bank's multi-family loans, including MECAs, by the income level of the census tracts in which the loans were originated. All of the bank's 2010 HMDA multi-family loans were originated within this assessment area; therefore, multi-family loans will not be addressed within the remaining eight assessment areas.

Table 9 –Distribution of Multi-family Loans by Income Category of Census Tract

Census Tract Income Level	*% Total Census Tracts*	*% Total 5+ Units*	*% Total Aggregate 2009 (#)*	*% Total Aggregate 2010 (#)*	*Bank Data*			
					2009		*2010*	
					#	*%*	*#*	*%*
Low	11.0	18.2	12.1	14.1	92	21.2	68	19.7
Moderate	24.3	30.6	32.7	33.5	141	32.4	141	40.9
Middle	36.9	23.3	26.0	25.5	94	21.6	72	20.9
Upper	25.7	27.9	29.1	26.7	108	24.8	64	18.5
NA	2.1	0	0.1	0.1	0	0	0	0
Total	**100**	**100**	**100**	**100**	**435**	**100**	**345**	**100**

Source: 2000 U.S. Census, HMDA Disclosure Statement (2009), HMDA LAR (2010), FFIEC Aggregate Data (2009 & 2010)

Overall, the bank's distribution is excellent. The bank's lending percentages exceeded the percentages of low- and moderate-income census tracts within the assessment area. Lending percentages also exceeded the percentage distribution of multi-family units within this assessment area. The bank's distribution in low-income census tracts was well above the aggregate level in both 2009 and 2010. While the bank's lending dropped from 435 loans in 2009 to 345 loans in 2010, the penetration in low-income census tracts remained high, and the penetration in moderate-income census tracts increased. The bank is a leader in multi-family loans within the New York City area, including in the low- and moderate-income census tracts as evidenced by these high percentages.

NYCB's record of originating HMDA-reportable multi-family loans in the assessment area during 2009 was evaluated in relation to that of all other HMDA lenders in the area. This analysis revealed that NYCB ranked in the top 5.0 percent and 5.7 percent, by number and dollar amount, respectively, of all multi-family lenders in this assessment area. Moreover, the bank's performance in the low- and moderate income tracts of its assessment area during 2009 was also evaluated. This analysis revealed that NYCB ranked in the top 13.1 percent by number and top 4.9 percent by dollar amount of all multi-family lenders in low-income tracts. A similar review of multi-family lending activities in moderate-income tracts revealed that NYCB ranked in the top 7.0 percent and 8.0 percent, by number and dollar volume, respectively. These comparisons do not include MECA originations. An evaluation of NYCB's MECA transactions further demonstrates its strong record of lending in low- and moderate income tracts. Of the total MECA loans originated by NYCB during 2009, 21.5 percent of the number and 11.1 percent of the dollar amount were for properties located in low-income tracts. With regard to the moderate-income tracts, 31.1 percent of the number and 19.8 percent of the dollar volume of MECA loans were for properties located in moderate-income tracts.

Although the bank's performance in the NY/NJ assessment area is evaluated as a whole, an analysis of the bank's performance in both the NY and NJ portions individually was conducted. The analysis of NYCB's record of lending in relation to that of all other HMDA lenders in the areas revealed similarly strong performance. In the NJ portion of this assessment area, NYCB was the leading lender, by number, in originating multi-family loans in the area's low-income census tracts. By dollar volume, the bank was the second largest lender in the low-income census tracts. With regard to the moderate-income census tracts, NYCB ranked in the top 7.1 percent and 10.7 percent, by number and dollar volume, respectively. In the low-income geographies in the NY portion of the area, the bank ranked in the top 10.6 percent and 12.1 percent, respectively, by number and dollar volume. In the moderate-income census tracts, NYCB ranked in the top 20.4 percent by number and top 8.2 percent by dollar volume. It should be noted that the NY figures do not include MECAs, which accounted for the majority of the bank's multi-family lending in 2009. Data for conducting a market rank analysis was not available as of this evaluation date.

1-4 Family Residential Mortgage Lending

Table 10 shows the bank's lending of 1-4 family loans by the income level of the census tract in which the loan was originated. Aggregate data for 2010 is also shown for comparison purposes.

able 10 -Distribution of 1-4 Family Loans by Income Category of the Census Tract					
Census Tract Income Level	***% Total Census Tracts***	***% of Total Owner-Occupied Housing Units***	***% Total Aggregate 2010 (#)***	***Bank Data 2010***	
				#	***%***
Low	11.0	2.5	1.9	2	0.2
Moderate	24.3	15.0	12.1	100	10.7
Middle	36.9	45.8	43.7	422	44.9
Upper	25.7	36.7	42.2	415	44.2
NA	2.1	0	0.2	0	0
Total	**100**	**100**	**100**	**939**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010), FFIEC Aggregate Data (2010)

Compared to the noted demographics, the bank's 1-4 family lending during 2010 is considered adequate in this assessment area. The lending percentage in low-income census tracts, at 0.2 percent, is below the 2.5 percent owner-occupied housing unit percentage and aggregate lending performance of 1.9 percent. The lending percentage in moderate-income census tracts at 10.7 percent is below the 15.0 percent owner-occupied housing unit percentage and aggregate lending performance of 12.1 percent.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those for properties located in the area's low- and moderate-income geographies. However, the distribution percentages among the various tract income categories remained fairly stable.

While the bank's lending percentages in 2010 in low- and moderate-income census tracts were below the owner-occupied housing unit percentages, the lending levels are considered adequate, given NYCB's traditional multi-family lending focus in this assessment area, and the high level of competition that exists from the established 1-4 family mortgage lenders that serve the NY/NJ market.

Small Business Lending

Table 11 illustrates the distribution of NYCB's small business loan originations during 2009 and 2010, including affiliate-funded small business loans in 2010. As previously explained, NYCB elected to have the 2010 lending activities of affiliate Standard Funding considered as part of this evaluation. There is no small business aggregate data available for 2010. The percent of businesses operating in each census tract income level is also shown for 2009 and 2010.

Table 11 – Distribution of Small Business Loans by Income Category of the Census Tract

Census Tract Income Level	*% Total Businesses 2009*	*% Total Businesses 2010*	*%Aggre-gate 2009 (#)*	*%Aggre-gate 2010 (#)*	*Bank Data*			
					2009		*2010*	
					#	*%*	*#*	*%*
Low	6.4	6.1	4.4	NA	1	5.9	384	8.8
Moderate	18.5	18.2	15.4	NA	2	11.8	930	21.3
Middle	35.4	35.8	35.4	NA	2	11.7	1,646	37.7
Upper	39.0	39.2	44.3	NA	12	70.6	1,403	32.1
NA	0.7	0.7	0.5	NA	0	0	7	0.1
Total	**100**	**100**	**100**	**NA**	**17**	**100**	**4,370**	**100**

Source: CRA Disclosure Statement (2009), CRA Data Collection Report (2010), FFIEC Aggregate Data (2009 & 2010), D&B Data (2009 & 2010)

In 2009, the bank's penetration of its few small business loans was good, when compared to the percentage of businesses operating within each census tract income level. The bank's performance exceeded the distribution of the loans originated by the aggregate lenders in low-income census tracts, but lagged in the moderate-income census tracts. With the substantial increase of loans in 2010, due to NYCB's decision to have Standard Funding's small business loan originations considered for CRA evaluation purposes, the bank's penetration of lending at the low- and moderate-income levels continued to increase and exceed the percentages of businesses operating in those census tract income levels.

Borrower Profile

Multi-family Lending

For multi-family loans, the borrower's income is not required to be reported; therefore, data is not available to conduct an analysis by borrower income level.

1-4 Family Residential Mortgage Lending

Table 12 shows the distribution of the bank's 2010 1-4 family residential mortgage loan originations by borrower-income level. Aggregate data for 2010 is included for comparison purposes.

Table 12 -Distribution of 1-4 Family Loans by Borrower Income				
Borrower Income Level	***% Total Families***	***% Total Aggregate 2010 (#)***	***Bank Data 2010***	
			#	***%***
Low	25.5	3.7	46	4.9
Moderate	17.2	13.7	169	18.0
Middle	19.3	23.5	269	28.6
Upper	38.0	54.6	455	48.5
NA	0	4.5	0	0
Total	**100**	**100**	**939**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010), FFIEC Aggregate Data (2010)

Although the bank's lending to low-income borrowers appears poor, when compared to the percentage of low-income families within this assessment area, it moderately exceeds the aggregate performance level of 3.7 percent. Of the 965,515 families reported as low-income, 47.9 percent of those were actually below the poverty level. Families with reported incomes below the poverty level are not likely borrowers, especially in areas with comparatively high housing costs. The bank's lending to moderate-income families was comparable to the percentage of moderate-income families in the assessment area and exceeded the aggregate performance level of 13.7 percent. The bank's 1-4 family lending performance in this assessment area is considered good.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those to low- and moderate-income borrowers. However, the distribution percentages among the various borrower income categories remained fairly stable.

Small Business Lending

Through the inclusion of affiliate Standard Funding's lending activities, the institution's record of lending to the small businesses in this assessment area is considered adequate. As indicated by the following table, the bank's performance compares unfavorably to the distribution of the area's businesses by revenue size. However, impacting the distribution percentages is the fact that only 56.6 percent of the 4,353 small business loans had business revenue reported.

A review of the bank's small business loans by loan size was also conducted. Loan size can be an indicator of an institution's lending to small businesses, i.e., smaller businesses request smaller dollar loans. During 2010, 98.8 percent of the bank's loans by number were originated in amounts under $100,000 in this assessment area. By dollar volume, 63.5 percent of loans were originated in amounts under $100,000. Only 0.6 percent of the number of loans were originated in amounts between $100,000 and $250,000; the remaining loans were in amounts greater that $250,000.

Table 13 – Distribution of Small Business Loans by Gross Annual Revenue of the Business					
Gross Annual Revenues ($000s)	***% Total Businesses 2010***	***#***	***%***	***$ (000s)***	***%***
≤ $1,000	76.9	2,393	55.0	9,638	21.8
> $1,000 or NA	23.1	1,960	45.0	34,657	78.2
Total	**100**	**4,353**	**100.0**	**44,295**	**100.0**

Source: 2010 D&B, 2010 Data Collection Report

Innovative and Flexible Lending

As described previously, the bank originated loans within this assessment area that are considered flexible and assist all borrowers, including those at the low- and moderate-income levels. Between December 4, 2009 and March 14, 2011, the bank originated 56 loans totaling $17.8 million under the Conforming Fixed Core program, two loans totaling $565,000 under the Conforming Adjustable Rate Core program, and 98 loans totaling $28.9 under the Fannie Mae DU Refi Plus program. This number of loans, representing 16.6 percent of the 939 loans originated in 2010, is considered adequate. The bank's foreclosure prevention program is also considered flexible. NYCB modified 54 loans totaling $13.4 million under the bank's Foreclosure Prevention programs. During the same period, the bank modified 106 loans totaling $33.8 million that it serviced for other investors. However, it was noted that the bank did not offer these loan products until re-entering the 1-4 family mortgage market in December 2009. During the 22 months preceding NYCB's acquisition of AmTrust, NYCB offered virtually no innovative or flexible loan products. Given the institution's size and lending capacity, along with the varied credit needs of the assessment area's residents and businesses, its provision innovative and flexible lending products is weak.

Community Development Lending

NYCB extended a relatively high level of community development loans. Within this assessment area, new or renewed community development loans extended since the previous evaluation total almost $3.1 billion or 99.4 percent of the bank's total outstanding community development loans. Total outstanding community development loans of almost $3.1 billion represents 11.1 percent of total loans of $27.9 billion, and 8.0 percent of total assets of $38.9 billion as of December 31, 2010. The bank accomplishes its CRA community development loans mainly through its multi-family lending. The following community development loans are examples of some of the larger, new community development loans within this assessment area.

Economic Development

- In the New Jersey portion of its assessment area, the bank originated nine construction loans totaling $81.8 million, for the development of properties located in New Jersey State Urban Enterprise Zones (UEZs). UEZs were established to help stimulate the economy in certain cities in New Jersey. Incentives, such as tax abatements and subsidized insurance costs, are provided to qualified businesses located in UEZs. All of the loans were for properties located within the New Jersey section of the bank's assessment area.

- During the evaluation period, the bank renewed five lines-of-credit totaling $550,000 to three Staten Island based non-profit organizations. The organizations' goals include enhancing the economy of Staten Island by promoting the development of commercial and industrial areas by providing broad and diverse job opportunities.

- The bank originated eleven construction loans totaling $91.8 million for the development of land located in New York Empire Zones (EZs). These areas promote economic development by offering incentives such as tax credits to certified businesses that are located within an EZ. EZs are comprised of abundant vacant land, existing prime industrial and commercial buildings, and ample power and water resources. All of the loans were for properties located within the New York section of the bank's assessment area.

Affordable Housing

- In 2010, the bank originated a $6.3 million loan to a non-profit organization to develop a 40-unit condominium development for first-time home buyers in a moderate-income census tract in Suffolk County. The organization's mission is to address the need for affordable housing opportunities on Long Island through development, technical assistance, mortgage counseling, homebuyer education, and lending programs.

- In 2009, the bank originated a $52.1 million acquisition and construction loan to a for-profit company that acquired, in conjunction with a non-profit corporation, almost one thousand unsold residential condominium apartment units in a housing complex in the East New York section of Brooklyn. The development will provide affordable upgraded housing. The apartments were completely renovated and marketed with special financing packages to middle-income homebuyers. The non-profit organization provided homeownership training, secured state subsidies to keep the units affordable, and assisted residents who were interested in purchasing units.

- During the evaluation period, NYCB originated over 700 multi-family loans, both HMDA-reportable and MECAs, for properties located in low-and moderate-income census tracts in the bank's assessment area. A sample review of the rents charged at these properties indicated that these properties do, in fact, provide affordable housing. Therefore, an additional $2.7 billion in affordable housing loans meet the definition of community development. However, as previously explained, these loans were given less qualitative weight when assessing the bank's performance in this area, as they are considered less innovative than other community development loans.

<u>Revitalization and Stabilization</u>

- During the evaluation period, the bank originated 22 loans totaling approximately $118.0 million to finance construction projects throughout this assessment area, in both New York and New Jersey. Each of the loans was used for the development of properties located in low- and moderate-income census tracts, thereby revitalizing and stabilizing these areas by attracting new, or retaining existing, businesses or residents.

- In 2010, the bank originated a line-of-credit for $3.0 million to a non-profit corporation sponsored by more then 90 banks. This non-profit corporation's mission is to stabilize, strengthen, and sustain low- and moderate-income communities. The organization encourages self-sufficiency by providing mortgages and construction services, and meeting other housing needs.

INVESTMENT TEST

The bank has extended a significant level of qualified investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. Within this assessment area, new or renewed community development investments and qualified grants extended since the previous evaluation total $56.3 million. In addition, the bank maintains $82.8 million in qualified investments acquired during the previous evaluation periods. Total outstanding qualified community development investments and grants of $139.1 million represent 0.4 percent of total assets ($38.9 billion) and 64.6 percent of the bank's total qualified investments and grants ($215.4 million). The bank accomplishes its CRA investment goals through numerous initiatives. The following investments are examples of some of the larger investments within this assessment area.

- During the current evaluation period, NYCB invested an additional $8.9 million in its own New York Community Bank Community Development Corporation (NYCBCDC). During the previous evaluation period, NYCB created NYCBCDC as a result of the bank being selected as a participant in the New Markets Tax Credit Program (NMTCP). The U.S. Treasury Department awarded NYCB with an allocation of tax credits, under the NMTCP. NYCB agreed to make qualifying investments into qualifying low-income communities. Allocations are awarded each year in a highly competitive application and rigorous review process. During the evaluation period, funds from NYCBCDC were used to finance discounted interest rate commercial loan products in census tracts that are considered "highly distressed," as determined by the U.S. Treasury. Highly distressed areas are areas or census tracts are characterized as having an extraordinary high poverty rate, extraordinarily low-income, fall into an economic development zone, or are characterized as a "hot zone." The main beneficiaries of these funds were communities in Brooklyn, Queens, New York, and Bronx Counties, as well as in census tracts with household income levels below poverty level. The use of sophisticated corporate structures to promote community investment and to provide substantial benefit to distressed areas in the bank's assessment area is considered to be both innovative and complex.

- During the evaluation period, NYCB purchased $38.2 million in MBSs that support the provision of affordable housing. These MBSs are collateralized by mortgages to low- or moderate-income borrowers located in the assessment area. Such investments are considered to support affordable housing, since they are backed by mortgages to borrowers with incomes of no more than 80.0 percent of the median family income for the area.

- During the evaluation period, the bank invested approximately $7.7 million through a CRA Qualified Investment Fund, of which $3.7 was invested in the NJ portion of this assessment area. The CRA Fund facilitates investments in various federal- and state-issued notes for the purposes of financing acquisition of real property, housing rehabilitation, new housing construction, or economic development activities. During the evaluation period, the bank invested in financing affordable rental properties subsidized under Section 8 and MBSs located in New Jersey.

- NYCB acquired $1.5 million in CPC Collateral Trust Notes issued by the Community Preservation (CPC), a private non-profit mortgage lender specializing in financing the rehabilitation and construction of low- and moderate-income housing in New York and New Jersey, including in the bank's assessment area. This is in addition to the prior acquisition of $3.3 million in CPC notes. CPC is a consortium, comprised of approximately 90 banks and businesses, that achieves its goal through the origination of construction and permanent mortgage loans in the private sector. These notes are collateralized by multi-family dwellings, the significant majority of which are located in the bank's assessment area.

In addition to these investments, NYCB continues to maintain qualified community development investments, totaling $82.8 million, from prior evaluation periods. The following are examples of some of the larger investments still maintained by the bank.

- During the previous evaluation period, NYCB created NYCBCDC, as a result of the bank being selected as a participant in the U.S. Treasury Department's New Markets Tax Credit Program (NMTCP). NYCB initially capitalized the NYCBCDC with $62.0 million, and still maintains that investment amount with the NYCBCDC.

- The bank continues to maintain an FHA-insured collateral trust security that supports a local municipal hospital/medical center located in Flushing, New York. This center primarily provides services to low- and moderate-income patients. The outstanding balance of this security was $7.7 million as of December 31, 2010.

- The bank previously invested in general obligation bonds issued by the Roosevelt Union Free School district (RUFSD) in Nassau County. The remaining balance of this investment, as of December 31, 2010, was $1.3 million. These bonds are classified as Qualified Zone Academy Bonds (QZABs), as defined by the Internal Revenue Service. QZABs are used for specifically designated purposes to improve eligible public schools. Proceeds of the bond sales are to be used for the construction of four new schools and the conversion of another school, in the RUFSD. Roosevelt is an economically disadvantaged area of Nassau County.

- The bank also continues to maintain two certificates of deposits (CDs) at Carver Federal Savings Bank, which is a certified community development institution (CDFI). The balances of these CDs total $219,000.

In addition to those investments that directly benefit its assessment areas, the bank continues to hold a significant investment in an instrument that promotes affordable housing to broader geographic areas. According to the August 2001 Interagency Questions and Answers (Q&As), if "an institution has adequately addressed the community development needs of its assessment area(s), examiners will consider community development activities that benefit low-and moderate-income individuals or geographies somewhere in the broader statewide or regional area that includes the assessment area(s), even if those activities do not have a purpose, mandate, or function of benefiting the institution's assessment area(s)."

- In August 2003, NYCB invested $47.0 million in an investment fund comprised of a portfolio of eight apartment buildings that generate low-income housing tax credits. As of December 31, 2010, the remaining balance of this investment was $16.8 million. An evaluation of the properties supporting the fund revealed that all were located outside of the bank's assessment area: two were located in New York State, one in Rhode Island, and one in Massachusetts. The remaining properties were located in Georgia, Texas, and California. Since the majority, 57.1 percent of the properties, representing 61.2 percent of the total investment, are located in the broader statewide or regional area, and since the bank has satisfactorily addressed the needs of its assessment area, this prior period investment was considered when determining the bank's rating in the investment test. However, this investment was not weighed as heavily as other investments when determining the rating. Given the numerous qualified investment opportunities that exist directly in the bank's assessment area, as well as the bank's other assessment areas, consideration for investments far outside the area is, at most, limited.

<u>Grants and Donations</u>

Since the previous evaluation, NYCB, both directly and through its affiliated foundations, has provided qualifying grants totaling more than $4.5 million to numerous local community development organizations serving its assessment areas. NYCB's support of these organizations and their programs extends to all areas of community development. The bank provided funds to affordable housing and economic development programs, community social services agencies, and neighborhood revitalization and stabilization programs. A review of grants and donations revealed that the substantial majority benefitted entities serving the NY portion of this assessment area. The following provides examples of some of the larger grant recipients.

- <u>Staten Island Economic Development Corporation (SIEDC)</u> – During the evaluation period, NYCB provided $300,000 in grants to SIEDC to promote the development of small businesses and economic opportunities in Staten Island.

- <u>Long Island Housing Partnership, Inc. (LIHP)</u> – During the evaluation period, the bank provided grants of $13,500 to LIHP. In January 1988, Long Island's business, religious, educational and professional leaders joined to form LIHP. LIHP is one of the leading not-for profit developers, providing affordable housing for families across Long Island.

- <u>Interfaith Nutrition Network (INN)</u> – The INN was established in 1983, and is a non-profit organization that provides food and shelter for the homeless and low-income persons in Nassau and Suffolk Counties. During the evaluation period, the bank provided grants of $8,500.

- Habitat for Humanity of Suffolk County (Habitat for Humanity) – During the evaluation period, NYCB provided a grant of $12,500. The Habitat for Humanity is an independently operated affiliate of Habitat for Humanity International and is a non-profit, ecumenical Christian partnership of concerned that builds and sells affordable homes to hardworking low-income families. To date, Habitat for Humanity has built 150 homes in Suffolk County.

- School for Language and Communications Development (SLCD) – NYCB provided grants of $25,500 to the SLCD during the evaluation period. SLCD's mission is to identify children with language and autism spectrum disorders early to provide educational programs. SLCD is an approved New York State school for children with language and autism spectrum disorders. SLCD is celebrating its 25th anniversary and currently has three schools. Two schools are located in Queens County, while the third is located in Nassau County.

- Boys & Girls Clubs of Newark New Jersey (BGCN) – During the evaluation period, the bank provided a grant of $5,000 to the BGCN. The BGCN's mission is to provide opportunities for youth that empower them to succeed and excel as contributing members of society. This is accomplished by providing a safe environment, under the direction of caring and trained adults, where programs develop life skills, values, character and leadership, thereby helping young people realize their individual potential.

SERVICE TEST

The bank's performance in the retail banking and community development service test was considered less than adequate within this assessment area.

Retail Banking Services

Accessibility of Delivery Systems

NYCB made its delivery systems reasonably accessible to essentially all segments of the institution's assessment area. NYCB operated 174 full-service branches. In addition, the bank operated 232 ATMs, 219 in-house and 13 off-site in its multi-state assessment area. The accessibility of the bank's products and services also is enhanced by its alternative delivery systems. Table 14 illustrates the distribution of the bank's branches/ATMs by income level of census tract.

Table 14 - Distribution of Bank Offices and ATMs by Income Category of the Census Tract - New York/New Jersey Assessment Area						
Census Tract Income Category	***Census Tracts in Assessment Area***		***Bank Offices by Tract Location***		***ATMs by Tract Location***	
	#	***%***	***#***	***%***	***#***	***%***
Low	435	11.0	1	0.6	1	0.4
Moderate	960	24.3	22	12.6	28	12.1
Middle	1,455	36.9	95	54.6	120	51.7
Upper	1,013	25.7	55	31.6	80	34.5
NA	82	2.1	1	0.6	3	1.3
Total	**3,945**	**100**	**174**	**100**	**232**	**100**

Source: 2000 U.S. Census and Bank Public File

As indicated in Table 14, the bank's distribution of branches among the low- and moderate-income census tracts within its assessment area compares unfavorably to the demographic composition of the assessment area. However, the distribution is considered reasonable due to several factors. The majority of the branches are located on major roadways or near mass transit stations; thereby, increasing their accessibility to all residents and businesses in the surrounding areas. In addition, the bank's supermarket branches, along with the off-site ATMs located in hospitals and at colleges, provide increased convenience and access. Lastly, as previously explained, NYCB customers have free access to NYCX's branches. Of NYCX's 34 branches, 29.4 percent are located in moderate-income geographies, and 35.6 percent of its ATMs are also located in moderate-income geographies.

Alternative Delivery Systems

NYCB makes good use of alternative delivery systems. NYCB operates 232 ATMs in this assessment area. At no charge, ATM Cardholders can use machines at both NYCB and NYCX branches, and, for a fee, at ATMs that are affiliated with other networks. In addition, cardholders can use their cards to conduct point-of-sale purchases at participating retail and service establishments that accept the cards.

Customers are also provided 24-hour access to their accounts through the bank's on-line banking services. The bank's Internet addresses are www.mynycb.com and www.AmTrust.com. Through this service, consumers can open limited types of new accounts such as CDs with select terms and money market savings accounts. In addition, account holders can obtain balance information, retrieve transaction histories, transfer funds between accounts, make loan payments from checking accounts to loan accounts at the bank, and make payments from checking accounts to third parties. This website also provides information regarding the bank's products and services, and branch locations. In addition, the bank's Internet Cash Management system offers business customers 24-hour computer access to deposit accounts, funds transfer capabilities, and other business management services. The bank also has an on-line services called MyBankingDirect.com and MyAmTrustDirect.com. These services provide consumers nationwide access to NYCB's products and services exclusively through the internet. Products and rate offerings may differ from those offered at traditional branches.

For a fee, online banking customers can enroll in Money HQ, a service that permits them to monitor their accounts at other financial institutions, transfer funds between their eligible accounts at NYCB and other financial institutions, and pay bills that are presented electronically.

Additionally, the bank offers its customers 24-hour access to their accounts through its Easy Touch Banking Bank-by-Phone system. Customers can make toll-free calls to obtain account balances, as well as information on recent deposits, withdrawals, and cleared checks. The bank also offers Bank-by-Mail services. NYCB customers can access their accounts and conduct banking transactions at all bank branches, including those of both NYCB and NYCX.

Changes in Branch Locations

The changes NYCB has made in its branch locations since the prior evaluation has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income neighborhoods or to low- and moderate-income individuals.

Since the prior evaluation, NYCB closed seven branches in this assessment area. Of the closed branches, five were in New York and two were in New Jersey. Of those, one was in a low-income census tract, two in moderate-income census tracts, one in a middle-income census tract, and two in upper-income census tracts. The census tract information for one branch located in Medford, Suffolk County was not available. The branch closed in the low-income census tract was located in downtown Manhattan. One of the two branches closed in a moderate-income census tract was located in Astoria, Queens, and the other was located in Newark, New Jersey. During the evaluation period, the bank opened two new branches, one in Queens County, New York, and one in Middlesex County, New Jersey. The branches are located in middle-income census tracts.

The branch closures in low- and moderate-income geographies represented 60.0 percent of total branch closures in this assessment area This, coupled with the fact that both new branches were located in middle-income tracts, indicates that NYCB's record of closing branches had an adverse impact on the accessibility of its services to low- and moderate-income areas and their residents.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

The products and services offered at branches are similar bank-wide and do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Branch hours are considered convenient and comparable to those of other local financial institutions. General banking hours begin between 8:30AM and 10:00AM and end between 4:00PM and 7:00PM. All branches provide services on Saturday and nearly all offer one day of extended evening hours. Over 40 branches, primarily those located in supermarkets, provide evening hours Monday through Friday, as well as services on both Saturday and Sunday. The majority of branches offer drive-up or walk-up facilities, many of which offer extended hours five nights a week. With the exception of safety deposit boxes, all branches offer the same products and services.

The bank continues to offer My Community Free Checking (formerly Absolutely Free Checking) Account. NYCB's free account offers more flexible terms than the Basic Banking Accounts mandated by the New York State Banking Department (NYSBD). NYCB's product allows unlimited withdrawals during each cycle with no fee imposed. The NYSBD account permits only eight withdrawals per month before a fee is imposed. The bank advertises this product in its branches, as well as in local print media. As of March 14, 2011, NYCB maintained more than 257,000 such accounts totaling $709.6 million.

NYCB also offers low-cost products directly targeted to children and students. NYCB's Kids Account is available to children ages seven through eighteen. Only $1.00 is required to open this savings account. The bank's Student Savings and Checking Accounts are available to students ages 18 and older. These accounts also require only a $1.00 minimum deposit to open. None of these accounts requires minimum balances to maintain the accounts without the imposition of a service fee. Sallie Mae student loans also are available through NYCB.

As an additional service, the ATMs at the Flushing, Corona, Corona Heights, Ditmars, and Co-op City branches provide an option to purchase postage stamps. This is a service of convenience for customers and non-customers alike within these predominantly low- or moderate-income communities. In addition, the Corona Heights branch sells stamps over-the-counter.

Community Development Services

Given the size of the institution's operations in this assessment area and the numerous available service opportunities, NYCB provides a limited level of community development services in this assessment area. It was noted that, although almost 30.0 percent of the bank's branches in this assessment area are located in NJ, the bank participated in just two services for residents located in just two of the area's six NJ counties. Moreover, the significant majority of the activities occurring in the NY portion of the assessment area were focused in just two counties, Kings and Queens. No services were provided in Bronx County; the county with the largest portion of low-and moderate-income census tracts and households, as a percentage of total county census tracts and households. While it is recognized that the bank maintains its largest branch presence in Queens and Nassau Counties, with each hosting over 30 branches, the volume and distribution of the bank's overall community development services in this assessment area reflects a less than satisfactory record of addressing the varied needs of the residents and businesses located in the area's 14 counties.

The following summarize some of the bank's recent efforts.

- NYCB conducted several seminars throughout the evaluation period geared toward promoting financial literacy for adults, young adults (ages 12-20), and schoolchildren (grades K-6). The seminars were concentrated in Queens and Kings Counties, and one seminar was conducted in Suffolk County.

- NYCB offers lower-cost account options for area students. In 2010, NYCB partnered with the New York City Department of Consumer Affairs Office of Financial Empowerment (DCAOFE) to provide free checking and savings accounts to participants in the Summer Youth Employment Program (SYEP). A total of 208 accounts were opened. NYCB also developed a Smart Student Banking program targeted at under-banked college students. The program included a product line with no monthly service fees and no minimum balance requirements.

- NYCB provides and promotes tax counseling and preparation services to low- and moderate-income taxpayers. NYCB is a member of the New York City Earned Income Tax Credit (EITC) Coalition. The EITC, a refundable tax credit for qualifying individuals and families, is considered one of the largest anti-poverty tools in the United States. NYCB also participated in the Volunteer Income Tax Assistance (VITA) program offered at York College in Queens County, as well as accommodated volunteers associated with AARP's Tax-Aide Income Tax Preparation program by providing meeting space at its Staten Island branch.

- NYCB conducted 12 First Time Home Buyers Seminars throughout Nassau, Suffolk, Queens, and Westchester counties, as well as in the towns of Orange and Elizabeth in New Jersey. NYCB continues to make dedicated space available at its Gates Avenue, Brooklyn branch at which Neighborhood Housing Services (NHS) of Bedford Stuyvesant conducts various educational seminars.

- NYCB served as a conduit for the Federal Home Loan Bank of New York (FHLB-NY) for the Affordable Housing Program (AHP) grants, investment credit, and other AHP services by providing technical assistance to applicants.

- NYCB partnered with Brooklyn high school to sponsor four inner-city students with limited economic means as part of the Corporate Work-Study Program for the 2010-2011 school year.

- Since 2005, NYCB's Corona branch (Queens County) has been designated a New York State Banking Department Banking Development District Branch (BDD). To encourage the establishment of branches in under-served areas, BDD branches are offered certain benefits such as tax incentives.

Several members of the bank's directorate and staff offer their technical expertise through board and committee memberships. The following lists a sample of organizations in which bank personnel serve on boards or committees.

- The bank's Senior Executive Vice President and Chief Operating Officer is a member of and fundraiser for Asian Americans for Equality (AAFE). A non-profit organization, AAFE's services include community development and housing preservation, housing legal services, community education, citizenship preparation, and social services.

- The bank's Chief Lending Officer serves as a member of the Board of Directors of the Long Island Housing Partnership (LIHP). LIHP is a non-profit housing developer whose mission is to provide affordable housing opportunities to moderate-income first-time homebuyers, as well as to provide counseling and grant assistance programs.

- The bank's Chief Lending Officer also serves on the Board of the Family Service League (FLS). FSL is a non-profit organization that provides housing and homeless services, vocational services, and behavior and health services to Long Islanders in need.

- An Assistant Branch Manager serves on the Loan Committee for the NHS of Jamaica, Inc. This non-profit organization helps low- and moderate-income borrowers to purchase or rehabilitate homes. Foreclosure prevention assistance is also offered.

- A branch employee provides financial expertise on construction and operation of low-income housing to Family Services Bureau - New Community Corporation of Newark. This organization provides economic development and family services.

- A Branch Manager provides counseling and business assistance to small and minority-owned businesses through the Caribbean American Chamber of Commerce and Industry.

- A Senior Vice President, Vice President, and Branch Manager all serve on the Board of the Partnership Uniting Banking Leaders in the Community (P.U.B.L.I.C.), a non-profit organization established to provide assistance to local charitable organizations in the New York area. P.U.B.L.I.C. also educates its member organizations on current banking law.

OHIO

CRA RATING FOR OHIO: Needs to Improve.
The Lending Test is rated: Needs to Improve.
The Investment Test is rated: Needs to Improve.
The Service Test is rated: Needs to Improve.

SCOPE OF EXAMINATION

To evaluate the bank's Lending Test performance in Ohio, examiners reviewed the total reported CRA and HMDA data for 2010, as well as affiliate-funded small business loans. Additionally, all of the bank's community development lending, investment, and service activities from December 4, 2009, to March 14, 2011, within the Ohio assessment area were reviewed. In arriving at the overall rating for the bank, less weight is placed on this state given the limited time the bank was operating in this assessment area and the proportion of activity in this area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN OHIO

The bank has one assessment area in Ohio, within which it operates 28 branches under the trade name of Ohio Savings Bank. In 2010, 3.5 percent (by number) of the loans that were analyzed for the current CRA evaluation were located in Ohio. Based on the June 2010 FDIC Summary of Deposit, NYCB's deposits in Ohio represented of 11.7 percent of the bank's total deposits. The June 2010 Peer Deposit Data also indicated that NYCB ranked 9th in Ohio in terms of market share (4.7 percent) among the 39 financial institutions operating within this area. A variety of credit and deposit products and other financial services are available throughout the bank's combined assessment area, including Ohio.

NYCB's one assessment area in Ohio is comprised of three counties: Cuyahoga, Lake, and Summit. Cuyahoga County and Lake County are both part of the Cleveland-Elyria-Mentor MSA# 17460. Summit County is part of the Akron MSA# 10420. Both MSAs are within the Cleveland-Akron-Elyria CSA# 184. This assessment area does not arbitrarily exclude any low- or moderate-income census tracts. There are 696 census tracts within this assessment area.

HUD annually adjusts the MFI figures.

Table 21 – Median Family Income Figures ($)	
Metropolitan Division	**2010**
17460 – Cleveland-Elyria-Mentor MSA	64,800
10420 – Akron MSA	64,800

Source: 2000 U.S. Census, HUD annual adjusted MFI figures (2010)

<u>Demographic Information</u>

Table 22 illustrates general demographic information of the bank's assessment area in Ohio according to the 2000 U.S. Census.

Table 22 – Assessment Area Demographics Ohio Assessment Area						
Income Level	***Number of Census Tracts***	***% of Census Tracts***	***Population***	***% of Population***	***Number of Families***	***% of Families***
Low	127	18.3	245,621	11.4	55,692	9.9
Moderate	154	22.1	424,658	19.6	103,639	18.4
Middle	245	35.2	882,499	40.8	236,061	41.8
Upper	161	23.1	610,958	28.2	168,673	29.9
NA	9	1.3	652	0	0	0
Total	696	100	2,164,388	100	564,065	100

Source: 2000 U.S. Census

Approximately 31.4 percent of the total 941,270 housing units in the Cuyahoga-Lake-Summit assessment area are rental units. Owner-occupied housing units represent 62.0 percent of the total housing stock. As shown in Table 23, 21.1 percent of owner-occupied units are located in low- or moderate-income geographies. However, 50.5 percent of the rental units and 39.3 percent of multi-family dwellings units are located in such geographies.

Table 23 - Selected Housing Characteristics by Census Tract Income – Ohio Assessment Area									
Geographic Income Category	***Percentage***						***Median***		
	House -holds	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Multi Family***	***Vacant Units***	***Age****	***Housing Value$****	***Gross Rent $*****
Low	10.7	11.7	5.6	20.8	14.2	26.1	58	58,225	404
Moderate	20.4	20.8	15.5	29.7	25.1	28.3	53	72,117	509
Middle	42.4	41.7	45.7	36.1	41.9	29.7	43	110,417	596
Upper	26.5	25.8	33.2	13.4	18.8	15.9	31	184,186	772
NA	0	0	0	0	0	0	0	0	546
Total	100	100	100	100	100	100	41	127,390	552

*Source: 2000 U.S. Census, * - Owner-Occupied Units, ** - Renter-Occupied Units.*

<u>Economic Information</u>

According to the February 2011 Moody's Analytics, despite slower growth in the second half of 2010, the recovery in Cleveland-Elyria-Mentor remains intact. Recent job losses have come primarily in education/healthcare and financial services, as area hospitals and banks are consolidating operations. Manufacturers are seeing increased demand for their goods, particularly in automotives and air transportation, with industry payrolls holding steady. The unemployment rate has been at or above 9.0 percent for more than one year, but fell toward the end of 2010, even as discouraged workers returned to the labor force. House prices have declined 10.0 percent from their peak in Cleveland versus 5.0 percent in Ohio, according to the Federal Housing Finance Agency index, because of greater excess inventories.

The strong rebound for Cleveland manufacturers is driving renewed optimism for 2011. The auto industry in particular is benefiting from returning demand. The key area employer, Ford, realized 19.0 percent year-over-year sales growth in 2010, and this has benefited local parts suppliers. After seeing gains in the first half of 2010, manufacturing employment stabilized in the second half of 2010.

Based on the Bureau of Census data, total housing permit growth for the Cleveland-Elyria-Mentor MSA, which does not include Summit County, has been improving from negative 20.6 percent in 2009 to negative 6.2 percent in 2010. The trend of the total housing permits growth for Summit County was negative 27.8 percent in 2009 and negative 1.6 percent in 2010. For comparison, the U.S. figure was negative 35.9 percent and 4.5 percent, for 2009 and 2010, respectively. Housing prices have declined by 10 percent because of the excess in inventory. The median housing value within the low-income census tracts was $58,225.

The unemployment rate for both the Cleveland-Elyria-Mentor MSA and Summit County are the same, approximately 9.4 percent in 2009 and 9.7 percent in 2010, which are comparable to the U.S. figures of 9.3 percent and 9.6 percent, respectively.

There is a high level of competition to provide banking services within the bank's assessment area. The area is dominated by National City Bank, RBS Citizens, NA., Keybank, NA., US Bank, NA., and Fifth Third Bank.

Community Contact

A community contact was conducted during the evaluation to help ascertain the assessment area's needs. The contact expressed concern that the community was unaware of the residential mortgage products being offered by NYCB. There also was concern raised over the accessibility of financial services, due to the closing of a branch within a moderate-income census tract. The contact stated that there are no other convenient offices, nor is there affordable public transportation to another branch. Although information provided regarding the bank's 2009 lending within this assessment area was not included in this evaluation because the bank did not acquire these branches until the end of that year, information supplied by this contact regarding the accessibility of banking services was taken into consideration when assessing the bank's performance in this assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OHIO

LENDING TEST

Lending Activity

NYCB added the Ohio assessment area as a result of the AmTrust acquisition in December 2009. The bank's lending activity in the Ohio assessment area is low when compared to the branching network and deposit share in Ohio. Specifically, while 11.7 percent of the bank's total deposits are from within the Ohio assessment area only 1.4 percent of the loans were from the same area. NYCB operates 28 branches, under the trade name Ohio Savings Bank, in this assessment area.

Of the bank's 1-4 family residential mortgage loans originated within the bank's assessment areas, 3.8 percent was originated within this area. There were no multi-family loans originated or purchased within this assessment area in 2010.

Geographic Distribution

1-4 Family Residential Mortgage Lending

The following table shows the bank's distribution of 1-4 family residential mortgage loans by the income level of the census tract in which the loan was originated. Aggregate data for 2010 is also included for comparison purposes.

Table 24 - Distribution of 1-4 Family Loans by Income Category of the Census Tract

Census Tract Income Level	*% Total Census Tracts*	*% Total Owner-Occupied Housing Units*	*% Total Aggregate 2010 (#)*	*Bank Data 2010*	
				#	*%*
Low	18.3	5.6	1.3	0	0
Moderate	22.1	15.5	6.0	5	4.6
Middle	35.2	45.7	40.0	48	44.0
Upper	23.1	33.2	52.6	56	51.4
NA	1.3	0	0.1	0	0
Total	100	100	100	109	100

Source: 2000 U.S. Census, HMDA LAR (2010)

Table 24 shows poor lending levels, in both the low- and moderate-income census tracts, compared to the percentage of owner-occupied housing units within those two income categories. Although lagging, the bank's lending in moderate-income tracts is more comparable to the aggregate performance in those same tracts. The bank did not make any loans in low-income census tracts; however, only 5.6 percent of the owner-occupied housing units are located in low-income tracts. According to the 2000 U.S. Census data, 9.9 percent of the families are located within low-income census tracts and 18.4 percent within moderate-income census tracts.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those for properties located in the area's low- and moderate-income geographies. However, the distribution percentages among the various tract income categories remained fairly stable.

Small Business Lending

There were no small business loans reported by the bank within this assessment area in 2010. The following table represents the distribution of the affiliate-funded small business loans in 2010. As previously explained, NYCB opted to have affiliate Standard Funding's loans included as part of its 2010 lending performance. There was no small business aggregate data available for 2010. The percent of businesses operating in each census tract income level is also shown. The following table reflects a good geographic distribution of affiliate-funded small business loans within this assessment area, including within low- and moderate-income census tracts.

Table 25 - Distribution of Small Business Loans by Income Category of the Census Tract

Census Tract Income Level	*% of Total Census Tracts*	*% of Total Businesses 2010*	*Bank Data 2010*	
			#	*%*
Low	18.3	9.4	26	12.1
Moderate	22.1	15.6	50	23.4
Middle	35.2	37.4	78	36.4
Upper	23.1	36.9	59	27.6
NA	1.3	0.7	1	0.5
Total	100	100	214	100

Source: 2000 U.S. Census, CRA Data Collection Report (2010), D&B Data (2010)

The penetration of small business loans is good within low-income census tracts. The bank exceeded the distribution of businesses operating in both the low- and moderate-income census tract categories. The bank's penetration of 23.4 percent also slightly exceeded the distribution of moderate-income census tracts of 22.1 percent.

Borrower Profile

1-4 Family Residential Mortgage Lending

Table 26 shows the distribution of the bank's 1-4 family residential mortgage loans by borrower income level. Aggregate data for 2010 is also included for comparison purposes.

Table 26 - Distribution of 1-4 Family Loans by Borrower Income

Borrower Income Level	*% of Total Families*	*2010 Aggregate (#)*	*Bank Data 2010*	
			#	*%*
Low	21.6	9.2	14	12.8
Moderate	18.5	19.0	26	23.9
Middle	21.9	22.8	33	30.3
Upper	38.0	43.9	36	33.0
NA	0	5.0	0	0.0
Total	100	100	109	100

Source: 2000 U.S. Census, HMDA LAR (2010), FFIEC Aggregate Data (2010)

The bank's distribution reflects a good penetration among borrowers of different income levels, particularly those at the low-income and moderate-income levels. The bank's lending levels to low- and moderate-income borrowers compares favorably to aggregate lending levels. Families at the low-income level were at 21.6 percent; however, 8.8 percent of the total families below the poverty level. Families with reported incomes below the poverty level are not likely borrowers. As a result, demand for home mortgage loans from low-income borrowers, and the bank's opportunity to originate such, is diminished. The bank's performance exceeded both the area demographics and the aggregate's performance. With the economy continuing to recover during 2010, and housing prices declining slightly, it appears that the bank is extending a good portion of loans to low- and moderate-income borrowers.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those to low- and moderate-income borrowers. However, the distribution percentages among borrowers of different income levels remained fairly stable.

Small Business Lending

Through the inclusion of affiliate Standard Funding's lending activities, the institution's record of lending to the small businesses in this assessment area is considered good. As indicated by the table below, the bank's performance compares favorably to the distribution of the area's businesses by revenue size. Revenue was not reported for 34, or 15.9 percent of these loans.

A review of the bank's small business loans by loan size was also conducted. Loan size can be an indicator of an institution's lending to small businesses, i.e., smaller businesses request smaller dollar loans. All 214 affiliate loans were originated in loan amounts below $100,000.

Table 27 – Distribution of Small Business Loans by Gross Annual Revenue of the Business					
Gross Annual Revenues ($000s)	***% Total Businesses 2010***	***#***	***%***	***$ (000s)***	***%***
≤ $1,000	74.0	169	79.0	683	67.2
> $1,000 or NA	26.0	45	21.0	333	32.8
Total	**100**	**214**	**100.0**	**1,016**	**100.0**

Source: 2010 D&B, 2010 CRA Data Collection Report

Innovative and Flexible Lending

As described previously, the bank originated loans within this assessment area that are considered flexible and assist those including low- and moderate-income borrowers. Between December 4, 2009 and March 14, 2011, the bank originated eight loans totaling $1.1 million under the Conforming Fixed Core program and nineteen loans totaling $2.9 under the Fannie Mae DU Refi Plus program. This number of loans, representing 24.8 percent of the 109 loans originated in 2010, is considered adequate. The bank's foreclosure prevention program is also considered flexible. NYCB modified 12 loans totaling $1.5 million under the bank's Foreclosure Prevention programs. During the same period, the bank modified 52 loans totaling $4.9 million that it serviced for other investors.

Community Development Lending

Since December 2009, the bank originated one community development loan for $2.0 million, representing 0.01 percent of total loans ($27.9 billion), 0.01 percent of total assets of ($38.9

billion), and 0.05 percent of the bank's total community development loans ($3.1 billion). These percentages are less than adequate, considering the bank's overall activities within Ohio when compared to the other states.

The $2.0 million loan was to a non-profit corporation whose mission is to promote and ensure the safety, security, and protection of nursing home and HUD senior housing residents against crime. Many of the residents of these facilities are low-or moderate-income. The proceeds of the loan will be used by the foundation to provide its crime stoppers program at no cost to CRA-qualifying housing venues (nursing homes, assisted-living facilities, and other CRA-qualified properties) within the bank's assessment area.

INVESTMENT TEST

The bank has a poor level of qualified community development investments and grants in its Ohio assessment area. During the evaluation period, the bank extended qualified community development investments and grants totaling $12.4 million, representing approximately 0.03 percent of total assets ($38.9 billion) and 5.8 percent of the bank's total qualified investments ($215.4 million). These percentages reflect poor performance, considering the size of the bank's overall activities within Ohio. Based upon total deposits as of June 30, 2010, the deposits in the Ohio assessment area represent the third largest percentage of total bank deposits, when compared to the other states in which NYCB operates. Nevertheless, total qualified investments in this assessment area represent the second lowest amount of activity during the evaluation period, when compared to the other states in which NYCB operates.

During the evaluation period, NYCB purchased a total of $10.2 million in MBSs that support the provision of affordable housing in the bank's assessment area. Of these investments, approximately 73.0 percent were obtained through the AmTrust acquisition. While MBSs are recognized as supporting the provision of affordable housing loans, they are not considered particularly innovative or complex. The bank also invested $2.0 million in a CRA Qualified Investment Fund. The invested funds are targeted for the provision of affordable housing for low-and moderate-income individuals. During the evaluation period, the bank maintained a $200,000 CD at Shore Bank, which was a certified community development institution (CDFI).

SERVICE TEST

The bank's performance in the retail banking and community development service test was poor within this assessment area.

Retail Banking Services

Accessibility of Delivery Systems

The bank's delivery systems are accessible to limited portions of the assessment area. The bank operates 28 branches and 45 ATMs within this assessment area. Although six branches located in middle- and upper-income census tracts are adjacent to low- and moderate-income census tracts, 92.9 percent of the bank's branches in the assessment area are located in middle- and upper-income census tracts. However, middle- and upper-income census tracts only account for 58.3 percent of the assessment area. Table 28 illustrates the distribution of branches and ATMs among the various census tracts of its assessment area. The accessibility of the bank's products and services are enhanced by its alternative delivery systems, which mirrors the bank's overall performance and was detailed previously in this evaluation.

Table 28 - Distribution of Bank Offices and ATMs by Income Category of the Census Tract - Ohio Assessment Area

Census Tract Income Category	*Census Tracts in Assessment Area*		*Bank Offices by Tract Location*		*ATMs by Tract Location*	
	#	*%*	*#*	*%*	*#*	*%*
Low	127	18.3	0	0	0	0
Moderate	154	22.1	2	7.1	3	6.7
Middle	245	35.2	12	42.9	18	40.0
Upper	161	23.1	14	50.0	24	53.3
NA	9	1.3	0	0	0	0
Total	**696**	**100**	**28**	**100**	**45**	**100**

Source: 2000 U.S. Census and Bank Public File

Changes in Branch Locations

In December 2009, NYCB acquired 29 branches in this assessment area as a result of the acquisition of the deposits and certain assets of AmTrust. Subsequently, on December 10, 2010, the bank closed a branch located in a moderate-income census tract in the Shaker Heights section of Cleveland. As previously noted, members of this community expressed their concerns regarding this branch closure and how it would adversely impact community residents. Concerns were specifically expressed about the accessibility of banking services in this moderate-income neighborhood and how the closure would negatively impact the low- and moderate-income individuals residing in the neighborhood. An analysis of NYCB's Ohio branching network revealed that the next closest Ohio Savings Bank branch is located in an upper-income area, 2.4 miles away. Although the bank is, as of this evaluation date, working to establish a stand-alone ATM in the neighborhood, the closure of a full-service branch has adversely impacted the accessibility of banking services to assessment area residents, particularly low- and moderate-income individuals.

There have been no new branches opened in the assessment area during this evaluation period.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

The products and services offered at branches are similar bank-wide and do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Branch hours are considered convenient and comparable to other local financial institutions. General banking hours are from 9:00AM to 4:00PM. The branches provide service on Saturday, and on Friday the branch and drive-up offer extended evening hours until 6:00PM. The credit and deposit products offered by the bank as a whole are the same for this assessment area. These products were previously discussed in this evaluation.

Community Development Services

NYCB provides a limited level of community development services. Participation by bank employees in local community development organizations provides technical assistance to assist these groups in achieving their goals. The following summarize some of the bank's recent efforts with respect to community development services.

- NYCB conducted seven geared to promoting financial literacy for adults and young adults (ages 12-20). The free seminars were held at various colleges and public schools in low-and-moderate income geographies within the bank's assessment area. The curriculum varied based on the audience; therefore, a variety of modules exist including: Introduction to Banking Services that discusses how to select and maintain a checking and/or savings account, Borrowing Basics that provides an overview of the loan application process, understanding and improving your credit score, and the loan closing process.

- NYCB partnered with Cleveland Saves to participate in its savings campaign to assist low- and moderate-income families build wealth through a broad coalition of nonprofit,

corporate, and government groups. The program is designed to assist those who wish to pay down debt, or build an emergency fund, or save for a home, an education, or retirement. In support of this initiative, NYCB allows participants to open the Bank's "My Community Savings" account with a minimum balance of $10 and no fees or average balance requirement. The minimum balance to open this account is regularly $100 and a minimum balance of $200 is required to earn interest.

- In conjunction with the Cleveland Saves program, the Cleveland Saves chapter developed "Roll Your Change Week" program to promote and increase savings habits throughout low- and moderate-income communities in Ohio. All of the 28 branches in Ohio participated in this one week-per-year program in collecting loose change from both existing and new customers, and in educating underserved banking individuals throughout the assessment area. This program provides increased access to financial services to otherwise underserved low- and moderate-income individuals.

Several members of the bank's staff offer their technical expertise through board membership. The following lists a sample of organizations in which bank personnel serve on boards or committees.

- A Branch Manager serves as an Advisory Board member for Nazareth Housing Development Corporation (NHDC). NHDC exists to encourage, facilitate, and develop housing for low and moderate-income families in Summit County, Ohio. The efforts and offerings of the NHDC are provided in a manner that supports and encourages self-respect, dignity, and self-sufficiency among those served.

- A Vice President serves as the Co-Chair of the Fundraising Campaign of the United Way of Greater Cleveland. The United Way of Greater Cleveland supports over 200 programs that help more than 400,000 children and adults in the Greater Cleveland area each year. The United Way provides a simple and efficient way for people to contribute to charities and ensures the accountability of contributions through the Citizen Review process. The Citizen Review committee, as well as the United Way Board, are made up of volunteers from the community.

- A Branch Manager serves as an Advisory Board member for the Domestic Violence Project, Inc., a private, non-profit organization established in 1978 that provides safe shelter, legal advocacy, counseling, prevention and educational services for victims of domestic violence and their children regardless of their ability to pay.

- A Branch Manager provided technical assistance in fundraising to Rebuilding Together Greater Cuyahoga Valley. Rebuilding Together provides home rehabilitation services, in partnership with the community, to improve the quality of life of low-income elderly and disabled homeowners so they may live in safety and independence.

- A Branch Manager serves on the Equal Credit Opportunity and Development Committee for the Akron Area Board of Realtors (AABOR). AABOR provides housing-related services to the low- and moderate-income community. AABOR also works to raise awareness of ECOA rights and community development issues through events such as Fair Housing Month and Affordable Housing Month.

FLORIDA

CRA RATING FOR FLORIDA: Needs to Improve**.**
The Lending Test is rated: Needs to Improve.
The Investment Test is rated: Low Satisfactory.
The Service Test is rated: Needs to Improve.

SCOPE OF EXAMINATION

To evaluate the bank's Lending Test performance in Florida, examiners reviewed the total reported CRA and HMDA data for 2010, as well as affiliate-funded small business loans. Additionally, examiners reviewed all of the bank's community development lending, investment, and service activities from December 4, 2009, to March 14, 2011. In arriving at the overall rating for Florida, significantly more weight is placed on the Miami-Ft. Lauderdale-West Palm Beach assessment area, as this is consistent with the branching network and proportion of lending and deposit activity. In arriving at the overall rating for the institution, moderately less weight is placed on this state, given the limited time the bank was operating in this assessment area and by the proportion of bank activity in this area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA

There are four assessment areas in Florida, within which NYCB maintains 25 branches under the trade name of AmTrust Bank. In 2010, 9.2 percent (by number) of the loans that were analyzed for the current CRA evaluation were located in Florida. Based on the June 2010 FDIC Summary of Deposits, NYCB's deposits in Florida were 18.7 percent of the bank's total deposits. According to the same Peer Deposit Data, NYCB ranked 11th in the combined Florida assessment area with 2.1 percent of the total deposit market share among the 150 financial institutions operating within this area. A variety of credit and deposit products, as well as financial services, are available throughout the bank's entire combined assessment areas, including Florida.

The four assessment areas in Florida are: Miami-Fort Lauderdale-West Palm Beach, Port St. Lucie, Cape Coral-Fort Myers, and Naples-Marco Island. They are composed entirely of whole geographies and do not arbitrarily exclude any low- or moderate-income census tracts. A significant majority of the operations in Florida is in the Miami-Fort Lauderdale-West Palm Beach assessment area; 22 of the 25 branches in Florida are located in this assessment area. There are 1,120 census tracts in the bank's assessment areas in Florida, about 31.0 percent of which are of low- or moderate-income. Of the approximately 6.0 million people residing in the Florida assessment areas, 30.6 percent live in low- or moderate-income census tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

During the evaluation period, 26.4 percent of the 1-4 family residential mortgage loans originated in the bank's combined assessment area were located in Florida. Of the small business loans originated in Florida, one was a purchased loan and the remaining were small business loans originated through affiliate Standard Funding. Overall, the distribution of 1-4 family loans was poor by geography and borrower income level. The small business lending distribution was better; however, there were few small business loans originated within the state.

The bank originated a low level of community development loans in Florida. During the evaluation period, the bank originated three community development loans totaling $11.8 million, representing 0.04 percent of total loans ($27.9 billion), 0.03 percent of total assets ($38.9 billion), and 0.1 percent of the bank's total community development loans ($3.1 billion). One of these community development loans was a single $2.0 million loan, evenly allocated among the four Florida assessments areas for CRA evaluation purposes. These percentages are inadequate, considering the bank's overall activities in Florida when compared to the other states. Please refer to the Community Development Lending comments within each assessment area for detailed discussions of the bank's performance

INVESTMENT TEST

The bank extended an adequate level of qualified community development investments. During the evaluation period, the bank made investments and grants totaling $20.5 million, representing 0.1 percent of total assets ($38.9 billion) and 9.5 percent of the bank's total qualified community development investments and grants ($214.5 million). Of these investments, $18.3 million consisted of MBSs, of which approximately 70.0 percent were obtained as part of the AmTrust acquisition. These percentages are reasonable considering the bank's overall activities in Florida. Please refer to the Investment Test comments within each of the four Florida assessment areas for detailed discussions of the bank's respective performance within each.

SERVICE TEST

NYCB provides marginally adequate retail banking services and limited community development services in Florida. The bank operated 25 offices and 27 ATMs throughout Florida. The overall distribution of these branches compares unfavorably to the demographics of the combined Florida assessment area. Of the 25 offices, none are located in low-income census tracts; however, only 5.7 percent of the combined area's total census tracts are categorized as low-income. Although one-quarter, 25.3 percent, of the combined area's census tracts are moderate-income tracts, only three branches (12.0 percent) are located in moderate-income geographies. The remaining 22 branches are located in middle- or upper-income census tracts. Further, NYCB provides a limited level of community development services throughout Florida.

MIAMI-FT. LAUDERDALE-WEST PALM BEACH ASSESSMENT AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MIAMI-FT. LAUDERDALE-WEST PALM BEACH ASSESSMENT AREA

NYCB operates 22 branches in the Miami-Ft. Lauderdale-West Palm Beach assessment area (Miami assessment area). In 2010, the volume of HMDA and CRA lending is this area was 7.0 percent (by number) of the total loans that were analyzed for the current CRA evaluation. Based on the June 2010 FDIC Summary of Deposits, NYCB's deposits in the Miami assessment area were 18.4 percent of the bank's total deposits.

A variety of credit and deposit products, and other financial services are available throughout the Miami assessment area. According to the June 2010 FDIC Peer Deposit Data, the bank had 2.5 percent of the total deposit market share and was ranked 11th in the Miami assessment area among the 119 financial institutions operating within this area.

The Miami assessment area is composed of the three counties: Miami-Dade, Broward, and Palm Beach. The assessment area does not arbitrarily exclude any low- or moderate-income census tracts. Miami-Dade County composes the Miami-Miami Beach-Kendall MD #33124; Broward County composes the Fort Lauderdale-Pompano Beach-Deerfield Beach MD #22744; and Palm Beach County composes the West Palm Beach-Boca Raton-Boynton Beach MD #48424. These three MDs create the whole Miami-Fort Lauderdale-Miami Beach MSA #33100. There are 891 census tracts within this assessment area.

The U.S. Department of Housing and Urban Development (HUD) annually adjusts the MFI figures.

Table 29 – Metropolitan Division Median Family Income Figures ($)	
Metropolitan Division	**2010**
33124 – Miami-Miami Beach-Kendall	52,200
22744 – Ft. Lauderdale-Pompano Beach-Deerfield Beach	66,200
48424 – West Palm Beach-Boca Raton-Boynton Beach	67,600

Source: 2000 U.S. Census, HUD's annual adjusted MFI figures (2010)

<u>Demographic Information</u>

Table 30 illustrates general demographic information of the bank's Miami assessment area in Florida according to the 2000 U.S. Census.

Table 30 – Assessment Area Demographics – Miami Assessment Area						
Income Level	***Number of Census Tracts***	***% of Census Tracts***	***Population***	***% of Population***	***Number of Families***	***% of Families***
Low	55	6.2	215,872	4.3	47,036	3.7
Moderate	240	26.9	1,405,347	28.1	335,161	26.4
Middle	320	35.9	1,887,250	37.7	483,877	38.0
Upper	271	30.4	1,496,142	29.9	406,370	31.9
NA	5	0.6	2,953	0	0	0
Total	891	100	5,007,564	100	1,272,444	100

Source: 2000 U.S. Census

Approximately, 30.1 percent of the 2,149,749 housing units in the Miami assessment area are rental units. Owner-occupied housing units represent 58.5 percent of the total housing stock. As shown in Table 31, 24.1 percent of owner-occupied units are located in low- or moderate-income geographies. However, 47.5 percent of the rental units and 38.2 percent of multi-family dwellings units are located in such geographies.

Table 31 - Selected Housing Characteristics by Census Tract Income – Miami Assessment Area									
Geographic Income Category	***Percentage***						***Median***		
	House -holds	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Multi Family***	***Vacant Units***	***Age****	***Housing Value$****	***Gross Rent $*****
Low	3.9	3.9	1.5	8.5	4.4	4.5	33	67,400	461
Moderate	28.1	28.0	22.6	39.0	33.8	27.0	31	78,793	616
Middle	38.4	37.8	40.0	35.1	37.4	33.4	25	107,201	773
Upper	29.6	30.3	35.9	17.4	24.4	35.1	18	195,368	956
NA	0	0	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	23	137,161	718

*Source: 2000 U.S. Census, * - Owner-Occupied Units, ** - Renter-Occupied Units*

Economic Information

According to the March 2011 Moody's Analytics, Miami's sluggish recovery is outpacing that of most large Florida areas, largely due to the stronger service industries and a tenuous stabilization in housing demand. The Miami and Ft. Lauderdale area is far less dependent on in-migration than most Florida metropolitan areas, and because in-migration remains weak across the state, it has fared comparatively better. The unemployment rate has increased during most of 2010 as labor force growth has outpaced household employment growth. The unemployment rate is now three percentage points above the national rate.

Foreclosure moratoriums are no longer delaying the Miami and Ft. Lauderdale housing correction, with the median existing single-family home price falling approximately 25.0 percent since October 2010, according to the Florida Association of Realtors. Sales are at their fastest pace since 2006 in Miami and Ft. Lauderdale; however, the area has the third largest excess supply of housing inventory among 100 metropolitan areas nationwide, according to the National Association of Realtors. In addition, mortgage delinquency and foreclosure rates are still the highest in the nation.

Stronger international tourism and commercial construction will help the Miami and Ft. Lauderdale areas overcome the drag from additional house price declines. Hotel occupancy rose 7.0 percent in 2010 and room rates rose 3.0 percent, largely due to strong international visitation, hotel redevelopment, capital improvements, and the Super Bowl. Construction has begun on the first phase of the University of Miami Life Sciences building, which will create 1,150 permanent jobs and 500 construction jobs. More contracts are being awarded for the construction of the Florida Marlins' new baseball stadium, which has already created thousands of jobs.

The West Palm Beach (WES) economy is recovering at a tepid, uneven pace. Job growth is confined to a handful of service industries, led by big professional staffing companies. The area's labor market slack is very high, keeping wages and workweeks growing at a below-average rate. At 12.1 percent, the unemployment rate remains above the state and national averages. Weak job growth is restraining wage income, and interest rates remain near record lows, which is especially important because WES's consumers are generally older and more dependent on non-wage income. Mortgage delinquencies in the WES area are also subsiding, albeit not as quickly.

According to the Bureau of Census data, total housing permit growth for the Miami-Fort Lauderdale-Pompano Beach MSA has increased significantly from negative 54.0 percent in 2009 to 62.9 percent in 2010. The total housing permits for the West Palm Beach MD was negative 34.4 percent in 2009 and 5.6 percent in 2010. For comparison, the U.S. figures are negative 35.9 percent and 4.5 percent in 2009 and 2010, respectively.

The unemployment rate for the Miami-Fort Lauderdale-Pompano Beach MSA increased from 10.2 percent in 2009 to 11.7 percent in 2010. For the West Palm Beach MD, the comparable unemployment rate was 10.8 percent in 2009 and 12.0 percent in 2010. The unemployment rates for both areas are higher than the U.S. figures of 9.3 percent and 9.6 percent in 2009 and 2010, respectively.

There is a high level of competition to provide banking services within the bank's assessment area. The area is dominated by Wachovia Bank, NA., Bank of America, NA., JPMorgan Chase Bank, NA., and SunTrust Bank.

Community Contact

Community contacts with local housing and small business organizations in the Miami area were reviewed to assist in identifying the credit needs of the assessment area. One contact mentioned that financial institutions could assist by developing a lending consortia or loan pool to aid in the provision of affordable housing. Another contact mentioned that financial institutions could assist entrepreneurs with financing for start up costs and franchise opportunities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MIAMI-FT. LAUDERDALE-WEST PALM BEACH ASSESSMENT AREA

LENDING TEST

Lending Activity

NYCB added the Miami assessment area as a result of the AmTrust acquisition in December 2009. The bank has the strongest presence in Florida within this assessment area. The majority of the loans originated in Florida were originated within this assessment area. Of the bank's 1-4 family residential mortgage loans originated within the bank's assessment areas, 19.8 percent was originated within this area.

Geographic Distribution

1-4 Family Residential Mortgage lending

Table 32 shows the bank's lending of 1-4 family residential mortgage loans by income level of census tract in which the loan was originated. Aggregate data for 2010 is also included for comparison purposes.

Table 32 – Distribution of 1-4 Family Loans by Income Category of the Census Tract					
Census Tract Income Level	***% Total Census Tracts***	***% Total Owner-Occupied Housing Units***	***% Total Aggregate 2010 (#)***	***Bank Data 2010***	
				#	***%***
Low	6.2	1.5	1.4	4	0.7
Moderate	26.9	22.6	11.0	36	6.3
Middle	35.9	40.0	33.9	128	22.5
Upper	30.4	35.9	53.3	400	70.3
NA	0.6	0	0.3	1	0.2
Total	**100**	**100**	**100**	**569**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

The bank's penetration in low-and moderate-income census tracts at 0.7 percent and 6.3 percent, respectively is considered poor when compared to the aggregate's performance level, the distribution of owner-occupied housing units, and the distribution of the area's census tracts by income level. Furthermore, with 3.7 and 26.3 percent of the area's families residing in the low- and moderate-income census tracts, respectively, the bank's record of lending in these geographies is poor.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those for properties located in the area's low- and moderate-income geographies. However, the distribution percentages among the various tract income categories remained fairly stable.

Small Business Lending

There were no small business loans reported by the bank within this assessment area in 2010. However, as previously noted, the bank opted to have the small business lending activities of affiliate Standard Funding included in this evaluation. The following table represents the geographic distribution of the affiliate-funded small business loans for 2010. There is no aggregate data available for 2010. The percent of businesses operating in each census tract income level is also shown.

Table 33 – Distribution of Small Business Loans by Income Category of the Census Tracts				
Census Tract Income Level	***% Total Census Tracts***	***% Total Businesses 2010***	***Bank Data 2010***	
			#	***%***
Low	6.2	3.9	1	1.3
Moderate	26.9	20.3	23	29.1
Middle	35.9	35.8	26	32.9
Upper	30.4	39.8	29	36.7
NA	0.6	0.2	0	0
Total	**100**	**100**	**79**	**100**

Source: 2000 U.S. Census, CRA Data Collection Report (2010), D&B Data (2010)

Overall, the bank's distribution of small business loans was good compared to the distribution of businesses operating within the different census tract income level categories. The bank's performance in the low-income census tracts was slightly below the percentage of businesses operating within these geographies, but there were only 3.9 percent of the businesses operating in low-income census tracts. The bank exceeded the distribution of businesses operating in moderate-income census tracts, as well as the percentage of census tracts at that level.

Borrower Profile

<u>1-4 Family Residential Mortgage Lending</u>

Table 34 shows the distribution of 1-4 family residential mortgage loans by borrower income level. Aggregate data for 2010 is also included for comparison purposes.

Table 34- Distribution of 1-4 Family Loans by Borrower Income				
Borrower Income Level	***% Total Families***	***% Total Aggregate 2010 (#)***	***Bank Data 2010***	
			#	***%***
Low	21.5	5.6	18	3.2
Moderate	17.8	15.1	59	10.4
Middle	19.7	19.6	107	18.8
Upper	41.0	52.5	385	67.6
NA	0	7.2	0	0
Total	**100**	**100**	**569**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

Of the 274,144 families reported at the low-income level, 50.0 percent of those were actually below the poverty level. Families with reported incomes below the poverty level are not likely borrowers, especially in areas with relatively high housing costs. As a result, demand for home mortgage loans from low-income borrowers, and the bank's opportunity to originate such, is diminished. While the bank extended 77 loans to low- and moderate-income borrowers, which shows that products are available to assist these borrowers, the lending levels are poor in comparison to demographic data and aggregate performance levels.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those to low- and moderate-income borrowers. However, the distribution percentages to borrowers of different income levels remained fairly stable.

Small Business Lending

Through the inclusion of affiliate Standard Funding's lending activities, the institution's record of lending to the small businesses in this assessment area is considered adequate. As indicated by the table below, the bank's performance compares unfavorably to the distribution of the area's businesses by revenue size. Revenue was not reported for 23, or 29.1 percent of these loans. NYCB did not report any small business loans within this assessment area.

A review of the bank's small business loans by loan size was also conducted. Loan size can be an indicator of an institution's lending to small businesses, i.e., smaller businesses request smaller dollar loans. The bank extended 77, or 97.5 percent, of the area's 79 small business loans in loan amounts less than $100,000, with 79.2 percent of the total dollar volume in these smaller loan amounts. The other two loans were extended in amounts between $100,000 and $250,000. This distribution supports the conclusion that performance is adequate.

Table 35 – Distribution of Small Business Loans by Gross Annual Revenue of the Business					
Gross Annual Revenues ($000s)	***% Total Businesses 2010***	***#***	***%***	***$ (000s)***	***%***
≤ $1,000	82.0	51	64.6	347	29.2
> $1,000 or NA	18.0	28	35.4	842	70.8
Total	**100**	**79**	**100.0**	**1,189**	**100.0**

Source: 2010 D&B, 2010 CRA Data Collection Report

Innovative and Flexible Lending

As described previously, the bank originated loans within this assessment area that are considered flexible and assist those including low- and moderate-income borrowers. Between December 4, 2009, and March 14, 2011, the bank originated 27 loans totaling $6.1 million under the Conforming Fixed Core program, three loans totaling $631,220 under the Conforming Adjustable Rate Mortgage Core programs, and 72 loans totaling $16.4 million under the Fannie Mae DU Refi Plus program. This number of loans representing 17.9 percent of the 569 loans originated in 2010 is considered adequate. The bank's foreclosure prevention program is also considered flexible. NYCB modified 62 loans totaling $17.0 million under the bank's Foreclosure Prevention programs. During the same period, the bank modified 105 loans totaling $22.8 million that it serviced for other investors.

Community Development Loans

During the evaluation period, the bank originated three community development loans totaling $10.3 million, representing 0.04 percent of total loans of $27.9 billion and 0.03 percent of total assets as of December 31, 2010, and 0.3 percent of the bank's total community development loans. The community development loans in this assessment area represented 87.3 percent of the bank's total community development loans in its Florida assessment areas. These percentages are less than adequate considering the bank's overall activities within Florida when compared to the other states.

- During the evaluation period, the bank originated two multi-family loans totaling $9.8 million that supported affordable housing.

- The bank also originated a community development loan for $2.0 million to a non-profit corporation whose mission is to promote and ensure the safety, security, and protection of nursing home and HUD senior housing residents against crime. Many of the residents of these facilities are low-or moderate-income. The proceeds of the loan will be used by the foundation to provide its crime stoppers program at no cost to CRA-qualifying housing venues (nursing homes, assisted-living facilities, and other CRA-qualified properties) within the bank's assessment area. As the bank requested that the $2.0 million loan be divided among the bank's four assessment areas within Florida, $500,000 is allocated to this assessment area.

INVESTMENT TEST

Qualified investments in this assessment area total $18.0 million, representing 0.05 percent of total assets ($38.9 billion), 8.4 percent of total qualified investments ($215.4 million), and 87.8 percent of total qualified investments in the combined Florida assessment areas ($20.5 million). These percentages are reasonable, considering the bank's overall activities within this assessment area.

During the evaluation period, NYCB purchased $15.8 million in MBSs that support the provision of affordable housing in the assessment area. The bank also invested $2.0 million in a CRA Qualified Investment Fund. The invested funds are targeted for an affordable rental housing project in which 100.0 percent of the 300 units are restricted to residents with incomes at or below 60.0 percent of area median income. The bank also purchased or renewed two CDs, totaling $200,000, with the Continental National Bank of Miami and One United Bank. Both of these institutions are CDFIs. The bank also invested $29,000 with the Community Reinvestment Group, L.C. (CRG). The CRG is a consortium of financial institutions that have invested in a non-profit organization established for the purpose of funding a loan program. The CRG provides loans with flexible underwriting terms to Community Development Corporations and other non-profit entities to support the development of affordable housing.

SERVICE TEST

The bank provided marginally adequate retail banking services and limited community development services within this assessment area.

Retail Banking Services

Accessibility of Delivery Systems

The branches are considered reasonably accessible to essentially all segments of the institution's assessment area. Within the assessment area's 891 census tracts, the institution operates 22 full-service branches and 24 in-house ATMs. Of the seven middle-income census tracts in the assessment area in which the bank has branches, five are adjacent to low- and moderate-income census tracts, and four of the twelve upper-income census tracts in which the bank has branches are adjacent to moderate-income census tracts. Table 36 illustrates the distribution of branches and ATMs among the various census tracts of its assessment area. The accessibility of the bank's products and services is enhanced by its alternative delivery systems, which mirrors the bank's overall performance and was detailed previously in this evaluation. However, as indicated in Table 36, a disproportionally high percentage of the bank's branches are located in the area's upper-income census tracts.

Table 36 - Distribution of Bank Offices and ATMs by Income Category of the Census Tract - Miami Assessment Area

Census Tract Income Category	***Census Tracts in Assessment Area***		***Bank Offices by Tract Location***		***ATMs by Tract Location***	
	#	***%***	***#***	***%***	***#***	***%***
Low	55	6.2	0	0	0	0
Moderate	240	26.9	3	13.6	5	20.8
Middle	320	35.9	7	31.8	7	29.2
Upper	271	30.4	12	54.6	12	50.0
NA	5	0.6	0	0	0	0
Total	**891**	**100**	**22**	**100**	**24**	**100**

Source: 2000 U.S. Census and Bank Public File

Changes in Branch Locations

In December 2009, NYCB acquired the branches in this assessment area as a result of the acquisition of the deposits and certain assets of AmTrust. Since then, no branches were opened or closed in this assessment area.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

The products and services offered at branches are similar bank-wide and do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Branch hours are considered convenient and comparable to other local financial institutions. General banking hours are from 9:00AM to 4:00PM. The branches provides service on Saturday, and on Friday the branch and drive-up offer extended evening hours until 6:00PM. The credit and deposit products offered by the bank as a whole are the same for this assessment area. These products were previously discussed in this evaluation.

Community Development Services

NYCB provides a limited level of community development services. The following summarize some of the bank's recent efforts with respect to community development services.

- NYCB conducted one seminar period geared to promoting financial literacy for adults and young adults (ages 12-20). The free seminar was held at a soup kitchen in Boynton Beach in connection with a charitable event. After the event, an Assistant Branch Manager taught a financial literacy class covering budgeting, credit, and general banking services and products.

- NYCB partnered with Deerfield Saves to participate in its savings campaign to assist low- and moderate-income families build wealth through a broad coalition of nonprofit, corporate, and government groups. The program is designed to assist those who wish to pay down debt, or build an emergency fund, or save for a home, an education, or retirement. In support of this initiative, NYCB allows participants to open the Bank's "My Community Savings" account with a minimum balance of $10 and no fees or average balance requirement. The minimum balance to open this account is regularly $100 and a minimum balance of $200 is required to earn interest.

Members of the bank's staff offer their technical expertise through board memberships. The following lists a sample of organizations in which bank personnel serve on boards.

- A Branch Manager of the Boca Raton Branch served as a Board member and Chair of the Audit Committee for the BOCA Helping Hand. This organization serves food to the needy, provides mentoring and assists needy children by providing school supplies.

- A Branch Manager of the Wellington Branch served as a Board Member, and as member of the Fundraising Committee, of the Oasis Compassion Agency. This agency is located in a moderate-income area. The Agency's mission is to help address the needs of the poor/needy in central Palm Beach County through its food pantry, clothing ministry, Career Center, and to help clients take the steps that will enable them to stabilize their economic circumstances.

- A Branch Manager of the Mission Bay branch served as a Board Member for Habitat for Humanity. The bank employee offered financial, as well as technical expertise, in eliminating substandard housing and implementing programs that promoted affordable homeownership. The organization offers homeownership opportunities to low- and very low-income families who are unable to qualify for conventional financing, but are willing to work hard to improve their family's lives.

PORT ST. LUCIE ASSESSMENT AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PORT ST. LUCIE ASSESSMENT AREA

NYCB operates one branch in the Port St. Lucie assessment area. In 2010, the volume of HMDA and CRA lending is this area was 0.8 percent (by number) of the total loans that were analyzed for the current CRA evaluation. Based on the June 2010 FDIC Summary of Deposit, NYCB's deposit in this area was 0.1 percent of the bank's total deposits. NYCB's operation in Port St. Lucie assessment area is not considered significant. According to the June 2010 Peer Deposit Data, NYCB ranked 20th in the Port St. Lucie assessment area in terms of market share (0.3 percent) among the 22 financial institutions. A variety of credit and deposit products, as well as financial services are available throughout the combined assessment area, including this area.

The bank's Port St. Lucie assessment area is composed of two counties: St. Lucie and Martin. The assessment area does not arbitrarily exclude any low- or moderate-income census tracts. Both counties comprise the entire Port St. Lucie MSA #38940, which includes 60 census tracts.

As previously stated, HUD annually adjusts the MFI figures.

Table 37 – Median Family Income Figures ($)	
Metropolitan Statistical Area	**2010**
38940 – Port St Lucie	59,600

Source: 2000 U.S. Census, HUD annual adjusted MFI figures (2010)

Demographic Information

Table 38 illustrates general demographic information of the bank's Port St Lucie assessment area in Florida according to the 2000 U.S. Census.

Table 38 – Assessment Area Demographics – Port St. Lucie Assessment Area						
Income Level	***Number of Census Tracts***	***% of Census Tracts***	***Population***	***% of Population***	***Number of Families***	***% of Families***
Low	3	5.0	11,423	3.6	2,583	2.8
Moderate	13	21.7	56,116	17.6	12,923	14.2
Middle	31	51.6	183,826	57.5	53,803	59.3
Upper	13	21.7	68,061	21.3	21,494	23.7
NA	0	0	0	0	0	0
Total	**60**	**100**	**319,426**	**100**	**90,803**	**100**

Source: 2000 U.S. Census

Approximately 17.9 percent of the 156,733 housing units in the Port St. Lucie assessment area are rental units. Owner-occupied housing units represent 66.5 percent of the total housing stock. As shown in Table 39, 12.6 percent of owner-occupied units and 16.6 percent of multi-family dwellings are located in low- or moderate-income geographies. However, 39.0 percent of the rental units are located in such geographies.

Table 39 - Selected Housing Characteristics by Census Tract Income – Port St. Lucie Assessment Area									
Geographic Income Category	***Percentage***						***Median***		
	House -holds	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Multi Family***	***Vacant Units***	***Age****	***Housing Value$****	***Gross Rent $*****
Low	3.1	3.0	1.2	10.2	2.2	2.8	33	43,811	427
Moderate	15.1	14.9	11.4	28.8	14.4	14.1	25	60,704	566
Middle	59.3	57.4	62.2	47.7	43.6	47.7	15	89,226	671
Upper	22.5	24.7	25.2	13.3	39.8	35.4	15	156,481	740
NA	0	0	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	16	102,949	624

*Source: 2000 U.S. Census, * - Owner-Occupied Units, ** - Renter-Occupied Units*

<u>Economic Information</u>

According to the March 2011 Moody's Analytics, Port St. Lucie is recovering, but substantive job growth has yet to take hold. The area's payroll employment is flat, with performance mixed across industries. Finance and professional services continue to shed jobs, weighed down by ongoing troubles in the housing market. Healthcare, transportation, and leisure/hospitality payrolls are trending solidly upward. The housing market remains a burden on the economy, with prices slipping over the fourth quarter and construction hovering near the recession low. Home prices, as measured by the Case-Shiller index, declined in the fourth quarter of 2010, but the 1.0 percent drop was milder than expected and about half as severe as the state average. According to RealtyTrac, foreclosure backlogs have abated faster than in the state and are now below the Florida average. The rate of properties entering the pre-foreclosure process has declined steadily since mid-2009 and stands at its lowest in four years.

Rebounding tourist spending is supporting Port St. Lucie's recovery. The leisure/hospitality industry has been gaining jobs steadily starting in early 2009. Local spending on hotels, restaurants and vacation rentals has grown on a year-ago basis in each of the last seven months, according taxable sales data.

According to the Bureau of Census, total housing permits for this MSA has been increasing significantly; from negative 64.5 percent in 2009 to 9.2 percent in 2010. For comparison, the U.S. figures were negative 35.9 percent and 4.5 percent for 2009 and 2010, respectively.

The assessment area's unemployment rate increased from 12.7 percent in 2009 to 14.0 percent in 2010; which is notably higher than the U.S. figures of 9.3 percent and 9.6 percent, respectively.

There is a high level of competition to provide banking services within the bank's Port St. Lucie assessment area. The area is dominated by National City Bank, Wachovia Bank, NA, Bank of America, NA, and Seacoast NB.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PORT ST LUCIE ASSESSMENT AREA

LENDING TEST

Lending Activity

NYCB added the Port St. Lucie assessment area as a result of the AmTrust acquisition in December 2009. Of the bank's 1-4 family residential mortgage loans originated within the bank's assessment areas, 2.3 percent was originated within this area.

Geographic Distribution

1-4 Family Residential Mortgage lending

Table 40 shows the bank's 1-4 family residential mortgage loans by income level of the census tracts. Aggregate data for 2010 is also included for comparison purposes.

Table 40 - Distribution of 1-4 Family Loans by Income Category of the Census Tract					
Census Tract Income Level	*% Total Census Tracts*	*% Total Owner-Occupied Housing Units*	*% Total Aggregate 2010 (#)*	*Bank Data 2010*	
				#	*%*
Low	5.0	1.2	0.1	0	0
Moderate	21.7	11.4	4.1	1	1.5
Middle	51.6	62.2	67.4	35	53.9
Upper	21.7	25.2	28.4	29	44.6
NA	0	0	0.0	0	0
Total	**100**	**100**	**100**	**65**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

Only three census tracts make up the low-income level. With only a few low-income census tracts, and the fact that only 1.2 percent of the owner-occupied housing units are located within these tracts, no loans originated at this level is not a concern at this time. However, with only one loan, at 1.5 percent of the loans, in the moderate-income census tracts, this distribution is considered poor.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those for properties located in the area's low- and moderate-income geographies. However, the distribution percentages among the various tract income categories remained fairly stable, with a slight increase in the percentage of originations in moderate-income census tracts noted for 2010.

<u>Small Business Lending</u>

NYCB did not report any small business loans for this area, and affiliate Standard Funding originated only 12 small business loan originations in this assessment area in 2010. One loan (8.3 percent) was extended in a moderate-income census tract, nine (83.3 percent) in middle-income tracts, and one loan (8.3 percent) in an upper-income census tract. With so few loans, the distribution compared to the percentage of census tracts was adequate.

Borrower Profile

1-4 Family Residential Mortgage Lending

Table 41 shows the distribution of the bank's 1-4 family residential mortgage loans by borrower income level. Aggregate data for 2010 is also included for comparison purposes

Table 41 - Distribution of 1-4 Family Loans by Borrower Income				
Borrower Income Level	***% Total Families***	***% Total Aggregate 2010 (#)***	***Bank Data 2010***	
			#	***%***
Low	18.5	9.1	0	0
Moderate	19.3	19.9	9	13.9
Middle	22.2	21.5	14	21.5
Upper	40.0	44.0	42	64.6
NA	0	5.5	0	0
Total	**100**	**100**	**65**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

The bank's lending to low- and moderate-income borrowers is poor, when compared to demographics and aggregate lending data. Of the 16,764 families reported at the low-income level, 43.4 percent of those were actually below the poverty level. Families with reported incomes below the poverty level are not likely borrowers, especially in areas with relatively high housing costs. As a result, demand for home mortgage loans from low-income borrowers, and the bank's opportunity to originate such, is diminished. However, the bank did not extend even one loan to a low-income borrower within this assessment area in 2010. This lending level is poor. There were nine loans extended to moderate-income borrowers. Based upon these figures, it appears that the bank is not meeting the credit needs of the low- and moderate-income borrowers within this assessment area.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those to low- and moderate-income borrowers. However, the distribution percentages to borrowers of different income levels, with a small increase noted in the percentage of originations to low-income borrowers in 2010.

Small Business Lending

Through the inclusion of affiliate Standard Funding's lending activities, the institution's record of lending to the small businesses in this assessment area is considered adequate. As indicated by the table below, the bank's performance compares unfavorably to the distribution of the area's businesses by revenue size. Revenue was not reported for 4, or 3.3 percent of these loans.

A review of the bank's small business loans by loan size was also conducted. Loan size can be an indicator of an institution's lending to small businesses, i.e., smaller businesses request smaller dollar loans. All of the affiliate's 12 loans were in amounts under $100,000. This distribution supports adequate performance overall in this assessment area.

Table 42 – Distribution of Small Business Loans by Gross Annual Revenue of the Business					
Gross Annual Revenues ($000s)	***% Total Businesses 2010***	***#***	***%***	***$ (000s)***	***%***
≤ $1,000	85.0	8	66.7	85	81.3
> $1,000 or NA	15.0	4	33.3	19	18.7
Total	**100**	**12**	**100.0**	**104**	**100.0**

Source: 2010 D&B, 2010 CRA Data Collection Report

Innovative and Flexible Lending

As described previously, the bank originated loans within this assessment area that are considered flexible and assist those including low- and moderate-income borrowers. Between December 4, 2009 and March 14, 2011, the bank originated one loan totaling $67,500 under the Conforming Fixed Core program, one loan totaling $263,000 under the Conforming Adjustable Rate Mortgage Core programs, and nine loans totaling $2.0 million under the Fannie Mae DU Refi Plus program. This number representing 16.9 percent of the 65 loans originated in 2010 is considered adequate. The bank's foreclosure prevention program is also considered flexible. NYCB modified six loans totaling $1.4 million under the bank's Foreclosure Prevention programs. During the same period, the bank modified five loans totaling $1.1 million that it serviced for other investors.

Community Development Lending

During the evaluation period, the bank extended one community development loan totaling $2.0 million of which $500,000 was allocated to this assessment area, representing 0.002 percent of total loans ($27.9 billion), 0.001 percent of total assets ($38.9 billion), and 0.02 percent of the bank's total community development loans ($3.1 billion). The community development loans in this assessment area represented 4.2 percent of the bank's total community development loans in its Florida assessment areas. These percentages are less than adequate considering the bank's overall activities within Florida when compared to the other states.

The $2.0 million loan is to a non-profit organization whose mission is to promote and ensure the safety, security, and protection of nursing home and HUD senior housing residents against crime. Many of the residents of these facilities are low-or moderate-income. The proceeds of the loan will be used by the foundation to provide the its crimestoppers program at no cost to CRA-qualifying housing venues (nursing homes, assisted-living facilities, and other CRA-qualified properties) within the bank's assessment area.

INVESTMENT TEST

Qualified investments in this assessment area totaled $433,000, representing 0.001 percent of total assets ($38.9 billion), 0.2 percent of total qualified investments ($215.4 million), and 2.1 percent of total qualified investments in the combined Florida assessment areas ($20.5 million). During the evaluation period, NYCB purchased $433,000 million in MBSs that support the provision of affordable housing in the bank's assessment area. These percentages are reasonable, considering the bank's overall activities within this assessment area.

SERVICE TEST

The bank's performance in the retail banking and community development service test was adequate within this assessment area.

Retail Banking Services

Accessibility of Delivery Systems

The bank's delivery systems are accessible to limited portions of the assessment area. With 60 census tracts across two counties, the bank maintains one branch and one in-house ATM. The branch is located in a middle-income census tract; however, it is adjacent to two moderate-income census tracts within the area. Table 43 illustrates the distribution of the branch and ATM among the census tracts of the assessment area. The accessibility bank products and services are enhanced by its alternative delivery systems, which mirrors the bank's overall performance and was detailed previously in this evaluation.

Table 43 - Distribution of Bank Offices and ATMs by Income Category of the Census Tract - Port St. Lucie Assessment Area						
Census Tract Income Category	***Census Tracts in Assessment Area***		***Bank Offices by Tract Location***		***ATMs by Tract Location***	
	#	***%***	***#***	***%***	***#***	***%***
Low	3	5.0	0	0	0	0
Moderate	13	21.7	0	0	0	0
Middle	31	51.6	1	100	1	100
Upper	13	21.7	0	0	0	0
NA	0	0	0	0	0	0
Total	**60**	**100**	**1**	**100**	**1**	**100**

Source: 2000 U.S. Census and Bank Public File

Changes in Branch Locations

In December 2009, NYCB acquired one branch in this assessment area as a result of the acquisition of the deposits and certain assets of AmTrust. Since then, no branches were opened or closed in this assessment area.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

The products and services offered at branches are similar bank-wide and do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Branch hours are considered convenient and comparable to other local financial institutions. General banking hours are from 9:00AM to 4:00PM. The branch provides service on Saturday, and on Friday the branch and drive-up offer extended evening hours until 6:00PM. The credit and deposit products offered by the bank as a whole are the same for this assessment area. These products were previously discussed in this evaluation.

<u>Community Development Services</u>

NYCB provided a limited level of community development services in this assessment area.

- NYCB partnered with Deerfield Saves to participate in its savings campaign to assist low- and moderate-income families build wealth through a broad coalition of nonprofit,

corporate, and government groups. The program is designed to assist those who wish to pay down debt, or build an emergency fund, or save for a home, an education, or retirement. In support of this initiative, NYCB allows participants to open the Bank's "My Community Savings" account with a minimum balance of $10 and no fees or average balance requirement. The minimum balance to open this account is regularly $100 and a minimum balance of $200 is required to earn interest.

CAPE CORAL-FORT MEYERS ASSESSMENT AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CAPE CORAL-FORT MEYERS ASSESSMENT AREA

NYCB operates one branch in the Cape Coral-Fort Meyers assessment area (Cape Coral assessment area). In 2010, the volume of HMDA and CRA lending is this area was 0.7 percent (by number) of the total loans that were analyzed for the current CRA evaluation. Based on the June 2010 FDIC Summary of Deposits, NYCB's deposits in this area was 0.1 percent of the bank's total deposits. NYCB's operation in Cape Coral assessment area is not considered significant. According to the June 2010 Peer Deposit Data, NYCB ranked 38^{h} in the Cape Coral MSA in terms of market share (0.2 percent) among 39 financial institutions. A variety of credit and deposit products and other financial services are available throughout the combined assessment area, including this area.

The Cape Coral assessment area is composed of Lee County. The assessment area does not arbitrarily exclude any low- or moderate-income census tracts. Lee County composes the entire Cape Coral-Fort Myers MSA #15980, and includes 117 census tracts.

The U.S. Department of Housing and Urban Development (HUD) annually adjusts the MFI figures.

Table 44 – Median Family Income Figures ($)	
Metropolitan Statistical Area	**2010**
15980 – Cape Coral-Fort Myers	61,600

Source: 2000 U.S. Census, HUD annual adjusted MFI (2010)

<u>Demographic Information</u>

Table 45 illustrates general demographic information of the bank's Cape Coral assessment area in Florida according to the 2000 U.S. Census.

Table 45 – Assessment Area Demographics – Cape Coral Assessment Area						
Income Level	***Number of Census Tracts***	***% of Census Tracts***	***Population***	***% of Population***	***Number of Families***	***% of Families***
Low	2	1.7	8,590	2.0	2,090	1.6
Moderate	21	17.9	78,890	17.9	19,566	15.2
Middle	67	57.3	269,495	61.1	79,050	61.6
Upper	27	23.1	83,913	19.0	27,717	21.6
NA	0	0	0	0	0	0
Total	**117**	**100**	**440,888**	**100**	**128,423**	**100**

Source: 2000 U.S. Census

Approximately18.1 percent of the 245,405 housing units in the Cape Coral assessment area are rental units. Owner-occupied housing units represent 58.8 percent of the total housing stock. As shown in Table 46, 14.1 percent of owner-occupied units and 16.8 percent of multi-family dwellings are located in low- or moderate-income geographies. However, 33.3 percent of the rental units are located in such geographies.

Table 46 - Selected Housing Characteristics by Census Tract Income – Cape Coral Assessment Area									
Geographic Income Category	***Percentage***						***Median***		
	House -holds	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Multi Family***	***Vacant Units***	***Age****	***Housing Value$****	***Gross Rent $*****
Low	1.5	1.3	0.9	3.6	1.5	0.4	32	48,935	317
Moderate	17.0	16.2	13.2	29.7	15.3	13.1	25	58,915	578
Middle	61.0	57.8	63.1	53.8	44.4	47.5	16	95,649	678
Upper	20.5	24.7	22.8	12.9	38.8	39.0	14	202,558	854
NA	0	0	0	0	0	0	0	0	0
Total	**100**	**100**	**100**	**100**	**100**	**100**	**17**	**117,676**	**670**

*Source: 2000 U.S. Census, * - Owner-Occupied Units, ** - Renter-Occupied Units*

Economic Information

According to the March 2011 Moody's Analytics, the Cape Coral assessment area's economy is struggling to find its footing as private employment is declining. The area's construction and business/professional services have not rebounded, and retail appears to have softened. Tourism is increasing, but this has not been a support to the labor market. Hiring in education/health services is the exception, but it does not offset the weakness elsewhere. The unemployment rate stood at 12.4 percent in January, 2011, 3.5 percentage points above the national rate. This rate understates the weakness in the job market, since the labor force is declining and is the lowest since 2005.

Housing sales are increasing and the foreclosure moratoriums are no longer delaying the housing correction. House prices have been relatively unchanged over the past year, but remain noticeably below their previous peak. From its peak in 2006, the Case-Shiller home price index has declined 62.0 percent, the largest of any Florida metropolitan area.

The national economy improved through 2010, adding to the number of visitors to the metropolitan area; taxable sales from tourism are growing on a year-ago basis and room revenues have bounced back significantly since bottoming in March 2009. However, this is not resulting in an increase in retail or leisure/hospitality employment. This is important because these industries make up more than 17.0 percent of income earned, compared with 10.0 percent nationally. The area's population growth resumed in 2010, after recording its first decline ever in 2009.

According to the Bureau of Census data, total housing permits for the Cape Coral assessment area has been increasing significantly in 2010, from negative 41.1 percent in 2009 to 35.2 percent in 2010. For comparison, the U.S. figures are negative 35.9 percent and 4.5 percent, for 2009 and 2010, respectively.

The assessment area's unemployment rate increased moderately from 12.4 percent in 2009 to 13.3 percent in 2010, which is higher than the U.S. figures of 9.3 percent and 9.6 percent, respectively. Housing sales have been increasing and house prices have been stable and below the peak prices.

There is a high level of competition to provide banking services within the bank's Cape Coral assessment area. The area is dominated by Wachovia Bank, NA., Bank of America, NA., SunTrust Bank, and Colonial Bank.

<u>Community Contact</u>

Community contacts with local housing and small business organizations in the Fort Meyers area were reviewed to assist in identifying the credit needs of the assessment area. One contact mentioned that financial institutions could assist by offering financial literacy and credit rebuilding seminars. Another contact mentioned the need for small dollar loan programs for small businesses and additional investments in community organizations looking to build the local economy through entrepreneurship.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CAPE CORAL-FORT MEYERS ASSESSMENT AREA

LENDING TEST

Lending Activity

NYCB added the Cape Coral assessment area as a result of the AmTrust acquisition in December 2009. Of the bank's 1-4 family residential mortgage loans originated within the bank's assessment areas, 2.1 percent was originated within this area.

Geographic Distribution

1-4 Family Residential Mortgage lending

Table 47 shows the bank's 1-4 family residential mortgage loans by income level of census tracts. Aggregate data for 2010 is also included for comparison purposes.

Table 47 - Distribution of 1-4 Family Loans by Income Category of the Census Tract

Census Tract Income Level	*% Total Census Tracts*	*% Total Owner-Occupied Housing Units*	*% Total Aggregate 2010 (#)*	*Bank Data 2010*	
				#	*%*
Low	1.7	0.9	0.0	0	0
Moderate	17.9	13.2	3.7	0	0
Middle	57.3	63.1	61.1	25	41.0
Upper	23.1	22.8	35.2	36	59.0
NA	0	0	0	0	0
Total	**100**	**100**	**100**	**61**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

While the bank did not originate any loans in low-income census tracts, this is considered adequate, as only 1.7 percent of the tracts are designated as low-income and only 0.9 percent of the owner-occupied housing units are located at that level. However, no lending in the moderate-income census tracts is poor. Furthermore, there was an excessive penetration of loans in the upper income census tracts in this assessment area.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those for properties located in the area's low- and moderate-income geographies. However, the distribution percentages among the various tract income categories remained fairly stable.

Small Business Lending

There were only three small business loans originated by affiliate Standard Funding in this assessment area: one was in a moderate-income, one was in a middle-income, and one was in an upper-income census tract. This distribution is adequate considering the low level of lending. The bank itself reported no small business loan originations in this area in 2010.

Borrower Profile

1-4 Family Residential Mortgage Lending

Table 48 shows the distribution of the bank's 1-4 family residential mortgage loans by borrower income level. Aggregate data for 2010 is also included for comparison purposes.

Table 48- Distribution of 1-4 Family Loans by Borrower Income

Borrower Income Level	*% of Total Families*	*2010 Aggregate (#)*	*Bank Data 2010*	
			#	*%*
Low	17.2	10.2	1	1.6
Moderate	20.0	17.4	4	6.6
Middle	23.3	17.6	9	14.8
Upper	39.5	50.3	47	77.0
NA	0	4.5	0	0
Total	**100**	**100**	**61**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

The bank's borrower distribution is poor, with only one loan to a low-income borrower and only four loans to moderate-income borrowers, when compared to demographics and the aggregate lending performance. Of the 22,033 families reported at the low-income level, 39.0 percent of those were actually below the poverty level. Families with reported incomes below the poverty level are not likely borrowers, especially in areas with relatively high housing costs. As a result, demand for home mortgage loans from low-income borrowers, and the bank's opportunity to originate such, is diminished. Similar to the geographic breakdown, there was an excessive penetration of loans to upper-income borrowers.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those to low- and moderate-income borrowers. However, the distribution percentages among borrowers of different income levels remained fairly stable, with an increase noted in the percentage of originations to low-income borrowers in 2010.

<u>Small Business Lending</u>

There were only three small business loans originated by affiliate Standard Funding within this assessment area. All three were to businesses with revenues under $1.0 million. All three loans were in amounts under $100,000. While this distribution indicates strong performance, the level of lending is too small to have any appreciable impact on the bank's overall performance in this assessment area. NYCB reported no small business loan originations in this assessment area.

Innovative and Flexible Lending

As described previously, the bank originated loans within this assessment area that are considered flexible and assist those including low- and moderate-income borrowers. Between December 4, 2009, and March 14, 2011, the bank originated five loans totaling $1.3 million under the Conforming Fixed Core program and three loans totaling $869,200 under the Fannie Mae DU Refi Plus program. This number of loans representing 13.1 percent of the 61 loans originated in 2010 is considered adequate. The bank's foreclosure prevention program is also considered flexible. NYCB modified eight loans totaling $1.3 million under the bank's Foreclosure Prevention programs. During the same period, the bank modified four loans totaling approximately $700,000 that it serviced for other investors.

Community Development Lending

During the evaluation period, the bank made one community development loan totaling $2.0 million, of which $500,000 was allocated to this assessment area, representing 0.002 percent of total loans ($27.9 billion), 0.001 percent of total assets ($39.8 billion), and 0.02 percent of the bank's total community development loans ($3.1 billion). The community development loans in this assessment area represented 4.2 percent of the bank's total community development loans in its Florida assessment areas. These percentages are less than adequate considering the bank's overall activities within Florida when compared to the other states.

The $2.0 million loan is to a non-profit organization whose mission is to promote and ensure the safety, security, and protection of nursing home and HUD senior housing residents against crime. Many of the residents of these facilities are low-or moderate-income. The proceeds of the loan will be used by the foundation to provide its crimestoppers program at no cost to CRA-qualifying housing venues (nursing homes, assisted-living facilities, and other CRA-qualified properties) within the bank's assessment area.

INVESTMENT TEST

Qualified investments in this assessment area total $1.1 million, representing 0.003 percent of total assets ($38.9 billion), 0.5 percent of total qualified investments ($215.4 million), and 5.4 percent of total qualified investments in the combined Florida assessment areas ($20.5 million). During the evaluation period, NYCB purchased $1.1 million in MBSs that support the provision of affordable housing in the bank's assessment area. These percentages are reasonable, considering the bank's overall activities within this assessment area.

SERVICE TEST

The bank provided adequate retail banking services and a limited level of community development services within this assessment area.

<u>Retail Banking Services</u>

Accessibility of Delivery Systems

The bank's delivery systems are accessible to limited portions of the assessment area. Within 117 census tracts, the bank maintains one branch and one in-house ATM located in an upper-income census tract. The branch is adjacent to a moderate-income census tract. Table 49 illustrates the distribution of the branch and ATM among the various census tracts of the assessment area. The accessibility of the bank's products and services are enhanced by its alternative delivery systems, which mirrors the bank's overall performance and was detailed previously in this evaluation.

Table 49 - Distribution of Bank Offices and ATMs by Income Category of the Census Tract – Cape Coral Assessment Area						
Census Tract Income Category	***Census Tracts in Assessment Area***		***Bank Offices by Tract Location***		***ATMs by Tract Location***	
	#	***%***	***#***	***%***	***#***	***%***
Low	2	1.7	0	0	0	0
Moderate	21	17.9	0	0	0	0
Middle	67	57.3	0	0	0	0
Upper	27	23.1	1	100	1	100
NA	0	0	0	0	0	0
Total	**117**	**100**	**1**	**100**	**1**	**100**

Source: 2000 U.S. Census and Bank Public File

Changes in Branch Locations

In December 2009, NYCB acquired one branch in this assessment area as a result of the acquisition of the deposits and certain assets of AmTrust. Since then, no branches were opened or closed in this area.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

The products and services offered at branches are similar bank-wide and do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Branch hours are considered convenient and comparable to other local financial institutions. General banking hours are from 9:00AM to 4:00PM. The branch provides service on Saturday, and on Friday the branch and drive-up offer extended evening hours until 6:00PM. The credit and deposit products offered by the bank as a whole are the same for this assessment area. These products were previously discussed in this evaluation.

Community Development Services

NYCB provided a limited level of community development services in this assessment area.

- NYCB partnered with Deerfield Saves to participate in its savings campaign to assist low- and moderate-income families build wealth through a broad coalition of nonprofit,

corporate, and government groups. The program is designed to assist those who wish to pay down debt, or build an emergency fund, or save for a home, an education, or retirement. In support of this initiative, NYCB allows participants to open the Bank's "My Community Savings" account with a minimum balance of $10 and no fees or average balance requirement. The minimum balance to open this account is regularly $100 and a minimum balance of $200 is required to earn interest.

NAPLES-MARCO ISLAND ASSESSMENT AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NAPLES-MARCO ISLAND ASSESSMENT AREA

NYCB operates one branch in the Naples-Marco Island assessment area. In 2010, the volume of HMDA and CRA lending is this area was 0.7 percent (by number) of the total loans that were analyzed for the current CRA evaluation. Based on the June 2010 FDIC Summary of Deposit, NYCB's deposits in this area was 0.1 percent of the bank's total deposits. NYCB's operation in Naples-Marco Island assessment area is not considered significant. According to the June 2010 Peer Deposit Data, NYCB ranked 35th in the Naples-Marco Island assessment area in terms of market share (0.3 percent) among the 39 financial institutions. A variety of credit and deposit products and other financial services are available throughout this area.

The Naples-Marco Island assessment area is composed of Collier County. It does not arbitrarily exclude any low- or moderate-income census tracts. Collier County composes the entire Naples-Marco Island MSA #34940, with 52 census tracts in total.

HUD annually adjusts the MFI figures.

Table 50 – Family Income Figures ($)	
Metropolitan Statistical Area	**2010**
34940 – Naples-Marco Island	72,300

Source: 2000 U.S. Census, HUD annual adjusted MFI (2010)

Demographic Information

Table 51 illustrates general demographic information of the bank's Naples-Marco Island assessment area in Florida according to the 2000 U.S. Census.

Table 51 – Assessment Area Demographics – Naples-Marco Island Assessment Area						
Income Level	***Number of Census Tracts***	***% of Census Tracts***	***Population***	***% of Population***	***Number of Families***	***% of Families***
Low	4	7.7	18,809	7.5	3,774	5.3
Moderate	9	17.3	47,172	18.8	11,451	15.9
Middle	23	44.2	113,730	45.2	32,998	45.9
Upper	16	30.8	71,666	28.5	23,600	32.9
NA	0	0	0	0	0	0
Total	52	100	251,377	100	71,823	100

Source: 2000 U.S. Census

Approximately 17.4 percent of the 144,536 housing units in the Naples-Marco Island assessment area are rental units. Owner-occupied housing units represent 53.9 percent of the total housing stock. As shown in Table 52, 15.4 percent of owner-occupied units and 9.1 percent of multi-family dwellings are located in low- or moderate-income geographies. However, 36.5 percent of the rental units and are located in such tracts.

Table 52 - Selected Housing Characteristics by Census Tract Income – Naples-Marco Island Assessment Area									
Geographic Income Category	***Percentage***						***Median***		
	House -holds	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Multi Family***	***Vacant Units***	***Age****	***Housing Value$****	***Gross Rent $*****
Low	4.6	3.6	2.3	11.7	2.1	1.1	19	57,620	397
Moderate	15.9	14.8	13.1	24.8	7.0	11.9	17	90,941	680
Middle	46.3	42.5	48.0	40.8	35.1	33.2	13	141,527	810
Upper	33.2	39.1	36.6	22.7	55.8	53.8	12	284,799	1,040
NA	0	0	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	13	180,934	794

*Source: 2000 U.S. Census, * - Owner-Occupied Units, ** - Renter-Occupied Units*

Economic Information

According to the March 2011 Moody's Analytics, the Naples-Marco Island assessment area's recession is moderating, but employment has been stagnant since late 2009. Retail and leisure/hospitality have given back recent job gains. Though services weakened statewide, the especially sharp retreat in the area is more damaging more because of the area's heavy dependence on such industries. These industries' fortunes are steadily improving, but recent geopolitical events introduce significant downside risk into the near-term forecast. The jump in the Collier County visitor count, seen at the end of last year, has continued into 2011, despite a sharp drop in tourists from Europe. Naples Airport is increasingly drawing interest from airlines seeking to operate new routes. Especially encouraging is the steady rise in business travelers.

The housing market is still suffering, but the severity of the recession is waning, and improving conditions over the next few quarters could aid the Naples area's transition to recovery. The area's home and condominium sales improved throughout 2010. In addition, area realtors are reporting significantly more sales and increased buying interest in high-end beachfront properties, making a significant dent in the sizable inventory. According to the Bureau of Census data, total housing permits for the assessment area have been increasing in 2010; from negative 0.7 percent in 2009 to 33.4 percent in 2010. For comparison, the U.S. figures are negative 35.9 percent and 4.5 percent, for 2009 and 2010, respectively.

The area remains a popular retirement destination. Population growth rose sharply to 1.3 percent in 2010, exceeding the U.S. average for the first time since the onset of the housing recession. The area's unemployment rate increased from 11.2 percent in 2009 to 12.4 percent in 2010; which is notably higher than the U.S. figures of 9.3 percent and 9.6 percent, respectively.

There is a high level of competition to provide banking services within the bank's Naples-Marco Island assessment area. The area is dominated by Fifth Third Bank, Wachovia Bank, NA., Bank of America, NA., Regions Bank, and SunTrust Bank.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NAPLES-MARCO ISLAND ASSESSMENT AREA

LENDING TEST

Lending Activity

NYCB added the Naples-Marco Island assessment area as a result of the AmTrust acquisition in December 2009. The bank's lending within this assessment area is also limited. The bank maintains only one branch in this assessment area. Of the bank's 1-4 family residential mortgage loans originated within the bank's assessment areas, 2.3 percent was originated within this area.

Geographic Distribution

<u>1-4 Family Residential Mortgage Lending</u>

Table 53 shows the distribution of bank's 1-4 family residential mortgage loan by income level of the census tract in which the loan was originated. Aggregate data for 2010 is also included for comparison purposes

Table 53 – Distribution of 1-4 Family Loans by Income Category of the Census Tract					
Census Tract Income Level	***% of Total Census Tracts***	***% of Total Owner-Occupied Housing Units***	***2010 Aggregate (#)***	***Bank Data 2010***	
				#	***%***
Low	7.7	2.3	0.3	0	0.0
Moderate	17.3	13.1	10.3	2	3.0
Middle	44.2	48.0	45.6	51	77.3
Upper	30.8	36.6	43.7	13	19.7
NA	0.	0	0	0	0
Total	**100**	**100**	**100**	**66**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

Given the low percentage of owner-occupied housing units and nominal lending activity conducted by aggregate lenders, no loan originations in low-income census tracts is reasonable. However, the bank's lending in moderate-income census tracts is poor, compared to the percent originated by aggregate lenders in the same census tracts, as well as the distribution of owner-occupied housing units and census tracts.

The median housing values were $57,620 and $90,941 in low- and moderate-income census tracts, respectively. The median housing value in moderate-income census tracts is the highest of the bank's four Florida assessment areas. With the higher home value, it appears reasonable that there would be a lower penetration at this level.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those for properties located in the area's low- and moderate-income geographies. However, the distribution percentages among the various tract income categories remained fairly stable, with a slight increase in the percentage of originations in moderate-income census tracts noted in 2010.

<u>Small Business Lending</u>

NYCB reported no small business loans in this assessment area, while affiliate Standard Funding reported just two small business loan originations. Both loans were in upper-income census tracts. This lending level is so low that it was not considered relevant for the analysis.

Borrower Profile

1-4 Family Residential Mortgage Lending

Table 54 shows the distribution of the bank's 1-4 family residential mortgage loans by borrower income level. Aggregate data for 2010 is also included for comparison purposes.

Table 54 – Distribution of 1-4 Family Loans by Borrower Income

Borrower Income Level	*% Total Families*	*2010 Aggregate (#)*	*Bank Data 2010*	
			#	*%*
Low	19.1	8.5	0	0.0
Moderate	19.3	13.6	4	6.1
Middle	20.7	16.5	14	21.2
Upper	40.9	57.5	48	72.7
NA	0	3.9	0	0.0
Total	**100**	**100**	**66**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

The bank's lending to low- and moderate-income borrowers is poor, when compared to demographic data and aggregate lending levels. Of the 13,687 families reported at the low-income level, 34.9 percent of those were actually below the poverty level. Families with reported incomes below the poverty level are not likely borrowers, especially in areas with relatively high housing costs. As a result, demand for home mortgage loans from low-income borrowers, and the bank's opportunity to originate such, is diminished. Even considering the lower percentage of low-income families to be at 12.4 percent, the bank's distribution by borrower income still remains poor. This poor level continues into the moderate-income lending level, with 6.1 percent to moderate-income borrowers for 2010. The bank's concentration in loans was to the upper-income borrowers, at 72.7 percent of the total loans, which substantially exceeded the percent of families recorded at that income level.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those to low- and moderate-income borrowers. However, the distribution percentages among borrowers of different income levels remained fairly stable, with an increase noted in the percentage of originations to low-income borrowers in 2010.

Small Business Lending

NYCB reported no small business loan originations in this assessment area, while affiliate Standard Funding reported only two such originations. Both loans were to businesses with revenues under $1.0 million and in amounts under $100,000. While this distribution reflects strong performance, lending levels are too small to have any appreciable impact on the overall rating assigned to the bank in this assessment area.

Innovative and Flexible Lending

As described previously, the bank originated loans within this assessment area that are considered flexible and assist those including low- and moderate-income borrowers. Between December 4, 2009, and March 14, 2011, the bank originated four loans totaling $1.2 million under the Conforming Fixed Core program and seven loans totaling $1.8 million under the Fannie Mae DU Refi Plus program. This number of loans representing 16.7 percent of the 66 loans originated in 2010 is considered adequate. The bank's foreclosure prevention program is also considered flexible. NYCB modified one loan for $142,080 under the bank's Foreclosure Prevention program.

Community Development Lending

During the evaluation period, the bank originated one community development loan totaling $2.0 million, of which $500,000 was allocated to this assessment area, representing 0.002 percent of total loans ($27.9 billion), 0.001 percent of total assets ($39.8 billion), and 0.02 percent of the bank's total community development loans ($3.1 billion). The community development loans in this assessment area represented 4.2 percent of the bank's total community development loans in its Florida assessment areas. These percentages are less than adequate, considering the bank's overall activities within Florida when compared to the other states.

The $2.0 million loan is to a non-profit organization whose mission is to promote and ensure the safety, security, and protection of nursing home and HUD senior housing residents against crime. Many of the residents of these facilities are low-or moderate-income. The proceeds of the loan will be used by the foundation to provide the its crimestoppers program at no cost to CRA-qualifying housing venues (nursing homes, assisted-living facilities, and other CRA-qualified properties) within the bank's assessment area.

INVESTMENT TEST

Qualified investments in this assessment area totaled $1.0 million, representing 0.003 percent of total assets ($38.9 billion), 0.5 percent of total qualified investments ($215.4 million), and 4.9 percent of total qualified investments in the combined Florida assessment areas ($20.5 million). During the evaluation period, NYCB purchased $1.0 million in MBSs that support the provision of affordable housing in the bank's assessment area. These percentages are reasonable, considering the bank's overall activities within this assessment area.

SERVICE TEST

Retail Banking Services

The bank's performance in the retail banking and community development service test was adequate within this assessment area.

Accessibility of Delivery Systems

The bank's delivery systems are accessible to limited portions of the assessment area. Within 52 census tracts, the bank maintains one branch and one in-house ATM located in an upper-income census tract. Table 55 illustrates the distribution of the branch and ATM among the various census tracts of the assessment area. The accessibility of the bank's products and services are enhanced by its alternative delivery systems, which mirrors the bank's overall performance and was detailed previously in this evaluation.

Table 55 - Distribution of Bank Offices and ATMs by Income Category of the Census Tract - Naples-Marco Island Assessment Area

Census Tract Income Category	*Census Tracts in Assessment Area*		*Bank Offices by Tract Location*		*ATMs by Tract Location*	
	#	*%*	*#*	*%*	*#*	*%*
Low	4	7.7	0	0	0	0
Moderate	9	17.3	0	0	0	0
Middle	23	44.2	0	0	0	0
Upper	16	30.8	1	100	1	100
NA	0	0	0	0	0	0
Total	**52**	**100**	**1**	**100**	**1**	**100**

Source: 2000 U.S. Census and Bank Public File

Changes in Branch Locations

In December 2009, NYCB acquired one branch in this assessment area as a result of the acquisition of the deposits and certain assets of AmTrust. Since then, no branches were opened or closed in this assessment area.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

The products and services offered at branches are similar bank-wide and do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Branch hours are considered convenient and comparable to other local financial institutions. General banking hours are from 9:00AM to 4:00PM. The branch provides service on Saturday, and on Friday the branch and drive-up offer extended evening hours until 6:00PM. The credit and deposit products offered by the bank as a whole are the same for this assessment area. These products were previously discussed in this evaluation.

Community Development Services

NYCB provides a limited level of community development services in this assessment area.

- NYCB partnered with Deerfield Saves to participate in its savings campaign to assist low- and moderate-income families build wealth through a broad coalition of nonprofit, corporate, and government groups. The program is designed to assist those who wish to pay down debt, or build an emergency fund, or save for a home, an education, or retirement. In support of this initiative, NYCB allows participants to open the Bank's "My Community Savings" account with a minimum balance of $10 and no fees or average balance requirement. The minimum balance to open this account is regularly $100 and a minimum balance of $200 is required to earn interest.

ARIZONA

CRA RATING FOR ARIZONA: ***<u>Satisfactory</u>***
The Lending Test is rated: ***<u>Low Satisfactory</u>.***
The Investment Test is rated: ***<u>Low Satisfactory</u>.***
The Service Test is rated: ***<u>Low Satisfactory</u>.***

SCOPE OF EXAMINATION

The bank's HMDA, small business (including affiliate loans), and community development loans originated in the Arizona assessment areas were reviewed to measure Lending Test performance. Additionally, the bank's investment and service activities from December 4, 2009, to March 14, 2011, were reviewed. In arriving at the overall rating for Arizona, greater weight was placed on the Phoenix-Mesa-Glendale assessment area, as this is consistent with the bank's branching network and lending and deposit activity. In arriving at the overall rating for the institution, moderately less weight is placed on this state given the limited time the bank was operating in Arizona and by the proportion of bank activity in this area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ARIZONA

NYCB maintains two assessment areas in Arizona, within which it operates 14 branches. In 2010, 20.2 percent (by number) of the loans that were analyzed for the current CRA evaluation were located in Arizona. Based on the June 2010 FDIC Summary of Deposits, NYCB's deposits in Arizona was 7.0 percent of the bank's total deposits. According to the June 2010 Peer Deposit Data, NYCB ranked 8th in the combined Arizona assessment area in terms of market share (2.2 percent) among the 71 financial institutions operating within this area. A variety of credit and deposit products and other financial services are available throughout the bank's combined assessment area, including Arizona.

The bank's two assessment areas in Arizona are the Phoenix-Mesa-Glendale assessment area and the Prescott assessment area. The two assessment areas are composed entirely of whole geographies and do not arbitrarily exclude any low- or moderate-income census tracts. A significant majority of the operations in Arizona are in the Phoenix-Mesa-Glendale assessment area (Phoenix assessment area); 11 of the 14 branches in Arizona are located in this assessment area. There are a total of 689 census tracts in the bank's assessment areas in Arizona, 32.4 percent of those are in the low- or moderate income category. Of the 3.2 million people residing in the Arizona assessment areas, 32.1 percent live in low- or moderate-income census tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

LENDING TEST

Although the bank's 1-4 family residential mortgage lending is in need of improvement, the distribution of small business loans and the level of community development lending indicates that assessment area credit needs were adequately met by NYCB. During the evaluation period, the bank originated 15 community development loans totaling $5.2 million, representing 0.02 percent of total loans ($27.9 billion), 0.01 percent of total assets ($38.9 billion), and 0.2 percent of the bank's total community development loans ($3.1 billion). These percentages are adequate considering the bank's overall activities within Arizona when compared to the other states.

Please refer to the Conclusions With Respect to Performance Tests sections of the two Arizona assessment areas for detailed discussions of the of the bank's performance.

INVESTMENT TEST

The institution has an adequate level of qualified community development investments and grants in its combined Arizona assessment areas, although rarely in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank extended qualified community development investments and grants totaling $23.0 million, representing approximately 0.06 percent of total assets ($38.9 billion) and 10.7 percent of the bank's total qualified investments ($215.4 million). All of the qualified investments were MBSs, of which approximately one-third were obtained as part of the AmTrust Bank acquisition. While MBSs are recognized as supporting the provision of affordable housing loans, they are not considered particularly innovative or complex.

During the evaluation period, NYCB purchased $23.0 million in MBSs that support the provision of affordable housing in the bank's assessment area.

SERVICE TEST

NYCB provided an adequate level of retail banking and community development services in its two Arizona assessment areas. The bank operates 14 offices and 15 ATMs in Arizona. Of those, one branch is located in a moderate-income census tract and 13 are located in middle- or upper-income census tracts. All offices are reasonably accessible to essentially all portions of the bank's assessment areas. Further, NYCB provides a limited level of community development services throughout Arizona.

PHOENIX-MESA GLENDALE ASSESSMENT AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PHOENIX-MESA GLENDALE ASSESSMENT AREA

NYCB operates 11 branches in the Phoenix assessment area under the trade name AmTrust Bank. In 2010, the volume of HMDA and CRA lending is this area was 18.2 percent (by number) of the total loans that were analyzed for the current CRA evaluation. Based on the June 2010 FDIC Summary of Deposit, NYCB's deposits in this area was 6.2 percent of the bank's total deposits. According to the June 2010 Peer Deposit Data, NYCB ranked 7th in the Phoenix assessment area in terms of market share (2.1 percent) among the 68 financial institutions. A variety of credit and deposit products and other financial services are available throughout the bank's combined assessment area, including this area.

The bank's Phoenix assessment area is composed of Maricopa County. The assessment area does not arbitrarily exclude any low- or moderate-income census tracts. Maricopa County is part of the Phoenix-Mesa-Glendale MSA #38060 and includes 663 census tracts.

HUD annually adjusts the MFI figures.

Table 56 – Median Family Income Figures ($)	
Metropolitan Statistical Area	**2010**
38060 – Phoenix-Mesa-Glendale	66,600

Source: 2000 U.S. Census, HUD annual adjusted MFI (2010)

<u>Demographic Information</u>

Table 57 illustrates general demographic information of the bank's Phoenix assessment area according to the 2000 U.S. Census.

Table 57 – Assessment Area Demographics – Phoenix Assessment Area						
Income Level	***Number of Census Tracts***	***% of Census Tracts***	***Population***	***% of Population***	***Number of Families***	***% of Families***
Low	40	6.0	149,825	4.9	27,007	3.5
Moderate	181	27.3	881,446	28.7	197,858	25.8
Middle	230	34.7	1,129,896	36.8	290,767	37.8
Upper	208	31.4	910,702	29.6	253,168	32.9
NA	4	0.6	280	0	0	00
Total	663	100	3,072,149	100	768,800	100

Source: 2000 U.S. Census

Approximately 29.5 percent of the 1,250,231 housing units in the Phoenix assessment area are rental units. Owner-occupied housing units represent 61.2 percent of the total housing stock. As shown in Table 58, 23.0 percent of owner-occupied units are located in low- or moderate-income geographies. However, 49.1 percent of the rental units and 47.9 percent of multi-family dwellings are located in such tracts.

Table 58 - Selected Housing Characteristics by Census Tract Income – Phoenix Assessment Area									
Geographic Income Category	***Percentage***						***Median***		
	House -holds	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Multi Family***	***Vacant Units***	***Age****	***Housing Value$****	***Gross Rent $*****
Low	3.7	3.7	1.5	8.3	7.0	3.4	34	60,342	508
Moderate	27.7	28.9	21.5	40.8	40.9	40.4	28	80.101	595
Middle	38.8	38.3	40.3	35.7	36.3	32.7	18	116,749	747
Upper	29.8	29.1	36.7	15.2	15.8	23.5	12	210,712	918
NA	0	0	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	18	146,599	693

*Source: 2000 U.S. Census, * - Owner-Occupied Units, ** - Renter-Occupied Units*

Economic Information

According to the December 2010 Moody's Analytics, Phoenix-Mesa-Glendale's recovery has been hampered by ongoing problems in both the housing and labor markets. Half of mortgage holders now have negative equity, and homebuilding remains at depressed levels. Meanwhile, leisure/hospitality employment is near a cyclical low, and the unemployment rate remains near 9.0 percent. The inventory of foreclosed homes is more than twice the national average.

Technology will be the primary driver of manufacturing. The area's chipmakers increased payrolls for the first time in five years in the second half of 2010. The second largest employer, Intel, is investing more than $1.0 billion in its two fabrication plants in the Phoenix area. However, defense contractor cutbacks have accelerated, and there are risks of further job losses if the federal government reduces defense spending to narrow the budget deficit. Professional and technical services are expanding sooner than expected and will lead the recovery.

According to the Bureau of Census data, total housing permits growth for the Phoenix assessment area was decreasing, though at a slower rate from negative 46.7 percent in 2009 to negative 12.4 percent in 2010. For comparison, the U.S. figures are negative 35.9 percent and 4.5 percent, for 2009 and 2010, respectively.

The assessment area's unemployment rate increased from 8.5 percent in 2009 to 8.8 percent in 2010; for comparison, the U.S. figures were 9.3 percent and 9.6 percent, respectively.

There is a high level of competition to provide banking services within the bank's Phoenix assessment area. The area is dominated by JPMorgan Chase Bank, NA., Wells Fargo Bank, NA., Bank of America, NA., and US Bank, NA.

<u>Community Contact</u>

Community contacts with local housing and small business organizations in the Phoenix area were reviewed to assist in identifying the credit needs of the assessment area. One contact noted that financial institutions could assist by providing support in the acquisition and rehabilitation of affordable housing. Another contact mentioned the need for working capital loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PHOENIX-MESA GLENDALE ASSESSMENT AREA

LENDING TEST

NYCB added the Phoenix assessment area as a result of the AmTrust acquisition in December 2009. Of the bank's 1-4 family residential mortgage loans originated within the bank's assessment areas, 34.6 percent was originated within this area.

Geographic Distribution

<u>1-4 Family Residential Mortgage lending</u>

All loans reported on the bank's HMDA LAR during 2010 within this assessment area were 1-4 family residential mortgage loans. Table 59 shows these loans by income level of the census tracts in which the loan was extended. Aggregate data for 2010 is also included for comparison purposes.

Table 59 – Distribution of 1-4 Family Loans by Income Category of the Census Tract					
Census Tract Income Level	***% Total Census Tracts***	***% Total Owner-Occupied Housing Units***	***% Total Aggregate 2010 (#)***	***Bank Data 2010***	
				#	***%***
Low	6.0	1.5	0.4	2	0.2
Moderate	27.3	21.5	10.2	73	7.3
Middle	34.7	40.3	38.1	339	34.1
Upper	31.4	36.7	51.3	581	58.4
NA	0.6	0.0	0	0	0
Total	**100**	**100**	**100**	**995**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

The bank's distribution of lending by geographic distribution for 1-4 family loans is marginally adequate when compared to demographic and aggregate lending data. With only 4.9 percent of the population residing within the low-income census tracts and only 1.5 percent of the owner-occupied housing units being at this level, the bank's penetration at 0.2 percent is marginally adequate. The concentration of loans in the moderate-income census of 7.3 percent is well below the percent of owner-occupied units at 21.5 percent, but more comparable to the aggregate performance level of 10.2 percent.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those for properties located in the area's low- and moderate-income geographies. However, the distribution percentages among the various tract income categories remained fairly stable.

Small Business Lending

When the bank acquired Desert Hills Bank in 2010, NYCB purchased approximately 200 small business loans, 159 in this assessment area. The following table includes the 159 purchased loans and the affiliate-funded small business loans in this assessment area. Aggregate data for 2010 was not available.

Table 60- Distribution of Small Business Loans by Income Category of the Census Tract				
Census Tract Income Level	***% Total Census Tracts***	***% Total Businesses 2010***	***Bank Data 2010***	
			#	***%***
Low	6.0	4.3	34	4.9
Moderate	27.3	19.8	182	26.3
Middle	34.7	32.3	196	28.3
Upper	31.4	43.5	278	40.2
NA	0.6	0.1	2	0.3
Total	**100**	**100**	**692**	**100**

Source: 2000 U.S. Census, CRA Data Collection Report (2010), D&B Data (2010)

The bank's distribution of small business loans reflects a good responsiveness to the credit needs of the businesses operating within this assessment area. The bank's percentage of loans in the low-income census tracts reflected a similar percentage to that of the number of businesses by census tract income level. Furthermore, the bank extended a higher percentage of loans in the moderate-income census tracts compared to the concentration of businesses operating within the moderate-income census tracts.

Borrower Profile

1-4 Family Residential Mortgage Lending

Table 61 shows the distribution of the bank's 1-4 family residential mortgage loans by borrower income level. Aggregate data for 2010 is also included for comparison purposes.

Table 61 - Distribution of 1-4 Family Loans by Borrower Income				
Borrower Income Level	***% Total Families***	***% Total Aggregate 2010 (#)***	***Bank Data 2010***	
			#	***%***
Low	19.1	10.6	51	5.1
Moderate	18.5	18.2	118	11.9
Middle	21.8	19.1	170	17.1
Upper	40.6	43,8	655	65.8
NA	0	8.3	1	0.1
Total	**100**	**100**	**995**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

The bank's lending to low-and moderate-income borrowers within this assessment area is poor. Although the bank's extended 169 loans to low- and moderate-income borrowers in 2010, these lending levels are below the distribution of families by income level and aggregate performance levels. Of the 146,781 low-income families in the assessment area, 41.9 percent fall below the poverty level. Families with reported incomes below the poverty level are not likely borrowers, especially in areas with relatively high housing costs. As a result, demand for home mortgage loans from low-income borrowers, and the bank's opportunity to originate such, is diminished. With only 5.1 percent and 11.9 percent of loans to low- and moderate-income borrowers, respectively, the bank's performance is considered poor.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those to low- and moderate-income borrowers. However, the distribution percentages among borrowers of different income levels remained fairly stable, with a slight increase noted in the percentage of originations to low-income borrowers in 2010.

Small Business Lending

With the inclusion of affiliate Standard Funding's small business loan originations, the institution's record of lending to the small businesses in this assessment area is considered adequate. As indicated by the table below, the bank's performance mirrors the distribution of the area's businesses by revenue size. Impacting the distribution percentages is the fact that 19.7 percent of the small business loans evaluated did not have business revenue reported. In 2010, the bank's 159 purchased small business loans were properly reported with no income levels. Revenues were reported for the affiliate loans.

A review of the bank's small business loans by loan size was also conducted. Loan size can be an indicator of an institution's lending to small businesses, i.e., smaller businesses request smaller dollar loans. The bank extended 592, or 85.6 percent, of the 692 small business loans in loan amounts less than $100,000, 46 or 6.6 percent in amounts between $100,000 and $250,000; and 54 or 7.8 percent in amounts between $250,000 and $1.0 million.

Table 62 – Distribution of Small Business Loans by Gross Annual Revenue of the Business					
Gross Annual Revenues ($000s)	***% Total Businesses 2010***	***#***	***%***	***$ (000s)***	***%***
≤ $1,000	78.1	396	74.3	1,269	41.1
> $1,000 or NA	21.9	137	25.7	1,820	58.9
Total	**100**	**533**	**100**	**3,089**	**100.0**

Source: 2010 D&B, 2010 CRA Data Collection Report

Innovative and Flexible Lending

As described previously, the bank originated loans within this assessment area that are considered flexible and assist those including low- and moderate-income borrowers. Between December 4, 2009, and March 14, 2011, the bank originated 57 loans totaling $14.3 million under the Conforming Fixed Core program, 12 loans totaling $3.2 million under the Conforming Adjustable Rate Mortgage Core programs, and 199 loans totaling $45.7 million under the Fannie Mae DU Refi Plus program. This number of loans representing 26.9 percent of the 995 loans originated in 2010 is considered adequate. The bank's foreclosure prevention program is also considered flexible. NYCB modified 40 loans totaling $12.2 million under the bank's Foreclosure Prevention programs. During the same period, the bank modified 78 loans totaling $19.7 million that it serviced for other investors.

Community Development Lending

During the evaluation period, the bank originated 15 community development loans totaling $5.2 million, representing 0.02 percent of total loans of $27.9 billion, 0.01 percent of total assets, and 0.2 percent of the bank's total community development loans. This represents 100 percent of the bank's total investments in Arizona. These percentages are adequate considering the bank's overall activities within Arizona when compared to the other states.

During the evaluation period, NYCB originated two multi-family loans totaling $1.1 million that are considered to support affordable housing. The other 13 community development loans for $4.1 million were to non-profit corporations, whose missions are to provide social services to low- and moderate-income individuals, provide health care services for low- and moderate-income woman, revitalize neighborhoods, provide meals to the homeless, and maintain affordable childcare centers. The following are examples of some of the larger community development loans.

<u>Community Services</u>

- In 2010, the bank originated three loans totaling approximately $496,000 to a leading national non-profit organization dedicated to meet the physical, emotional, educational, and spiritual needs of the abused, neglected and at-risk children. The organization operates an abuse hotline 24-hours a day, seven days a week. The organization also provides programs and services that include residential treatment services, education and training.

- In 2010, the bank originated two loans totaling approximately $185,000 to a local non-profit organization which has been serving the Phoenix community for more than 30 years. The organization is dedicated to providing free health services and educating low-income woman. They also provide referral services for medical, legal, and financial assistance.

- In 2010, the bank originated three loans totaling approximately $2.5 million to a non-profit organization that operates a church and daycare center servicing the Phoenix community. The organization provides the following services: clothing, food, guidance services, as well as day care services and an after school child care program.

- In 2010, the bank originated two loans totaling approximately $397,000, to a non-profit, non-denominational Christian church primarily serving the West Phoenix Hispanic community. The organizational was established 25 years ago and provides a 12-month drug and alcohol rehabilitation program, as well as assistance with family relationship issues, which helps people develop social and work skills.

INVESTMENT TEST

Qualified investments in this assessment area totaled $21.4 million, representing 0.06 percent of total assets ($38.9 billion), 9.9 percent of total qualified investments ($215.4 million), and 93.0 percent of total qualified investments in the combined Arizona assessment areas. During the evaluation period, NYCB purchased $21.4 million in MBSs that support the provision of affordable housing in the bank's assessment area. These percentages are reasonable, considering the bank's overall activities within this assessment area.

SERVICE TEST

The bank's performance in the retail banking and community development service test was adequate within this assessment area. Adequate services in retail banking and a limited level of community development services described as follows support this conclusion.

Retail Banking Services

Accessibility of Delivery Systems

The institution operated 11 full-service branches and 12 ATMs in this assessment area. The branches are considered reasonably accessible to essentially all segments of the assessment area due to the fact that one middle- and five upper-income census tracts in which the bank maintains branches in are adjacent to low- and moderate-income census tracts. Table 63 illustrates the distribution of the bank's branches/ATMs by census tract income. The accessibility of the bank's products and services are enhanced by its alternative delivery systems, which mirrors the bank's overall performance and was detailed previously in this evaluation.

Table 63 - Distribution of Bank Offices and ATMs by Income Category of the Census Tract - Phoenix Assessment Area

Census Tract Income Category	*Census Tracts in Assessment Area*		*Bank Offices by Tract Location*		*ATMs by Tract Location*	
	#	*%*	*#*	*%*	*#*	*%*
Low	40	6.0	0	0	0	0
Moderate	181	27.3	1	9.1	1	8.3
Middle	230	34.7	2	18.2	4	33.4
Upper	208	31.4	8	72.7	7	58.3
NA	4	0.6	0	0	0	0
Total	**663**	**100**	**11**	**100**	**12**	**100**

Source: 2000 U.S. Census and Bank Public File

Changes in Branch Locations

NYCB acquired a total of 18 branches in Arizona as a result of the acquisitions of AmTrust and Desert Hills Bank. As part of the acquisition agreement, subsequent to the transaction, the bank closed three branches in this area. Of those, two were located in middle-income census tracts and one was in an upper-income area. The bank's closing of branches has not adversely affected the accessibility of its delivery systems.

The bank also closed one branch in Pinal County, which used to be part of the bank's assessment area in Arizona. Subsequent to the closing of the Pinal County branch, which was located in a moderate-income census tract, the bank revised its assessment area by eliminating this county.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

The products and services offered at branches are similar bank-wide and do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Branch hours are considered convenient and comparable to other local financial institutions. General banking hours are from 9:00AM to 4:00PM. The branch provides service on Saturday, and on Friday the branch and drive-up offer extended evening hours until 6:00PM. The credit and deposit products offered by the bank as a whole are the same for this assessment area. These products were previously discussed in this evaluation.

Community Development Services

NYCB provided a limited level of community development services. Participation by bank employees in local community development organizations provides the technical assistance needed to assist these groups in achieving their goals. The following summarize some of the bank's recent efforts with respect to community development services.

- NYCB conducted 13 seminars throughout the evaluation period geared to promoting financial literacy for adults, young adults (ages 12-20), and schoolchildren (grades K-6). The free seminars were held at shelters, elementary schools, community organizations such as Fresh Start Women's and Maryvale Revitalization. These entities all catered to low- moderate-income people. The curriculum varied based on the audience, therefore, a variety of modules exist including: FDIC Money Smart, Career/Financial Development, Budgeting, Borrowing, and Money Matters.

- NYCB partnered with Arizona Saves to participate in its savings campaign to assist low- and moderate-income families build wealth through a broad coalition of nonprofit, corporate, and government groups. The program is designed to assist those who wish to pay down debt, or build an emergency fund, or save for a home, an education, or retirement. In support of this initiative, NYCB allows participants to open the bank's

"My Community Savings" account with a minimum balance of $10 and no fees or average balance requirement. The minimum balance to open this account is regularly $100 and a minimum balance of $200 is required to earn interest.

Members of the bank's staff offer their technical expertise through board membership, one employee in this assessment area provided the following assistance.

- A Financial Service Associate at a Scottsdale branch served as a volunteer at various events for the Neighborhood Housing Services of Phoenix (NHS Phoenix). NHS Phoenix serves Maricopa County and provides housing counseling, homebuyer and financial fitness education, new and rehabbed single family housing, down payment and closing cost assistance, and competitive low fixed-rate mortgage loan products for qualified applicants.

PRESCOTT ASSESSMENT AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PRESCOTT ASSESSMENT AREA

NYCB operates three branches in the Prescott assessment area under the trade name of AmTrust Bank. In 2010, the volume of HMDA and CRA lending is this area was 2.0 percent (by number) of the total loans that were analyzed for the current CRA evaluation. Based on the June 2010 FDIC Summary of Deposit, NYCB's deposits in this area was 0.8 percent of the bank's total deposits. According to the June 2010 Peer Deposit Data, NYCB ranked 15th in the Prescott assessment area in terms of market share (5.6 percent) among the 15 financial institutions. A variety of credit and deposit products and other financial services are available throughout the bank's combined assessment area, including this area.

The bank's Prescott assessment area is composed of Yavapai County. The assessment area does not arbitrarily exclude any low- or moderate-income census tracts. Yavapai County composes the Prescott MSA #39140 and includes 26 census tracts.

The U.S. Department of Housing and Urban Development (HUD) annually adjusts the MFI figures.

Table 64 – Median Family Income Figures ($)	
Metropolitan Statistical Area	***2010***
39140 – Prescott	54,000

Source: 2000 U.S. Census, HUD's annual adjusted MFI (2010)

Demographic Information

Table 65 illustrates general demographic information of the bank's Prescott assessment area in Arizona according to the 2000 U.S. Census.

Table 65 – Assessment Area Demographics – Prescott Assessment Area						
Income Level	***Number of Census Tracts***	***% of Census Tracts***	***Population***	**% of Population**	**Number of Families**	**% of Families**
Low	0	0	0	0	0	0
Moderate	2	7.7	7,075	4.2	1,456	3.1
Middle	17	65.4	130,222	77.8	36,570	77.9
Upper	6	23.1	30,220	18.0	8,918	19.0
NA	1	3.8	0	0	0	0
Total	26	100	167,517	100	46,944	100

Source: 2000 U.S. Census

Approximately 22.8 percent of the 81,730 housing units in the Prescott assessment area are rental units. Owner-occupied housing units represent 63.0 percent of the total housing stock. As shown in Table 66, 2.5 percent of owner-occupied units are located in moderate-income geographies. However, 8.7 percent of the rental units and 13.4 percent of multi-family dwellings are located in such geographies.

Table 66 - Selected Housing Characteristics by Census Tract Income – Prescott Assessment Area									
Geographic Income Category	***Percentage***						***Median***		
	House -holds	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Multi Family***	***Vacant Units***	***Age****	***Housing Value$****	***Gross Rent $*****
Low	0	0	0	0	0	0	0	0	0
Moderate	3.1	4.7	2.5	8.7	13.4	8.4	31	66,012	528
Middle	77.9	75.6	76.8	75.6	66.2	70.5	15	122,250	606
Upper	19.0	19.7	20.7	15.7	20.4	21.1	18	147,841	619
NA	0	0	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	16	127,194	601

*Source: 2000 U.S. Census, *Owner-Occupied Units, **Renter-Occupied Units*

Economic Information

According to the December 2010 Moody's Analytics, Prescott is still in recession, as an excess supply of homes weighs heavily on the large concentration of housing-related industries. Falling prices have deterred retiree in-migration, the area's primary growth driver. Local manufacturing job losses have been more severe than average because a large share of production is dependent on homebuilding. The 9.6 percent fourth quarter of 2010 unemployment rate is slightly above the state average, and the labor force is expanding more slowly.

The area's personal bankruptcies eclipsed last decade's peak, as homeowners borrowed too much during the housing boom. Prescott has had the least affordable housing in the state for the past five years. As a result, homeowners overextended themselves with debt. The share of subprime mortgage originations surged in 2006. Rents have steadily increased over the past few years, which could draw investment. There was underinvestment in apartments in the latter half of last decade as the housing boom shifted demand toward single-family units.

Stable federal Medicare spending and low poverty rates will insulate local healthcare providers from state budget cuts. Healthcare is one of the few bright spots in the local economy. With a quarter of the local population over age 65, there is a large demand base for healthcare services.

According to the Bureau of Census data, total housing permit growth for the Prescott assessment area has been in a decreasing trend from negative 32.8 percent in 2009 to negative 33.4 percent in 2010. For comparison, the U.S. figures are negative 35.9 percent and 4.5 percent, for 2009 and 2010, respectively.

Prescott's unemployment rate 9.5 percent in 2009 and 9.9 percent in 2010 is similar to the U.S. figures of 9.3 percent and 9.6 percent, respectively.

Competitors that provide banking services within the Prescott assessment area are JPMorgan Chase Bank, NA, National Bank of Arizona, Wells Fargo Bank, NA, and Bank of America, NA.

<u>Community Contact</u>

A community contact with a local economic development organization in the Prescott area was reviewed to assist in identifying the credit needs of the assessment area. The community contact mentioned that financial institutions could provide assistance to borrowers in the downtown area by offering affordable housing programs. The contact also mentioned that financial institutions could assist entrepreneurs and business owners with funding for start up costs and construction loans for expanding businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PRESCOTT ASSESSMENT AREA

LENDING TEST

NYCB added the Prescott assessment area as a result of the AmTrust acquisition in December 2009. Of the bank's 1-4 family residential mortgage loans originated within the bank's assessment areas, 1.8 percent was originated within this area.

Geographic Distribution

1-4 Family Residential Mortgage Lending

Table 67 shows the distribution of the bank's 1-4 family residential mortgage loans by income level of the census tract. Aggregate data for 2010 is also included for comparison purposes.

Table 67 – Distribution of 1-4 Family Loans by Income Category of the Census Tract

Census Tract Income Level	*% Total Census Tracts*	*% Total Owner-Occupied Housing Units*	*% Total Aggregate 2010 (#)*	*Bank Data 2010*	
				#	*%*
Low	0	0	0	0	0
Moderate	7.7	2.5	0.7	0	0
Middle	65.4	76.7	73.3	45	88.2
Upper	23.1	20.8	26.1	6	11.8
NA	3.8	0	0	0	0
Total	**100**	**100**	**100**	**51**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

The geographic distribution of the bank's 1-4 family loans in the Prescott assessment area is marginally adequate. As reflected above, the bank did not originate any loans in the area's moderate-income census tracts in 2010. While this performance compares unfavorably to the aggregate's performance and the area's demographics, concerns are mitigated by several factors. As previously noted, there are only two moderate-income geographies in this assessment area. Only 4.2 percent of the population lives within these two census tracts, and 20.6 percent of the households residing in these two geographies have reported income below the poverty level.

This significantly impacts the demand for loans from borrowers located in these census tracts. Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those for properties located in the area's low- and moderate-income geographies. However, the distribution percentages among the various tract income categories remained fairly stable, with a slight increase in the percentage of originations in moderate-income census tracts in 2010.

With so few tracts and a low percentage of owner-occupied housing units within these census tracts, the bank's performance is considered reasonable.

Small Business Lending

When the bank acquired Desert Hills Bank in 2010, NYCB purchased 200 small business loans, 41 in this assessment area. The following table includes the 41 purchased loans and the affiliate-funded small business loans in this assessment area. Aggregate data for 2010 was not available.

Table 68 – Distribution of Small Business Loans by Income Category of the Census Tract

Census Tract Income Level	*% of Census Tracts*	*% Total Businesses 2010*	*Bank Data 2010*	
			#	*%*
Low	0	0	0	0
Moderate	7.7	6.7	10	7.6
Middle	65.4	70.5	66	50.4
Upper	23.1	22.8	55	42.0
NA	3.8	0	0	0
Total	**100**	**100**	**131**	**100**

Source: 2000 U.S. Census, CRA Data Collection Report (2010), D&B Data (2010)

The bank's small business loan distribution is good in moderate-income geographies. The bank exceeded the distribution of businesses operating within the moderate-income census tracts in 2010 and was in line with the distribution of census tracts at the moderate-income level.

Borrower Profile

1-4 Family Residential Mortgage Lending

Table 69 shows the distribution of the bank's 1-4 family residential mortgage loans by borrower income level. Aggregate data for 2010 is also included for comparison purposes.

Table 69 – 1-4 Family Loans by Borrower Income				
Borrower Income Level	***% Total Families***	***% Total Aggregate 2010 (#)***	***Bank Data 2010***	
			#	***%***
Low	17.2	5.1	1	2.0
Moderate	20.0	17.3	9	17.6
Middle	23.6	20.9	10	19.6
Upper	39.2	50.0	31	60.8
NA	0	6.7	0	0
Total	**100**	**100**	**51**	**100**

Source: 2000 U.S. Census, HMDA LAR (2010)

The bank's lending to low- and moderate-income borrowers is adequate when compared to demographic data and aggregate performance levels. Also, 45.9 percent of the 8,078 low-income families are below the poverty level, further limiting lending opportunities to low-income borrowers. With 17.6 percent of loans to moderate-income borrowers, the bank appears to be extending an adequate amount of loans at this income level.

Although the bank's 2009 originations were not analyzed as part of this evaluation, the 2009 aggregate data was compared to the 2010 aggregate data to identify market trends. This comparison revealed an overall decrease in 1-4 family originations, including those to low- and moderate-income borrowers. The distribution percentages among borrower income categories remained fairly stable, with a decreases noted in the percentage of originations to both low- and moderate-income borrowers in 2010.

Small Business Lending

With the inclusion of affiliate Standard Funding's small business loan originations, the institution's record of lending to the small businesses in this assessment area is considered good. As indicated by the table below, the bank's performance compares favorably to the distribution of the area's businesses by revenue size. In 2010, the bank's 41 purchased small business loans were properly reported with no income levels. Revenues were reported for the affiliate loans.

A review of the bank's small business loans by loan size was also conducted. Loan size can be an indicator of an institution's lending to small businesses, i.e., smaller businesses request smaller dollar loans. The numbers of small business loans distributed by loan size category were 109 loans (83.2 percent) originated in amounts less than $100,000, 10 loans (7.6 percent) were in amounts between $100,000 and $250,000, and the remaining 12 loans (9.2 percent) were in amounts between $250,000 and $1.0 million.

Table 70 – Distribution of Small Business Loans by Gross Annual Revenue of the Business					
Gross Annual Revenues ($000s)	***% Total Businesses 2010***	***#***	***%***	***$ (000s)***	***%***
≤ $1,000	80.8	82	91.1	300	76.9
> $1,000 or NA	19.2	8	8.9	90	23.1
Total	**100**	**90**	**100.0**	**390**	**100.0**

Source: 2010 D&B, 2010 CRA Data Collection Report

Innovative and Flexible Lending

As described previously, the bank originated loans within this assessment area that are considered flexible and assist those including low- and moderate-income borrowers. Between December 4, 2009 and March 14, 2011, the bank originated two loans totaling $685,100 under the Conforming Fixed Core program and nine loans totaling $1.6 million under the Fannie Mae DU Refi Plus program. This number of loans representing 21.6 percent of the 51 loans originated in 2010 is considered adequate. The bank's foreclosure prevention program is also considered flexible. NYCB modified two loans totaling $405,130 under the bank's Foreclosure Prevention programs. During the same period, the bank modified four loans totaling $1.0 million that it serviced for other investors.

Community Development Lending

During the evaluation period, the bank did not originate any community development loans in this assessment area

INVESTMENT TEST

Qualified investments in this assessment area totaled $1.6 million, representing 0.004 percent of total assets ($38.9 billion), 0.7 percent of total qualified investments ($215.4 million), and 7.0 percent of total qualified investments in the combined Arizona assessment areas. During the evaluation period, NYCB purchased $1.6 million in MBSs that support the provision of affordable housing in the bank's assessment area. These percentages are reasonable, considering the bank's overall activities within this assessment area.

SERVICE TEST

The bank's performance in the retail banking and community development service test was adequate within this assessment area. Adequate services in retail banking and a limited level of community development services described as follows support this conclusion.

Retail Banking Services

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to all portions of the assessment area. Within 26 census tracts, the bank maintains three branches and three in-house ATMs. Although there are no low-income census tract and only two moderate-income census tracts within the assessment area, the branch located in the upper-income census tract is adjacent to a moderate-income census tract. Table 71 illustrates the distribution of branches and ATMs among the various census tracts of its assessment areas. The accessibility of the bank's products and services are enhanced by its alternative delivery systems, which mirrors the bank's overall performance and was detailed previously in this evaluation.

Table 71 - Distribution of Bank Offices and ATMs by Income Category of the Census Tract - Prescott Assessment Area						
Census Tract Income Category	***Census Tracts in Assessment Area***		***Bank Offices by Tract Location***		***ATMs by Tract Location***	
	#	*%*	*#*	*%*	*#*	*%*
Low	0	0	0	0	0	0
Moderate	2	7.7	0	0	0	0
Middle	17	65.4	2	66.7	2	66.7
Upper	6	23.1	1	33.3	1	33.3
NA	1	3.8	0	0	0	0
Total	**26**	**100**	**3**	**100**	**3**	**100**

Source: 2000 U.S. Census and Bank Public File

Changes in Branch Locations

In March 2010, NYCB acquired the branches in this assessment area as a result of the acquisition of the deposits and certain assets of Desert Hills Bank. Since then, no branches were opened or closed in this area.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

The products and services offered at branches are similar bank-wide and do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Branch hours are considered convenient and comparable to other local financial institutions. General banking hours are from 9:00AM to 4:00PM. The branch provides service on Saturday, and on Friday the branch and drive-up offer extended evening hours until 6:00PM. The credit and deposit products offered by the bank as a whole are the same for this assessment area. These products were previously discussed in this evaluation.

Community Development Services

NYCB provided a limited level of community development services in this assessment area. The following summarize the bank's efforts with respect to community development services.

- NYCB partnered with Arizona Saves to participate in its savings campaign to assist low- and moderate-income families build wealth through a broad coalition of nonprofit, corporate, and government groups. The program is designed to assist those who wish to pay down debt, or build an emergency fund, or save for a home, an education, or retirement. In support of this initiative, NYCB allows participants to open the Bank's "My Community Savings" account with a minimum balance of $10 and no fees or average balance requirement. The minimum balance to open this account is regularly $100 and a minimum balance of $200 is required to earn interest.

Members of the bank's staff offer their technical expertise through board membership, one employee in this assessment area provided the following assistance.

- A Branch Manager in Prescott serves as a member in the Audit, Finance, and Investment Committee Funds which benefits students of Yavapai Community College who are unable to pay tuition.

NEW JERSEY[1]

CRA RATING FOR NEW JERSEY: Satisfactory.
The Lending Test is rated: Low Satisfactory.
The Investment Test is rated: High Satisfactory.
The Service Test is rated: Low Satisfactory.

SCOPE OF EXAMINATION

To evaluate the bank's Lending Test performance in New Jersey, examiners reviewed the total reported CRA and HMDA data, as well as affiliate-funded small business loans. Additionally, examiners reviewed all of the bank's community development lending, investment, and service activities from January 28, 2008, to March 14, 2011. In arriving at the overall rating for the institution, nominal weight is placed on the state of New Jersey.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW JERSEY

The bank has one assessment area in New Jersey (Mercer County assessment area) within which it maintains one branch under the trade name Garden State Community Bank. In 2010, 1.5 percent (by number) of the loans that were analyzed for the current CRA evaluation were located in New Jersey. Based on the June 2010 FDIC Summary of Deposit, NYCB's deposits in New Jersey were 0.01 percent of the bank's total deposits. NYCB's operation in New Jersey is not considered significant. The June 2010 Peer Deposit Data indicated that NYCB ranked 25th in the Mercer County assessment area in terms of market share (0.02 percent) among the 26 financial institutions operating within this area. As such, the rating for New Jersey carries significantly less weight in the bank's overall rating. A variety of credit and deposit products and other financial services are available throughout the bank's entire combined assessment area, including this area.

The New Jersey assessment area is composed of Mercer County. It does not arbitrarily exclude any low- or moderate-income census tracts. Mercer County comprises the Trenton-Ewing MSA #45940. There are 73 census tracts in this assessment area.

The U.S. Department of Housing and Urban Development (HUD) annually adjusts the MFI figures.

[1] In accordance with §345.41(e), since Mercer County is located outside of multi-state MSA #35620, it must be designated as a separate assessment area and evaluated accordingly.

Table 15 – Median Family Income Figures ($)			
Metropolitan Statistical Area	**2008**	**2009**	**2010**
45940 – Trenton MSA	83,100	90,100	91,300

Source: 2000 U.S. Census, HUD annual adjusted MFI figures (2008, 2009, 2010)

Demographic Information

Table 16 illustrates general demographic information of the bank's Mercer County assessment area according to the 2000 U.S. Census.

Table 16 – Assessment Area Demographics – Mercer County Assessment Area						
Income Level	***Number of Census Tracts***	***% of Census Tracts***	***Population***	***% of Population***	***Number of Families***	***% of Families***
Low	13	17.8	41,889	11.9	9,294	10.7
Moderate	12	16.4	52,156	14.9	12,652	14.6
Middle	25	34.3	123,793	35.3	30,771	35.5
Upper	22	30.1	131,089	37.4	34,040	39.2
NA	1	1.4	1,834	0.5	0	0
Total	73	100	350,761	100	86,757	100

Source: 2000 U.S. Census

Approximately 31.1 percent of the 133,280 housing units in the assessment area are rental units. Owner-occupied housing units represent 63.3 percent of the total housing stock. As shown in Table 17, 18.9 percent of owner-occupied units are located in low- or moderate-income geographies. However, 42.6 percent of the rental units and 28.5 percent of multi-family dwellings units are located in such geographies.

Table 17 - Selected Housing Characteristics by Income Category of the Geography Mercer County Assessment Area									
Geographic Income Category	***Percentage***						***Median***		
	House -holds	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Multi Family***	***Vacant Units***	***Age****	***Housing Value$****	***Gross Rent $*****
Low	11.7	13.3	6.1	23.3	19.6	39.6	56	58,499	529
Moderate	15.1	15.3	12.8	19.3	8.9	21.8	57	82,805	684
Middle	37.0	36.2	39.0	33.1	40.2	21.2	41	132,926	776
Upper	36.2	35.2	42.1	24.3	31.3	17.4	26	269,991	905
NA	0	0	0	0	0	0	0	0	575
Total	100	100	100	100	100	100	37	179,453	728

*Source: 2000 U.S. Census, * - Owner-Occupied Units, ** - Renter-Occupied Units*

Economic Information

According to the January 2011 Moody's Analytics, the Mercer County assessment area's economy is finally beginning to recover, as government job losses leveled off in the second half of 2010 and private services gradually rebounded. The unemployment rate has declined for four consecutive months to 7.8 percent in December, even as more job seekers have entered the labor force. Building permits for multi-family housing surged in the fourth quarter, while single-family house prices remain fairly stable.

Although the financial service industry is not expected to lead to significant job creation over the near term, it will help the area maintain its per capita income advantage. Average annual earnings in financial services are much higher in Trenton than they are in the state or the nation because of the area's relatively large concentration of securities and commodities brokerage. Financial industry payrolls have been stable since the sharp decline precipitated by the financial crisis in late 2008, but employment is not expected to rebound significantly in the near term.

The education sector is one of the top employers in the area. The industry has downsized sharply in the past year, but growth is expected to resume along with the broader recovery. This is vital, as education accounts for a share of employment that is about three times greater than the national average. Princeton University, which is the area's largest private employer, saw its endowment increase by nearly 15.0 percent last year following the previous year's 23.0 percent decline. As a result, the university will only increase tuition by 1.0 percent this fall, marking the smallest increase in 45 years. Princeton will also issue pay raises to employees, restoring payroll expenditures to their pre-recession level. The area is also home to several public universities, which have been hit hard by the $173.0 million cut to higher education in the state's budget.

Based on the Bureau of Census data, the Mercer County assessment area's total housing permit growth has increased from a negative 53.2 percent in 2009 to 136.9 percent in 2010. For comparison, the U.S. figure was negative 35.9 percent and 4.5 percent for 2009 and 2010, respectively.

The area's unemployment rate was approximately 7.8 percent in 2009 and 8.0 percent in 2010. The comparable U.S. figure is 9.3 percent and 9.6 percent, respectively.

There is a high level of competition to provide banking services within the bank's Mercer County assessment area. The area is dominated by Merrill Lynch B&TC, FSB; Wachovia Bank, NA; PNC Bank, NA; Bank of America, NA; and Sovereign Bank.

Community Contact

A community contact with a local housing organization in Mercer County was reviewed to assist in identifying the credit needs of the assessment area. The community contact mentioned that financial institutions could provide assistance to borrowers by offering affordable housing programs, including programs with low down payment options.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW JERSEY

LENDING TEST

Lending Activity

The bank's lending within this assessment area is limited, although considered adequate. NYCB only operates one branch in the Mercer County assessment area. The bank's lending within this assessment area is limited to affiliate-funded small business loans originated during 2010, as well as some 1-4 family mortgage loans. Of the bank's total 1-4 family residential mortgage loans originated within the bank's assessment areas, only 0.9 percent was originated within this area.

There were no multi-family loans in Mercer County in 2009 or 2010; however, a review of the aggregate data showed that there were only nine total multi-family loans originated in this county in 2009. Only 19.0 percent of the total housing units were multi-family units. Considering the housing unit composition, and the bank's limited presence within this county, the lack of multi-family loan originations was reasonable within this assessment area.

Geographic Distribution

<u>1-4 Family Residential Mortgage Lending</u>

The bank's 2010 HMDA LAR showed 25 1-4 family residential mortgage loans within this assessment area. Following is the distribution of these loans by the income level of the census tracts: 1 loan (4.0 percent) in low-income; 1 loan (4.0 percent) in moderate-income; 5 (20.0 percent) loans in middle-income; and 18 (72.0 percent) loans in upper-income census tracts. The bank's penetration in the low-income census tracts, at 4.0 percent, was below the distribution of owner-occupied housing units, of 6.1 percent but above the aggregate level of 2.5 percent. The bank's penetration in moderate-income census tracts, also at 4.0 percent, was well below the distribution of owner-occupied housing units at 12.8 percent and moderately below the aggregate level of 5.9 percent. While the bank's penetration in the low- and moderate-income census tracts is below the percentage of low- and moderate-income census tracts, at 17.8 percent and 16.4 percent, respectively, the bank's presence is very limited within this county. The bank's distribution is adequate considering the demographic data and aggregate lending performance, and the bank's operations in this assessment area.

<u>Small Business Lending</u>

There were no small business loans originated by the bank within this assessment area in 2009 or

2010. Table 18 represents the distribution of the affiliate-funded small business loans for 2010. There is no aggregate data available for 2010. The percent of businesses operating in each census tract income level is also shown for 2010. Table 18 shows a high penetration of affiliate-funded small business loans within the assessment area, reflecting a good distribution in low- and moderate-income census tracts.

Table 18 - Distribution of Small Business Loans by Income Category of the Census Tract

Census Tract Income Level	*% of Census Tracts*	*% Total Businesses 2010*	*NYCB Performance 2010*	
			#	*%*
Low	17.8	10.4	19	17.0
Moderate	16.4	9.9	11	9.8
Middle	34.3	33.4	43	38.4
Upper	30.1	46.3	39	34.8
NA	1.4	0	0	0.0
Total	100	100	112	100

Source: 2000 U.S. Census, CRA Data Collection Report (2010), D&B data (2010)

While none of the bank's small business loans were originated within this county, the affiliate's loan distribution was good. The penetration of loans within the low-income census tracts was comparable to the percentage of low-income census tracts, while exceeding the percent of businesses operating within that income level. The penetration at the moderate-income level mirrored the percentage of businesses located in those geographies, but below the percent of census tracts. Overall, the geographic distribution was good.

Borrower Profile

<u>1-4 Family Residential Mortgage Lending</u>

During 2010, the bank's distribution of 1-4 family residential loans by income level of the borrower was poor. None of the 25 loans were extended to low-income borrowers; 20.7 percent of the families were considered low-income. With just over one quarter of the low-income families below the poverty level, 14.8 percent are still considered low-income. Only two loans, or 8 percent, were extended to moderate-income borrowers; 17.3 percent of the families were considered moderate-income. With these demographics, the lack of loans to low-income borrowers, and the low percentage to moderate-income borrowers, this lending performance is considered poor. Furthermore, the bank's lending was below the aggregate lending performance levels of 8.0 percent and 17.9 percent to low-and moderate-income borrowers, respectively.

Small Business Lending

Through the inclusion of affiliate Standard Funding's lending activities, the institution's record of lending to the small businesses in this assessment area is considered adequate. As indicated by the table below, the bank's performance compares unfavorably to the distribution of the area's businesses by revenue size. Impacting the distribution percentages is the fact that only 32.2 percent of the 112 small business loans had business revenue reported.

A review of the bank's small business loans by loan size was also conducted. Loan size can be an indicator of an institution's lending to small businesses, i.e., smaller businesses request smaller dollar loans. The bank extended 110, or 98.2 percent, of the 112 small business loans in loan amounts less than $100,000, with 65.4 percent of the total dollar volume in these smaller loan amounts. The other two loans were extended in amounts between $100,000 and $250,000. Considering that smaller businesses are more likely to need smaller loan amounts, this distribution mitigates concerns regarding the distribution by revenue size, and indicates adequate performance for this criterion in this assessment area.

Table 19 – Distribution of Small Business Loans by Gross Annual Revenue of the Business					
Gross Annual Revenues ($000s)	***% Total Businesses 2010***	***#***	***%***	***$ (000s)***	***%***
≤ $1,000	92.8	34	30.4	159	9.9
> $1,000 or NA	7.2	78	69.6	1,457	90.1
Total	**100**	**112**	**100.0**	**1,616**	**100.0**

Source: 2010 D&B, 2010 CRA Data Collection Report

Innovative and Flexible Lending

As described previously, the bank originated loans within this assessment area that are considered flexible and assist all borrowers, including low- and moderate-income borrowers. Between December 4, 2009, and March 14, 2011, the bank originated one loan totaling $403,000 under the Conforming Fixed Core program, and five loans totaling $779,000 under the Fannie Mae DU Refi Plus program. This number of loans representing 24.0 percent of the 25 loans originated in 2010 is considered adequate. The bank's Foreclosure Prevention programs are applicable bank-wide and have been previously described in this evaluation. From December 2009 to February 2011, NYCB modified one loan for $60,000 that it serviced for another investor.

Community Development Lending

During the evaluation period, the bank did not originate any community development loans within this assessment area.

INVESTMENT TEST

The bank extended a good level of qualified community development investments in this assessment area. During the evaluation period, the bank made investments totaling $3.4 million, representing 0.01 percent of total assets ($38.9 billion) and 1.6 percent of the bank's total qualified investments and grants ($214.5 million). During the evaluation period, NYCB purchased $3.4 million in MBSs that support the provision of affordable housing in the bank's assessment area. While MBSs are recognized as supporting the provision of affordable housing loans, they are not considered particularly innovative or complex.

SERVICE TEST

The bank provides adequate retail banking services and a limited amount of community development services within this assessment area.

Retail Banking Services

Accessibility of Delivery Systems

Within the 73 census tracts in the Mercer County assessment area, the bank operates one branch with one in-house ATM in an upper-income area. Table 20 illustrates the location of the branch and ATM within this assessment area.

As noted previously, the bank does not have any branches located in low- or moderate-income census tracts in this assessment area. The sole branch in this assessment area, which is located in the southeast corner of Mercer County, was acquired by the bank in a merger with another institution in October 2007. About 64.4 percent of the area's census tracts are of middle- or upper-income. All of the low- and moderate-income census tracts in Mercer County are concentrated on the western side within the Trenton city limits. The accessibility of the bank's products and services are enhanced by its alternative delivery systems, which mirrors the bank's overall performance and was detailed previously in this evaluation.

Table 20 - Distribution of Bank Offices and ATMs by Income Category of the Census Tract - Mercer County Assessment Area						
Census Tract Income Category	***Census Tracts in Assessment Area***		***Bank Offices by Tract Location***		***ATMs by Tract Location***	
	#	***%***	***#***	***%***	***#***	***%***
Low	13	17.8	0	0	0	0
Moderate	12	16.4	0	0	0	0
Middle	25	34.3	0	0	0	0
Upper	22	30.1	1	100	1	100
NA	1	1.4	0	0	0	0
Total	**73**	**100**	**1**	**100**	**1**	**100**

Source: 2000 U.S. Census and Bank Public File

Changes in Branch Locations

Since the prior FDIC CRA evaluation, the bank has not opened or closed any branches in this assessment area.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

The products and services offered at branches are similar bank-wide and do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Branch hours are considered convenient and comparable to other local financial institutions. Banking hours are from 9:00AM to 4:00PM. The branch provides service on Saturday and on Monday the branch and drive-up offer extended evening hours until 7:00PM. The credit and deposit products offered by the bank as a whole are the same for this assessment area. These products were previously discussed in this evaluation.

<u>Community Development Services</u>

NYCB provides a very limited level of community development services in this assessment area.

APPENDIX A

SCOPE OF EXAMINATION TABLE

Large institutions with multiple assessment areas or affiliates subject to examination may warrant the use of charts that convey information regarding the scope of the examination. The following chart may be used as a supplement to the discussion of the scope or in lieu thereof.

New York Community Bank
SCOPE OF EXAMINATION: NYCB was examined in accordance with "Large Bank" CRA evaluation procedures.
TIME PERIOD REVIEWED: January 28, 2008 - March 14, 2011
PRODUCTS REVIEWED: Loan Analysis: 1/1/2009 – 12/31/2010 (HMDA-reportable home purchase, refinance, and multi-family loans; MECAs; small business loans); Community Development Loans, Qualified Investments, and Community Development Services – 1/28/2008 – 3/14/2011

LIST OF AFFILIATES AND PRODUCTS REVIEWED		
AFFILIATE(S):	**AFFILIATE RELATIONSHIP:**	**PRODUCTS REVIEWED:**
Standard Funding Corporation	Subsidiary	Small Business Loans

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA:	**TYPE OF EXAMINATION:**	**BRANCHES VISITED:**	**OTHER INFORMATION:**
Multi-state NY/NJ	Full-scope	One	Multi-family mortgage loans are not offered outside of New York or New Jersey
New Jersey (Mercer County)	Full-scope	None	
Ohio	Full-scope	None	The scope of the evaluation for these seven assessment areas encompasses activities for the prior 13 months, coinciding with the AmTrust acquisition date.
Miami-Fort Lauderdale, FL	Full-scope	None	
Naples-Marco Island, FL	Full-scope	None	
Port St. Lucie, FL	Full-scope	None	
Cape Coral-Fort Meyers, FL	Full-scope	None	
Phoenix-Mesa-Scottsdale, AZ	Full-scope	None	
Prescott, AZ	Full-scope	None	

APPENDIX B

STATE OR MULTISTATE MSA NAME:	SUMMARY OF STATE AND MULTISTATE MSA RATINGS LENDING TEST RATING:	INVESTMENT TEST RATING:	SERVICE TEST RATING:	OVERALL STATE RATING:
NY/NJ Multi-state	High Satisfactory	High Satisfactory	Needs to Improve	Satisfactory
Ohio	Needs to Improve	Needs to Improve	Low Satisfactory	Needs to Improve
Florida	Needs to Improve	Low Satisfactory	Needs to Improve	Needs to Improve
Arizona	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
New Jersey	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

APPENDIX C - GENERAL DEFINITIONS

GEOGRAPHY TERMS

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

Metropolitan Statistical Area (MSA/MD): The Metropolitan Statistical Areas have at least one urbanized area of 50,000 or more population. There are 11 instances (Boston, Chicago, Dallas, Detroit, Los Angeles, Miami, New York, Philadelphia, San Francisco, Seattle, and Washington) where a Metropolitan Statistical Area containing a single core with a population of 2.5 million or more has been subdivided to form smaller groupings of counties referred to as **Metropolitan Divisions** (One or more large population centers and adjacent communities that have a high degree of economic and social integration.) Each MD must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MD comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MDs are composed of cities and towns rather than whole counties.

Combined Statistical Area (CSA): The larger area of which MSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Rural Area: Territories, populations and housing units that are not classified as urban.

HOUSING TERMS

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

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

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, it a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

APPENDIX D - INVESTMENT DEFINITIONS

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. The equity investments are subject to limits specified by the bank's regulator. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization. Any real estate ownership should generally be temporary, with ownership reverting to members or organizations in the community.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. They procure loans and investments that conventional financial institutions are unable to invest in, and they link financing to other developmental activities. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. CDFIs share a common mission and can be chartered as a credit union or bank. CDFIs can also be unregulated nonprofit institutions that gather private capital from a range of social investors for community development lending or investing. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, microenterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Qualified Investments: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.