

# **PUBLIC DISCLOSURE**

June 10, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Amboy Bank  
RSSD No. 9807

3590 U.S. Highway 9 South  
Old Bridge, NJ 35154

Federal Reserve Bank of New York

33 Liberty Street  
New York, NY 10045

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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**INSTITUTION’S CRA RATING**

**THIS INSTITUTION IS RATED: SATISFACTORY**

The following table indicates the performance level of Amboy Bank (Amboy or the bank) with respect to the Lending, Investment, and Service Tests.

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

*\* The Lending Test is weighted more heavily than the Investment and Service tests in determining the overall rating.*

**SUMMARY OF MAJOR FACTORS SUPPORTING RATINGS**

The major factors supporting the institution's rating include:

**LENDING TEST**

- Lending levels reflected good responsiveness to the assessment area credit needs.
- A high percentage of loans were made in the bank’s assessment area.
- The geographic distribution of loans reflected adequate penetration throughout the assessment area.
- The distribution of borrowers reflected, given the product lines offered by the institution, excellent penetration among retail customers of different income levels and among business customers of different sizes.
- The bank exhibited a good record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.
- The bank made a relatively high level of community development loans.
- The bank used innovative and/or flexible lending practices in order to serve assessment area credit needs.

### **INVESTMENT TEST**

- The bank had an adequate level of qualified community development investment and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibited adequate responsiveness to credit and community economic development needs.
- The bank rarely used innovative and/or complex investments to support community development initiatives.

### **SERVICE TEST**

- Delivery systems were reasonably accessible to essentially all portions of the bank's assessment area.
- To the extent changes have been made, the bank's opening and closing of branches did not adversely affect the accessibility of its delivery systems, particularly in low- and moderate-income (LMI) geographies and/or to LMI individuals.
- Services, including business hours, did not vary in a way that inconvenienced portions of the assessment area, particularly LMI geographies and/or LMI individuals.
- The bank provided a relatively high level of community development services.

**INSTITUTION**

**DESCRIPTION OF INSTITUTION**

Amboy Bank is a full service commercial bank headquartered in Old Bridge, New Jersey (NJ). The bank maintained total assets of \$2.6 billion as of December 31, 2023. The bank operates 22 full-service branch offices and 26 automatic teller machines (ATMs) in Middlesex and Monmouth Counties in NJ. Since the prior evaluation, Amboy closed one branch with one ATM and opened an operations center that contains one ATM. Each of the branch offices provide a consistent suite of consumer and commercial deposit and lending products and services.

The bank maintains Amboy Direct, which provides customers with a convenient option to open a limited number of deposit (savings and certificate of deposit) and lending (home equity) products online. Amboy Direct also supports Amboy24, an automatic telephone voice response unit, and AmboyNET, the bank’s internet banking service, with 24 hour customer service. Amboy also maintains a financial subsidiary, Amboy Title Agency, LLC., which provides residential and commercial title insurance services through the Commonwealth Land Title Insurance Company.

Based on the December 31, 2023, Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report), Amboy’s loan portfolio by dollar volume was diversified and consisted of a mix of multifamily, 1-4 residential real estate, non-farm nonresidential secured, and commercial loans as summarized in the following table.

<b>Loan Portfolio December 31, 2023</b>		
<b>Loan Type</b>	<b>\$(000's)</b>	<b>%</b>
1-4 Family Residential Real Estate	293,617	16.8
Construction, Land Development, and Other Land Loans	308,949	17.6
Multifamily (5 or more units) Residential Real Estate	579,860	33.1
Home Equity Line of Credit	26,324	1.5
Consumer	444	<0.1
Agricultural Production and Other Loans to Farmers	0	0
Commercial & Industrial	28,816	1.6
Nonfarm Nonresidential Secured	511,887	29.2
Other	559	<0.1
<b>Total Loans</b>	<b>1,750,456</b>	<b>100.0</b>
<i>Source: Call Report</i>		

Based on the bank’s December 31, 2023, Uniform Bank Performance Report (UBPR), Amboy’s deposit portfolio by dollar volume primarily comprised of money market demand accounts, savings, and time deposits as summarized in the following table.

<b>Deposit Portfolio</b>		
<b>December 31, 2023</b>		
<b>Deposit Type</b>	<b>\$(000's)</b>	<b>%</b>
Demand Deposits	132,426	6.0
All NOW and ATS	79,625	3.6
Money Market Deposits	922,043	41.9
Other Savings Deposits	621,518	28.3
Time Deposits at or below Insurance Limit	157,523	7.2
Time Deposits Above Insurance Limit	284,608	13.0
Brokered Deposits	0	0
<b>Total Deposits</b>	<b>2,197,743</b>	<b>100.0</b>

*Source: UBPR*

### **Previous Public Evaluation**

The Federal Reserve Bank of New York assigned a rating of Satisfactory at the prior CRA Performance Evaluation dated August 23, 2021, using the FFIEC Interagency Large Institution CRA Examination Procedures. The Lending Test was rated High Satisfactory, the Investment Test was rated Low Satisfactory, and the Service Test was rated High Satisfactory.

### **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. Amboy delineated one assessment area, which was comprised of all of Middlesex and Monmouth Counties, NJ within the Metropolitan Division (MD) 35154 (New Brunswick-Lakewood, NJ). MD 35154 was part of Metropolitan Statistical Area (MSA) 35620 (New York-Newark-Jersey City, NY-NJ-PA). This assessment area remained unchanged from the prior evaluation.

The bank's assessment area was in compliance with the requirements of Section 228.41 of Regulation BB. A map illustrating the bank's assessment area is in Appendix A. There were no financial or legal factors that would prevent the bank from fulfilling its responsibilities under the CRA.

### **SCOPE OF EVALUATION**

#### **Procedures**

To assess Amboy's CRA performance, examiners applied the FFIEC's Interagency Large Institution CRA Examination Procedures, which included the Lending Test, Investment Test, and Service Test. The evaluation considered the performance context, including the bank's asset size, financial condition, market competition, assessment area demographics, and credit and community development needs.

#### **Products**

During this evaluation, home mortgage and small business loans were analyzed as these loan types represented the major product lines based on a review of bank records, business strategy, and loan portfolio composition. Construction, consumer, and small farm loans were excluded from the evaluation as they did not represent a major product line nor provide material support for conclusions or ratings.

During the review period, Amboy was a Home Mortgage Disclosure Act (HMDA) reporter for one year, 2023,

and examiners analyzed home mortgage data accordingly. Since Amboy was not required to collect and report HMDA data for 2020, 2021, and 2022, examiners utilized mortgage data that the bank voluntarily collected and provided. For the Lending Test, home mortgage loans included home purchase, home refinance, home improvement, other purpose, and multifamily housing loans, which examiners combined and analyzed collectively, as individually, the loan volumes were insufficient to provide a meaningful analysis. Examiners verified the integrity of the bank's HMDA data from January 1, 2023 through December 31, 2023, and bank provided home mortgage data from January 1, 2020 to December 31, 2022.

The small business loans included commercial real estate loans, commercial and industrial loans, and lines of credit in amounts of \$1.0 million or less. The bank did not originate small farm loans; thus, they were excluded from the evaluation. Examiners verified the integrity of the bank's CRA reported data from January 1, 2020 to December 31, 2023.

Examiners also analyzed community development loans, investments, and services. Multifamily loans considered in the retail lending test were also considered in the evaluation of community development lending.

### **Evaluation Period**

Examiners reviewed the bank's home mortgage and small business loans originated between January 1, 2020 through December 31, 2023. The evaluation of the bank's community development loans, qualified investments, philanthropic grants, and community development services included all qualified activities from January 1, 2021 through December 31, 2023. The Investment Test also included qualified investments and grants made during the current evaluation period and the current book value of any qualified investments outstanding from the prior evaluation. At the previous evaluation, the Small Business Administration's (SBA) Paycheck Protection Program (PPP) loans originated in 2020 greater than \$1.0 million were evaluated as part of community development activities. For this evaluation, PPP loans originated on or after January 1, 2021, and greater than \$1.0 million were evaluated as community development activities. Additionally, PPP loans less than or equal to \$1.0 million that were reported on or after January 1, 2020 on the small business loan register were considered in this CRA evaluation.

### **Lending Analysis**

Under the Lending Test, geographic and borrower loan distribution analyses were based on loan activity inside the assessment area. The bank's 2023 HMDA lending was compared to the U.S. Department of Commerce's Bureau of the Census 2020 (2020 U.S. Census) demographic data only, since aggregate lending data was not available for 2023. Home mortgage data voluntarily collected for 2020, 2021, and 2022, was compared to the 2015 American Community Survey (ACS) demographic data. The bank's record of small business lending was compared to 2020, 2021, 2022, and 2023 Dun & Bradstreet (D&B) demographic data and aggregate small business loan data for 2020, 2021, and 2022. Small business aggregate lending data for 2023 was not available. Aggregate lenders included all lenders required to report HMDA-reportable and CRA small business lending data within the assessment area. For retail services, the bank's branch distribution analysis was conducted using data as of December 31, 2023.

To evaluate the geographic distribution, the proportion of home mortgage loan originations located in LMI geographies was compared to the proportion of owner-occupied housing units located in LMI geographies. For small business loans, the analysis compared the proportion of loan originations located in LMI geographies with the proportion of businesses located in LMI geographies, based on D&B data. Performance in LMI geographies were analyzed separately. The lending analysis also considered lending opportunities in LMI census tracts as indicated by demographic data.

To analyze the distribution of home mortgage lending by borrower profile, the proportion of originations to LMI borrowers was compared to the proportion of LMI families residing in the assessment area. Median family income (MFI) estimates from the FFIEC were used to categorize borrower income. For small business lending, Amboy's proportion of loans to businesses with gross annual revenues (GAR) of \$1.0 million or less, based on D&B data, were compared to the proportion of all such businesses located in the assessment area.

### **Community Development Activity Analysis**

Community development activities were reviewed to determine whether activities had community development as a primary purpose and whether the community development activities benefited the bank's assessment area or the broader statewide or regional area (BSRA) that included the assessment area if the institution met the needs of its existing assessment area. In addition, pursuant to CA Letter 21-5: CRA Consideration for Activities in Response to the Coronavirus, qualified community development activities supporting community needs related to the COVID-19 pandemic located outside of the assessment or BSRA were also given consideration. The eligibility of a loan, investment, or service as a community development activity was based on demographic information at the time the community development activity was undertaken. Qualified community development activities were analyzed from both the quantitative and qualitative perspectives to understand the volume of activity impacting a particular assessment area, the innovativeness of those activities, and the responsiveness to local community development and credit needs. When appropriate, peer comparisons were conducted using annualized metrics to gauge the relative performance of the institution in a particular assessment area.

### **Deriving Overall Conclusions**

Examiners conducted a full-scope review of the assessment area. When evaluating the bank's performance under the Lending Test, examiners placed equal weight on home mortgage and small business loan products. Demographic and economic information, which also impacted the bank's performance context, is discussed in detail.

## **PERFORMANCE CONTEXT**

The following demographic and economic information were used to describe this assessment area and to evaluate the context in which Amboy operated. The information was obtained from publicly available sources, including the 2015 ACS, 2020 U.S. Census, U.S. Department of Labor's Bureau of Labor Statistics (BLS), D&B, FFIEC, and U.S. Department of Housing and Urban Development (HUD).

### **Demographic Characteristics**

According to the 2020 U.S. Census, the population of this assessment area was 1,506,777. This assessment area consisted of 347 census tracts, of which 25 or 7.2% were low-income, 53 or 15.3% were moderate-income, 149 or 42.9% were middle-income, and 115 or 33.1% were upper-income, and 5 or 1.4% were of unknown-income.

### **Income Characteristics**

Based on the 2020 U.S. Census, this assessment area had 371,608 families, of which 20.3% were low-income and 5.5% were below the poverty level, 16.3% were moderate-income, 21.1% were middle-income, and 42.4% were upper-income. This data suggests that it would be difficult for LMI families to qualify for a home



mortgage loan or support a monthly mortgage payment, especially considering the area’s median housing value of \$383,451. Therefore, lenders may have faced challenges originating loans to LMI borrowers.

The table below depicts the FFIEC MFIs for the assessment area for 2015 and 2020.

<b>Median Family Income Change</b>			
<b>Area</b>	<b>2015 MFI</b>	<b>2020 MFI</b>	<b>Percent %</b>
Assessment Area	\$108,937	\$117,532	7.9
Middlesex County, NJ	\$102,484	\$109,871	7.2
Monmouth County, NJ	\$116,824	\$130,727	11.9
MD 35154 (New Brunswick-Lakewood, NJ)	\$104,411	\$113,495	8.7
State of NJ	\$96,513	\$104,804	8.6

*Source: 2015 ACS; 2020 U.S. Census; MFIs have been inflation-adjusted and are expressed in 2020 dollars.*

**Housing Characteristics**

Based on the 2020 U.S. Census data, the assessment area had 564,738 housing units, of which 63.8% were owner-occupied, 29.3% were rental, and 6.8% were vacant. Of the total housing units, 6.3% were located in low-income census tracts, 16.3% in moderate-income census tracts, 43.1% in middle-income census tracts, 33.8% in upper-income census tracts, and 0.5% in unknown-income census tracts. In low-income census tracts, 20.8% of housing units were owner-occupied, 72.3% were rental units, and 6.9% were vacant. In moderate-income census tracts, 46.2% of housing units were owner-occupied, 45.7% were rental units, and 8.1% were vacant. This data suggested that there was a greater opportunity to rent than to own housing units in LMI geographies in this assessment area, which may have limited opportunities for lenders to originate home mortgage loans in these geographies.

The median age of housing stock in this assessment area was 54 years old, with 17.2% of the stock built before 1950. The median age of housing stock was 61 years in low-income tracts and 58 years in moderate-income tracts. The median housing value in this assessment area was \$383,451 with an affordability ratio of 25.1. The median gross rent in the assessment area was \$1,476 per month.

The table below depicts the housing characteristics in the assessment area.

<b>Housing Characteristics</b>			
<b>Area</b>	<b>2020 Median Housing Value</b>	<b>2020 Affordability Ratio</b>	<b>2020 Median Gross Rent</b>
Assessment Area	\$383,451	25.1	\$1,476
Middlesex County, NJ	\$351,400	26.1	\$1,495
Monmouth County, NJ	\$435,300	23.8	\$1,437
MD 35154 (New Brunswick-Lakewood, NJ)	\$361,873	25.4	\$1,489
State of NJ	\$343,500	24.8	\$1,368

*Source: HUD 2016-2020 Comprehensive Housing Affordability Strategy; 2020 U.S. Census*

**Housing Cost Burden**

Housing costs were relatively expensive in this assessment area, which indicated that affordable housing for LMI individuals and families continued to be a challenge. According to HUD, within this assessment area, 44.8% of all rental households, 79.6% of low-income rental households, and 45.8% of moderate-income rental households had rental costs that exceeded 30.0% of their income. Additionally, 28.2% of all homeowners,

81.3% of low-income homeowners, and 51.8% of moderate-income homeowners had housing costs that exceeded 30.0% of their income.

Additional housing cost data is provided in the following table.

<b>Housing Cost Burden</b>						
<b>Area</b>	<b>Cost Burden - Renters</b>			<b>Cost Burden - Owners</b>		
	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Renters</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Owners</b>
Assessment Area	79.6	45.8	44.8	81.3	51.8	28.2
Middlesex County, NJ	79.8	42.1	42.9	79.9	49.8	28.7
Monmouth County, NJ	79.1	51.4	48.0	83.2	53.8	27.6
MD 35154 (New Brunswick-Lakewood, NJ)	80.3	46.0	46.1	76.1	46.2	28.4
State of NJ	78.5	42.5	46.2	80.9	52.5	28.9
<i>Cost Burden is housing cost that equals 30% or more of household income</i>						
<i>Source: HUD, 2016-2020 Comprehensive Housing Affordability Strategy</i>						

**Labor, Employment, and Economic Characteristics**

According to D&B data, there were 77,145 businesses operating in this assessment area in 2023, of which 5.1% were located in low-income census tracts and 12.7% were located in moderate-income tracts. Of the total businesses operating in the assessment area, 90.4% were small businesses with a GAR of \$1.0 million or less, of which 5.2% were located in low-income census tracts and 12.7% were located in moderate-income census tracts.

Amboy operated in a competitive banking market with large national banks, local community and state-chartered banks, credit unions, mortgage companies, and non-bank financial institutions. According to the FDIC Deposit Market Share from June 30, 2023, Amboy faced strong competition in this assessment area. Competitors included PNC Bank, N.A. with a 22.7% of deposit market share and Bank of America, N.A. with a 12.9% of deposit market share. Out of the 44 institutions in this assessment area, Amboy ranked 8<sup>th</sup> with a 2.7% of deposit market share.

According to the BLS, unemployment in this assessment area was 8.5% in 2020, decreased to 5.9% in 2021, decreased to 3.3% in 2022, and increased to 3.8% in 2023. The state of NJ had an unemployment rate of 9.4% in 2020, decreased to 6.6% in 2021, decreased to 3.7% in 2022, and increased to 4.2% in 2023. The COVID-19 pandemic contributed to the high unemployment rates in 2020 and 2021, within the assessment area and in the state of NJ. Additional unemployment rates are provided in the subsequent table.

<b>Unemployment Rates</b>				
<b>Area</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Assessment Area	8.5	5.9	3.3	3.8
Middlesex County, NJ	8.5	6.0	3.3	3.9
Monmouth County, NJ	8.5	5.8	3.3	3.7
MD 35154 (New Brunswick-Lakewood, NJ)	8.5	5.9	3.4	3.8
State of NJ	9.4	6.6	3.7	4.2
<i>Source: BLS; Local Area Unemployment Statistics</i>				

Additional performance context data for this assessment area is provided in the following table.

<b>Assessment Area Demographics Table</b>								
<b>Income Categories</b>	<b>Tract Distribution</b>		<b>Families by Tract Income</b>		<b>Families &lt; Poverty Level as % of Families by Tract</b>		<b>Families by Family Income</b>	
	#	%	#	%	#	%	#	%
Low-income	25	7.2	21,055	5.7	5,630	26.7	75,468	20.3
Moderate-income	53	15.3	55,129	14.8	5,148	9.3	60,415	16.3
Middle-income	149	42.9	155,651	41.9	6,587	4.2	78,325	21.1
Upper-income	115	33.1	138,889	37.4	3,010	2.2	157,400	42.4
Unknown-income	5	1.4	884	0.2	0	0	0	0
<b>Total Assessment Area</b>	<b>347</b>	<b>100.0</b>	<b>371,608</b>	<b>100.0</b>	<b>20,375</b>	<b>5.5</b>	<b>371,608</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	35,763	7,429	2.1	20.8	25,863	72.3	2,471	6.9
Moderate-income	92,181	42,562	11.8	46.2	42,112	45.7	7,507	8.1
Middle-income	243,143	155,443	43.1	63.9	71,405	29.4	16,295	6.7
Upper-income	190,905	154,054	42.7	80.7	25,092	13.1	11,759	6.2
Unknown-income	2,746	1,007	0.3	36.7	1,239	45.1	500	18.2
<b>Total Assessment Area</b>	<b>564,738</b>	<b>360,495</b>	<b>100.0</b>	<b>63.8</b>	<b>165,711</b>	<b>29.3</b>	<b>38,532</b>	<b>6.8</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1.0 Million</b>		<b>Over \$1.0 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	
Low-income	3,961	5.1	3,657	5.2	282	4.2	22	3.2
Moderate-income	9,826	12.7	8,830	12.7	932	13.9	64	9.4
Middle-income	30,735	39.8	27,732	39.7	2,741	40.9	262	38.5
Upper-income	31,820	41.2	28,861	41.4	2,634	39.3	325	47.7
Unknown-income	803	1.0	689	1.0	106	1.6	8	1.2
<b>Total Assessment Area</b>	<b>77,145</b>	<b>100.0</b>	<b>69,769</b>	<b>100.0</b>	<b>6,695</b>	<b>100.0</b>	<b>681</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>90.4</b>		<b>8.7</b>		<b>0.9</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1.0 Million</b>		<b>Over \$1.0 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	
Low-income	11	2.6	11	2.6	0	0	0	0
Moderate-income	21	4.9	21	5.0	0	0	0	0
Middle-income	139	32.3	134	32.0	5	41.7	0	0
Upper-income	260	60.3	253	60.4	7	58.3	0	0
Unknown-income	0	0	0	0	0	0	0	0
<b>Total Assessment Area</b>	<b>431</b>	<b>100.0</b>	<b>419</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>0</b>	<b>0</b>
	<b>Percentage of Total Farms:</b>			<b>97.2</b>		<b>2.8</b>		<b>0</b>

Source: 2023 FFIEC Census Data; 2023 D&B

## **Community Contacts**

To understand community development and credit needs, recent community contact interviews were conducted with representatives within this assessment area. The contacts had expertise in their respective fields and were familiar with the economic, social, and demographic characteristics and community development opportunities in the assessment area. Information obtained from these interviews helped establish a context for the communities in which Amboy operated.

Examiners conducted community contact interviews with two community organizations that served this assessment area. One interview was conducted with a representative from a Community Development Financial Institution (CDFI) located in New Brunswick, NJ. The CDFI provided non-conforming loans to traditionally underserved communities and operated in 37 states including NJ. The representative noted that Low Income Housing Tax Credits had been helpful in providing tax incentives to construct or rehabilitate affordable rental housing for low-income families. However, the incentive was not sufficient to offset the rising prices of homes in the area. The contact stated the cost of housing was growing faster than incomes, resulting in more people being at risk of losing their homes.

A second interview was conducted with a representative from a nonprofit affordable housing developer that operated in Monmouth County. The developer managed hundreds of units and had a team of counselors that provided home counseling services, homeless prevention assistance, and home rehabilitation assistance for LMI individuals. The representative stated that they had noticed an increase in evictions since the pandemic and expected the trend to continue rising. According to the representative, the homeless population also increased as a result of increased rents. Additionally, transportation was a challenge because individuals were reliant on cars as a means of transportation and area did not have a reliable mass transit system. Finally, although there were jobs available in the area, employers did not offer wages that met the cost of living. The contact indicated that in order to afford a 2-bedroom rental, potential renters needed to earn approximately \$34 per hour, while the minimum wage for jobs in the area was only \$15 per hour.

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable housing represented the primary community development need in this assessment area, and affordable and flexible home mortgage products represented the primary credit need. Small business financing was also an acute credit need, especially during the pandemic.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

### **LENDING TEST**

Amboy's overall performance in the Lending Test is rated High Satisfactory.

#### **Lending Activity**

Lending levels reflected good responsiveness to the assessment area credit needs. This conclusion was based on the bank's volume of home mortgage and small business loans originated during the evaluation period.

As shown in the subsequent table, the bank made 1,027 home mortgage loans totaling nearly \$522.6 million and 1,502 small business loans totaling approximately \$157.3 million. This lending activity represented an overall annualized performance over 48 months of 256.8 home mortgage loans totaling \$130.6 million and 375.5 small business loans totaling \$39.3 million. Annualized performance increased 229.2% by number of home mortgage loans, and 326.7% of small business loans by number, when compared to the bank's previous

evaluation’s annualized performance of 78 home mortgage loans and 88 small business loans over 36 months. The increase in lending activity was attributed to an increase in refinancings because of low interest rates and the origination of PPP loans. The bank originated 1,343 PPP loans or 53.1% of total loan originations totaling \$154.1 million or 22.7% of total dollar volume.

Although the bank was a HMDA reporter only in 2023, aggregate lending data for 2023 was not available at the time of this evaluation. In 2022, Amboy ranked 50<sup>th</sup> out of 169 small business lending reporters with a market share of 0.1%. Most of the institutions that ranked higher than Amboy were significantly larger regional and national lenders including JPMorgan Chase, N.A., Bank of America, N.A., Capital One, N.A., and Citibank, N.A. These five institutions captured 68.0% of the total market share.

The bank’s lending activity is summarized in the table below.

<b>Summary of Institution Lending Activity</b>				
<b>January 1, 2020 to December 31, 2023</b>				
<b>Loan Type</b>	<b>#</b>	<b>%</b>	<b>\$ (000’s)</b>	<b>%</b>
Home Improvement	16	0.6	992	0.2
Home Purchase	16	0.6	4,769	0.7
Multifamily	58	2.3	393,592	57.9
Refinance	806	31.9	110,207	16.2
Other Purpose Closed-End	131	5.2	13,010	1.9
<b>Total Home Mortgage</b>	<b>1,027</b>	<b>40.6</b>	<b>522,570</b>	<b>76.9</b>
<b>Total Small Business</b>	<b>1,502</b>	<b>59.4</b>	<b>157,269</b>	<b>23.1</b>
<b>TOTAL LOANS</b>	<b>2,529</b>	<b>100.0</b>	<b>679,839</b>	<b>100.0</b>

*Source: Bank data, HMDA- and CRA-reported data*

**Assessment Area Concentration**

A high percentage of loans were made in the institution’s assessment area. Examiners placed increased weight to the number of loans, as this was a better indicator of individuals and businesses served. As shown in the subsequent table, 80.2% of the bank’s total loans by number and 44.2% by dollar volume were made in this assessment area. Of Amboy’s home mortgage-related loans, 74.5% by number and 33.7% by dollar volume were made in this assessment area. The lower dollar volume percentage was attributable to the bank having originated multifamily loans in higher dollar amounts outside of this assessment area compared to other types of home mortgage loans.

The bank displayed a stronger performance in small business lending with 84.1% by number and 79.0% by dollar volume of small business loans extended within this assessment area. This performance was due to the bank’s volume of PPP lending. PPP loans provided a direct benefit to small businesses adversely affected by the COVID-19 pandemic and were considered particularly responsive to the acute credit needs of small businesses.

The bank’s lending inside and outside this assessment area is summarized in the table below.

<b>Lending Inside and Outside the Assessment Area</b>								
<b>January 1, 2020 to December 31, 2023</b>								
	<b>Inside</b>				<b>Outside</b>			
<b>Loan Type</b>	<b>#</b>	<b>%</b>	<b>\$(000's)</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$(000's)</b>	<b>%</b>
Home Improvement	13	81.3	737	74.3	3	18.8	255	25.7
Home Purchase	9	56.3	2,329	48.8	7	43.8	2,440	51.2
Multifamily	10	17.2	77,995	19.8	48	82.8	315,597	80.2
Refinance	635	78.8	85,328	77.4	171	21.2	24,879	22.6
Other Purpose Closed-End	98	74.8	9,693	74.5	33	25.2	3,317	25.5
<b>Total Home Mortgage</b>	<b>765</b>	<b>74.5</b>	<b>176,082</b>	<b>33.7</b>	<b>262</b>	<b>25.5</b>	<b>346,488</b>	<b>66.3</b>
<b>Total Small Business</b>	<b>1,263</b>	<b>84.1</b>	<b>124,237</b>	<b>79.0</b>	<b>239</b>	<b>15.9</b>	<b>33,032</b>	<b>21.0</b>
<b>TOTAL LOANS</b>	<b>2,028</b>	<b>80.2</b>	<b>300,319</b>	<b>44.2</b>	<b>501</b>	<b>19.8</b>	<b>379,520</b>	<b>55.8</b>

*Source: Bank data, HMDA- and CRA-reported data*

### **Geographic Distribution of Loans**

The geographic distribution of loans reflected adequate penetration throughout this assessment area. Lending penetration in LMI tracts was adequate for home mortgage loans and adequate for small business loans.

### Gap Analysis

Amboy demonstrated an adequate level of dispersion in LMI census tracts in this assessment area. The bank's performance in low-income census tracts showed a decreasing trend. Performance in moderate-income census tracts also decreased from 2020 to 2021 but remained relatively similar in 2022 and 2023. The generally decreasing trend may be attributable to the high degree of competition for financial services and loans in this assessment area, as well as the high cost of housing.

The bank's lending gap analysis in this assessment area is summarized in the table below.

<b>Lending Gap Analysis</b>			
<b>January 1, 2020 to December 31, 2023</b>			
<b>Tract Income Levels</b>	<b>Number of Tracts</b>	<b>Tracts with no Loans</b>	<b>Penetration (%)</b>
<b>2020</b>			
Low	24	10	58.3
Moderate	43	20	53.5
Middle	155	60	61.3
Upper	95	26	72.6
Income Unknown	2	2	0
<b>2021</b>			
Low	24	12	50.0
Moderate	43	27	37.2
Middle	155	68	56.1
Upper	95	34	64.2
Income Unknown	2	1	50.0
<b>2022</b>			
Low	25	20	20.0
Moderate	53	35	34.0
Middle	149	82	45.0
Upper	115	61	47.0
Income Unknown	5	4	20.0
<b>2023</b>			
Low	25	22	12.0
Moderate	53	36	32.1
Middle	149	88	40.9
Upper	115	71	38.3
Income Unknown	5	5	0

Source: Bank data

### Home Mortgage Loans

The geographic distribution of home mortgage loans reflected adequate penetration throughout this assessment area.

In 2023, the bank did not make any loans in low-income census tracts. Aggregate loan data was not yet available for 2023. In 2022, the bank made 0.4% by number and 0.1% by dollar of home mortgage loans in low-income census tracts. This lending performance was significantly below the 2.1% of owner-occupied housing units located in low-income census tracts. In 2021, the bank made 2.9% by number and 68.3% by dollar of home mortgage loans in low-income census tracts. The lending performance by number was slightly above the 2.0% of owner-occupied housing units located in low-income census tracts. As a result, performance within low-income census tracts was poor.

In 2023, the bank made 11.8% by number and 22.3% by dollar of home mortgage loans in moderate-income census tracts. This lending performance was similar to the 11.8% of owner-occupied housing units located in moderate-income census tracts; aggregate data was not yet available for 2023. In 2022, the bank made 10.2% by number and 4.7% by dollar of home mortgage loans in moderate-income census tracts. This lending

performance was slightly below the 11.8% of owner-occupied housing units located in moderate-income census tracts. In 2021, the bank made 5.8% by number and 1.5% by dollar of home mortgage loans in moderate-income census tracts. The lending performance was significantly below the 10.6% of owner-occupied housing units located in moderate-income census tracts. In 2020, the bank made 11.2% by number and 5.8% by dollar of home mortgage loans in moderate-income census tracts. The lending performance was slightly above the 10.6% of owner-occupied housing units located in moderate-income census tracts. As a result, performance within moderate-income census tracts was good.

### Small Business Loans

The geographic distribution of small business loans reflected adequate penetration throughout this assessment area.

In 2023, the bank made 12.1% by number and 15.8% by dollar of small business loans in low-income census tracts. This lending performance was significantly above the 5.1% of businesses located in low-income census tracts and aggregate data was not yet available for 2023. In 2022, the bank made 9.1% by number and 9.9% by dollar of small business loans in low-income census tracts. This lending performance was significantly above the 5.1% of businesses located in low-income census tracts and significantly above the aggregate, which made 4.3% by number and 3.7% by dollar of small business loans in low-income census tracts. In 2021, the bank made 4.8% by number and 5.4% by dollar of small business loans in low-income census tracts. This lending performance was slightly below to the 5.8% of businesses located in low-income census tracts and similar to the aggregate, which made 5.0% by number and 5.3% by dollar of small business loans in low-income census tracts. The bank's performance in 2020 was comparable to performance in 2021. As a result, performance within low-income census tracts was good.

In 2023, the bank made 9.1% by number and 2.6% by dollar of small business loans in moderate-income census tracts. This lending performance was slightly below the 12.7% of businesses located in moderate-income census tracts and aggregate data was not yet available for 2023. In 2022, the bank made 11.4% by number and 5.2% by dollar of small business loans in moderate-income census tracts. This lending performance was slightly below the 12.7% of businesses located in moderate-income census tracts and slightly below the aggregate, which made 13.3% by number and 12.9% by dollar of small business loans in moderate-income census tracts. In 2021, the bank made 5.7% by number and 7.1% by dollar of small business loans in moderate-income census tracts. This lending performance was significantly below the 10.2% of businesses located in moderate-income census tracts and significantly below the aggregate, which made 10.5% by number and 8.6% by dollar of small business loans in moderate-income census tracts. The bank's performance in 2020 was comparable to performance in 2021. As a result, performance within moderate-income census tracts was adequate.

### **Borrower Profile**

The borrower distribution of loans reflected excellent penetration among customers of different income levels and businesses of different sizes. Overall, home mortgage lending to LMI borrowers was excellent and lending to businesses with GAR of \$1.0 million or less was excellent.

### Home Mortgage Loans

The borrower distribution of home purchase loans reflected excellent penetration throughout this assessment area.



In 2023, the bank made 23.4% by number and 19.8% by dollar of home mortgage loans to low-income borrowers and was slightly above the 20.3% of low-income families in this assessment area; aggregate lending data was not yet available for 2023. In 2022, the bank made 24.5% by number and 16.7% by dollar to low-income borrowers and was above the 20.3% of low-income families in this assessment area. In 2021, the bank made 17.8% by number and 11.8% by dollar to low-income borrowers and was slightly below the 20.5% of low-income families in this assessment area. In 2020, the bank made 24.9% by number and 15.3% by dollar to low-income borrowers and was slightly above the 20.5% of low-income families in this assessment area. As a result, performance to low-income borrowers was excellent.

In 2023, the bank made 23.4% by number and 19.5% by dollar of home mortgage loans to moderate-income borrowers and was significantly above the 16.3% of moderate-income families in this assessment area; aggregate lending data was not yet available for 2023. In 2022, the bank made 26.6% by number and 20.3% by dollar to moderate-income borrowers and was significantly above the 16.3% of moderate-income families in this assessment area. In 2021, the bank made 19.3% by number and 14.2% by dollar to moderate-income borrowers and was slightly above the 16.4% of moderate-income families in this assessment area. In 2020, the bank made 17.2% by number and 10.2% by dollar to low-income borrowers and was slightly above the 16.4% of moderate-income families in this assessment area. As a result, performance to moderate-income borrowers was excellent.

#### Small Business Loans

The borrower distribution of small business loans reflected excellent penetration throughout this assessment area. Although a comparison to demographics was made, examiners placed greater weight on the aggregate performance, since aggregate was a better indicator of demand. Additionally, the small business performance was significantly impacted by the PPP lending, which met both a significant credit need, as well as reflected loans provided to the smallest of small businesses. This is further described below.

In 2023, the bank originated 57.6% of loans by number and 35.5% by dollar to businesses with GAR of \$1.0 million or less; aggregate data was not yet available for 2023. This lending level was significantly below the 90.4% of businesses in this assessment area with GAR of \$1.0 million or less. In 2022, the bank originated 54.5% of loans by number and 52.4% by dollar to businesses with GAR of \$1.0 million or less. This lending level was slightly above the aggregate lending data, at 49.7% by number and 30.5% by dollar, and was significantly below the 90.4% of businesses in this assessment area with GAR of \$1.0 million or less.

In 2021, the bank originated 5.2% of loans by number and 13.4% by dollar to businesses with GAR of \$1.0 million or less. This lending level was significantly below the aggregate lending data, at 42.5% by number and 22.1% by dollar, in addition to being significantly below the 90.3% of businesses in this assessment area with GAR of \$1.0 million or less. In 2020, the bank originated 3.4% of loans by number and 7.2% by dollar to businesses with GAR of \$1.0 million or less. This lending level was significantly below the aggregate lending data, at 36.9% by number and 22.8% by dollar, in addition to being significantly below the 90.3% of businesses in this assessment area with GAR of \$1.0 million or less. However, performance for 2021 and 2020 was a result of the COVID-19 pandemic, where the primary need for businesses was immediate financing, resulting in the PPP loan program. Notably, lenders were not required to collect business revenue information for PPP loans. Therefore, a large majority of the bank's small business loans did not include revenue information, which limited the ability to assess the borrower distribution of small business loans in 2020 and 2021 and also diluted the data overall. Despite the bank being below peer and demographic data for small business lending, the volume of PPP lending helped to meet an acute credit need enhanced the bank's performance. Thus, when excluding the loans from the "Revenue Unknown" category, the bank's performance was excellent. The following supports the bank's performance.

- 2021: 23 out of 40 loans or 57.5% were made to businesses with GAR of \$1.0 million or less, which was significantly above the aggregate at 42.5%
- 2020: 25 out of 37 loans or 67.6%, to businesses with GAR of \$1.0 million or less, which was significantly above the aggregate at 36.9%

### **Responsiveness to Credit Needs of Highly Economically Disadvantaged Geographies and to Low-Income Persons and Small Businesses**

The bank exhibited a good record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices. The bank's loan products, such as the Helping Hand and Homebuyer Dream, helped support LMI borrower needs within this assessment area. The bank also responded quickly to the needs small businesses faced during the COVID-19 pandemic, as it implemented origination processes to respond quickly to the significant small business need for capital to sustain operations and pay employees.

### **Community Development Lending Activities**

Amboy made a relatively high level of community development loans. Community development lending totaled 29 loans for \$242.9 million. This was comprised of 11 loans for \$79.0 million within this assessment area and 18 loans for \$163.9 million that benefited the BSRA. Since the bank met the needs of its assessment area, loans that benefited the BSRA also qualified for community development credit. This lending level represented an annualized performance over 36 months of \$81.0 million. Compared to the previous evaluation, when the bank had an annualized performance of \$50.7 million, this represented an increase by dollar volume of 59.8%. However, the increase can be attributed to the large amount of community development loans originated in the BSRA, which accounted for 67.5% of the total dollar volume of community development loans. Additionally, when compared to the last evaluation, the annualized number of community development loans decreased by 61.5% from 25.2 loans to 9.7 loans.

Examiners also considered Amboy's annualized community development loans to deposits and to average assets and compared performance to four other peer banks. When including the BSRA, Amboy's performance was above peers, ranking first. However, as mentioned previously, the bank's dollar volume performance was attributed to the large dollar amount of community development loans in the BSRA. When removing the BSRA, Amboy's rank decreased to second.

The table below illustrates the bank's community development loan activity by year and purpose, which included a focus on affordable housing. Amboy's community development lending met a primary credit need in its assessment area and of the broader BSRA.

<b>Community Development Lending</b>										
<b>January 1, 2021 to December 31, 2023</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000's)</b>	<b>#</b>	<b>\$(000's)</b>	<b>#</b>	<b>\$(000's)</b>	<b>#</b>	<b>\$(000's)</b>	<b>#</b>	<b>\$(000's)</b>
2021	2	11,988	0	0	0	0	1	16,310	<b>3</b>	<b>28,298</b>
2022	2	10,107	0	0	0	0	1	22,500	<b>3</b>	<b>32,607</b>
2023	3	6,094	0	0	0	0	2	12,040	<b>5</b>	<b>18,134</b>
BSRA	10	29,448	0	0	0	0	8	134,405	<b>18</b>	<b>163,853</b>
<b>Total</b>	<b>17</b>	<b>57,637</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>185,255</b>	<b>29</b>	<b>242,892</b>

*Source: Bank data*

Below are examples of the bank’s community development loans that benefited this assessment area:

- In 2021, the bank made a \$6.5 million loan to a for-profit organization to refinance a multifamily building. All tenants in this building were qualified under the NJ Section 8 Housing Choice Voucher Program. With this loan, the bank supported affordable housing.
- In 2022, the bank made a loan totaling \$22.5 million to a developer for the construction of mixed-use commercial buildings within the Fort Monmouth Reuse and Redevelopment Plan. The goal of this plan was to help create employment and promote business opportunities for the benefit of the municipality. With this loan, the bank helped to promote the revitalization of the area.

**Innovative and/or Flexible Lending Practices**

Amboy used innovative and/or flexible lending practices in order to serve assessment area credit needs. Below are examples of responsive products available by the bank targeted to specific community needs in the bank’s assessment area.

- **PPP Loans:** This loan program provided a direct incentive for small businesses adversely affected by the COVID-19 pandemic to keep their workers on their payroll. The SBA has forgiven these loans if the business met all employee retention criteria and used the funds for eligible expenses. The bank originated a total of 1,343 PPP loans between 2020 and 2021.
- **Helping Hand:** The bank offered this loan program to borrowers purchasing or refinancing a residence whose income was at or below 80.0% of the HUD median area income. This program has a \$100 application fee, and the bank absorbs the private mortgage insurance payments for a limited time, based on the amount of the down payment. However, the bank did not originate any loans under this program.
- **Family Helping Hand:** In 2023, the bank introduced a modified version of its former Helping Hand program. This program is designed to allow family members to help with a portion of the down payment, which is considered as collateral. The bank holds that portion of the down payment in escrow, whereby the family member earns interest until the loan reaches an 80% loan-to-value. However, the bank did not originate any loans under this program.
- **Homebuyer Dream:** This is a federally regulated set aside program offered through the Federal Home Loan Bank of New York’s Affordable Housing Program. This grant program provides down payment or closing cost assistance to income-eligible first-time homebuyers in an amount up to \$20,000.

However, the bank did not originate any loans under this program.

**INVESTMENT TEST**

Amboy’s overall performance under the Investment Test was rated Low Satisfactory.

**Investment and Grant Activity**

Amboy had an adequate level of qualified community development investment and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank reported 185 qualified investments and grants totaling \$14.6 million, including 5 new investments totaling \$3.4 million, 12 prior period investments with a current balance of \$10.5 million, and 168 grants totaling \$599,000. This represented an annualized performance over 36 months of \$4.9 million. Compared to the previous evaluation, when the bank had an annualized performance of \$4.2 million, performance by dollar volume increased by 16.7%. Although there was a slight increase in performance, it was primarily driven by the large number (70.6%) and dollar (75.4%) volume of prior period investments. Examiners also considered Amboy’s annualized qualified investments and grants to deposits and average assets, and compared performance to four peer banks. Amboy’s performance ranked consistently in the middle of the peers, with performance rank dropping when considering new investments only.

The table below illustrates the bank’s community development investment and grant activity by year and purpose.

<b>Qualified Investments and Grants January 1, 2021 to December 31, 2023</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000’s)</b>	<b>#</b>	<b>\$(000’s)</b>	<b>#</b>	<b>\$(000’s)</b>	<b>#</b>	<b>\$(000’s)</b>	<b>#</b>	<b>\$(000’s)</b>
Prior Period	5	1,593	3	1,750	1	100	3	7,090	12	10,533
2021	0	0	2	555	0	0	0	0	2	555
2022	0	0	1	157	0	0	1	2,000	2	2,157
2023	0	0	1	718	0	0	0	0	1	718
<b>Total Investments</b>	<b>5</b>	<b>1,593</b>	<b>7</b>	<b>3,180</b>	<b>1</b>	<b>100</b>	<b>4</b>	<b>9,090</b>	<b>17</b>	<b>13,963</b>
<b>Total Grants</b>	<b>8</b>	<b>20</b>	<b>147</b>	<b>547</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>32</b>	<b>168</b>	<b>599</b>
<b>Grand Total</b>	<b>13</b>	<b>1,613</b>	<b>154</b>	<b>3,727</b>	<b>1</b>	<b>100</b>	<b>17</b>	<b>9,122</b>	<b>185</b>	<b>14,562</b>

*Source: Bank data*

The following are examples of qualified investments that benefited this assessment area:

- In 2021, Amboy renewed a \$500,000 investment in a CDFI that served this assessment area. CDFIs have community development as their primary mission and aim to support and create economic growth in LMI areas.
- In 2022, the bank issued a \$2.0 million bond to the city of New Brunswick. This bond provided funding for the Cultural Center Parking Deck Project, which was a part of a bigger redevelopment project spanning multiple LMI areas within the city. This redevelopment initiative aimed to revitalize and stabilize these areas by helping to bring jobs to these areas.

**Responsiveness to Credit and Community Development Needs**

Amboy exhibited adequate responsiveness to credit and community economic development needs. The bank’s qualified investments included multiple investment projects and dollars that promoted community services, revitalization and stabilization, as well as affordable housing efforts, which demonstrated responsiveness needs within this assessment area.

**Community Development Initiatives**

Amboy rarely used innovative and/or complex investments to support community development initiatives. New investments consisted of bonds and funds held in Interest on Lawyers’ Trust Accounts. Prior period investments also included mortgage-backed securities, which were not considered particularly innovative or complex.

**SERVICE TEST**

Amboy’s overall performance under the Service Test was rated High Satisfactory.

**Retail Services**

**Accessibility of Delivery Systems**

Delivery systems were reasonably accessible to essentially all portions of the bank’s assessment area. Amboy operated 22 full-service branches in its assessment area, of which 3 branch offices (13.6%) were in LMI census tracts. The bank maintained a total of 26 ATMs, 2 full-service ATMs at the Browntown branch, 1 full-service ATM at every other branch, a stand-alone ATM in Laurence Harbor, 1 cash-only ATM at the administrative office, and 1 full-service ATM in the operations center. Of the total ATMs, 3 (11.5%) were located in LMI census tracts. Although the bank’s percentage of branches and ATMs in LMI census tracts was below the percentage of LMI census tracts in this assessment area (22.5%) and the percentage of the population residing in LMI census tracts (20.5%), 9 of the bank’s branches were adjacent to LMI census tracts, which improved accessibility.

In addition to the physical access to branches and ATMs, the bank offered other alternative delivery systems in its assessment area that improved accessibility for its products and services for all geographies, including LMI areas. These delivery systems included online banking, mobile banking, and telephone banking.

<b>Branch and ATM Distribution by Tract Income Level</b>								
<b>December 31, 2023</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Families</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	25	7.2	21,055	5.7	1	4.5	1	3.8
Moderate	53	15.3	55,129	14.8	2	9.1	2	7.7
Middle	149	42.9	155,651	41.9	10	45.5	14	53.8
Upper	115	33.1	138,889	37.4	8	36.4	8	30.8
Unknown	5	1.4	884	0.2	1	4.5	1	3.8
<b>Total</b>	<b>347</b>	<b>100.0</b>	<b>371,608</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>

*Source: 2020 U.S. Census Data; Bank data*

### **Changes in Branch Locations**

To the extent changes were made, the bank's opening and closing of branches did not adversely affect the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. Although the bank closed one branch, it was located in an upper-income census tract. The bank did not open any new branches but did acquire an operations center, which was located within a middle-income census tract. There were no branch relocations.

### **Reasonableness of Business Hours and Services**

Services, including business hours, did not vary in a way that inconvenienced portions of the assessment area, particularly LMI geographies and/or LMI individuals. The bank's loan and deposit products were the same throughout its assessment area. Of the bank's total branches:

- All branches, except the Red Bank Branch, which is in an unknown census tract, offered extended hours on Thursday and all branches offered extended hours on Friday.
- 15 (68.2%) branches, including 2 (66.7%) of the branches in LMI census tracts, offered Saturday hours; and
- 19 (86.4%) branches, including 2 (66.7%) branches in LMI census tracts, offered drive-thru hours.

Additionally, in response to COVID-19, the bank implemented practices that helped lower costs for consumers, including:

- **Loan Forbearances:** Loan payments could be paused on home mortgage and commercial loans. Forbearances provided a deferment of principal or principal and interest. All initial forbearances were approved with no hardship application for consumers for a three-month deferment. Commercial forbearances were approved in three-to-six-month increments.
- **Fee Waivers:** Waived fees and permanently removed the minimum check amount fee for home equity lines of credit.

### **Community Development Services**

Amboy provided a relatively high level of community development services. The bank provided 231 services, primarily addressing community service needs. This represented an annualized performance over 36 months of 77 community development services. Despite challenges imposed by the COVID-19 pandemic, this represented an increase compared to the previous evaluation's annualized performance of 38.5 community development services. The bank logged 279 community development service hours.

The below table illustrates the bank's community development services by year and purpose.

<b>Community Development Services</b>					
<b>January 1, 2021 to December 31, 2023</b>					
<b>Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	#	#	#	#	#
2021	4	50	0	12	<b>66</b>
2022	4	64	0	12	<b>80</b>
2023	4	69	0	12	<b>85</b>
<b>Total</b>	<b>12</b>	<b>183</b>	<b>0</b>	<b>36</b>	<b>231</b>

*Source: Bank data*

Below are examples of the bank’s community development services within this assessment area.

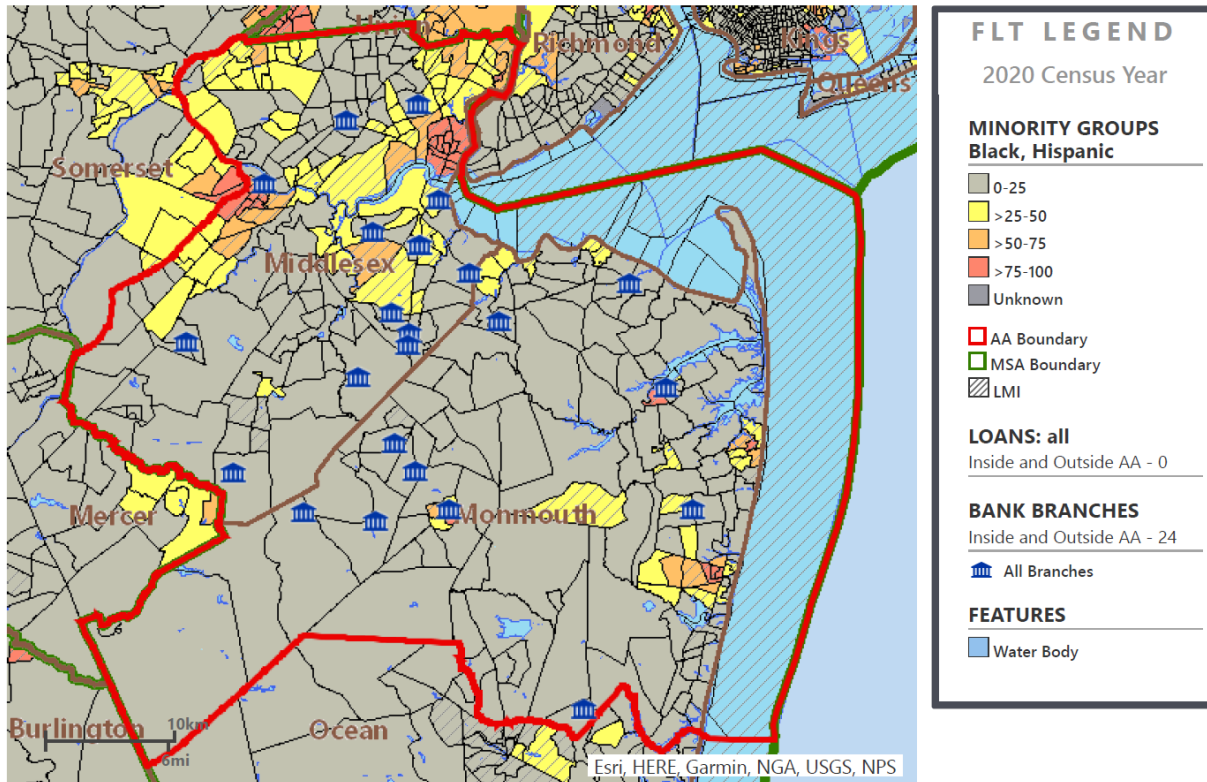
- From 2021 to 2023, the bank President served on the board of an organization dedicated to providing various services to disadvantaged youth. The organization provided financial literacy, work-readiness, youth development, and emergency services to LMI populations within this assessment area.
- From 2020 to 2023, a bank manager served on the board of a nonprofit organization that promoted affordable housing services within this assessment area. The organization provided home lending education, financially literacy services, and home counseling services to LMI individuals.

#### **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank was in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet the community credit needs of its assessment area were identified.

APPENDIX A – ASSESSMENT AREA MAP

MD 35154 (NEW BRUNSWICK-LAKEWOOD, NJ)





APPENDIX B – LOAN DISTRIBUTION REPORTS

GEOGRAPHIC DISTRIBUTION

Home Mortgage Lending

Geographic Income Level	2022						2023*				Owner Occupied Units %
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	\$(000's)	\$%	\$%	#	#%	\$(000's)	\$%	
Low	1	0.4	3.0	50	0.1	3.4	0	0	0	0	2.1
Moderate	24	10.2	12.4	2,986	4.7	12.3	26	11.8	6,758	22.3	11.8
Middle	119	50.6	42.5	20,530	32.3	37.7	124	56.1	14,214	46.9	43.1
Upper	91	38.7	41.9	39,902	62.9	46.4	71	32.1	9,325	30.8	42.7
Unknown	0	0	0.2	0	0	0.3	0	0	0	0	0.3
Tract-Unk	0	0	0	0	0	0	0	0	0	0	
<b>Total</b>	235	100.0	100.0	63,468	100.0	100.0	221	100.0	30,297	100.0	100.0

Source: 2023 FFIEC Census Data, 2020 U.S. Census  
Note: Percentages may not total 100.0% due to rounding. \*Aggregate data is not currently available.

Geographic Income Level	2020						2021						Owner Occupied Units %
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000's)	\$%	\$%	#	#%	#%	\$(000's)	\$%	\$%	
Low	0	0	2.1	0	0	2.2	4	2.9	2.8	39,072	68.3	3.3	2.0
Moderate	19	11.2	8.5	1,447	5.8	7.2	8	5.8	9.5	850	1.5	7.4	10.6
Middle	94	55.3	44.9	13,769	54.8	39.7	77	55.4	46.3	9,031	15.8	40.5	47.6
Upper	57	33.5	44.4	9,904	39.4	50.8	50	36.0	41.4	8,244	14.4	48.8	39.8
Unknown	0	0	0.1	0	0	0.1	0	0	0	0	0	0	0
Tract-Unk	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total</b>	170	100.0	100.0	25,119	100.0	100.0	139	100.0	100.0	57,197	100.0	100.0	100.0

Source: 2021 FFIEC Census Data; 2015 ACS  
Note: Percentages may not total 100.0% due to rounding.

**Small Business Lending**

Geographic Income Level	2022						2023*				Total Businesses %
	Bank		Agg	Bank		Agg	Bank				
	#	%	%	\$(000's)	%	%	#	%	\$(000's)	%	
Low	4	9.1	4.3	983	9.9	3.7	4	12.1	1,336	15.8	5.1
Moderate	5	11.4	13.3	516	5.2	12.9	3	9.1	216	2.6	12.7
Middle	26	59.1	40.2	5,791	58.3	40.5	14	42.4	2,312	27.4	39.8
Upper	7	15.9	41.1	1,400	14.1	41.3	12	36.4	4,586	54.3	41.2
Unknown	2	4.5	0.8	1,251	12.6	1.4	0	0	0	0	1.0
Tract-Unk	0	0	0.3	0	0	0.2	0	0	0	0	0
<b>Total</b>	44	100.0	100.0	9,941	100.0	100.0	33	100.0	8,450	100.0	100.0

Source: 2023 FFIEC Census Data; 2023 D&B; 2020 U.S. Census

Note: Percentages may not total 100.0% due to rounding. \*Aggregate data is not currently available.

Geographic Income Level	Bank And Aggregate Loans By Year											Total Businesses %	
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank			Agg
#	%	%	\$(000's)	%	%	#	%	%	\$(000's)	%	%		
Low	42	5.6	4.8	3,504	5.3	4.8	21	4.8	5.0	2,129	5.4	5.3	5.8
Moderate	56	7.5	9.7	6,885	10.4	9.0	25	5.7	10.5	2,832	7.1	8.6	10.2
Middle	373	50.1	46.4	34,571	52.2	49.7	222	50.3	45.7	21,644	54.6	48.6	46.7
Upper	274	36.8	38.7	21,241	32.1	36.1	171	38.8	38.4	12,598	31.8	37.3	37.4
Unknown	0	0	0	0	0	0.1	2	0.5	0	442	1.1	0	0
Tract-Unk	0	0	0.4	0	0	0.4	0	0	0.4	0	0	0.1	
<b>Total</b>	745	100.0	100.0	66,201	100.0	100.0	441	100.0	100.0	39,645	100.0	100.0	100.0

Source: 2021 FFIEC Census Data; 2021 D&B; 2015 ACS

Note: Percentages may not total 100.0% due to rounding.

**BORROWER PROFILE**

**Home Mortgage Lending**

Borrower Income Level	2022						2023*				Families by Family Income %
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	\$(000's)	\$%	\$%	#	#%	\$(000's)	\$%	
<b>Low</b>	57	24.5	6.5	5,341	16.7	3.3	51	23.4	4,644	19.8	20.3
<b>Moderate</b>	62	26.6	19.2	6,485	20.3	14.0	51	23.4	4,573	19.5	16.3
<b>Middle</b>	53	22.7	23.5	7,310	22.9	20.5	54	24.8	5,522	23.5	21.1
<b>Upper</b>	58	24.9	37.3	12,437	38.9	47.8	52	23.9	7,798	33.2	42.4
<b>Unknown</b>	3	1.3	13.5	396	1.2	14.4	10	4.6	950	4.0	0
<b>Total</b>	233	100.0	100.0	31,968	100.0	100.0	218	100.0	23,487	100.0	100.0

Source: 2023 FFIEC Census Data; 2020 U.S. Census  
 Note: Percentages may not total 100.0% due to rounding. \*Aggregate data is not currently available.  
 Multifamily loans are not included in the borrower distribution analysis.

Borrower Income Level	2020						2021						Families by Family Income %
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000's)	\$%	\$%	#	#%	#%	\$(000's)	\$%	\$%	
<b>Low</b>	42	24.9	4.0	3,757	15.3	2.0	24	17.8	4.5	2,146	11.8	2.4	20.5
<b>Moderate</b>	29	17.2	14.8	2,501	10.2	10.8	26	19.3	16.9	2,578	14.2	12.3	16.4
<b>Middle</b>	37	21.9	23.0	6,199	25.3	20.5	30	22.2	23.6	4,816	26.6	20.9	20.6
<b>Upper</b>	59	34.9	41.2	11,680	47.7	50.0	55	40.7	40.0	8,585	47.4	49.1	42.5
<b>Unknown</b>	2	1.2	17.0	370	1.5	16.7	0	0	15.0	0	0	15.3	0
<b>Total</b>	169	100.0	100.0	24,507	100.0	100.0	135	100.0	100.0	18,125	100.0	100.0	100.0

Source: 2021 FFIEC Census Data; 2015 ACS  
 Note: Percentages may not total 100.0% due to rounding.  
 Multifamily loans are not included in the borrower distribution analysis.

**Small Business Lending**

	2022						2023*				Total Businesses %
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	\$(000's)	\$%	\$%	#	#%	\$(000's)	\$%	
<b>By Revenue</b>											
<b>\$1.0 Million or Less</b>	24	54.5	49.7	5,211	52.4	30.5	19	57.6	2,999	35.5	90.4
<b>Over \$1.0 Million</b>	17	38.6		4,505	45.3		13	39.4	5,016	59.4	8.7
<b>Revenue Unknown</b>	3	6.8		225	2.3		1	3.0	435	5.1	0.9
<b>Total</b>	44	100.0		9,941	100.0		33	100.0	8,450	100.0	100.0
<b>By Loan Size</b>											
<b>\$100,000 or Less</b>	21	47.7	94.7	1,529	15.4	43.8	15	45.5	941	11.1	
<b>\$100,001 - \$250,000</b>	14	31.8	3.0	2,627	26.4	16.3	7	21.2	1,155	13.7	
<b>\$250,001 - \$1.0 Million</b>	9	20.5	2.2	5,785	58.2	39.9	11	33.3	6,354	75.2	
<b>Total</b>	44	100.0	100.0	9,941	100.0	100.0	33	100.0	8,450	100.0	
<b>By Loan Size and Revenues \$1.0 Million or Less</b>											
<b>\$100,000 or Less</b>	10	41.7		650	12.5		10	52.6	566	18.9	
<b>\$100,001 - \$250,000</b>	10	41.7		1,827	35.1		5	26.3	770	25.7	
<b>\$250,001 - \$1.0 Million</b>	4	16.7		2,734	52.5		4	21.1	1,663	55.5	
<b>Total</b>	24	100.0		5,211	100.0		19	100.0	2,999	100.0	
<i>Source: 2023 FFIEC Census Data; 2023 D&amp;B; 2020 U.S. Census</i> <i>Note: Percentages may not total 100.0% due to rounding. *Aggregate data is not currently available.</i>											

	2020						2021						Total Businesses %
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000's)	%	%	#	%	%	\$(000's)	%	%	
<b>By Revenue</b>													
<b>\$1.0 Million or Less</b>	25	3.4	36.9	4,786	7.2	22.8	23	5.2	42.5	5,321	13.4	22.1	90.3
<b>Over \$1.0 Million</b>	12	1.6		2,515	3.8		17	3.9		5,222	13.2		8.8
<b>Revenue Unknown</b>	708	95.0		58,900	89.0		401	90.9		29,102	73.4		0.9
<b>Total</b>	745	100.0		66,201	100.0		441	100.0		39,645	100.0		100.0
<b>By Loan Size</b>													
<b>\$100,000 or Less</b>	589	79.1	87.7	18,996	28.7	33.0	343	77.8	91.9	12,076	30.5	37.3	
<b>\$100,001 - \$250,000</b>	95	12.8	7.1	15,630	23.6	20.1	62	14.1	4.7	10,535	26.6	18.8	
<b>\$250,001 - \$1.0 Million</b>	61	8.2	5.2	31,575	47.7	46.9	36	8.2	3.4	17,034	43.0	43.9	
<b>Total</b>	745	100.0	100.0	66,201	100.0	100.0	441	100.0	100.0	39,645	100.0	100.0	
<b>By Loan Size and Revenues \$1.0 Million or Less</b>													
<b>\$100,000 or Less</b>	12	48.0		699	14.6		12	52.2		804	15.1		
<b>\$100,001 - \$250,000</b>	9	36.0		1,832	38.3		5	21.7		1,045	19.6		
<b>\$250,001 - \$1.0 Million</b>	4	16.0		2,255	47.1		6	26.1		3,472	65.3		
<b>Total</b>	25	100.0		4,786	100.0		23	100.0		5,321	100.0		
<i>Source: 2021 FFIEC Census Data; 2021 D&amp;B; 2015 ACS</i> <i>Note: Percentages may not total 100.0% due to rounding.</i>													

## **APPENDIX C – GLOSSARY**

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Census tract:** A small subdivision 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. Census tracts 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.

**Community development:** All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs (13 CFR 121.301) or have GAR of \$1.0 million or less; or activities that revitalize or stabilize LMI geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- or moderate-income individuals.

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**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).

**Full scope review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and

total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100.0% tabulations, the count of households always equals the count of occupied housing units.

**Limited scope review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-income:** Individual income that is less than 50.0% of the area median income, or a median family income that is less than 50.0%, in the case of a geography.

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

**Middle-income:** Individual income that is at least 80.0% and less than 120.0% of the area median income, or a median family income that is at least 80.0% and less than 120.0%, in the case of a geography.

**Moderate-income:** Individual income that is at least 50.0% and less than 80.0% of the area median income, or a median family income that is at least 50.0% and less than 80.0%, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA evaluation. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Small loan(s) to business(es):** A loan included in 'loans to small businesses' as defined in the Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1.0 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small loan(s) to farm(s):** A loan included in 'loans to small farms' as defined in the instructions for the Call Report. These loans have original amounts of \$500,000.00 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-income:** Individual income that is more than 120.0% of the area median income, or a median family income that is more than 120.0%, in the case of a geography.