

***PUBLIC DISCLOSURE***

*June 1, 1998*

***COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION***

**Bankers Trust Company  
02-36-4840**

**130 Liberty Street  
New York, New York 10006**

***Name of Supervisory Agency***

***Address of Supervisory Agency***

**NOTE:** ***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.***

**TABLE OF CONTENTS**

*General Information*..... *BB1*

*Institution Rating*

*Institution’s CRA Rating* ..... *BB2*

    Description of Institution ..... *BB3*

    Description of Assessment Area ..... *BB3*

    Map of Assessment Area ..... *BB6*

    Conclusions with Respect to the Community Development Test..... *BB7*

        Volume of Activity ..... *BB7*

        Innovative or Complex Activity.....*BB10*

        Responsiveness to Credit and  
            Community Development Needs .....*BB13*

Exhibits .....*BB15*

    A - Total Community Development Lending ..... *BB16*

    B - Community Development Lending – Indirect Activity .....*BB17*

    C - Community Development Lending – Direct Activity .....*BB18*

    D - Summary of Total Qualified Investment Activity .....*BB19*

    E - Qualified Investments.....*BB20*

CRA Appendices ..... *BB21*

    CRA Appendix A: Scope of Examination..... *BB22*

    CRA Appendix B: Glossary..... *BB23*

## **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 CRA performance of **Bankers Trust** Company prepared by the **Federal Reserve Bank of New York** on behalf of the Board of Governors of the Federal Reserve System, the institution's supervisory agency, as of **June 1, 1998**. 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 228.*

## ***INSTITUTION***

***INSTITUTION'S CRA RATING:*** Bankers Trust Company's ("Bankers") level of compliance with the CRA is assessed as **OUTSTANDING**, based on an evaluation of the performance criteria specified under the CRA with respect to the community development test for wholesale banks.

The bank's outstanding performance under the community development test is based on the following:

- A high level of community development loans, qualified investments and community development services.
- Extensive use of innovative or complex qualified investments, community development loans, and community development services.
- Excellent responsiveness to credit and community development needs in its assessment area.

**DESCRIPTION OF INSTITUTION**

Bankers Trust Company, headquartered in New York, New York, is a New York State-chartered corporation and a member of the Federal Reserve System. It is a wholly owned subsidiary of Bankers Trust New York Corporation, a bank holding company with total consolidated assets of \$157.8 billion as of March 31, 1998. At the same time, the bank had total assets of \$113.1 billion, net loans and leases of approximately \$20.0 billion and total deposits of \$48.5 billion. There are no financial or legal factors that would impede Bankers in fulfilling its responsibilities under the CRA.

Bankers is a wholesale banking institution with a worldwide presence, providing services to major corporations, financial institutions, governments and high net worth individuals. These services include investment banking, advisory, global sales and trading, asset management and financial advisory services. The bank does not extend home mortgage, small business or consumer credit to retail customers, except to accommodate its private banking clientele. Accordingly, on August 18, 1997, the Board of Governors granted the bank designation as a wholesale institution under the CRA.

Bankers has one principal office located at 130 Liberty Street, which does not provide banking services, a full-service branch located at 280 Park Avenue, and a limited purpose branch located at 14-16 Wall Street. Opened on May 12, 1997, the limited purpose branch is not open to the public. Its purpose is to accept large volume checking account deposits from corporate customers. Nonbank affiliates of Bankers, such as BT Alex. Brown and BT Services have offices in 18 states in addition to New York.

The bank's previous CRA examination was conducted as of May 28, 1996, at which time the bank received an overall rating of "Outstanding." This is the first CRA examination conducted by the Federal Bank of New York since Bankers received its designation as a wholesale bank.

**DESCRIPTION OF ASSESSMENT AREA**

The bank has designated as its assessment area the portion of MSA 5600 (New York, NY) generally referred to as New York City. The designation consists of Bronx, Kings (Brooklyn), New York (Manhattan), Queens and Richmond (Staten Island) Counties. The assessment area has not changed since the last examination and is in technical compliance with the requirements of Section 228.41 of Regulation BB.

Performance Context

The following demographic and economic information was obtained from publicly available sources that include the United States Department of Commerce's Bureau of the Census, 1990, the U.S. Department of Labor, the U.S. Department of Housing and Urban Development ("HUD") and the New York State Department of Labor.

### Demographic Characteristics

Total population in the assessment area is approximately 7.3 million, about 86 percent of the total population of MSA 5600 (New York, NY) and 41 percent of the total population of New York State. Of the 2,159 populated census tracts in the assessment area, 742 or 34 percent are low- and moderate-income ("LMI"). The majority of LMI tracts are located in Bronx and Kings Counties. Of the 1.8 million families in the assessment area, 666,929 or 38 percent reside in LMI census tracts.

### Income Characteristics

According to the 1990 U.S. Census, the median family income in the assessment area is \$34,360, somewhat lower than the MSA median family income of \$37,515. Median income levels vary considerably among the counties in the assessment area. Richmond County has the highest median income at \$50,734, while Bronx County has the lowest median income level at \$25,479. Of the families residing in the assessment area, 772,172 or 44 percent are considered LMI. The 1998 HUD estimated median family income for MSA 5600 (New York, NY) is \$49,800.

### Housing Characteristics

There are approximately 3 million housing units in the assessment area, but only 27 percent or 808,901 units are owner-occupied. Rental units comprise 67 percent of housing units overall; however, in Bronx and New York Counties, the percentage of rental units is 79 percent and 75 percent, respectively. In Richmond County, only 34 percent of housing units are rentals. Of all housing units in the assessment area, approximately 63 percent or 1.9 million units are multifamily structures consisting of five or more units. This is most pronounced in New York and Bronx Counties, where 96 percent and 75 percent, respectively, of housing units are multifamily.

According to the 1990 U.S. Census, the median housing value in the assessment area was \$187,876, while median gross rent was \$496. In New York County, the median housing value of \$471,074 far exceeds the assessment area median. A comparison of housing costs to median income, particularly in New York County, shows that affordable owner-occupied housing is generally beyond the reach of LMI families in the assessment area, indicating a demand for affordable rental housing units. This need was confirmed by community contacts made during recent CRA examinations.

Other assessment area credit needs identified by community contacts were loans for the rehabilitation of existing housing stock, small business loans to encourage the formation and expansion of small businesses, economic development lending to strengthen communities, and funding to support nonprofit community development organizations.

**Labor, Employment and Economic Characteristics**

The local economy is rebounding from a sharp economic downturn that occurred between 1989 and 1992. Between March 1997 and March 1998, the number of jobs in New York City increased by 59,300 or 1.7 percent. Job growth in the service and retail sectors has compensated for job losses in the manufacturing and government sectors. A resurgence of tourism in New York City and a strong financial industry have contributed to the retail and service sector growth.

Despite the increase in job opportunities, however, New York City continues to have a comparatively high unemployment rate. In April 1998, the unemployment rate in New York City was 8.1 percent, compared to 5.7 percent for New York State. Local economists attribute this differential to an increase in the number of persons in the local labor force believed to be caused in part by a change in the eligibility standards for public assistance benefits and the skill level of the labor force.

**INSERT ASSESSMENT AREA MAP HERE**

**CONCLUSIONS WITH RESPECT TO THE COMMUNITY DEVELOPMENT TEST:**

*The Community Development Test is rated: Outstanding.*

**VOLUME OF ACTIVITY**

The bank provided an excellent level of community development loans, qualified investments and community development services in order to help meet credit and community development needs.

**Community Development Lending**

The level of Bankers' community development lending was outstanding. As shown in Exhibits A through C, community development loan commitments totaled \$137 million for the examination period (May 28, 1996 through June 1, 1998), of which \$97.8 million or 71.4 percent were new commitments originated since the last examination. Total commitments at this examination represent a 49.6 percent increase since the last examination when community development loans totaled \$91.6 million.

Of total commitments, \$127 million or 92.7 percent helped to meet the community development needs inside the bank's assessment area. Because this activity adequately addressed community development needs within the bank's assessment area, consideration was given to a \$10 million community development loan that benefited a community outside the bank's assessment area. The out-of-area loan benefits a community where the bank has a nonbank affiliate presence.

Consistent with its wholesale bank operations, most lending activity was made on an indirect basis, primarily to intermediaries supporting housing and economic development within the bank's entire assessment area. Of the total community development activities, \$120 or 87.6 percent represented indirect lending.

Direct loans totaled \$17 million. Direct loan commitments, including the Working Capital and Venture Capital Programs, extended in the bank's assessment area totaled \$7 million and were disbursed as follows:

- New York County – ten loans totaling \$3.0 million
- Kings County – nine loans totaling \$2.1 million
- Bronx County – eight loans totaling \$1.8 million
- Queens County – one loan totaling \$60 thousand

The remaining \$10 million direct loan benefited a LMI community in Miami Beach, Florida.

During the examination period, Bankers received an incentive grant award from the U.S. Treasury Department in recognition of its community development activity. The \$975 thousand grant came specifically from the Treasury's Community Development Financial Institutions ("CDFI") Fund Bank Enterprise Award ("BEA") Program. The BEA Program provides incentives to insured depository institutions to increase their direct investment in CDFIs and to increase their lending, investment and financial services in the distressed communities they serve. Recipients of this award were selected on the basis of having financed projects critically needed in their communities. Bankers' management has committed to reinvest the award to support the continuing community development work through its Microcredit Programs and Neighborhood Franchise Project described on pages BB11 and BB12, respectively.

### **Qualified Investments**

Bankers has an excellent level of qualified investments. As shown in Exhibits D and E, qualified investments totaled \$164 million at this examination. This represents a 126 percent increase over the \$72.5 million in qualified investments existing at last examination. Bankers' investments included \$5.9 million of grants and contributions from the Bankers Trust Foundation in support of over 200 nonprofit community development organizations and programs.

Of total investments, \$108.8 million or 66.3 percent helped to meet community development needs inside the bank's assessment area. Because this activity adequately addressed community development needs within the bank's assessment area, consideration was given to \$55 million in investments benefiting areas outside the assessment area. Of total investments outside the assessment area, \$50.8 million or 92.4 percent were mortgage-backed securities purchased for the bank's investment portfolio. The underlying mortgages, originated throughout the U. S., are all to LMI borrowers.

The remaining out-of-area investments consisted of a \$2.9 million community development tax credit investment in an economic development CDC in Appalachia, Kentucky; \$633 thousand of low-income housing tax credits in Baltimore, Maryland; and \$600 thousand of grants and a \$100 thousand deposit in a CDFI in Newark, New Jersey. These investments benefit LMI communities in areas where the bank has a nonbank affiliate presence.

### **Community Development Services**

Bankers provides a high level of community development services in its assessment area, including technical assistance, investment advisory services, in kind donations and mentoring programs.

### **Technical Assistance**

The bank provides technical assistance on several levels to nonprofit organizations serving the bank's assessment area:

*Director, Management and Staff Participation*

Directors, management and staff are involved in 53 community development organizations serving the needs of LMI communities and individuals in the bank's assessment area. Involvement includes directorships, finance committee memberships, advisory positions and fundraising at such organizations as the National Community Development Initiative, The Retail Initiative, Women's Center, Community Preservation Corporation, Low Income Housing Fund, New York City Housing Partnership and United Neighborhood Houses.

In addition, management of the Community Development Group ("CDG") frequently participates in seminars and programs addressing private sector involvement in community development. Its members participated in 25 such speaking engagements during the examination period.

*Bankers Trust Strategic Work Assistance Team ("BT SWAT")*

BT SWAT, managed by CDG, is a volunteer technical assistance program for assessment area nonprofit organizations. The program matches the special expertise of employee volunteers with a nonprofit organization in order to accomplish task-specific projects. During the examination period, BT SWAT teams, consisting of two to four employees, participated in 13 projects, each lasting approximately three months. Projects included assistance in the development of funding proposals, strategic plans, and management information systems as well as computer software installation and operating procedures for a revolving loan fund.

*BT SWAT Brown Bag Lunch Series*

This series is a collaborative effort of Bankers and Community Resource Exchange. Community Resource Exchange identifies community-based organizations in need of business expertise and organizes workshops conducted by skilled volunteer employees of the bank. Six such programs were conducted during the examination period on topics ranging from business plans to human resource management to financing for nonprofit organizations.

*Investment Advisory Services*

Bankers' Private Banking group provides investment advisory services to several community organizations assisting the groups in creating an asset base that will provide a continuing income stream. The staff of the CDG also provides such services to smaller community organizations on an informal basis.

*In Kind Donations*

Bankers has an ongoing system of donating equipment and furnishings to nonprofit organizations involved in community development activities. Kitchen equipment was donated to a senior citizen organization, and computer equipment was given to a nonprofit organization for skills training programs. Similar donations benefited 36 organizations during the examination period.

**Mentoring Programs**

The bank participates in the Big Brothers/Big Sisters of New York City's Workplace Mentoring Program. Under the program, the bank currently has ten students from a Harlem area school mentoring with employees in Private Banking. During the school year, the students visit the bank on a biweekly basis to participate in a specially designed program teaching them about budgeting, investments, credit, and employment opportunities in financial services. In addition, Bankers employees visit four grade schools in LMI communities in New York City twice a month to tutor students and conduct financial panels.

**INNOVATIVE OR COMPLEX ACTIVITY**

Bankers made extensive use of innovative or complex qualified investments, community development loans, and community development services, often taking a leadership role in initiating programs and projects that benefit the bank's assessment area.

**Qualified Investments**

The bank effectively uses innovative or complex investments to support community development and takes a leadership role in developing new investment initiatives.

Approximately 57 percent or \$92.6 million of total investments were tax credits, which are considered complex because they require a substantial commitment of time and expertise related to accounting issues and the risk associated with low-income housing tax credits. The most significant tax credit investments, totaling \$67.6 million, are in the New York Equity Fund. The fund was formed to create an investment pool for corporate equity investments supporting low-income housing development.

The bank's investment in the Kentucky CDC was innovative, requiring over a year for the bank to effectively structure the transaction. This investment was only the second time an investor participated in the federal tax credit program for investments in qualified CDCs. The Kentucky CDC invests in start-up and expanding enterprises located in southern and eastern Kentucky, a chronically depressed region that has not yet recovered from its dependency on the coal market.

In addition, Bankers introduced two new innovative grant initiatives during the examination period:

**Neighborhood 2000 Fund ("N2F")**

Conceived by Bankers, N2F is a philanthropic collaboration of corporations, foundations and individuals providing funding for CDCs that support housing, economic development and community building initiatives in the LMI communities of New York City. Over four years, the fund will support approximately 50 competitively selected nonprofit CDCs with up to

\$75 thousand in annual grants for core operating expenses to support housing, economic development and community building initiatives. As of June 1, 1998, the fund totaled \$10.1 million in capitalization commitments from 30 donors. The first grant commitments under N2F were extended to 30 CDCs and four organizations are on a waiting list for funding as new donors commit to the fund. Plans are underway to sustain support for the CDCs after the four-year funding commitment through a tax credit initiative. Bankers is a lead investor in N2F with a \$1 million commitment.

*BT Microcredit Development Fund (“MDF”)*

The MDF, launched by Bankers in June 1997, will provide below market rate loans to nonprofit microcredit lending programs worldwide. These microcredit programs will then provide small loans to entrepreneurs to establish or expand new businesses. This unique program is funded by donations from Bankers Private Banking clients and matching contributions from the Bankers Trust Foundation. As of June 1, 1998, the fund was capitalized with \$550 thousand and one MDF loan commitment was extended to help establish a loan loss reserve for a microcredit lender in New York City.

**Community Development Lending**

Bankers continues to support the following innovative community development lending programs:

*Closing Assistance Support for Homebuyers (“CASH”)*

Initiated in 1994 by Bankers and Neighborhood Housing Services (“NHS”) of New York City, CASH provides down payment and closing cost assistance loans to LMI homebuyers throughout the bank’s assessment area. CASH loans are funded from a loan pool established by a consortium of local banks. Bankers organizes the consortium and acts as administrative agent for the funds. After successfully completing two loan pools, Bankers established a third pool of loan funds, CASH III, during the examination period. CASH III totals \$2 million from ten participants, including Bankers’ \$200 thousand commitment.

*Global Resources for Affordable Neighborhood Development (“GRAND”)*

GRAND is a joint effort of Bankers and the New York City Housing Partnership (“NYCHP”) which allows foreign and wholesale banks to participate in the development of affordable housing in New York City. Established in 1992, the program pools loans from local financial institutions that do not extend direct construction loans and makes the funds available, at below market rates, to NYCHP for construction of new affordable owner- and renter-occupied housing units in LMI communities. GRAND is organized and administered by Bankers. After completion of two successful loan pools, Bankers established a third pool, GRAND III, during the examination period. Grand III has a capitalization of \$50 million from 15 lenders. Bankers originally committed \$7 million to Grand III and subsequently purchased the \$2 million commitment of a foreign bank, increasing Bankers’ total commitment to \$9 million.

Working Capital Program (“WCP”)

WCP provides a source of credit and grant support to New York City CDCs for specific community revitalization initiatives that directly benefit LMI area residents. The program provides \$150 thousand to each of the competitively selected organizations in the form of a \$20 thousand interest-free loan and a \$30 thousand operating grant over each year of the program’s three-year funding period. Every year since 1994, ten nonprofit CDCs were awarded WCP funds for projects such as a joint venture to provide employment and career counseling in the South Bronx, the purchase and rehabilitation of distressed housing in the Cypress Hills community of Brooklyn, and a home care agency for senior citizens in the Bronx. The most recent WCP awards were in July 1997.

Neighborhood Franchise Project (“NFP”)

In partnership with Local Initiatives Support Corporation (“LISC”), NFP was conceived in 1993 and developed following extensive organizational work to create new businesses and new jobs in LMI communities of New York City. Working with six CDCs representing the neighborhoods of Bedford-Stuyvesant, Central Harlem, Washington Heights, the South Bronx and Coney Island, the program will initiate new franchise businesses in these LMI communities. Each CDC is provided with \$750 thousand in grant monies and a deal-specific, below market rate lending commitment of \$1.5 million to be used for the CDC’s equity investment in the new business. Bankers approved its first two NFP transactions during the examination period and has ten additional projects in various stages of the negotiation and approval process.

Venture Capital Program (“VCP”)

Bankers developed the VCP to finance nonprofit-sponsored economic development projects designed to generate income and develop jobs in LMI neighborhoods. In addition to the below market rate loans, the program provides grants to borrowing organizations to pay for technical assistance in managing their programs. Four VCP loans have been originated since the program began in 1991, two of those loans during the examination period. VCP loans have been used to finance small business and microcredit programs, a farmers market and a thrift shop. Although the program is widely marketed by Bankers, management believes the limited number of VCP originations is related to a limited target market and a maximum loan amount of only \$50 thousand.

**Community Development Services**

Bankers has developed innovative methods of providing services to community development entities serving its assessment area. As previously discussed, the bank’s unique BT SWAT programs help to build the organizational capacity of local CDCs by providing access to the specialized talents and skills of Bankers’ employees. Functioning as a direct consulting service, the BT SWAT programs provide no-cost professional assistance and training. In addition, the

bank provides investment advisory services that allow community development entities to maximize their financial resources.

## **RESPONSIVENESS TO CREDIT AND COMMUNITY DEVELOPMENT NEEDS**

Bankers demonstrated a strong response to community credit needs including affordable housing, economic development, community services and revitalization and stabilization projects.

### **Community Development Lending**

Through its community development lending initiatives, Bankers exhibited excellent responsiveness to the most pressing credit and community development needs in its assessment area. Community development lending centered on affordable housing, identified by community contacts as the most critical need in the bank's assessment area. Overall, affordable housing activity totaled \$111.8 million or 81.6 percent of total community development lending. Bankers met other community development needs through lending activity to revitalize and stabilize communities, which totaled \$19.0 million or 13.9 percent of total lending, and economic development lending totaling \$3.9 million or 2.8 percent of total lending. Community service lending equaled \$2.3 million or 1.7 percent of total community development lending activity.

Bankers' innovative loan programs were especially successful in meeting community credit and development needs. The first two loan pools for the CASH program provided approximately 600 LMI homebuyers with down payment and/or closing cost assistance. The GRAND program's first two loan pools helped develop 21 projects representing 2,579 units of affordable housing. Since July 1, 1996, GRAND III has already provided 260 affordable housing units, with 1,114 such units pending completion. The WCP has provided assistance to 30 local CDCs for a total of \$4.5 million in loans and grants to support programs for community revitalization.

### **Qualified Investments**

Banker's investments exhibit an excellent response to credit and community development needs. Of total investments, \$152.9 or 93.2 percent are directed toward affordable housing initiatives, considered the most pressing community development need. Investments directed toward economic development activities totaled \$7.0 million or 4.3 percent of total investments. Community service and revitalization needs were addressed through investment grants totaling \$2.5 million and \$1.5 million, respectively.

### **Community Development Services**

The bank's community development services respond very effectively to community development needs. Most of the community development services are directed toward helping to meet the needs of community development organizations. While Bankers' loan and grant programs help to meet the financial needs of CDCs, community development service programs (including BT SWAT and director, management and staff participation), help to meet the organizational and

operational and technical needs of such entities. CDC organizational and operational needs were documented in bank studies and are considered particularly important since many CDCs are expanding their activities into new areas such as small business and other economic development initiatives.

**EXHIBITS**

RESTRICTED F.R.

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DSBB No. 02-36-4840

EXHIBIT A

<b>Total Community Development Lending Activity</b>		
	<b>Commitment ('000s)</b>	<b>Outstanding</b>
Indirect Activity	\$120,030	\$50,980
Direct Activity	\$16,935	\$14,966
<b>Total</b>	<b>\$136,965</b>	<b>\$65,946</b>
Affordable Housing ("AH")	\$111,844	\$50,924
Community Services ("CS")	\$2,250	\$2,010
Economic Development ("ED")	\$3,871	\$412
Revitalization and Stabilization ("R&S")	\$19,000	\$12,600

**RESTRICTED F.R.**

MC\98CAE8\PUBLIC D#9  
**DSBB No. 02-36-4840**

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**BB17**

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**BB18**

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**Insert exhibit E here**

**BB20**

**CRA APPENDICES**

**CRA APPENDIX A**

<b>SCOPE OF EXAMINATION</b>			
<b>TIME PERIOD REVIEWED</b>		5/28/96 TO 6/1/98	
<b>FINANCIAL INSTITUTION</b>		<b>PRODUCTS REVIEWED</b>	
Bankers Trust Company 130 Liberty Street New York, New York		Community Development Loans Qualified Investments	
<b>AFFILIATE(S)</b>		<b>AFFILIATE RELATIONSHIP</b>	<b>PRODUCTS REVIEWED</b>
None			
<b>LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION</b>			
MSA 5600 (New York, NY)		On-site	

**CRA APPENDIX B****GLOSSARY**

**AREA MEDIAN INCOME:** (1) The median family income for the MSA, if a person or geography (block numbering area or census tract) is located in an MSA; or(2), if a person or geography is located outside an MSA, the statewide non-metropolitan median family income.

**CDC:** Community development corporation.

**CDFI:** Community development financial institution.

**COMMUNITY DEVELOPMENT:** (1) Affordable housing including multifamily rental housing for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing business or farms that meet the size eligibility standards of 13 CFR121.802 (a)(2) or have gross annual revenues of \$1 million or less; or (4) activities that revitalize or stabilize low- or moderate-income geographies.

**LMI:** Low- and moderate-income, as in LMI census tracts.

**LOW INCOME:** An individual income that is less than 50 percent of the area median income (i.e., of the median family income for the MSA, if the individual is located in an MSA, or, if the individual is located outside an MSA, of the statewide non-metropolitan median family income), or a BNA or census tract median family income that is less than 50 percent of the area median income. Accordingly, a low-income census tract is one in which the median family income is less than 50 percent of the area median income.

**MIDDLE INCOME:** An individual income that is at least 80 percent and less than 120 percent of the area median income, or a BNA or census tract median family income that is at least 80 percent and less than 120 percent of the area median income.

**MODERATE INCOME:** An individual income that is at least 50 percent and less than 80 percent of the area median income, or a BNA or census tract median family income that is at least 50 percent and less than 80 percent of the area median income.

**MSA:** A metropolitan statistical area or a primary metropolitan statistical area as defined by the director of the Office of Management and Budget.

**QUALIFIED INVESTMENT:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**UPPER INCOME:** An individual income that is 120 percent or more of the median family income in an MSA or a census tract in which the median family income is 120 percent or more of the median family income in an MSA.

**WHOLESALE BANK:** A bank that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with the CRA regulation.